

Facilitating Finance to Accelerate Diffusion of Climate Change Technologies to Developing Countries

Conference on Innovation and Climate Change

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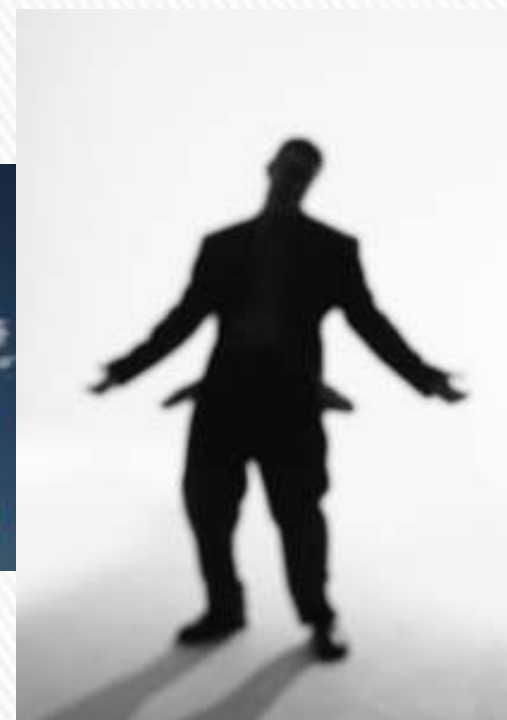
CICG, Geneva

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Financing technology diffusion and transfer to developing countries is one of the keys to building productive capacity and sustainable development success in developing countries, especially in the context of climate change impacts and needs for adaptation



Normative Context for Financing Technology Transfer and Diffusion to Developing Countries

Soft Law

- Rio Principle 9
- Agenda 21, Chapter 34
(technology transfer)

Treaty Law

- TRIPS Art. 66.2 (tech transfer to LDCs)
- UNFCCC Art. 4.5 (access to and transfer of ESTs)
- UNCBD Art. 16 (access to and transfer of technologies)



The objective is for developing countries to be able to produce and innovate their own endogenous technologies as part and in support of their sustainable development process

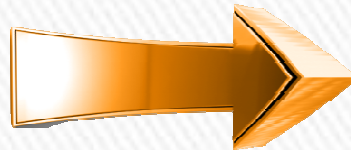


Scale of financing (estimates) to pursue sustainable development

1992 (for 1993-2000)	2011 (for 2000-2050)
<p>Agenda 21 (UNCED Secretariat, 1992) “average total annual cost (1993-2000) of implementing” technology transfer chapter “to be between \$450 million and \$600 million from the international community on grant or concessional terms” (to support transfers to developing countries)</p> <p>Total estimated annual cost for Agenda 21 implementation (1993-2000) – The secretariat of the Conference has estimated the average annual costs (1993-2000) of implementing in developing countries the activities in Agenda 21 to be over \$600 billion, including about \$125 billion on grant or concessional terms from the international community.</p>	<p>UNDESA WESS 2011 (launched last week) – global incremental investment needed to finance green technology transfers on scale needed to effect global technological transformation – around 3% of world gross product (US\$1.9 trillion in 2010) annually 2000-2050, of which US\$1 trillion per year is investment required in developing countries</p>



UNFCCC – COP16, Cancun



- Technology Transfer Mechanism
 - Technology Executive Committee
 - Technology Centre and Network
- Green Climate Fund



Green Climate Fund architecture (still to be designed by Transition Committee)



GCF Technology Transfer Window

- full incremental costs that may accrue to developing countries in relation to the acquisition of and use of environmentally sound technologies
- conduct of climate technology needs assessments in developing countries
- climate technology research and development, innovation, production, and diffusion in developing countries, including supporting the costs for patent acquisition or licensing with respect to climate technologies



Affordability of technologies



Recommendations

- an effective financing mechanism (such as the technology window in the GCF described above) to support such diffusion and transfer of climate technology from developed to developing countries
- decreasing the price factors that increase the cost of acquisition of climate technologies at commercial rates such as intellectual property rights
- supporting and financing technology diffusion and transfer through non-commercial transfer modalities such as joint technology research and development, innovation, production, and diffusion, including skills development, training, and capacity building for developing country research and product development institutions



Recall and Implement Agenda 21, Chapter 34, as Means for Implementing Normative and Treaty (UNFCCC, TRIPS, CBD) Commitments on Technology Transfer and Diffusion

- Transfer of environmentally sound technologies that are publicly owned or in the public domain;
- Encourage the private and public sectors to innovate, market and use environmentally sound technologies;
- Examine existing policies, including subsidies and tax policies, and regulations to determine whether they encourage or impede the access to, transfer of and introduction of environmentally sound technologies;
- Address barriers to the transfer of privately owned environmentally sound technologies and adoption of appropriate general measures to reduce such barriers while creating specific incentives, fiscal or otherwise, for the transfer of such technologies to developing countries;



Recall and Implement Agenda 21, Chapter 34, as Means for Implementing Normative and Treaty (UNFCCC, TRIPS, CBD) Commitments on Technology Transfer and Diffusion

To facilitate transfer and diffusion of privately owned technologies to developing countries:

- Creation and enhancement by developed countries, as well as other countries which might be in a position to do so, of appropriate incentives, fiscal or otherwise, to stimulate the transfer of environmentally sound technology by companies, in particular to developing countries, as integral to sustainable development;
- Purchase of patents and licences on commercial terms for their transfer to developing countries on non-commercial terms as part of development cooperation for sustainable development, taking into account the need to protect intellectual property rights;
- In compliance with and under the specific circumstances recognized by the relevant international conventions adhered to by States, the undertaking of measures to prevent the abuse of intellectual property rights, including rules with respect to their acquisition through compulsory licensing, with the provision of equitable and adequate compensation;
- Provision of financial resources to acquire environmentally sound technologies in order to enable in particular developing countries to implement measures to promote sustainable development that would entail a special or abnormal burden to them



Thank you

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