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**SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE**

**Twenty-seventh session**

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**Item 4 of the provisional agenda**

**Development and transfer of technologies**

**Annual report of the Expert Group on Technology Transfer for 2007**

**Note by the Chair of the Expert Group on Technology Transfer**

*Summary*

The terms of reference of the Expert Group on Technology Transfer (EGTT), contained in the appendix to the annex to decision 4/CP.7, require the EGTT to report on its work each year to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and to propose a programme of work for the following year for approval by the SBSTA. This note reports on intersessional activities of the EGTT for 2007; its eleventh meeting, held in Bonn, Germany, in May 2007; and a special meeting held in Bangkok, Thailand, in June 2007. This note will be complemented by an addendum covering the results of the twelfth meeting of the EGTT to be held in Bali, Indonesia, in November 2007 and intersessional activities scheduled for September to November 2007.

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## **I. Introduction**

### **A. Mandate**

1. The Conference of the Parties (COP), by its decision 4/CP.7, established the Expert Group on Technology Transfer (EGTT), with members to be nominated by Parties, with the objective of enhancing implementation of Article 4, paragraph 5, of the Convention. The terms of reference of the EGTT, contained in the appendix to the annex to the same decision, specified that the EGTT shall report on its work each year to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and propose a programme of work for the following year for approval by the SBSTA.

2. The COP reviewed at its twelfth session the progress of the work and terms of reference, including the status and continuation of the EGTT in accordance with decision 4/CP.7, and decided to extend the EGTT for one year including its current membership (decision 5/CP.12). The SBSTA, at its twenty-fifth session, endorsed the activities identified for immediate follow-up, as contained in document FCCC/SBSTA/2006/INF.8, paragraph 57. The SBSTA, at its twenty-sixth session, endorsed the programme of work of the EGTT for 2007 (FCCC/SBSTA/2007/4, para. 26).

### **B. Scope of the note**

3. This note reports on the work of the EGTT in 2007. It covers the outcomes of intersessional activities of the EGTT; its eleventh meeting, held in Bonn, Germany, in May 2007; and a special meeting organized in conjunction with the workshop on best practices in conducting technology needs assessments (TNAs) held in Bangkok, Thailand, in June 2007. This note will be complemented by an addendum covering the results of the twelfth meeting of the EGTT to be held in Bali, Indonesia, in November 2007 and intersessional activities scheduled for September to November 2007.

4. The COP, at its thirteenth session, will review the terms of reference of the EGTT, including, if appropriate, the status and continuation of the EGTT. In this context, this annual report does not include a programme of work of the EGTT for 2008.

### **C. Possible action by the Subsidiary Body for Scientific and Technological Advice**

5. The SBSTA may wish to take note of the information in this document, consider the recommendations of the EGTT and determine what further actions would be needed to advance technology transfer activities under the Convention. Parties may wish to provide views on activities completed by the EGTT in 2007.

## **II. Organizational matters**

### **A. Election of the Chair and Vice-Chair**

6. In accordance with paragraph 6 of its terms of reference, the EGTT elected, by consensus, Mr. Chow Kok Kee (Malaysia) as Chair and Mr. Elmer Holt (United States of America) as Vice-Chair of the EGTT for 2007.

### **B. Nomination of new members**

7. The SBSTA, at its twenty-sixth session, encouraged consultations within the regional groups with a view to nominating the members of the constituted body on technology transfer referred to in the

draft decision (FCCC/SBSTA/2007/4, annex 1, para 3), pending the adoption of a decision on this matter by the COP at its thirteenth session.

### **III. Implementation of the work programme of the Expert Group on Technology Transfer for 2007**

8. The EGTT expressed its appreciation for the financial contributions provided by the European Community, Norway, Sweden, the United States of America and the Climate Technology Initiative (CTI), which enabled the group to successfully implement its work programme for 2007.

#### **A. Technology needs assessments**

9. The work programme for 2007 included the following activities in the area of TNAs:

- (a) Collaborate with the secretariat, the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the Global Environment Facility (GEF) and the CTI in organizing a workshop to share best practices with Parties not included in Annex I to the Convention (non-Annex I Parties) working on TNAs;
- (b) Consider the terms of reference for a background paper to be drafted for the workshop on good practices in conducting TNAs;
- (c) Finalize the paper, taking into consideration feedback from the workshop, and make it available to Parties conducting TNAs;
- (d) Consider the workshop report prepared by the secretariat (see para. 12, below);
- (e) Consider the outcomes of the workshop in future work on updating the UNDP handbook *Conducting Technology Needs Assessments for Climate Change*;<sup>1</sup>
- (f) Collaborate with the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE) on the development of a reporting template for technology transfer related activities in accordance with decision 4/CP.7 for the second national communications of non-Annex I Parties.

10. At the eleventh meeting of the EGTT, the secretariat provided an update on the status of work on TNAs prepared by non-Annex I Parties. The secretariat noted that the GEF has provided assistance to 94 non-Annex I Parties through its Additional Financing for Capacity Building in Priority Areas (also known as Phase II and/or “top ups”), which can be used for preparing TNAs. Of these Parties, 80 are being supported by UNDP and 14 by UNEP. As at June 2007, 34 TNAs have been submitted by non-Annex I Parties and are available on the UNFCCC technology information clearing house (TT:CLEAR).<sup>2</sup> Some members indicated that more Parties have completed their TNAs, but have not submitted the reports. The EGTT recommended the SBSTA to remind Parties that have completed their TNAs to submit the reports to UNDP and/or UNEP. In addition the group stressed the importance of operationalizing the guidance given to the GEF at COP 12 on providing financing to non-Annex I Parties that have not conducted or need to update their TNAs, to enable these Parties to conduct or update their TNAs as part of their second national communications (decision 3/CP.12).

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<sup>1</sup> <[http://ttclear.unfccc.int/ttclear/pdf/TNA/UNDP/TNA%20Handbook\\_Final%20version.pdf](http://ttclear.unfccc.int/ttclear/pdf/TNA/UNDP/TNA%20Handbook_Final%20version.pdf)>.

<sup>2</sup> <<http://ttclear.unfccc.int/ttclear/jsp/index.jsp?mainFrame=../html/TNAStudies.html>>.

11. The SBSTA, at its twenty-fifth session, requested the secretariat, in collaboration with the EGTT, to organize a workshop to share best practices with non-Annex I Parties working on TNAs in collaboration with UNEP, UNDP, the GEF and CTI (FCCC/SBSTA/2006/11, para. 80 (a) (ii)). The workshop was held in Bangkok, Thailand, on 27–29 June and hosted jointly by the Ministry of Natural Resources and Environment of Thailand and the United Nations Economic and Social Commission for Asia and the Pacific. The workshop aimed to share best practices and lessons learned in conducting TNAs among experts nominated by non-Annex I Parties undertaking TNAs, to enable them to execute their assessments and reports effectively, and to identify specific needs and practical actions that could assist Parties in implementing the results of their TNAs.
12. At the same session, the SBSTA also requested the secretariat, in collaboration with the EGTT, to prepare a background paper on good practices in conducting TNAs (FCCC/SBSTA/2006/11, para. 80 (a) (i)). The overall objective of the paper is to compile and synthesize good practices and lessons learned from the TNAs completed so far by non-Annex I Parties. It was also intended to serve as an input to discussions at the workshop mentioned in paragraph 11 above. The paper will be revised to take into account comments and discussions during the workshop. The final paper<sup>3</sup> and the workshop report<sup>4</sup> will be made available for consideration by the SBSTA at its twenty-seventh session.
13. At the eleventh meeting of the EGTT, the group discussed the terms of reference for the background paper and agreed that it should be a stand-alone document and, initially, a work in progress in which the outcomes and lessons learned from the workshop could be incorporated. Some members suggested the paper place the results of TNAs in a broader context, for example by discussing the links between TNAs and national development plans, national communications and national adaptation programmes of action (NAPAs) at the macro level and the links between TNAs and the implementation of activities identified in TNAs at the micro level. The group also recommended sharing the final paper with the CGE as an input to the workshop on good practices in preparing national communications of the CGE to be held in September 2007 in Cairo, Egypt. It was also agreed that the paper and the outcomes of the workshop would provide useful inputs for a future update of the UNDP handbook, including on how to identify capacity-building needs, and procedures for implementation (including for development of project proposals).
14. At a special meeting of the EGTT held in conjunction with the TNA workshop in Bangkok on 29 June, the group discussed the outcomes of the workshop. The EGTT members expressed their satisfaction with the structure of the workshop and the active participation and high level of expertise of the workshop participants. This setting allowed for in-depth discussions and provided useful insights into successes achieved and challenges faced by Parties in preparing TNAs. The active participation of representatives of the private sector led to some practical ideas on ways and means for the implementation of the results of TNAs.
15. Suggestions for possible next steps emerged from the discussions in the special meeting, in particular on the format of the training in preparing project financing proposals: some members suggested that the training session should be extended and could benefit from a sectoral focus at the regional and national level, including adaptation to climate change.

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<sup>3</sup> FCCC/TP/2007/3.

<sup>4</sup> FCCC/SBSTA/2007/11.

## B. Technology information

16. The work programme for 2007 included three activities in the area of technology information:
- (a) Collaborate with the secretariat, UNDP, UNEP and the United Nations Industrial Development Organization (UNIDO) in organizing a small seminar for the technology information centres participating in the pilot project on networking to share lessons learned (see para. 17 below);<sup>5</sup>
  - (b) Consider the outcome of the small seminar and provide recommendations to the SBSTA and the secretariat on possible ways forward (see para. 18 below);
  - (c) Follow up the discussion on the outcome of the small seminar by conducting: (1) an analysis of options for going forward; and (2) a survey of users, particularly current and potential network members, to determine their clean technology information needs and the most appropriate and accessible format for information delivery.
17. The COP, by its decision 6/CP.10, encouraged the secretariat to continue its work on a pilot project on networking between TT:CLEAR and national and regional technology information centres<sup>6</sup> that would provide Parties with a clear understanding of the technical feasibility and cost implications of the strengthening of technology centres in developing countries.

18. The SBSTA, at its twenty-fifth session, requested the secretariat, in collaboration with UNDP, UNEP and UNIDO as well as the EGTT, to organize a small seminar for the technology information centres participating in the pilot project mentioned in paragraph 17 above to share lessons learned (FCCC/SBSTA/2006/11, para. 80 (b)). This small seminar was held in Bonn, Germany, on 12–13 March 2007.

19. A report on the outcomes of the seminar was presented by the secretariat at the eleventh meeting of the EGTT.<sup>7</sup> Owing to the complexity of the pilot project on networking and the need to analyse ways and means to improve the network of technology information centres, EGTT members were of the view that additional information on user needs would be required and suggested that the secretariat conduct a survey of users, particularly current and potential network members, to determine their clean technology information needs and to assess the most appropriate and accessible format for delivering this information. The results of the survey would assist the EGTT and the secretariat in identifying options for a way forward on this activity. The group agreed to consider this matter at its twelfth meeting.

## C. Mechanisms

20. The work programme for 2007 contained the following activities in the area of mechanisms:
- (a) Prepare a concise summary of achievements of the EGTT over the past five years, written in language that can be understood by those who are not familiar with the UNFCCC process;

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<sup>5</sup> Currently the following centres participate in the pilot network: Sustainable Alternatives Network, Clean Energy Portal of Canada, United States Climate Technology Cooperation Gateway, International Technology Transfer Centre of Tsinghua University of China, the Caribbean Community Climate Change Centre, Tunis International Centre for Environmental Technologies and the Sahara Sahel Observatory (OSS) in Tunisia.

<sup>6</sup> Technology information centres refers to centres that collect, catalogue, synthesise and disseminate information on environmentally sound technologies and share/exchange this information online.

<sup>7</sup> FCCC/SBSTA/2007/INF.1.

- (b) Consider the report of the secretariat on its outreach initiatives with other relevant international organizations to strengthen collaboration in relevant activities, including a briefing on the publication *A guidebook on preparing technology transfer projects for financing* (the practitioners' guide) and work for its wider dissemination;
- (c) Prepare a paper on joint research and development (R&D) (including stocktaking).

21. The EGTT has noted with interest the discussions on technology transfer and capacity-building for technology transfer at other international forums (e.g. the fifteenth session of the Commission on Sustainable Development (CSD-15) and the Gleneagles and Heiligendamm summits of the Group of Eight (G8)). The work of the EGTT over the last five years could be a useful input for policy review undertaken during CSD-15 and the so-called Gleneagles Process of the G8+5. At its tenth meeting, the EGTT emphasized the need for a summary of its work that could be made available for reference at other relevant forums. The EGTT also invited the G8+5, World Bank, International Energy Agency and other organizations involved to draw on the work of the EGTT in identifying barriers and challenges to accelerating the transfer of environmentally sound technologies, as described in the EGTT deliverables.

22. In response to a request by the SBSTA (FCCC/SBSTA/2006/11, para. 80 (c) (i)), the secretariat produced a brochure<sup>8</sup> summarizing the work of the EGTT since its inception<sup>9</sup> and made it available at SBSTA 26, UNFCCC workshops and other relevant international forums, including CSD-15. In addition, the Chair of the EGTT gave a presentation on the work of the EGTT during the past six years at the third workshop of the dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention organized during the twenty-sixth session of the subsidiary bodies in May 2007.

23. At its special meeting held in conjunction with the workshop on best practices in conducting TNAs, the EGTT discussed the draft terms of reference for a paper on joint R&D, including stocktaking. This paper would provide an initial overview of joint R&D activities in the context of the Convention with a particular focus on the development and transfer of technologies. The group agreed that the paper would be used as a basis for discussions on the issue of joint R&D at its twelfth meeting with a view to recommending possible future actions for consideration by the SBSTA.

#### **D. Capacity-building**

24. Activities of the EGTT in 2007 in areas relating to capacity-building are described in the chapters on technology needs assessments (III. A), technology information (III. B) and innovative financing (III. E) above and below.

#### **E. Cross-cutting issues**

25. The EGTT work programme provided for specific areas of activity relating to innovative financing and technologies for adaptation.

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<sup>8</sup> <[http://unfccc.int/files/essential\\_background/background\\_publications\\_htmlpdf/application/pdf/egtt\\_en\\_070523.pdf](http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/egtt_en_070523.pdf)>.

<sup>9</sup> The summary is based upon information contained in document FCCC/SBSTA/2006/INF.4.

### 1. Innovative financing

26. The work programme for 2007 contained the following activities in the area of innovative financing:

- (a) Establish a work plan for the dissemination and use of the practitioners' guide (see para. 27 below);
- (b) Promote and disseminate the practitioners' guide to target audiences;
- (c) Prepare and disseminate a brochure based on the technical paper on innovative financing (see para. 32 below);
- (d) Consider giving technical support to the Least Developed Countries Expert Group (LEG) in implementing the results of NAPAs by preparing project proposals for financing as a follow-up activity from the meeting of the chairs of the SBSTA and the SBI and the chairs of the expert groups established under the Convention held during SB 24 in May 2006 (see para. 40 below);
- (e) Carry out stocktaking of the work plan for the dissemination and use of the practitioners' guide.

27. The SBSTA, at its twenty-fifth session, endorsed the recommendation of the EGTT in its annual report for 2006 on the need to establish a work plan for the dissemination and use of the practitioners' guide, which was published by the EGTT and the secretariat in 2006. It requested the secretariat to collaborate with the relevant international organizations and initiatives in implementing this plan and make the guide available in all United Nations official languages, resources permitting (FCCC/SBSTA/2006/11, para. 79).

28. The work plan was discussed at the eleventh meeting of the EGTT.<sup>10</sup> The overall objective of this work plan is to improve access to financing for technology transfer projects from available public and private sources. The plan comprises five building blocks: promotion and dissemination of the practitioners' guide; organization of learning centre events in conjunction with sessions of the subsidiary bodies; organization of regional workshops and training courses on preparing financing proposals; setting up a help desk facility to provide technical assistance to project developers; and establishing a project finance platform to provide a forum for project developers to present their projects to finance practitioners.

29. The EGTT believes that the implementation of this work plan would facilitate the implementation of Article 4, paragraph 5, of the Convention and efforts with regard to technology transfer both within and outside the Convention. The group stressed that collaboration with relevant international organizations and initiatives will be crucial to the success of implementing the work plan. It was suggested that the Private Financing Advisory Network, an initiative of CTI in cooperation with the EGTT, could play an important role in the implementation of the plan, in particular regarding providing technical assistance to project developers in developing countries.<sup>11</sup>

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<sup>10</sup> <<http://ttclear.unfccc.int/ttclear/pdf/PG/Workplan-PG.pdf>>.

<sup>11</sup> The Private Financing Advisory Network aims to broaden the access to financing for climate-friendly and technology transfer projects by providing coaching and technical assistance to project developers in developing countries and countries with economies in transition to assist them in the preparation of project financing proposals.



30. Members also suggested it will be key to foster collaboration with relevant intergovernmental organizations and involve the right stakeholders, including representatives from business, industry and non-governmental organizations. In this context, the group welcomed the offer of UNIDO to present the practitioners' guide at its planned workshop on project development to be held in South Africa in August 2007. Some EGTT members also highlighted the importance of an appropriate enabling environment in terms of policy and regulatory framework to improve access to financing and indicated a need to provide further guidance to Parties on available financial resources for project financing and how to access them.

31. In accordance with the request of the SBSTA mentioned in paragraph 27 above, the secretariat has made the practitioners' guide available in English, French and Spanish at the UNFCCC website,<sup>12</sup> TT:CLEAR<sup>13</sup> and other websites. In addition, the secretariat is in the process of making the guide available in Arabic, Chinese and Russian.

32. The technical paper on innovative options for financing the development and transfer of technologies<sup>14</sup> prepared by the EGTT in 2006 has been made available as a brochure<sup>15</sup> to make this information available to a wider audience, including those active in other processes dealing with innovative financing issues both within and outside the UNFCCC process.

## 2. Technologies for adaptation to climate change

33. The work programme contained the following activities in the area of technologies for adaptation to climate change:

- (a) Consider possible activities in support of the implementation of the Nairobi work programme on impacts, vulnerability and adaptation to climate change;
- (b) Disseminate the brochure on technologies for adaptation to target audiences;
- (c) Consider the synthesis report on submissions from Parties on the Nairobi work programme;
- (d) Participate in the workshop on adaptation planning and practices of the Nairobi work programme.

34. As part of the Nairobi work programme, the SBSTA, at its twenty-fifth session, invited Parties and relevant organizations to submit to the secretariat, by 15 May 2007, information on existing and emerging assessment methodologies and tools; and views on lessons learned from their application; opportunities, gaps, needs, constraints and barriers; possible ways to develop and better disseminate methods and tools; and training opportunities. The SBSTA also requested the secretariat to prepare, by its twenty-seventh session, a synthesis report on the information and views contained in the submissions and the relevant outputs from the work of the LEG, the CGE and the EGTT (FCCC/SBSTA/2006/11, paras. 33–34).

35. At its eleventh meeting, the EGTT discussed possible activities to support the implementation of the Nairobi work programme. The group indicated that these activities should build on the work already undertaken by the EGTT in the area of technologies for adaptation, including the outcomes of the

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<sup>12</sup> <[http://unfccc.int/essential\\_background/background\\_publications\\_htmlpdf/items/2625.php](http://unfccc.int/essential_background/background_publications_htmlpdf/items/2625.php)>.

<sup>13</sup> <<http://ttclear.unfccc.int/ttclear/jsp/index.jsp?mainFrame=../html/IfPG.html>>.

<sup>14</sup> FCCC/TP/2006/1.

<sup>15</sup> <[http://unfccc.int/files/essential\\_background/background\\_publications\\_htmlpdf/application/pdf/innovation\\_en\\_070523.pdf](http://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/innovation_en_070523.pdf)>.

seminar on the development and transfer of environmentally sound technologies for adaptation to climate change<sup>16</sup> and the technical paper on technologies for adaptation to climate change.<sup>17</sup> Some members indicated that in the short term, these activities should focus on further outreach of the products developed by the EGTT in this area and participation of EGTT members in workshops to be organized by the secretariat under the Nairobi work programme. The submissions from Parties mentioned in paragraph 34 above would provide additional guidance on possible activities, which could be undertaken by the EGTT in the medium term.

36. The group agreed to further consider possible activities on technologies for adaptation based on the work already undertaken by the EGTT in this area and in response to the Nairobi work programme at its twelfth meeting, taking into account the synthesis report mentioned in paragraph 34 above.

#### **F. Collaboration with other expert groups established under the Convention**

37. Enhancing cooperation with constituted bodies under the Convention (the CGE and the LEG) ('the expert groups') and exploring areas of possible collaboration with the Executive Board of the clean development mechanism is an ongoing activity of the EGTT. During 2007, the EGTT has been collaborating closely with the CGE in preparing a template on cross-cutting themes in national communications of non-Annex I Parties.<sup>18</sup>

38. The Chairs of the CGE and the LEG were invited to participate in the eleventh meeting of the EGTT in order to identify possible areas of collaboration. At the meeting, the Chair of the CGE provided an update on the status of the work programme of the CGE for 2007, which included the template on cross-cutting themes, document FCCC/SBI/2007/7 and a workshop on exchange of experiences and good practices among non-Annex I Parties in preparing national communications and on cross-cutting issues. The Chair of the CGE indicated that the chairs of the EGTT and the LEG will be invited to participate in this workshop to further strengthen collaboration.

39. At the eleventh meeting, the group was also informed about the work programme of the LEG for 2007. This work programme included a stocktaking meeting on the progress made by Parties in the preparation and implementation of NAPAs. One of the objectives of this stocktaking meeting is to guide implementation of adaptation projects identified in NAPAs. Some members suggested a possible area of collaboration would be to support the LEG in implementing the results of NAPAs by using the practitioners' guide to assist Parties in preparing sound project proposals for financing and in accessing financing.

40. At SB 26, a meeting was convened by the SBSTA and SBI Chairs with the Chairs of the expert groups, in which the Executive Secretary also participated. This meeting aimed to exchange information on the status of each group's work programme and of ongoing collaboration among the expert groups to date, and to consider possible areas for further collaborations including their possible contributions to the implementation of the Nairobi work programme.

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<sup>16</sup> FCCC/SBSTA/2005/8.

<sup>17</sup> FCCC/TP/2006/2.

<sup>18</sup> FCCC/SBI/2007/3.