



Parties discuss technology issues at climate talks

Kuala Lumpur, 17 May (TWN) – Parties discussed issues related to technology development and transfer at the 48th session of the UNFCCC's Subsidiary for Implementation (SBI 48) and Subsidiary for Scientific and Technological Advice (SBSTA 48) at the recently concluded climate talks in Bonn, Germany.

Under the SBI, Parties deliberated on the 'scope of and modalities for the periodic assessment of the Technology Mechanism in relation to supporting the implementation of the Paris Agreement (PA)' and 'the review of the effective implementation of the Climate Technology Centre and Network (CTCN) while under the SBSTA, the 'technology framework under Article 10.4 of the PA was discussed.

(Article 10.4 of the PA provides that "a technology framework is hereby established to provide overarching guidance to the work of the Technology Mechanism [TM] in promoting and facilitating enhanced action on technology development and transfer in order to support the implementation of this Agreement...". The Technology Mechanism under the UNFCCC refers to the CTCN as well as the Technology Executive Committee [TEC].)

A major sticky issue that saw divergent views between developed and developing countries was the issue of the provision of public resources to developing countries in order to enable technology transfer to take place. (See details below.)

Parties reached conclusions on all three matters, including a draft decision on the review of the effective implementation of the CTCN for

adoption at the 24th meeting of the UNFCCC's Conference of the Parties (COP24) at year end, in Katowice, Poland. The draft conclusions were adopted at the closing plenary of the respective Subsidiary Bodies on 10 May, the last day of the climate talks which began on 30 April.

Below are highlights of the discussions on these matters.

Technology Framework under Article 10.4 of the PA

In the conclusions adopted, Parties welcomed "with appreciation the initial draft of the technology framework prepared by its Chair as requested at SBSTA 47," and noted "the progress and the discussions among Parties regard the technology framework at this session," and "agreed to continue its elaboration of the technology framework, including its structure, at the second part of its 48th session using the updated draft."

The second part of SBSTA 48 is scheduled to take place during the additional negotiating session to be held in Bangkok between 3 and 8 Sept. to advance negotiations on the Paris Agreement Work Programme (PAWP) in the run up to COP24.

During SBSTA 48, Parties engaged in informal consultations to further elaborate on the initial draft of the technology framework which Parties agreed as being a good basis to begin negotiations. The informal consultations were co-facilitated by **Carlos Fuller (Belize)** and **Mette Moglestue (Norway)**.

The updated draft referred to the version of 8 May with the following opening notes: "This

updated draft captures Parties' deliberations on key themes- innovation, implementation, enabling environment and capacity-building, and support which took place at this session. Parties initiated discussion on interlinkages issues. They have yet to discuss, among others, key theme Collaboration and stakeholder engagement, principles, and structure of the technology framework. This updated draft is a work in progress and does not represent a consensus."

From 30 April, Parties deliberated on the initial draft and added their views, focusing on the five key themes of the framework on innovation, implementation, enabling environment and capacity-building, collaboration and stakeholder engagement, and support. Divergence of views emerged between developed and developing countries on the specific matter related to finance.

India wanted elements of Article 9.5 of the PA to be reflected in the draft but this was opposed out rightly by **Japan**, which also questioned the insertion of additional text in the document on "public finance resources," saying that "we do not have to limit it to public resources," (implying the need to also include resources from other sources as well.)

(Article 9.5 of the PA provides as follows: *"Developed country Parties shall biennially communicate indicative quantitative and qualitative information related..., as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties."*)

In response, **India** said that most technologies reside with the private sector and not with the government and therefore, public finance is needed to facilitate the transfer, adding that the element of quantification of resources provided by Article 9.5 is to quantify them in the context of technology to be transferred. "Therefore, dedicated, quantified, predictable financial resources from public sector should be made available," it stressed.

Parties also shared different views on linkages between the technology framework with the transparency framework and the global stocktake under the PA, given that the outcomes in those areas are not yet known. Developed countries insisted on a placeholder for the role of

the TM in the technology framework to "avoid micro-management" (by Parties.)

Among other matters, developing countries proposed the inclusion of two new sub-sections in the technology framework as follows for the consideration of Parties:

- under the innovation theme, they wanted a sub-section on "increasing the effective participation of developing countries in collaborative research, development and demonstration" and
- a new sub-section under the implementation theme on "assessment of technologies that are ready for transfer."

On increasing the effective participation of developing countries in collaborative research, development and demonstration (RD&D), developing countries proposed the following text for addition:

"(a) Enhancement of the linkage between the Financial Mechanism and the TM with regard to the support for implementation of collaborative RD&D in developing country Parties;

(b) Promotion of financial resources for innovation in developing country Parties;

(c) Development of innovative means and supports of engaging developing country Parties in innovation;

(d) Other possible ways to increase the effective participation of developing country Parties in collaborative RD&D.

Under the section on the "promotion of enabling policy and finance for innovation," among other proposals, developing countries proposed the following text: "Supporting countries in the development of long-term plans for economic development with detailed technological transition pathways towards the widespread uptake of innovative, climate-friendly technologies."

In the section on "implementation," in addition to other aspects, developing countries proposed a new text as follows:

"Implementation of a successful technology transformation will require concrete targets and timelines, as well as transformation metrics, monitoring, and reporting, to provide information on progress towards these targets.

Therefore, actions under this key theme should include the establishment of national technology targets, technology transformation metrics, as well as links to the enhanced transparency framework and global stocktake.”

Under the section on “enabling environment and capacity-building,” among other issues, developing countries proposed the inclusion of the following text: “Strengthen the enabling policy and regulatory environment for technology development and transfer to climate-resilient and low-emission development.”

As regards the new sub-section on “assessment of technologies that are ready to transfer,” developing countries called for the following text for inclusion: “Actions in this area of work could include:

- (a) Development of methodology to define technologies that are ready to transfer;
- (b) Identification of technologies that are ready to transfer;
- (c) Establishment of online platform serving as the clearing house for transferable technologies;
- (d) Development of draft workplan to promote the transfer of technologies identified as ready to transfer.”

The updated draft technology framework will be discussed further in Bangkok in Sept. and can be expected to be contentious, with developed countries likely to oppose the proposals of developing countries.

Scope of and modalities for the periodic assessment of the Technology Mechanism

The informal consultations on this agenda were co-facilitated by **Ian Lloyd (United States)** and **Claudia Octaviano (Mexico)**.

At the opening plenary of SBI on 30 April, a request by the **G77-China** to amend the title of the agenda item to include the element of support was accepted. The request was made in reference to paragraph 69 of decision 1/CP.21 which reads “... decides to undertake a periodic assessment of the effectiveness and adequacy of the support provided to the TM in supporting the implementation of the Agreement on matters relating to technology development and transfer.”

Developing countries wanted a revisit of the scope to elaborate further on the adequacy of support while developed countries were of the view that the focus should be on the modalities for the assessment.

Developing countries also found the information note prepared by the co-facilitators (from previous sessions) to be a good basis for discussions, while developed countries disagreed.

Developed countries also felt that there was no urgency to conclude the matter by COP24.

Norway said the information note of the co-facilitators at SBI 46 (in May 2017) was not negotiated and “is an old one,” and therefore “difficult to use” as a starting point for discussions. This sentiment was also echoed by **Japan** and the **European Union (EU)**. They also wanted discussions to be focused on the modalities for the periodic assessment of the TM.

China speaking for **G77-China** in response said that as the adequacy of support was a very important part of the discussions, the issue of the scope of the periodic assessment was crucial, adding that the information note could be the starting point of discussions. The G77 argued that without an agreement on the scope, there was no foundation for the modalities and insisted that the scope must reflect the mandate of the Paris decision, which is about the adequacy of support. The G77 insisted that it would like to insert a bullet point in the information note called “the scale of support” under the section on “adequacy of support provided to the TM.”

The **EU** and **Norway** reminded Parties that at SBI 44 (in May 2016), their understanding of para 69 of decision 1/CP.21 with regards to scope was clarified in the conclusion adopted, which reads: “*The SBI noted that the scope of the periodic assessment of the TM referred to in decision 1/CP21, para 69 will be in the context of Article 10 of the Agreement and will focus on:*

- *the effectiveness of the TM in supporting the implementation of the Agreement on matters relating to technology development and transfer; and*
- *the adequacy of support provided to the TM in supporting the implementation of the Agreement*

on matters relating to technology development and transfer.”

Kenya for the **African Group** said effectiveness and adequacy of support are interlinked and need to be taken together and it preferred to look at them simultaneously.

Following the deliberations, the final conclusions adopted welcomed “the technical paper by the Secretariat on the experience, lessons learned and best practices in conducting reviews of various arrangements under the Convention and the Kyoto Protocol relevant to the periodic assessment.”

Further, the SBI noted that the co-facilitators of the informal consultations prepared an informal note on the basis of the deliberations of Parties at this and previous sessions of the SBI and their submitted views. Parties also agreed to continue elaborating the scope of and the modalities for the periodic assessment at the next session (SBI49 at year end) taking into account the informal note.

Review of the effective implementation of the CTCN

The conclusions adopted noted that Parties considered “the findings and recommendations of the independent review of the effective implementation of the CTCN and the management response from the United Nations Environment Programme (UNEP) to these findings and recommendations.” The SBI agreed to recommend a draft decision for adoption at COP24.

During informal consultations co-facilitated by **Stella Gama (Malawi)** and **Ian Lloyd (United States)**, the main contentious point in the draft decision text was on the recommendations (of the review) related to the role of nationally designated entities (NDEs) of developed countries.

Developed and developing countries held different views on addressing the recommendation which encourages the CTCN to clarify the role of developed countries’ NDEs.

The views of developing countries were captured as an optional paragraph in the draft decision dated 4 May that reads “*encourage NDEs from developed country Parties to strengthen their roles, as contained in the management response... in promoting collaboration and in supporting funding for the CTCN*”.

The response from UNEP pointed to a paper presented to the Advisory Board (AB) of the Climate Technology Centre at its third (in March 2014) and seventh meeting (in April 2016) which described the possible roles of developed countries’ NDEs and which was endorsed by the AB at its third meeting.

The **United States** said “singling out one recommendation” distorted the balance and nuance of the report and was not helpful (for the draft decision). **Australia** was against a “pick and choose” approach and preferred to give general guidance to the CTCN and leave it to the TEC to give specific guidance to the former.

India emphasised that the role of NDE of developed countries should be firmed up to the extent possible so that it was clear, as the CTCN is not only a body for technical assistance and capacity building, but it should help NDEs to fund-raise effectively.

In the subsequent discussions, Parties reached a compromise and agreement was captured in the following paragraphs of the informal note:

“Further invites Parties and the CTCN to enhance the provision of support for strengthening the capacity of national designated entities, as appropriate,” and “Requests 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 actions undertaken in response to the relevant recommendations...., taking into account Parties’ deliberations at this session.”

Discussions on the issues which relate to the PAWP will continue in Bangkok in Sept.