

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION**

Second session

Bonn, 2–12 June 2008

Agenda item 3 (d)

**Enabling the full, effective and sustained implementation
of the Convention through long-term cooperative action now,
up to and beyond 2012, by addressing, inter alia
Enhanced action on technology development and transfer to
support action on mitigation and adaptation**

**Report on the workshop on effective mechanisms and enhanced means for the
removal of obstacles to, and provision of financial and other incentives for,
the scaling up of the development and transfer of technology to developing
country Parties in order to promote access to affordable environmentally
sound technologies; and ways to accelerate deployment, diffusion and
transfer of affordable environmentally sound technologies**

Summary by the chair of the workshop

I. Introduction

1. The Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) agreed its work programme for 2008¹ at its first session. The AWG-LCA also agreed that its work should be facilitated by workshops and other activities to deepen understanding of and clarify elements contained in decision 1/CP.13 (the Bali Action Plan).
2. The AWG-LCA, at the same session, requested the secretariat, under the guidance of the Chair in consultation with Parties, to organize a workshop at its third session on “Effective mechanisms and enhanced means for the removal of obstacles to, and provision of financial and other incentives for, the scaling up of the development and transfer of technology to developing country Parties in order to promote access to affordable environmentally sound technologies; and ways to accelerate deployment, diffusion and transfer of affordable environmentally sound technologies”.²
3. This note by the Chair of the AWG-LCA summarizes the presentations, exchange of views and discussions by Parties at the workshop.
4. Background to the discussion in the workshop was provided by the Parties’ submissions to the AWG-LCA at its first session, the Chair’s summary of the debate at that session, the secretariat’s information note on ongoing work related to the Bali Action Plan³ and presentations by the Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) on the related work of those bodies. This background highlighted the importance

¹ FCCC/AWGLCA/2008/3.

² FCCC/AWGLCA/2008/3, paragraph 26.

³ FCCC/AWGLCA/2008/INF.1.

of using the Bali Action Plan to add value and impetus to ongoing processes – in the Chair’s words, to move the work of the Parties beyond “business as usual”.

5. The workshop was chaired by the Chair of the AWG-LCA, Mr. Luiz Figueiredo Machado.

II. Summary of discussions

6. The Chair of the SBSTA, Ms. Helen Plume, and the Chair of the SBI, Mr. Bagher Asadi, outlined the work on development and transfer of technology under each body, noting possible inputs to the work on technology transfer under the AWG-LCA and the importance of enhancing coordination between the three bodies. The presentations highlighted key relevant activities of the Expert Group on Technology Transfer, and forthcoming work under the SBI on the review and assessment of the effectiveness of the implementation of Article 4, paragraphs 1(c) and 5, of the Convention and the strategic programme to scale up the level of investment for technology transfer.

7. Presentations were given by the following 10 Parties: Barbados on behalf of the Alliance of Small Island States (AOSIS), Bangladesh, Brazil, China, European Community, Ghana, India, Japan, South Africa and United States of America. After the presentations, interventions were made by representatives of Barbados on behalf of AOSIS, Canada, Mexico, Pakistan, Republic of Korea and Slovenia on behalf of the European Community and its member States.

8. In their presentations, Parties stressed the key role of technology in addressing climate change and agreed that an integrated approach should be used in all the stages of the technology development cycle; namely, research and development (new technologies), demonstration, deployment and diffusion (existing, patented and retrofit technologies). Parties also emphasized the importance of technologies for both mitigation and adaptation and pointed out that transfer of technology is not the same as trade in technology.

9. Many Parties highlighted the importance of creating enabling environments in order to remove the obstacles to scaling up development and transfer of technologies and to attract private- and public-sector investment. Areas that need to be addressed in order to create enabling environments for the development and transfer of technologies, for both the providers and the recipients of the technology, include intellectual property rights (IPRs), domestic policies, regulations and standards, and institutional arrangements.

10. Parties emphasized the need to enhance mechanisms and means to provide positive incentives for scaling up development and transfer of technology. Parties also stressed the importance of innovative funding mechanisms and incentives to reward development and transfer of technologies. One option proposed was to establish a multilateral fund.

11. The value of international cooperation during the different stages of the technology cycle was noted by Parties. This includes collaborative research and development, strengthening and improving networks between national and regional centres of excellence, sharing technology road maps, and South–South, North–South and triangular cooperation.

12. Parties stressed the importance of assessment and monitoring of the development and transfer of technologies and discussed how it could contribute to the discussion on “measurable, reportable and verifiable” actions under the Bali Action Plan.

13. Lack of human and institutional capacity, including the capacity to absorb new technologies, was identified as one of the key barriers for developing countries in better adopting, operating, maintaining and diffusing environmentally sound technologies. Parties proposed that enhanced capacity-building should be a key element of an enhanced technology transfer framework.

14. Specific proposals presented in the workshop included:

- (a) Establishing a new **international mechanism or enhanced framework** for the development and transfer of environmentally sound technologies. Key elements of the proposed mechanism or framework included:
 - (i) A multilateral technology acquisition/cooperation fund established under the Convention (Brazil, China, Ghana and Mexico). The fund could be used to disseminate existing technologies, purchase licences of patented technologies (Brazil), provide incentives to the private sector (China), support international cooperation on research and development, support venture capital based on a public-private partnership and remove barriers. For small island developing States, the fund could be used to fast-track the development of renewable technologies (Barbados on behalf of AOSIS);
 - (ii) An institutional arrangement to manage the fund, accredit the development and transfer of technology activities and endorse national programmes (China and Ghana). This could be a new subsidiary body on development and transfer of technology established under the Conference of the Parties (COP) (China) or a technology transfer board supported by panels and/or a clearing house (Bangladesh and Ghana). It could support the implementation of the enhanced technology transfer framework (European Community);
 - (iii) Incentives to reward and credit development and transfer of technologies (European Community, Ghana and Republic of Korea);
 - (iv) Performance assessment and monitoring the speed and range of technology flow and the cost-effectiveness of resulting emission reductions (Brazil and China);
 - (v) Scaling up support for existing, and establishing new, financing mechanisms and tools (European Community);
- (b) Scaling up **technological cooperation** by enhancing international cooperation on research and development of specific technologies, multilateral cooperation on the deployment of sector-specific technology, and establishing joint ventures to accelerate the diffusion and transfer of technology (Barbados on behalf of AOSIS, Brazil, European Community, Ghana and Japan);
- (c) Creating **enabling environments**, for both the providers and the recipients of the technology, to support domestic and international investment in both public and private sectors (European Community, Ghana and United States). This may include: reducing the duration of IPRs and introducing differential pricing to promote incentives and remove barriers to technology transfer (Pakistan); developing regulatory frameworks for technology agreements in different sectors; and considering structures and funding for improving research, development and demonstration of key technologies (European Community);
- (d) Accelerating research and development of technology by: enhancing networks between centres of excellence and strengthening research in the public domain; working in collaboration and jointly owning the resulting IPRs; and accelerating transfer and diffusion through a global financing arrangement (India);
- (e) Enhancing the dialogue between Parties and the private sector by organizing a **round-table** discussion in conjunction with the fourteenth session of the COP (December 2008), having invited Parties to submit their views on elements for

consideration at the round table. The round table could address, inter alia, innovative policy approaches to manage and share risk and technology cooperation (Canada).

III. Possible areas of focus

15. The workshop provided a good opportunity for Parties to present and discuss ideas on how to advance the development and transfer of technologies under the Bali Action Plan. Several areas of interest and convergence emerged during the discussions, which could be further considered by Parties, including:

- (a) Institutional arrangements for supporting enhanced technology development and transfer;
- (b) Mechanisms and means for the removal of obstacles to scaling up the deployment, diffusion and transfer of technologies, including for removing barriers to domestic and international financing;
- (c) Existing and new mechanisms and means for the provision of financial and other incentives for scaling up the deployment, diffusion and transfer of technologies;
- (d) Technology agreements to scale up cooperative actions.

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