



Technology Executive Committee

03 September 2024

Twenty-ninth meeting

17–20 September 2024 (20 September TEC-CTCN Advisory Board Joint session)

Draft summary report on the SBI 60 in-session workshop on linkages between the Technology Mechanism and the Financial Mechanism

Cover note

I. Background

1. As per decision 10/CP.28, paragraph 12, the TEC in collaboration with the CTCN and in consultation with the SBI Chair, organized an in-session workshop at SBI 60 on linkages between the Technology Mechanism and the Financial Mechanism.¹
2. Pursuant to paragraph 14 of the same decision, the TEC, in consultation with the CTCN, is to prepare a summary report on the workshop for consideration by SBI 61.
3. The TEC ad-hoc activity group that was established at TEC 27 to organize the workshop also prepared the draft summary report on the workshop.²
4. At TEC 29, a representative of the ad-hoc activity group will present the draft summary report on the workshop, as contained in the annex.

II. Scope of the note

5. The annex to this note contains the draft summary report on the workshop referred to in paragraph 2 above.

III. Expected action by the Technology Executive Committee

6. The TEC will be invited to consider the draft summary report and authorize the TEC Chair and Vice-Chair to finalize the report after TEC 29.

¹ More information available at: <https://unfccc.int/event/in-session-workshop-on-linkages-between-the-technology-mechanism-and-the-financial-mechanism>.

² See TEC document [TEC/2023/27/21, para. 87](#).

Annex

Draft summary report: In-session workshop on linkages between the Technology Mechanism and the Financial Mechanism

I. Introduction

A. Mandate

1. COP 28 invited Parties, the UNFCCC constituted bodies, the operating entities of the Financial Mechanism and other stakeholders to submit views on maintaining and enhancing collaboration and cooperation between the Technology Mechanism and the Financial Mechanism, including on linkages between the Mechanisms, taking into account guiding questions.¹
2. COP 28 requested the TEC and the CTCN, in consultation with the SBI Chair, to organize an in-session workshop, to be held at SBI 60, to take stock of the linkages between the Technology Mechanism and the Financial Mechanism taking into account the views expressed in the submissions referred to in paragraph 1 above.²
3. COP 28 also requested the TEC, in consultation with the CTCN, to prepare a summary report on the workshop referred to in paragraph 2 above for consideration at SBI 61.³

B. Scope

4. This report summarizes the proceedings of the in-session workshop referred to in paragraph 2 above and the presentations made and discussed at the workshop.

C. Possible action by the Subsidiary Body for Implementation

5. SBI 61 may wish to consider the information herein as part of its deliberations on the linkages between the Technology Mechanism and the Financial Mechanism.

II. Proceedings

6. The workshop, held in Bonn on 4 June 2024,⁴ was opened by the UNFCCC Executive Secretary, Simon Stiell, who highlighted the importance of stronger linkages between the Technology Mechanism and Financial Mechanism at the strategic and operational levels, to respond more effectively and ambitiously to the technology needs of developing countries. The SBI Chair, Nabeel Munir, provided welcoming remarks, emphasizing the importance of linkages between the Mechanisms and encouraging Parties to engage openly and constructively in technical discussions on this topic to learn from each other and develop innovative ways for strengthening those linkages together. The workshop comprised the following four thematic sessions aligned with its objectives:

¹ Decision 10/CP.28, para. 10. The guiding questions are contained in the annex to that decision.

² Decision 10/CP.28, para. 12.

³ Decision 10/CP.28, para. 14.

⁴ The workshop agenda, presentations and webcast are available at <https://unfccc.int/event/in-session-workshop-on-linkages-between-the-technology-mechanism-and-the-financial-mechanism>.

(a) Taking stock of successes, lessons learned and gaps in relation to cooperation and collaboration between the bodies of the Technology Mechanism and the operating entities of the Financial Mechanism;

(b) Identifying ways and opportunities to increase stakeholder engagement in strengthening linkages between the Technology Mechanism and the Financial Mechanism;

(c) Identifying ways to strengthen communication and collaboration between national focal points relevant to the Technology Mechanism and the Financial Mechanism;

(d) Identifying ways to enhance linkages between the Technology Mechanism and the Financial Mechanism in order to better support developing countries in implementing their priority climate technologies, identified through TNAs and CTCN technical assistance.

7. About 200 participants, including Parties and non-Party stakeholders, attended the workshop and engaged in the open discussions within the thematic sessions, which each also featured presentations by and/or a panel discussion among key stakeholders. The workshop was closed by the TEC Vice-Chair.

III. Summary of presentations and discussions

A. Linkages between the Technology Mechanism and the Financial Mechanism

8. Representatives of the TEC and the CTCN (the bodies of the Technology Mechanism) and of the GCF and the GEF (the operating entities of the Financial Mechanism) each made a presentation from the perspective of the body or entity on linkages between the Mechanisms and reflected on ways to enhance them.

9. The Chair of the TEC highlighted the engagement of the TEC in the annual meetings of the GCF Board Co-Chairs with constituted bodies and in a meeting of the GCF Board in 2017 as well as the participation of the GCF and GEF Secretariats in the meetings of the TEC. He also shared that the TEC had provided inputs to the GCF's Strategic Plans as well as annual inputs to the Standing Committee on Finance on draft guidance to the GCF and the GEF. Regarding enhancing linkages between them, the TEC Chair recommended that the GCF and the GEF communicate to the TEC policy issues that are encountered in developing countries' proposals for funding of climate technologies and suggestions on how the TEC could help to address those issues. The GCF and the GEF were invited to (1) provide input to the work of the TEC on guidance on TNAs and how developing countries can access support for implementing TNA outcomes; and (2) increase their collaboration with the TEC across ongoing and upcoming thematic areas of its work, including hard-to-abate industries, buildings and infrastructure, technology incubators and accelerators, funding for national systems of innovation and use of artificial intelligence for climate action.

10. The Chair of the CTCN Advisory Board highlighted that the CTCN has supported 29⁵ GCF readiness projects, which are at various stages of implementation, and has provided comprehensive technical support to two GCF Direct Access Entities in developing concept notes for the GCF Project Preparation Facility. The Chair mentioned that the Board appreciated the participation of the GCF in CTCN capacity-building programmes for NDEs (national focal points for technology development and transfer) and its facilitation of meetings between NDEs and NDAs (national focal points for the GCF). The following gaps and lessons learned in relation to linkages between the Technology Mechanism and the Financial Mechanism have been identified by the Board:

⁵ During the preparation of the report, a correction was communicated by the CTCN Secretariat that it had supported 31 GCF readiness projects by the date of the workshop.

(a) More capacity-building is needed to support developing countries in preparing proposals for CTCN technical assistance and GCF and GEF projects that are in line with the respective requirements;

(b) Coordination is lacking between NDEs, NDAs, GEF OFPs and other relevant national focal points, and with implementing agencies at the national level, for delivering climate technology projects;

(c) A programmatic approach to working with the GCF would be of interest to explore further for the CTCN.

11. A representative of the GCF Secretariat presented the modalities of the GCF for providing support for climate technologies, including its Readiness and Preparatory Support Programme, projects and programme windows, and support for technology incubators and accelerators, in line with existing and relevant mandates of the Fund. The representative emphasized the continued collaboration of the GCF with the TEC and the CTCN as noted in its Strategic Plan for 2024–2027 and highlighted the role of the GCF in fostering collaboration between the Technology Mechanism and the Financial Mechanism. Examples included inviting representatives of the CTCN, TEC and NDEs to GCF events, providing substantive inputs to technical documents, and participating in meetings of the TEC and the CTCN Advisory Board, as well as GCF experts attending the NDE forums. In addition, the GCF has engaged with the CTCN Partnership and Liaison Office on the organization of events and capacity-building activities for NDEs.

12. A member of the GEF Council presented on the support provided by the GEF for technology development and transfer, which has been a cross-cutting priority of the GEF since its inception. For example, the GEF has been providing support to almost 100 developing countries for TNAs on an ongoing basis through the Global TNA Project. The representative mentioned that NDEs are invited to participate in GEF national dialogues to facilitate further coordination with GEF OFPs in order to explore potential cooperation at the national level in a country-driven manner. The following reflections and lessons learned on enhancing linkages between the Mechanisms were shared:

(a) The GEF would welcome stronger cooperation with the bodies of the Technology Mechanism, in accordance with respective mandates and country priorities;

(b) The GEF encourages the TEC and Parties to provide strategic and targeted draft elements of guidance on its policies and programme priorities;

(c) There should be a focus on improving in-country coordination between GEF OFPs, NDEs and UNFCCC national focal points;

(d) Resources need to be better coordinated and learning across regions facilitated;

(e) Technology innovation, development and transfer need to be anchored in national priorities and processes, including in nationally determined contributions and biennial transparency reports, to facilitate country-driven programming and prioritization of relevant support and investment.

13. The subsequent discussion among all participants was guided by the following questions:

(a) What is the purpose of linkages between the Technology Mechanism and the Financial Mechanism?

(b) Which linkages between the Mechanisms have been successful and how can this success be measured?

(c) What lessons learned and gaps are there regarding linkages between the Mechanisms?

14. Some participants highlighted that the purpose of linkages between the Technology Mechanism and the Financial Mechanism has been defined by the COP⁶ with the aim of ensuring financial resources for, and scaling up action on, technology development and transfer; while other participants emphasized that the purpose of strengthening linkages between the Mechanism was to increase coordination and effectiveness.

15. Reflecting on the presentations, participants shared the view that the linkages between the Technology Mechanism and the Financial Mechanism have been enhanced over time and are beneficial to the work under both Mechanisms and the relevant focal points and stakeholders at the national level. Some participants highlighted the role of the Technology Mechanism in informing and mobilizing technology-focused investments by the Financial Mechanism, particularly through policy work of the TEC and the catalytic role of the CTCN to leverage larger investments.

16. Some participants mentioned the need for a high-level and reciprocal commitment to strengthening the linkages between the Mechanisms at a strategic level, including by the leadership of the GCF and the GEF, with the aim of ensuring the downstream effect of improving such linkages at the operational and ultimately the national level. Some participants noted that work under the Mechanisms, including strategies, decision-making processes and operations, is guided by Parties and implemented within the parameters of the respective mandates and governance structures. It was also noted by some participants that national-level linkages between the Mechanisms should be viewed in a country-driven manner and could be enhanced through the country engagement strategies of the operating entities of the Financial Mechanism.

17. Many participants emphasized that maintaining and strengthening of linkages could ensure complementarity and coherence of work among the TEC, the CTCN, the GCF and the GEF and may promote synergies and establish linkages between the Mechanisms, particularly at the institutional and programmatic level. For example, participants noted the value of CTCN engagement with GCF accredited entities and direct access entities and GEF agencies and mentioned that the technical assistance provided by the CTCN through match-making has paved the way for larger-scale project proposals to be supported by the GCF, the GEF and other funds.

18. Many participants highlighted the importance of closer coordination, collaboration and communication at the national and regional level among implementing agencies and the national focal points relevant to the Mechanisms. Some participants stated that enhancing such in-country coordination often requires capacity-building and targeted support for national focal points and highlighted the role and leadership of the UNFCCC national focal points in enhancing in-country coordination, collaboration and cooperation among the focal points of the Technology Mechanism and the Financial Mechanism. Some participants also highlighted particular support needs of focal points in least developed countries and small island developing States in this context.

19. Many participants pointed to a need for quantified and consolidated information on the status of linkages between the Mechanisms, in order to monitor and evaluate progress and success in relation to the linkages. Some participants noted that the TEC, the CTCN, the GCF and the GEF provide relevant information through their annual reporting to the COP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

B. Strengthening linkages between the Mechanisms at the national level

20. A panel comprising representatives of two NDEs (Thailand, Japan), one NDA (Zimbabwe) and one GEF OFP (Malawi) discussed successes, lessons learned and gaps in relation to the linkages between the Technology Mechanism and the Financial Mechanism at

⁶ Decision 13/CP.21, paragraph 6.

the national level, which was followed by discussion among all participants on enhancing the linkages between the Mechanisms at the national level.

21. In general, the importance of developing countries having adequate capacity to understand, use and strengthen the linkages between the Mechanisms at the institutional, programmatic and activity level was highlighted.

22. With regard to institutional linkages, participants underlined the importance of institutional mandates and arrangements, at both the multilateral and the national level, for bolstering in-country engagement, communication and coordination among national focal points relevant to the Mechanisms and their host institutions as well as research and development entities, broader national systems of innovation, financing institutions and the private sector.

23. With regard to programmatic linkages, many participants highlighted the need to take a programmatic and coordinated approach that is nationally driven to systematically leveraging the unique but complementary experience and resources of funding entities and implementation partners throughout the technology development and transfer process. A number of participants emphasized the importance of coupling technology planning with financial and investment planning early in the process of technology needs assessments, technology action plans and the design of climate technology projects.

24. Many participants stressed the importance of country-driven efforts and in-country capacity-building for improving coordination and knowledge- and information-sharing among national focal points relevant to the Mechanisms and actors involved in the implementation of climate technology priorities identified by developing countries. Some participants underscored the critical role of implementing and direct access entities accredited by climate and environmental funds in this regard.

25. Many participants pointed out the importance of targeted capacity-building for and strategic engagement with stakeholders for maintaining and enhancing linkages between the Mechanisms at the national level. It was mentioned that such efforts yield catalytic and long-term impacts beyond the lifetime of individual climate technology projects.

26. Some participants highlighted the resource efficiency of regional approaches to providing tailored capacity-building and technical assistance to developing countries for developing funding proposals, sharing good practices and mobilizing investment. Some participants shared the view that regional centres of excellence with national roots could play a key role in strengthening linkages between the Mechanisms, such as in the context of integrating technology priorities into the programming and investment frameworks of countries and regions.

C. Strengthening linkages between the Mechanisms to better support implementation of priority climate technologies

27. A panel comprising representatives of the CTCN secretariat, the GCF secretariat, the GEF secretariat, UNEP Copenhagen Climate Centre, the United Nations Industrial Development Organization and the West African Development Bank discussed what the Financial Mechanism can do to enhance its support for the implementation of outcomes of the TNA process and CTCN technical assistance as well as what the Technology Mechanism do to ensure that outcomes of the TNA process and CTCN technical assistance can be better supported by the Financial Mechanism and its implementing entities.

28. The discussion was focused on how linkages between the two Mechanisms can be enhanced at the strategic, programmatic and operational levels. Many expressed the view that strengthening linkages between the Mechanisms in order to accelerate the implementation and scaling up of priority climate technologies requires cohesive and

mutually supportive policies, processes and engagement at multiple levels of governance, and actors with adequate capacity to utilize such linkages.

29. Some participants commented that, at the strategic level, linkages between the Mechanisms may be strengthened through better alignment of priorities (e.g. through respective mandates, strategies, programming directions and workplans or programmes) and enhanced coherence and complementarity of mandates and functions (e.g. the policy work of the TEC and the technical assistance of the CTCN could correspond to funding windows and investment criteria of the GCF and the GEF, and vice versa). The need to address gaps between TNAs and CTCN technical assistance, and large-scale funding proposals, was also noted.

30. Some participants suggested that establishing agreements and frameworks for collaboration and cooperation at the institutional level may help to enhance linkages between the Mechanisms and foster enabling environments for engagement with other peer funds, financing institutions and the private sector in order to increase the provision of support, including through co-financing and blended finance, for developing countries' implementation of their priority climate technologies. The idea of the operating entities of the Financial Mechanism giving preference to project proposals informed by CTCN technical assistance was raised in this context. Some participants noted that linkages should be strengthened in a country-driven manner and within the parameters of the mandates, functions and governance structures of the Mechanisms and their respective bodies and entities.

31. Some participants commented that, in order to enhance programmatic linkages between the Mechanisms, programming guidance and funding processes can be streamlined, and the quality of the outcomes of future TNAs and CTCN technical assistance needs to be improved in terms of compliance with the funding requirements of the GCF, the GEF and other financing institutions. Suggestions for addressing this included: increasing the capacity of the CTCN to respond to requests for technical assistance and strengthening its matchmaking function to connect NDEs with technology suppliers and service providers; expanding the scope of the Global TNA Project to include facilitation of project preparation and investment planning; promoting programmatic approaches in which financing institutions utilize the Technology Mechanism to assess new and innovative technologies for potential investment; and improving the alignment of TNA outcomes and CTCN technical assistance with funds' financing requirements.

32. Some participants highlighted examples of linkages at the operational level that have contributed to enhancing support for the implementation of priority climate technologies, including taking a holistic approach to the provision of finance, technology and capacity-building support in order to bolster transformational changes envisioned in the Paris Agreement and the long-term vision for technology development and transfer and accelerated technology implementation; promoting international cooperation on innovation and technology development and transfer, including through engagement of both support providers and recipients with implementing agencies; and taking a programmatic approach (e.g. multi-year, multi-country support) to enhancing the capacity of countries to design and implement climate technology projects.

D. Strengthening linkages between the Mechanisms through the engagement and experience of stakeholders

33. A representative of the SCF presented on the Committee's relationship with the Financial Mechanism and linkages with the Technology Mechanism, including an overview of SCF flagship reports in 2024 with links to technology needs of developing country Parties, as well as challenges and lessons learned in relation to technology implementation. Parties and stakeholders were invited to provide inputs relevant to technology development and transfer to inform ongoing work across SCF workstreams, namely the SCF Forum and the

SCF reports on the determination of the needs of developing country Parties related to implementing the Convention and Paris Agreement; the biennial assessment and overview of climate finance flows; and progress towards achieving the goal of mobilizing jointly USD 100 billion per year by 2020 through to 2025.

34. A panel comprising representatives of the Adaptation Fund, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the UNFCCC observer constituencies of industry and business NGOs, the UNFCCC women and gender constituency and the UNFCCC children and youth constituency discussed what the Technology Mechanism and the Financial Mechanism can do to ensure that outcomes of the TNA process and CTCN technical assistance can be better supported by other actors.

35. Views were shared on effective approaches to using the complementary resources and expertise of various stakeholders to enhance the provision of support to developing countries for implementing their priority climate technologies, including through engagement with:

(a) Other funds, for example through formalized partnerships and coordination frameworks with the bodies of the Technology Mechanism and operating entities of the Financial Mechanism. The Adaptation Fund Climate Innovation Accelerator implemented by the CTCN is an example of such partnerships and reflects a programmatic approach;

(b) Regional actors and initiatives, for example by convening regional investment forums with the engagement of regional investment banks and conducting regional capacity-building activities with Party and non-Party stakeholders on financing climate technologies, in cooperation with implementing entities of the GCF and the GEF;

(c) Multilateral development banks and the broader development finance community, for example by better integrating social and environmental safeguards into project concepts and proposals for funding; promoting peer-learning among financing institutions to enable better use of investments for technology implementation; and utilizing TNA and CTCN technical assistance outcomes for project preparation to help meet the Paris alignment commitments of multilateral development banks and other financial actors;

(d) The private sector and philanthropic organizations, for example by including up-to-date assessments of technology needs, including from TNAs, and market studies in the funding proposal, utilizing CTCN technical assistance to de-risk climate technology projects, as well as by ensuring supportive policy frameworks for engagement with the private sector;

(e) Innovation actors, for example by advancing technology incubator and accelerator programmes, and supporting innovation ecosystems at the local, national, regional and international level;

(f) Civil society, for example by ensuring representation and meaningful engagement of youth, women and marginalized groups, improving the landscape of gender-disaggregated administrative and climate-related data, and mainstreaming gender-responsive planning, budgeting, capacity-building and knowledge-sharing in climate policies, programmes and projects.

E. Other matters

36. Some participants noted that the consideration of linkages between the Technology Mechanism and the Financial Mechanism may be related to the consideration of other thematic areas at the multilateral and national level, for example just transition, loss and damage, carbon markets, national systems of innovation and international cooperation. Some participants highlighted the relevance of the linkages between the Mechanisms to the formulation of nationally determined contributions and long-term low-emission development

strategies, as well as to reporting under the enhanced transparency framework under the Paris Agreement.
