

## Fourteenth meeting of the Technology Executive Committee

United Nations Campus (AHH building), Bonn, Germany  
28–31 March 2017

### Background note

## Possible follow-up activities on climate technology financing

### I. Mandate

1. In the TEC's 2016-2018 rolling workplan, the TEC noted that it would consider follow-up activities on climate technology financing following the outcomes of COP 22 (November 2016) on linkages between the Technology Mechanism (TM) and the Financial Mechanism (FM). The TEC requested its task force on climate technology financing to identify follow-up activities on climate technology financing for consideration by the TEC.

### II. Scope of the note

2. This note contains possible follow-up activities on climate technology financing, as proposed by the task force on climate technology financing. The task force worked intersessionally in 2017 to prepare this input for TEC 14.

### III. Expected action by the Technology Executive Committee

3. The TEC will be invited to consider and agree on possible follow-up activities on climate technology financing.

### IV. Background

4. Over the past three years, as part of its work on climate technology financing, the TEC has undertaken a series of activities in the following areas (see annex for more details):

- (a) Preparing recommendations on linkages between the TM and the FM;
- (b) Preparing policy messages on climate technology financing;
- (c) Providing inputs to the Standing Committee on Finance (SCF) for draft guidance to the operating entities of the FM;
- (d) Evaluating the Poznan strategic programme on technology transfer;
- (e) Providing inputs into the workshops on long-term finance.

5. As part of its recommendations on linkages between the TM and the FM, the TEC acknowledged the need to achieve coherence and maintain interactions with other relevant institutional arrangements under and outside of the Convention. In doing so, the TEC identified possible areas of collaboration between the TEC, GCF, GEF and SCF based upon their respective work plans (see Table 1). In addition, the TEC also provided recommendations on how these linkages could be established.<sup>1</sup>

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<sup>1</sup> FCCC/CP/2014/6.



**Table 1:** Areas for collaboration between the TEC, GCF, GEF and the SCF.

Entity	Areas for collaboration
GCF	The TEC highlights the need to establish linkages with the Board of the GCF on issues of common interest. The TEC has identified potential areas within the Board's workplan which may benefit from inputs by the TEC.
GEF	<ul style="list-style-type: none"> <li>- Evaluating the Poznan strategic programme on technology transfer with the aim of enhancing the effectiveness of the Technology Mechanism, as invited by SBI 40;</li> <li>- Providing policy advice on measures to create enabling environments for technology development and transfer in developing countries and an analysis of the barriers that hamper project/programme implementation;</li> <li>- Providing inputs into the work undertaken by the Scientific and Technical Advisory Panel of the GEF on innovative policy packages and market initiatives to foster a new range of mitigation actions.</li> </ul>
SCF	<ul style="list-style-type: none"> <li>- Providing input into the COP guidance for the operating entities of the Financial Mechanism on matters related to climate technology financing;</li> <li>- Providing input into preparing a biennial assessment and overview of climate finance flows, building on the analytical work on TNAs and other sources of information, such as national communications;</li> <li>- Providing input into organizing a forum for communication and continued exchange of information among bodies and entities dealing with climate change finance;</li> <li>- Providing input into the review of the Financial Mechanism.</li> </ul>

6. The GCF Board, at its 13<sup>th</sup> meeting (June 2016), considered the relationship with UNFCCC thematic bodies. In doing so, the GCF Board decided to hold an annual meeting in order to enhance cooperation and coherence of engagement between the GCF and UNFCCC thematic bodies.<sup>2</sup> In addition, the GCF Board requested the GCF secretariat to strengthen its current approach to engaging thematic bodies.

7. COP 22 considered the linkages between the TM and the FM, taking into consideration the recommendations of the Board of the GCF and the TEC and the outcomes of the consultations among the TEC, CTCN, GEF and GCF on this matter.<sup>3</sup> In doing so, COP 22, inter alia:

- (a) Encourages the GCF Board to continue to invite the Chairs of the TEC and the Advisory Board of the CTCN to future meetings of the GCF Board on issues of common interest in order to strengthen the existing linkages between the TM and the FM;
- (b) Encourages the TEC, the CTCN and the operating entities of the FM to enhance the involvement of relevant stakeholders as they undertake actions to strengthen the linkages between the TM and FM;
- (c) Invites the TEC, the CTCN and the operating entities of the FM to provide information on their actions in strengthening the linkages between the TM and FM in their annual reports to the COP for guidance on further actions if needed.

## V. Possible follow-up activities on climate technology financing

8. In strengthening the linkages between the TM and the FM, the TEC may wish to consider the areas for collaboration with the GCF, GEF and SCF, as identified in its recommendations on linkages between the

<sup>2</sup> The first meeting between the GCF and various UNFCCC constituted bodies took place on 10 November 2016.

<sup>3</sup> FCCC/SB/2016/1, annex I

TM and the FM (see Table 1). Collaboration in some of these areas has already been initiated, such as with the GEF and SCF.

#### GCF

9. The TEC is currently undertaking activities on innovation and research, development and demonstration (RD&D), including preparing a technical paper on enhancing RD&D financing for climate technologies. In addition, the TEC will hold a special event during SB 46 (May 2017) on how innovation can support implementation of the technology elements of NDCs and Paris Agreement mid-century strategies.

10. The GCF Board at its 17<sup>th</sup> meeting (July 2017) is set to consider technology related matters, such as:

- (a) Recommendations on further steps to enhance cooperation and coherence with the Technology Mechanism;
- (b) Options for GCF support for collaborative R&D in developing countries.

11. According to the GCF workplan, the GCF plans to invite the Chairs of the TEC and the CTCN-AB to present to the Board at its 17<sup>th</sup> meeting during its consideration of options for supporting collaborative R&D.

12. The activities referred to in paragraph 9 and 10 above are examples of issues of common interest to the TEC and the GCF with the potential to strengthen the linkages between the TM and the FM. The TEC may wish to consider to present the outcomes of its work on innovation and RD&D to the GCF at its 17<sup>th</sup> meeting.

#### GEF

13. The TEC has initiated its collaboration with the GEF, including through the evaluation of the Poznan strategic programme on technology transfer in 2015. According to its workplan, the TEC plans to update the evaluation of the Poznan strategic programme on technology transfer in 2017.

14. In strengthening the linkages between the TEC and the GEF, the TEC may wish to consider the areas for collaboration as identified in its recommendations on linkages between the TM and FM:

- (a) Providing policy advice on measures to create enabling environments for technology development and transfer in developing countries and an analysis of the barriers that hamper project/programme implementation;
- (b) Providing inputs into the work undertaken by the Scientific and Technical Advisory Panel of the GEF on innovative policy packages and market initiatives to foster a new range of mitigation actions.

#### SCF

15. The TEC has initiated its collaboration with the SCF, including through providing inputs to the SCF for draft guidance to the operating entities of the FM. According to its workplan, the TEC plans to continue to do so in 2017 and 2018.

16. In strengthening the linkages between the TEC and the SCF, the TEC may wish to consider the areas for collaboration, as identified in its recommendations on linkages between the TM and FM:

- (a) Providing input into preparing a biennial assessment and overview of climate finance flows, building on the analytical work on TNAs and other sources of information, such as national communications;
- (b) Providing input into organizing a forum for communication and continued exchange of information among bodies and entities dealing with climate change finance;
- (c) Providing input into the review of the Financial Mechanism.

**Annex: Activities undertaken by the TEC on climate technology financing.**

<b>Area</b>	<b>Activity</b>	<b>Description</b>	<b>Output</b>	<b>Outcome</b>
Linkages between the Technology Mechanism and the Financial Mechanism	Organize thematic dialogue on climate technology financing (2014). <sup>a</sup>	The dialogue aimed to identify linkages between the TM and FM. More specifically it aimed to: (i) highlight issues surrounding climate technology financing; (ii) identify challenges and opportunities, good practices and lessons learned from financing climate technologies and (iii) identify opportunities for enhancing the implementation of TNAs.	Report of the thematic dialogue on climate technology financing. <sup>b</sup>	Enhanced understanding of the linkages between the Technology Mechanism and the Financial Mechanism.
	Prepare recommendations on linkages between the Technology Mechanism and the Financial Mechanism (COP 20).	TEC's recommendations highlight possible areas for collaboration between the TEC, GEF and the SCF and the modalities for undertaken these activities.	Linkages between the Technology Mechanism and the Financial Mechanism of the Convention: recommendations of the TEC. <sup>c</sup>	Enhanced institutional linkages between the TEC, GEF and SCF.
	Consultations between the TEC, CTCN, the GEF and the GCF on linkages between the Technology Mechanism and the Financial Mechanism, including through an in-session workshop (2016).	Consultations between the TEC, CTCN, the GEF and the GCF on linkages between the Technology Mechanism and the Financial Mechanism, including through an in-session workshop.	Report on outcomes of the consultations between the TEC, CTCN, the GEF and the GCF on linkages between the Technology Mechanism and the Financial Mechanism. <sup>d</sup>	Enhanced institutional linkages between the TEC and the GCF.
TEC policy messages	Prepare key messages on climate technology financing (COP 20, 21 and 22).	Policy messages cover elements, such as: collaboration between NDAs, NDEs and GEF focal points; overcoming financial-economic barriers and facilitating access to climate technology financing.	Key messages on climate technology financing (contained in the joint annual reports of the TEC and the CTCN).	Enhanced understanding on facilitating access to climate technology financing.
	Prepare TEC Brief on climate technology financing (2015).	TEC Brief highlights challenges faced by developing countries in financing climate technologies, best practices and lessons learned, and the roles of different stakeholders in facilitating access to climate technology finance.	TEC Brief #6 – Climate technology financing. <sup>e</sup>	Enhanced understanding on facilitating access to climate technology financing.

Area	Activity	Description	Output	Outcome
Draft guidance to the operating entities of the Financial Mechanism	Prepare input for draft guidance to the operating entities of the Financial Mechanism (2014,2015,2016).	Inputs cover elements such as: Poznan strategic programme; cooperation between the GCF and the CTC; coherence between international institutions; financial support for conducting TNAs and for implementing TNA results; capacity building for effective climate technology financing.	Inputs for draft guidance to the operating entities of the Financial Mechanism provided to the SCF.	Inputs were reflected in COP decisions on guidance to the GCF and the GEF.
Poznan strategic programme	Evaluation of the Poznan strategic programme (2015).	TEC evaluated the Poznan strategic programme on technology transfer with the aim of enhancing the effectiveness of the TM, as mandated by SBI. The TEC provided the outcomes of its evaluation, including key messages and recommendations.	Evaluation of the Poznan strategic programme: Final report by the TEC. <sup>f</sup>	GEF has acted upon the recommendations provided by the TEC.
Long-term finance	Submission of views on long-term finance (2014, 2015, 2016).	The workshops on long term- finance focused on the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities.	TEC inputs for the in-session workshop on long-term finance building on its work on climate technology financing, TNAs and technologies for adaptation.	Enhanced understanding of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities.

<sup>a</sup> <[http://pvsttclear01.unfccc.net/ttclear/events/2014\\_event4](http://pvsttclear01.unfccc.net/ttclear/events/2014_event4)>.

<sup>b</sup> <[http://pvsttclear01.unfccc.net/ttclear/misc\\_/StaticFiles/gnwoerk\\_static/TEC\\_TD4/72b6ca5a1c6445bba0eabe20b52b6d06/5a7f4fa540c449d888606f70383e10fe.pdf](http://pvsttclear01.unfccc.net/ttclear/misc_/StaticFiles/gnwoerk_static/TEC_TD4/72b6ca5a1c6445bba0eabe20b52b6d06/5a7f4fa540c449d888606f70383e10fe.pdf)>.

<sup>c</sup> <<http://unfccc.int/resource/docs/2014/cop20/eng/06.pdf>>.

<sup>d</sup> <<http://unfccc.int/resource/docs/2016/sb/eng/01.pdf#page=24>>.

<sup>e</sup> <[http://unfccc.int/ttclear/misc\\_/StaticFiles/gnwoerk\\_static/TEC\\_documents/204f400573e647299c1a7971feec7ace/ea65db0ca9264cdbaefeb272dd30b34c.pdf](http://unfccc.int/ttclear/misc_/StaticFiles/gnwoerk_static/TEC_documents/204f400573e647299c1a7971feec7ace/ea65db0ca9264cdbaefeb272dd30b34c.pdf)>.

<sup>f</sup> <<http://unfccc.int/resource/docs/2015/sbi/eng/16.pdf>>.