



## AUSTRALIA

### **Elements for the terms of reference for the review and assessment of the effectiveness of the implementation of Article 4, paragraphs 1(c) and 5 of the United Nations Framework Convention on Climate Change (UNFCCC), in accordance with decision 13/CP.3**

There is universal recognition that the development and transfer of environmentally sound technologies (ESTs) remains central to securing meaningful long term reductions in global emissions and in mitigating the impacts of climate change.

Equally, it is widely agreed that the sustained broad scale development, deployment, and transfer of ESTs will principally be driven and achieved by market based investment supported by sound legal, economic, and social frameworks that are appropriate to Parties' national circumstances. Targeted public sector investment also has an important role to play by supporting and leveraging increased private sector investments and in addressing well established market failures, such as those associated with the RD&D of new technologies. International public sector investment through international financial institutions can also play a vital role in the development, deployment, and transfer of ESTs, particularly in assisting the creation of public-private investment partnerships in EST projects.

The sustained and broad scale deployment of ESTs requires action by all stakeholders, including national and sub-national governments, business, the research community, and consumers to ensure appropriate enabling environments are established with appropriate mechanisms and incentives to promote sustainable economic and social development. To this end, the engagement of a Party's key policy and economic development agencies are crucial in facilitating the development of an effective enabling environment for the transfer of ESTs.

There is an increasing focus on the importance of technology development, deployment and transfer and that this is demonstrated by the growing volume of public and private sector resources being allocated at the international and national levels. There is, and continues to be, a vast amount of development, deployment and technology transfer relevant to the sustainable economic and social development needs of Parties that is

commercially transferred and/or deployed on a day-to-day basis, between and within developing and developed countries.

A key focus of the terms of reference for review of the effectiveness of Article 4, paragraphs 1(c) and 5 should be to appropriately identify and measure the full range of factors that have successfully enabled both development, transfer and deployment of ESTs, and the broader technology development and transfer that has occurred over the past 15 years since the Convention was developed.

### **General Recommendation for the Terms of Reference**

In accordance with 4/CP.13, the terms of reference for any review should take account of the proposed work of the EGTT on performance indicators. The work of the EGTT on this issue and the review process established in decision 4/CP.13 were clearly established as complementary initiatives and Australia is strongly of the view that the two work streams should be coordinated so as to avoid duplication of effort and to ensure consistency and applicability of outcomes.

In addition, the Fourth Assessment Report of the IPCC notes that there are a range of barriers to technology transfer that vary from sector to sector and between developed and developing countries and economies in transition. Accordingly, the review could also benefit from highlighting and drawing on examples and practical approaches where such barriers have been overcome successfully.

### **Specific Recommendations of the Terms of Reference**

#### **Objective**

The objective of these terms of reference is to direct the review and assessment of the effectiveness of the implementation of Article 4, paragraphs 1(c) and 5.

#### **Scope**

As embodied in decision 4/CP.13, the scope for these terms of reference includes all activities that are relevant to the fulfilment of Article 4, paragraphs 1(c) and 5.

#### **Task**

The review should undertake the following tasks:

Collect a comprehensive range of information which describes all the key elements that underpin the process of technology development, deployment and transfer. At a minimum, this should include the following key indicators:

- The degree to which:
  - public and private sector financial support is being made available to support the development and transfer of ESTs in each Party, and the rate of its uptake;
  - key national policy and economic development agencies are involved in the development and implementation of Parties' climate changes policies;
  - technology needs assessments, and the technology needs identified in these assessments are integrated into national development strategies and goals of Parties.
  - targeted capacity building is being made available to promote the adoption of relevant and climate-friendly technologies in each Party;
  - Parties are engaged in, and support, international technology cooperation partnerships and institutions;
  - Parties have in place effective enabling environments that facilitate development, deployment and transfer of ESTs including:
    - comprehensive national and sub-national policy frameworks to support enhanced investment in clean development and ESTs;
    - independent and effective legal systems that allow for consistent and transparent applications of laws relating contracts, protection of intellectual property rights and responsible and consistent environmental protection;
    - established national and sub-national systems of innovation, including linkages to international research, development and deployment focused organizations, bodies or agreements;
    - reduction in investment barriers including, tariff and trade policies within a given country, import restrictions, and uniformity in treatment of domestic and foreign suppliers, manufacturers, financial entities, and other business activities; and

- the presence of active national trade associations, chambers of commerce, or local offices of major companies and international NGOs that demonstrate the willingness and capacity of local businesses to engage in EST project investment and partnerships.
- The number of:
  - Clean development related projects undertaken within Parties and the degree to which they are supported by bilateral or multilateral financing, including through the Convention's Financial Mechanism and the Kyoto Protocol's Clean Development and Joint Implementation mechanisms;
  - EST related patent registrations and licensing agreements lodged and entered into by Parties; and
  - Parties that have completed, or updated, and submitted national communications, comprehensive GHG inventories, and updated technology needs assessments.
- The availability and accessibility of information:
  - that assists Parties in identifying and developing relevant and appropriate EST needs;
  - that assists Parties to develop concrete investment proposals for projects that enable the development, deployment and transfer of ESTs.

The review should then undertake detailed analysis of this information, noting the need to provide a complete picture of trends, notable areas of success and failure, and elaborate on reasons therein.

The review should provide this information and analysis and key findings in a report to SBI.

### **Timing**

As previously noted the EGGT will develop a set of performance indicators on this issue which will be made available to the subsidiary bodies for consideration at their thirtieth session. It would therefore seem prudent that the timing and structure of the work program for the review take this into account to ensure efficiency and complementarities of effort and outcomes.