



**Friends of  
the Earth  
International**

## **Friends of the Earth International submission to UNFCCC**

**Elements for the terms of reference for the review and assessment of the effectiveness of the implementation of technology transfer.**

**February 2008**

**Friends of the Earth International** is the world's largest environmental federation with **member organizations in 71 countries**, some 5,000 local activist groups and more than one million members and supporters. Friends of the Earth groups campaign locally, nationally and internationally to create socially just and environmentally sustainable societies. We research and campaign on today's most urgent environmental and social issues, challenging existing economic policies and projects and promoting alternative solutions that will help create environmentally sustainable and socially just societies.

Friends of the Earth appreciates this opportunity to submit our views on this important issue. Technology transfer and technology sharing has a vital contribution in making available existing mitigation potential as well as supporting positive genuine sustainable development. Friends of the Earth International welcomes the reconstitution of EGTT and the importance of defining meaningful terms of reference for achieving urgent and effective transfer of technology.

**Friends of the Earth International believes that:**

- **Parties should urgently explore and implement measurable, reportable, verifiable technology transfer in order to help promote and fund the positive and genuine sustainable development pathways in developing countries**
- **Robust testing criteria of the social and environmental benefit of technology transfer must be developed – including non-greenhouse gas related environmental benefit – to use as a benchmark for positive and genuine sustainable development.**

- **A working group should be established to review the barriers in trade policies and agreements, including IPRs and trade-related financing policies of multilateral financial institutions; with special consideration of supporting positive sustainable development aims.**
- **More emphasis should be given to energy efficiency and appropriate renewable energy generation opportunities, including decentralized and endogenous forms of energy production suitable to and supporting local communities and environments.**
- **Recognising historical and current responsibilities of developed country Parties, any technology transfer funding commitments by developed country Parties must be governed under the operation of the Convention providing a structure with a fair representation and inclusion of all Parties to the Convention**

Friends of the Earth International would like to highlight some key considerations in formulating the terms of reference for the review and assessment of the effectiveness of technology transfer implementation. These considerations, and this submission, are structured as follows:

1. Assessing current responses to implementing technology transfer
2. Developing robust social and environmental criteria for any mechanism
3. Addressing continued barriers to the development and transfer of technology
4. Examining trends in proposed solutions addressing technology transfer
5. Recently announced technology transfer finance and investment initiatives

## **1. Assessing current responses to implementing technology transfer**

The convention (Article 4, paragraph 5) calls for *practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties, particularly developing country Parties.*

The assessment of current responses must include financial, bilateral and multilateral responses to implementing technology transfer obligations under the convention.

Friends of the Earth believes that to date, developed Party efforts in responding to this challenge has been consistently inadequate, failing to address a key component of the Convention.

It is essential to recognise that the ability for developing country Parties to address domestic mitigation and adaptation opportunities is dependent on capacity and access to clean and genuinely sustainable technologies and an adequate level of financial resources. The overall performance of developed country Parties in facilitating resources and access to technology transfer has been weak, leading to the repeated stalling of negotiations.

Friends of the Earth International calls on developed country Parties to recognise the inadequate response to technology transfer efforts in negotiations and to urgently explore and implement

measurable, reportable, verifiable technology transfer mechanisms in order to help promote and fund positive sustainable development pathways in developing countries.

## **2. Robust social and environmental benefit criteria**

Technology transfer has the dual ability to both assist in mitigation and adaptation efforts. Technology transfer must meet both social and environmental benefit that extends beyond greenhouse gas mitigation benefit, if it is to increase the resilience to current and future impacts of climate change. Without meeting social and environmental criteria, technology transfer efforts risk imposing social and environmental costs which will exacerbate vulnerability to climate change.

There are also clear links in the use of technology to both address mitigation and adaptation. As noted by the IPCC WGII, current adaptation efforts are occurring on a limited basis. Vulnerability to climate change not only depends on impacts of climate change, but also on factors such as poverty and unequal access to resources; and the impacts of economic globalisation trends towards privatisation of goods and services, and expansion of markets that displace local trade. Sustainable development that includes addressing social, economic and technical limitations and barriers will reduce vulnerability and impact of climate change.

It is critical to recognise that factors such as education, health care, public health prevention and infrastructure and economic development will all influence the health of a population, ability to achieve sustainable development aspirations and the level of vulnerability to climate change. Technology transfer efforts must strive to strengthen local infrastructure and resources, and at a minimum have no negative effect on essential resources, in particular local food, water and livelihood systems.

As such social and environmental benefit criteria that are developed from the lens of sustainable development is an essential aspect of technology transfer. Friends of the Earth believes that such criteria should be pro-poor and protect ecosystems, livelihoods and human security. Just as community-based adaptation provides the best opportunity to ensure that adaptation projects are culturally, technically and socially appropriate; it is likely that community-based technology transfer can also provide the same benefits. As such discussion and potential to reach consensus on the principles of community-based technology transfer, being community developed, controlled and owned, should be explored.

## **3. Addressing continued barriers to the development and transfer of technology**

Friends of the Earth International is deeply concerned that barriers to effective technology transfer have not been addressed by developed Parties in a sufficiently meaningful way.

The Convention (Article 4, paragraph 1 (c)) calls on all Parties to *promote and cooperate in the development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases.*

Barriers to effective technology transfer such as contradictory trade policies and agreements, including Intellectual Property Rights (IPRs), must be urgently reviewed. The foremost aim of this review and any potential reforms should be to enable developing countries the capacity and urgent access to technologies that support genuine sustainable development.

It is morally unjustifiable to continue to afford protection to corporate economic rights over and above the greater needs of humanity. In order to shift this vital issue forward, Friends of the Earth urges all parties to rapidly upscale their efforts to reach agreement on enabling measurable, reportable, verifiable technology transfer.

Friends of the Earth International considers insufficient emphasis has been afforded to identifying and overcoming the barriers to technology transfer. Friends of the Earth International urges the establishment a working group to review the barriers in trade policies and agreements, including intellectual property rights (IPRs), and impacts of trade-related financing policies by multilateral financial institutions; with special consideration of support for positive sustainable development.

#### **4. Examining trends in proposed solutions addressing technology transfer**

Some technology options dominating discussions relating to mitigation pathways under technology transfer such as nuclear energy, damaging large-scale hydro power, carbon capture and storage, and genetic modification of plants and trees are potentially dangerous distractions that may pose unacceptable risks to biodiversity, environmental integrity, and human health.

For example, agrofuels (large-scale, industrial biofuels) are being promoted as a way of reducing greenhouse gas emissions in industry and transport sectors; however agrofuels are not an effective or acceptable solution to climate change. In some cases, agrofuels actually have higher greenhouse gas emissions than fossil fuels over their life cycle. Moreover, the expansion of agrofuels is increasing the competition of land between food and fuels, as well as incurring unacceptable impacts on people and biodiversity in producer regions.

Friends of the Earth International urges that more emphasis and priority is given to energy efficiency and renewables opportunities, including decentralized forms of energy production suitable to and supporting local communities and environments. Proven, existing and effective technologies to tackle climate change must be given absolute priority over proposed 'false solutions' and other untested technical fixes to addressing climate change.

#### **5. Recently announced technology transfer finance and investment initiatives**

Efforts to scale up investment and other financial means to support technology transfer aims are an integral component of the Convention. Article 4, paragraph 5 of the Convention urges: *all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how*. Additionally, COP 13 decision under the SBI (FCCC/CP/2007/L.2) requests this issue be specifically addressed.

Recent announcements by the US for establishing a 'clean technology fund', and subsequent elaboration of this fund under a larger World Bank 'climate investment fund', are indications of potential large-scale financial commitments by developed country Parties. However, there are substantial concerns about the conflict of interest of such institutions as the World Bank administering technology transfer funds given the poor track record in fossil fuel projects (undermining the objective of the UNFCCC), inadequate and tokenistic community and civil society consultation processes, and role the World Bank holds as the world's largest carbon brokers.

Finance and investment initiatives must be ensured to support the overall aims of the Convention in terms of Party participation in the set-up, governance and decision-making of any such mechanism.

Friends of the Earth is concerned that these two funds will be used to promote trade based mechanisms and policies for technology sharing often contingent to other bank financing. Obligations for Annex I Parties to finance mitigation through technology transfer in non-Annex I Party countries must be addition to domestic emissions reduction obligations. Annex I countries must adopt obligations that are fair, equitable, have ecological integrity and that are additional to their national domestic emissions reduction obligations and existing financial commitments to developing country Parties.

Friends of the Earth International urges that the 'operationalisation' of any such commitments by developed country Parties are governed under the operation of the Convention. In particular, careful consideration must be given to ensuring policies and mechanisms of such funds are established by the Convention or by bodies initiated and accountable to the Convention whose structure is representative of all Parties to the Convention. Recipient countries of any technology transfer fund would need to have fair representation in the governance structure in determining the scope, policies or operation of any such fund.