



Global Environment Facility

Summary of Document GEF/C.34/5

Elaboration of a Strategic Program to Scale up the Level of Investment in the Transfer of Environmentally Sound Technologies

Recommended Council decision for Relations with Conventions

The Council, having reviewed document GEF/C.34/5, *Elaboration of a Strategic Program to Scale up the Level of Investment in the Transfer of Environmentally Sound Technologies*, notes with appreciation that the GEF Secretariat prepared a progress report on the Elaboration of a Strategic Program to Scale up the Level of Investment in the Transfer of Environmentally Sound Technologies, and, upon Council approval, forwarded it to the UNFCCC Subsidiary Body for Implementation at its 28th session in Bonn, Germany, in June 2008.

The Council also requests the Secretariat to forward this document to the UNFCCC Subsidiary Body for Implementation at its 29th session in Poznan, Poland, in December 2008.

The Council further agrees to set aside \$50 million for the proposed technology transfer program from the following accounts in the following amounts:

- (i) \$15 million from the SCCF Program B on Technology Transfer, subsequent to an SCCF Council decision allowing this use of these funds;
- (ii) \$5 million from the climate change global and regional exclusion window of the GEF Trust Fund; and
- (iii) \$30 million to be realized either:
 - a. From the reallocation of funds from individual climate change RAF country allocations, subsequent to a Council decision in the Spring 2009 Council meeting that will provide guidance on the reallocation of unused country RAF resources; or
 - b. From resources released from cancelled projects.

EXECUTIVE SUMMARY

1. At the 13th Session of the Conference of the Parties (COP) to the UN Framework Convention (UNFCCC) on Climate Change held in Bali, Indonesia, in December 2007, the COP reached a decision (4/CP.13) requesting the Global Environment Facility to elaborate a strategic program to scale up the level of investment for technology transfer to help developing countries address their needs for environmentally sound technologies, specifically considering how such a strategic program might be implemented along with the program's relationship to existing and emerging activities and initiatives regarding technology transfer. This paper is a response by the GEF to the COP decision 4/CP.13, based on consultations with interested Parties, international financial institutions (IFIs), the private financial community, and other relevant multilateral institutions. In addition, this paper is a response to the GEF Council's decision (GEF Council 33, April 22-24, 2008, Joint Summary of the Chairs, paragraphs 24-26) requesting the Secretariat to prepare a report comprising a description of its work to date on financing technology transfer and a description of current financing options for technology transfer.

2. This paper adopts the concept of technology transfer as defined by the Intergovernmental Panel on Climate Change (IPCC) and embodied in the UNFCCC technology transfer framework. The paper presents an overview of the GEF experience in financing technology transfer in the climate change focal area, from strategy development to project implementation. The general conclusion is that GEF operations have always focused on the deployment and diffusion of climate-friendly and environmentally sound technologies (ESTs). Virtually all GEF mitigation and adaptation projects aim to promote climate-friendly technologies and expand the capacity for their utilization and reach in the market. GEF funding has focused on supporting innovative approaches and technologies to benefit the global environment while enhancing development goals. Altogether, the GEF has supported more than 30 technologies related to energy efficiency, renewable energy, low-greenhouse-gas-emitting electricity generation, and sustainable urban transport, as well as technologies for adaptation. Additionally, the GEF has provided funding for the preparation of technology needs assessments (TNAs) and other enabling activities for over 100 developing countries. A number of gaps in the current operations of the GEF have been identified, including: (1) the weak link between GEF project development and TNAs; (2) a lack of adequate reporting and knowledge management on technology transfer activities; (3) an uneven engagement with the private sector; and (4) the limited synergy with the carbon market.

3. In elaborating a GEF strategy on technology transfer, this paper identifies a range of options for promoting the transfer of ESTs, including expanding support for existing and new public-private partnerships, technology needs assessments, cost-effective demonstration projects, development of policy frameworks and institutions, and synergy with the emerging climate investment funds as well as the carbon market.

4. Finally, following comment by UNFCCC Parties, the paper proposes a strategic program for implementation during the remainder of GEF-4 using existing GEF-4 resources from the GEF Trust Fund and the Special Climate Change Fund (SCCF) Program B. The proposed program will consist of three funding windows to support technology transfer activities: (1)

technology needs assessments; (2) piloting priority technology projects linked to TNAs; and (3) dissemination of GEF experience and successfully demonstrated ESTs.