



International Centre for Trade
and Sustainable Development

Initiative on Climate Technology and Trade

Under

Global Platform on Linkages between Trade Policies, Climate Change and Sustainable Energy

1. Background

Promoting the rapid generation, introduction, and adoption of climate-friendly technologies is critical to enhancing broader efforts to curb greenhouse gas emissions. In particular, facilitating the transfer of technologies required for mitigation and adaptation to climate change by developing countries is considered to be an essential element of an international regime that comprehensively and effectively addresses the climate change challenge. Article 4.1 (c) of the UNFCCC requires all Parties to, taking into account their common but differentiated responsibilities, promote and cooperate in the transfer of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases. Similarly, Article 10 of the Kyoto Protocol states that all Parties must take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of environmentally sound technologies, know-how, practices and processes pertinent to climate change, in particular to developing countries.

The development and transfer of technology will be central in the post-2012 global framework on climate change. The Bali Action Plan which sets the framework for long-term cooperative action on climate change recognises the importance of the development and the transfer of technology. Ongoing discussions will certainly build on the extensive work that the IPCC and the Expert Group on Technology Transfer (EGTT), among other UNFCCC bodies, have done on climate change and technology transfer.

The multifaceted nature of climate change, both in its effects and solutions, create a unique challenge to technological solutions. Technologies are needed across a range of sectors, with patterns of development and ownership that are complex and still not fully understood. As such, the unique aspects of the climate change context make it critical to innovate in the approaches to solutions beyond traditional mechanisms of development and transfer of technology.

As discussions on the technology component of the Bali Action Plan continue, significant divergences remain as to the nature and significance of obstacles to effective

development and transfer of technology. More fundamentally, there appears to be an incomplete understanding of the kinds of barriers that can, and should be addressed at the global level, through global regulatory frameworks. A number of issues, ranging from intellectual property and the immaturity of certain technologies, to the lack of capacity to develop or absorb relevant technologies are all in the mix.

2. Enhancing technology transfer

The processes through which transfer of technology occurs may vary from market-based transactions and informal transfer to specific initiatives by international or non-profit organizations. An understanding of existing modalities of technology transfer, as well as the ways in which these modalities may be applied in different policy fora/contexts is thus critical.

Building on the existing knowledge as to the mechanisms of international technology transfer, as well as the potential ways in which to influence such mechanisms, several approaches may be considered in the post-2012 climate regime to promote the dissemination of clean technologies. Possibilities already being discussed include drawing from a global mechanism that would provide for the cost of technology acquisition. In that respect, the approach followed under the Montreal Protocol on Substances that Deplete the Ozone Layer could provide a model to explore. It may also be necessary to find other incentives for the transfer of appropriate technologies to developing countries. In the climate change context, there is still significant uncertainty as to the manner in which to provide effective mechanisms and incentives for the transfer of clean technologies, as well as the barriers that need to be overcome.

3. Objectives of the Initiative on Climate Technology and Trade

The *Initiative on Climate Technology and Trade* is proposed as an informal mechanism to formulate a research agenda, identify gaps and priorities to be addressed in global regulatory frameworks and provide a conceptual framework for analytical thinking. More specifically, the initiative seeks to:

1. Identify obstacles and potential points of intervention to promote the development and transfer of climate-related technology;
2. Examine mechanisms of development and transfer of technology in other global policy and regulatory frameworks and assess their relevance in the context of climate change;
3. Explore the potential of new models of innovation, development and transfer of technology;
4. Identify current research and knowledge gaps and initiate a process of analytical thinking that would lead to concrete options that could be considered in the UNFCCC context.

Through research and analysis, the *initiative* could generate solutions-focused and policy-oriented outcomes that can be fed into the work of the relevant bodies dealing with climate change technology within the UNFCCC and other climate change related processes.

This *Initiative* will add value to already existing mechanisms such as the EGTT in two ways. First, it will bring in multidisciplinary perspectives and experiences, so as to learn from successful experiences and mechanisms for promoting the development and transfer of technology in other policy fora/contexts. Second, it will generate research-based and policy-relevant proposals that could contribute to informing negotiations on key questions of relevance to the development and transfer of technology in the climate context.

4. Composition (proposed members, not exhaustive)

John BARTON, George E. Osborne Professor of Law, Emeritus, Stanford Law School, United States [Confirmed]

Zhou DADI, Founding Director, Beijing Energy Efficiency Center (BECon), Director, China Energy Research Institute, PR China

Dominique FORAY, Director of the Chair of Economics and Management of Innovation and Dean of the College of Management of Technology at EPFL, Lausanne University, Switzerland [Confirmed]

Taka HIRAISHI, Co-Chair, IPCC Task Force on National Greenhouse Gas Inventories, Japan

Keith MASKUS, Faculty Research Associate, Political and Economic Change Program, Colorado University, United States [Confirmed]

Lynn Krieger MYTELKA, Distinguished Research Professor at Carleton University, Ottawa, Canada [Confirmed]

Daniel M. KAMMEN, Class of 1935 Distinguished Professor of Energy in the Energy and Resources Group (ERG), the Goldman School of Public Policy and the Department of Nuclear Engineering, University of California, Berkeley [Confirmed]

Maria NOLAN, Chief Officer, Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol [Confirmed]

Ruth OKEDIJI, William L. Prosser Professor of Law and Solly Robins Distinguished Research Fellow, University of Minnesota Law School, United States [Confirmed]

Pedro ROFFE, Senior Fellow, ICTSD, Chile [Confirmed]

Padmashree Gehl SAMPATH, Lecturer, Open University and Research Fellow, United Nations University, Department of Development Practice in the UK, India [Confirmed]

Konstantinos KARACHALIOS, Expert on Technology Transfer, International Cooperation and Intellectual Property [Confirmed]

George Weyerhaeuser, Senior Fellow, Innovation and Technology, World Business Council for Sustainable Development (WBCSD) [Confirmed]

Participants in the initiative are involved in their personal capacity and not as representatives of any institution or government.

Ad hoc members:

Jukka UOSUKAINEN, Director General, Finland Ministry of Environment, Chair of the EGTT [Confirmed]

William Kojo AGYEMANG-BONSU, National Climate Change Coordinator, Environment Protection Agency, Ghana, Member of the EGTT [Confirmed]

5. Modalities of functioning

Four meetings are scheduled to take place under the initiative in the period of negotiations towards Copenhagen in 2009. Below is the proposed timing of such meetings:

- 4 June 2008, in conjunction with the meetings of the subsidiary bodies in Bonn, Germany
- December 2008, in conjunction with the COP/MOP in Poznan, Poland
- Spring 2009 (exact timing and venue to be decided)
- Autumn 2009 (exact timing and venue to be decided)

The Initiative is implemented under the guidance of Ricardo Melendez-Ortiz, ICTSD Chief Executive and managed at the operational level by programme managers in the Intellectual Property and Technology, Climate Change and Energy programmes of ICTSD.

6. The June 4 meeting

The twenty-eighth sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) of the UNFCCC will be held from 4-13 June 2008. The second session of the Ad hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 2) and the second part of the fifth session of the Ad hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 5) will be held from 2-12 June 2008.

The first meeting of the initiative is scheduled to take place on 4 June 2008, in conjunction with the above-mentioned meetings. This will involve a half-a-day closed meeting among members and other participants as well as an open meeting in the form of a side event. This first meeting will provide participants with an opportunity to consider the issues outlined above, define a set of priorities for research and analysis on key questions, and set an agenda for the future work. ICTSD will facilitate the process of organising this meeting.

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