

Calls for stronger collaboration between UNFCCC's Technology and Financial Mechanisms for technology development and transfer

Kuala Lumpur, 1 July (Hilary Kung) – At the recently concluded UNFCCC's 60th sessions of the Subsidiary Bodies (SB60) held in Bonn, Germany, that ended on June 13, countries agreed to continue consideration of the linkages between the Technology Mechanism (TM) and the Financial Mechanism (FM) in Baku, Azerbaijan and take into account the [draft text on the UNFCCC website](#), which is in brackets, signalling a lack of consensus on the whole and for further negotiations.

The main divisions over the draft text between developed and developing countries were on issues such as: the need to have consolidated information about the results of the various mechanisms to inform discussions; financial resources needed to enhance the impact of the work of the Climate Technology Centre and Network (CTCN) and the implementation of the results of the Technology Needs Assessments (TNAs) of developing countries; and streamlining of procedures between the two mechanisms (TM and FM), and the promotion of harmonization between them to shorten the time for processing and approval of proposals from developing countries.

(Technology transfer is seen as a key enabler for climate and sustainable action, with developed

countries, under Article 4.5 of the UNFCCC, obliged to promote and facilitate, including through financing, the transfer of environmentally sound technologies to developing countries to support the latter in implementing climate actions. Under Article 10 of the Paris Agreement, developing countries are also supposed to be supported on technology development and transfer.)

(As noted in [para 9 of decision 14/CMA.5](#) adopted in Dubai last year, there is “insufficient transfer and deployment of technology in developing countries” and the decision encouraged “the Technology Executive Committee (TEC) and the CTCN to continue collaborating with the operating entities of the Financial Mechanism [such as the Green Climate Fund [GCF] and the Global Environment Facility [GEF], and relevant financial institutions with a view to enhancing the capacity of developing countries to prepare project proposals, facilitating their access to available funding for technology development and transfer and for implementing the results of their TNAs and the technical assistance of the CTCN, and strengthening the transfer and deployment of technology...”)

(The Technology Mechanism (TM), comprising the TEC and CTCN, was established in 2010 to facilitate the implementation of enhanced action on technology development and transfer to support action on mitigation and adaptation. The TEC, is the policy arm of the TM; while the CTCN is the implementation arm of the TM, hosted by the United Nations Environment Programme (UNEP), and supports developing countries on a demand-driven basis in deploying transformative climate technologies. The Financial Mechanism (FM) was established under Article 11 of the Convention to provide financial resources on a grant or concessional basis, including for technology transfer.)

Consideration of linkages between the TM and FM started in 2012. The [in-session workshop](#) on June 4, 2024 held in Bonn, saw Parties take stock of successful approaches, lessons learned, and gaps in cooperation and collaboration between the mechanisms; identified ways and opportunities to strengthen linkages and for strengthening communication and collaboration between national focal points (of the mechanisms); as well as ways for enhancing linkages to support the implementation of technology priorities of developing countries, identified through technology needs assessments (TNAs) and technical assistance provided by the CTCN.

In Bonn, the informal consultations were co-facilitated by **Peter Govindasamy (Singapore)** and **Stephen Minas (Greece)**. After the first session, the co-facilitators presented a draft text to Parties on June 5, followed by a second iteration on June 8. The second version is the one that Parties agreed to “take into account” as they continue the consideration of this matter in Baku.

DIVISIONS OVER VARIOUS PARTS OF THE DRAFT TEXT

Discussions led to the adoption of conclusions at the end of the Bonn session which read: “The SBI [Subsidiary Body for Implementation] considered linkages, collaboration and cooperation between the Technology Mechanism and the Financial Mechanism, taking into account the submissions by Parties and other stakeholders..., the synthesis report prepared by the secretariat, and the in-session workshop.”

In Bonn, Parties also “...agreed to continue consideration of this matter at SBI 61 (November 2024) with a view to recommending a draft decision for consideration and adoption at COP 29 (November 2024), taking into account the draft text on the UNFCCC website (<https://unfccc.int/documents/639510>).”

Chile on behalf of the **G77 and China**, said that a lot of the expectations from the group are in the brackets, but viewed the text as a good basis for continued negotiations. The **G77 and China** has been advocating for the facilitation of financial resources to enhance the impact of the work of the CTCN and the implementation of the results of the TNAs.

Uganda for the **Least Developed Countries (LDCs)** said that the “CTCN has always stated that they have limited resources” and asked how this process (under discussions) ensure that it has adequate resources? Referring to para 4 of the draft decision text, **Uganda**, said it had a problem with references to only “ensuring financial resources”, as it had repeatedly called for “ensuring and increasing access to financial resources”.

(Para 4 of the draft decision text reads, “Recalls para 6 of decision 13/CP.21, in which it is recognized that the definition and elaboration of linkages between the Technology Mechanism and the Financial Mechanism has the aim of ensuring financial resources for, and scaling up action on, technology development and transfer.”)

During the session on June 10, **Norway** viewed para 4 as confusing and suggested that “this text cannot be taken forward without discussing how it will be taken forward” in the conclusions.

Sources informed that there was an alternative text proposed to para 4, which does not speak to the need to ensure financial resources, but only recognises “a wide variety of views, including on successes, gaps and challenges, expressed in the submissions ... and the synthesis report prepared on this matter”. This alternate text has now been included as para 5 of the draft text with slight edits.

(Para 5 reads, “Recognizes the wide variety of views expressed in the submissions and the synthesis report referred to in paragraph 1 above,

including on successes, gaps and challenges regarding linkages between the Technology Mechanism and the Financial Mechanism, and notes the gaps, challenges and needs regarding the further strengthening of those linkages”).)

Reacting to para 5, **Uganda** for the **LDCs** said it is not about a “wide variety of views regarding the linkages”, but the focus is to come up with appropriate intervention and for the needs, gaps and challenges to be addressed and interventions to be action-oriented.

Developing countries, led by the **G77 and China**, also called for simplifying the procedures between the two mechanisms and promoting harmonization between them to shorten the time for processing and approval of proposals.

This is reflected in para 9 of the draft decision text, which reads, “Invites the Green Climate Fund and the Global Environment Facility to enhance access to support for and simplify the process for the uptake of technology needs assessment and Climate Technology Centre and Network technical assistance outcomes.” The **EU** said there is no consensus on para 9, which should be bracketed, and preferred the language of “facilitate”, instead of “enhance access...”

Reacting to para 14 which “encourages developed country Parties to contribute to capacity-building and to strengthening the linkages between the Technology Mechanism and the Financial Mechanism to accelerate technology development, deployment, demonstration, diffusion and transfer”, **Canada** said this paragraph “is very broad and not clear what exactly being sought.” It further claimed that “developed countries are already contributing to capacity building efforts.”

Another expectation from the **G77 and China** are texts in paras 6 and 12 of the draft text.

Para 6 reads “Notes the urgent need for consolidated information and data on linkages between the Technology Mechanism and the Financial Mechanism, including on the financial resources needed and provided for the provision of support through the Climate Technology Centre and Network, updating and conducting technology needs assessments, implementing technology

needs assessment outcomes including technology action plans, implementing Climate Technology Centre and Network technical assistance outcomes, and enhancing the capacity of developing countries to translate their technology needs assessments and Climate Technology Centre and Network technical assistance results into fundable proposals.”

Para 12 of the draft decision reads, “Requests the secretariat to prepare a report consolidating the information on funds received, funding gaps, the progress made in enhancing the linkages and potential options to enhance the linkages between the Financial Mechanism and Technology Mechanism for consideration by the Subsidiary Body for Implementation at its sixty-second session (June 2025);]

Chile for **G77 and China** has been calling for consolidated information and data since the beginning of the sessions in Bonn, including at the in-session workshop on June 4, which was echoed by **Saudi Arabia** for the **Arab Group**, **Kenya** for the **African Group**, **Uganda** for the **LDCs**, **Egypt** and **Brazil**. (See some highlights from the in-session workshop below).

Earlier on June 6, **Saudi Arabia** for the **Arab Group** explained that “it was simply looking for baseline information that consolidates all information into one place to have a more fruitful discussion”. It said, “Currently, the information is available across several reports” and there is “no clear visibility of data to inform the discussion”. It then provided some examples of information “such as what are the needs of developing countries, what is the current level of support and so on...”

The **European Union (EU)** responded by saying that there are already joint annual reports of the GEF and GCF, while **Norway** questioned the purpose of the consolidated data.

Switzerland then suggested collecting all information in one place. It referred to “the joint report (of the TEC and the CTCN) and called to encourage them to engage with the operating entities.” This was supported by the **United States (US)**, which viewed that asking for consolidated information can be time-consuming for the secretariat, and that “it (is better) to make use of all

the available reports before we decide to go with time-consuming consolidating information.” The **EU**, also said that both paras 6 and 12 were “impossible tasks”.

Switzerland’s suggestion appeared to be reflected in the bracketed para 7 of the draft decision text, which reads, “Requests the Technology Executive Committee and the Climate Technology Centre and Network, in consultation with the operating entities of the Financial Mechanism, to include in the joint annual report consolidated information and data as referred to...”

Switzerland and the **EU** also highlighted that they encourage private sector engagement on this issue, and that it is important to engage a broad range of stakeholders, including the public and private sector in further strengthening linkages between the mechanisms. **Saudi Arabia** responded by saying that it did not see how the private sector is relevant, as TM and FM are accountable and serve under the Convention.

In this regard, para 13 of the draft text, reads, “[Recognizes the need to engage a broad range of stakeholders, including public and private sector stakeholders, Indigenous Peoples as well as local communities with a gender responsive approach, in further strengthening linkages between the Technology Mechanism and the Financial Mechanism;]”

During the final session on June 11, **Chile** on behalf of **G77 and China** wanted to have the draft text forwarded as the basis for further negotiations in Baku, which was echoed by **Uganda** for **LDCs**, **Saudi Arabia** for the **Arab Group**, and **Kenya** for the **African Group**.

After much wrangling over the procedural aspects of how to capture the progress of this session and to take it forward to Baku, Parties, in the spirit of compromise, agreed to continue consideration of the matter at the next SB sessions in Baku and “take into account the draft decision text on the UNFCCC website.”

SOME HIGHLIGHTS FROM THE IN-SESSION WORKSHOP

At the in-session workshop on June 4, **Chile** for the

G77 and China highlighted the submissions made by the Adaptation Fund (AF) which, it said, was “very interesting in terms of how they have worked with the CTCN and the process and approach that they have.” It also commented on the submission by the United Nations Environment Programme (UEP), which it said, was “actually the first time that you see some light in terms of the numbers of the linkages”. Explaining further, Chile said “now we have numbers on the Technology Needs Assessments (TNAs), on the implementation of the Technology Action Plans (TAPs) that we have never seen before and that’s a very interesting input.” (Chile was referring to the [UNEP’s submission](#), which indicated that the 98 TNAs undertaken by developing countries under the Global TNA project starting in 2009 have only resulted in 21 projects being supported and financed by GEC and GCF.

The total amount of financing (funding + co-finance) was USD 1.83 billion, of which only USD 20 million of funding from GEF and USD 298 million (including grants and loans) from GCF. This was also captured in the [synthesis report by the secretariat](#) as a pre-session document.)

Brazil said, “A lot of efforts have been put on planning and we need to move to implementation.” It recounted that it has been difficult to get the big picture on the linkages, as some information comes from CTCN, some from UNEP, and Parties could not get the big picture of the finance flows. It then suggested the need for Parties to make an effort to get the big picture information to help inform the evaluation of “where we are”. Brazil said further there is need for a greater alignment between the technologies identified by TNAs and TAPs with the funding requirements. It also called for the need for a higher level of flexibility with regard to the funding requirement and that developing countries are the ones who need technology development and transfer more.

Saudi Arabia said that “We do need to identify clearly where we are, where we want to go and how to chart a path to get there.” In terms of the purpose of the linkages, **Saudi Arabia** said that “the simple answer is about implementation”. On the information in reports, it said it is currently scattered across the different reports and said there is need for clear information on the quantified needs of developing countries regarding

technology transfer across the journey, from the preparation of TNAs, all the way to the implementation on the results of TNAs.

Uganda likened the linkages between the TM and FM situation with a metaphor where the TM is like “a vehicle that we need to take to get to achieve climate action” while the “FM is like the fuel for the vehicle for us to get there; “without the fuel, the vehicle will become stagnant at the same position”. Reacting to the presentation earlier by the CTCN, TEC, GCF and GEF, it said, “Listening to the presentations, somehow somewhere we seem like feeding the vehicle with ‘wrong fuel’ and it remains stagnated.”

Seychelles on behalf of the **Alliance of Small Island States (AOSIS)** commented that “with regard to the linkages that already exist, we believe that these linkages need to be enhanced”. It added further that “Small Island Developing States (SIDS) face significant challenges such as high technology cost due to geographical locations and dependency on expensive imports. These issues are compounded by complicated GCF readiness processes and insignificant and insufficient coordination between national focal points agencies and financial entities. Addressing these challenges require tailored technical assistance, financial support and capacity building initiatives

alongside improving coordination and clear guidance. An integrated approach aligning the TNA outcomes with Financial Mechanism criteria is crucial for enhancing the relevance and impacts of funded projects that foster sustainable development and build resilience within the SIDs.”

Samoa said that “the TNA is like a blueprint of how to advance the technology in the country as we move into the implementation of NDC (nationally determined contributions) and NAP (national adaptation plan). Explaining further, it said SIDS also prepared this action plan but because of the geographical distance and remoteness, SIDS have lower economies of scale and technology cost is usually higher, which is a challenge in itself. It also highlighted a concern that some technologies are being brought into the country but then after a few years, when the country requests spare parts, those spare parts are not available and this represents another challenge that needs to be addressed.

The in-session workshop on Linkages between the Technology Mechanism and the Financial Mechanism is available on the webcast. The morning sessions (Session 1 to 3) are available [here](#) while the afternoon sessions (Session 4 and 5) are available [here](#).