



International Centre for Trade  
and Sustainable Development

**Proposals on behalf of the International Centre for Trade and Sustainable  
Development  
(ICTSD)  
to the RIO+ 20 preparatory process**

## **1. Proposal for a Global Green Innovation and Technology Partnership**

1- According to the UNGA Resolution ( A/RES/64/236), the objective of the RIO+20 Conference is to secure “renewed political commitment for sustainable development, assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges.”

2- In this regard, the transfer of environmental sound technologies has been a major item on the international sustainable development agenda in particular since the Rio Earth Summit in 1992. It should thus figure prominently in discussions leading to the RIO+20 conference and in the conference’s outcome.

### **Background: The transfer of environmental sound technologies and sustainable development**

- 1- In 1992, the First Rio Earth Summit adopted Agenda 21, as a comprehensive plan of action to be taken globally, nationally and locally by organizations of the United Nations System, Governments, and Major Groups in every area in which human impacts on the environment.
- 2- Chapter 34 of Agenda 21 addressed: “Transfer of Environmentally Sound Technology, Cooperation And Capacity-building” and had a number of objectives in particular:
  - a. To help to ensure the access, in particular of developing countries, to scientific and technological information, including information on state-of-the-art technologies;
  - b. To promote, facilitate, and finance, as appropriate, the access to and the transfer of environmentally sound technologies and corresponding know-how, in particular to developing countries, on favorable terms, including on concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries for the implementation of Agenda 21; (Chapter 34, paragraphs a) and b)).
- 3- In 1997, a United Nations General Assembly meeting in special session carried out a five year review of Earth Summit progress. Resolution A/RES/S-19/2 called for the urgent fulfillment of all the Earth Conference commitments concerning concrete measures for the transfer of environmentally sound technologies to developing countries. In particular, it suggested “the creation of centers for the transfer of technology at various levels, including

the regional level, could greatly contribute to achieving the objective of transfer of environmentally sound technologies to developing countries” (Paragraph 93).

- 4- In 2002, the Johannesburg Plan of Action called upon Governments as well as relevant regional and international organizations and other relevant stakeholders to implement actions to:
  - a. Accelerate the development, dissemination and deployment of affordable and cleaner energy efficiency and energy conservation technologies, as well as the transfer of such technologies, in particular to developing countries, on favorable terms, including on concessional and preferential terms, as mutually agreed.
  - b. Promote networking between centers of excellence on energy for sustainable development, including regional networks, by linking competent centers on energy technologies for sustainable development that could support and promote efforts at capacity-building and technology transfer activities, particularly of developing countries, as well as serve as information clearing houses;
  
- 5- In 2011, the UNEP Green Economy Report and the UN World Economic and Social Survey, highlighted the key role of technology in the transition towards a green economy.

#### Progress, Gaps and Proposals:

- 6- Wide diffusion and transfer of green technologies continues to be a pressing challenge facing the international community.
  
- 7- Since the Earth summit, diffusion and transfer of green technologies, in particular of climate change technologies, has taken place via a number of channels such as: development and climate financing, in particular by the Global Environmental Facility (GEF); carbon markets, in particular the Clean Development Mechanism (CDM) projects as well as trade flows in environmental goods and services. However, these channels remain insufficient in relation to the massive scale up of transfer of green technologies required to match the magnitude of the climate change challenge. Furthermore, there are no effective methods of measuring and verifying the extent of technology transfer which have taken place.
  
- 8- There is better information and data available about the technological needs of developing countries, particularly in the area of climate change thanks to the technological needs assessments (TNAs) conducted under the framework of the United Nations Convention on Climate Change (UNFCCC).
  
- 9- There are greater technological capabilities in a number of developing countries paving the way for more effective and tangible South-South cooperation in the area of green technologies, in particular clean energy technologies.

- 10- However, obstacles to enhancing technology transfer to developing countries continue to be multiple and range from lack of financing to lack of enabling environments and lack of absorptive capacities. They call for multiple solutions and responses. At the international level, concrete mechanisms have often lacked to operationalise actions and provisions on transfer of environmentally sound technologies agreed upon at the multilateral level.
- 11- In this regard, the decision by the sixteenth session of the Conference of the Parties to the UNFCCC in (2010) to establish a *Technology Mechanism* to enhance the technology transfer and diffusion of climate adaptation and mitigation technologies is of great significance. The Technology Mechanism is composed of a Technology Executive Committee (TEC) and of an operational body to facilitate networking among national, regional, sectoral and international technology bodies, to be called the Climate Technology Centre and Network (CTCN).<sup>1</sup> The CTCN materializes and elaborates upon previous proposals along the same vein that have been mentioned in previous international documents such as the Johannesburg Plan of Action.
- 12- The RIO+20 Conference should welcome of and support the creation of the UNFCCC Technology Mechanism as an important milestone in efforts to operationalise international commitments aiming at meaningful and effective actions to enhance the technology transfer and diffusion. It should also emphasize the importance that the Mechanism is endowed with the adequate financial resources to enable it to carry out its tasks effectively and that it is made operational without delay.
- 13- In this context, the RIO+20 might wish to examine the possibilities of replicating the precedent of the Technology Mechanism at a wider scale by establishing a *Global Green Innovation and Technology Partnership* to galvanize efforts and know how to accelerate the diffusion of green technologies at a wide world scale.
- 14- As in the case of the Technology Mechanism with the Cancun Conference, the RIO+20 conference could take the decision in principle to create such a partnership and define its broad functions and leave more detailed aspects of its operationalisation to a time bound process of intergovernmental discussions with the participation of all relevant stakeholders.
- 15- Without duplicating the work of the Technology Mechanism, the broad functions of a *Global Green Innovation and Technology Partnership* could be:

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<sup>1</sup> For further information about the Technology Mechanism, see ICTSD, *The Climate Technology Mechanism: Issues and Challenges*, ICTSD Information Note, 2011 available at: <http://ictsd.org/i/publications/103789/>.

- a. Accelerate the deployment and diffusion of green technologies and know-how in particular to developing countries and ensuring coherence and coordination in efforts aiming at this purpose.
  - b. Encourage 'green innovation' taking into account the technological and socio-economic needs of developing countries and their development objectives.
  - c. Promoting collaboration between a wide range of stakeholders, particularly private-public stakeholders, to accelerate the deployment and diffusion of green technologies as well as green innovation
  - d. Facilitate a 'green' network of national, regional, sectoral and international technology centres, networks, organizations and initiatives to respond to the needs of developing countries in a variety of areas including technical assistance, identification of best practices and addressing to barriers to the wider dissemination of green technologies.
  - e. Encourage the availability of better information about green technologies through adequate technology platforms.
- 16- The Partnership should remain a flexible instrument that that can be hosted by an existing international institution. It would act at the same time as a hub, a platform and a catalyst for global efforts to transfer and diffuse green technologies, in particular to developing countries.
- 17- Finally, the role of intellectual property rights has been a long standing issue in discussions about the transfer of environmental sound technologies, and was mentioned in chapter 34 of agenda 21. Discussions on this issue should be technical, evidenced based and seek to identify and explore means to address existing knowledge and information gaps.
- 18- In 2010, UNEP, the European Patent Office and ICTSD released a study on *Patents and Clean Energy* in order to contribute towards addressing the evidence gap in this area.<sup>2</sup> The study identified three main policy implications :
- a. Policy processes can have a positive impact on technology development and innovation
  - b. Accurate and publicly available information on existing and emerging clean energy technology, including IPRs and licensing, is urgently needed.
  - c. There is a need to facilitate untapped potential in licensing of clean energy technologies to developing countries.

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<sup>2</sup> The study is available at: <http://ictsd.org/i/publications/85887/>

## **2. Proposal for a Sustainable Energy Trade Agreement**

According to the UNGA Resolution (A/RES/64/236), the objective of the Rio+20 Conference is to secure “renewed political commitment for sustainable development, assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges.”

One of the greatest future challenges that Rio+20 will need to address in the transition to a green economy and poverty eradication is the decarbonisation of the global energy system. The dual problem of providing sustainable energy access for all and mitigating climate change is currently hindered by a number of political, economic and institutional factors.

In this context, trade can and should provide part of the solution. Currently, the rapid global deployment of clean energy technology is hindered by significant border and behind-the-border trade barriers.

A Sustainable Energy Trade Agreement (SETA) - aimed at enabling the rapid scale up in innovation, diffusion, and use of goods, services, and technologies in the non-fossil fuel energy sector - could provide a concrete solution. Addressing sustainable energy trade in a comprehensive manner and building on a plurilateral approach, a SETA would fill a major current governance gap.

Numerous possibilities exist regarding the manner in which the scope of issues and market barriers could be addressed within a SETA. Issues could be addressed in two phases, with a first phase addressing clean energy supply goods and services, starting with solar, wind, small-hydro and biomass, and eventually extending to marine, geothermal, clean coal, and transport-related biofuels. A second phase could address the wider scope of energy efficiency products and standards, particularly those related to the priority sectors identified by the Intergovernmental Panel on Climate Change (IPCC) for greenhouse gas mitigation: buildings and construction, transportation, and manufacturing.

The first Global Green Growth Forum (3GF) in Copenhagen in October 2011 saw the proposal of a Sustainable Energy Trade Agreement (SETA). As the UN has declared 2012 to be the International Year of Sustainable Energy for All, the coincidence with Rio+20 marks an exciting opportunity to provide a platform for endorsing and further developing the concept.

Background information on the SETA - developed by ICTSD in cooperation with the Peterson Institute for International Economics, the Global Green Growth Institute (3GI), and drawing on ideas discussed in the Renewable Energy Global Agenda Council of the World Economic Forum's (WEF) Global Redesign Initiative – is available in a report entitled *Fostering Low Carbon Growth: The Case for a Sustainable Energy Trade Agreement* on the ICTSD website:

([http://ictsd.org/downloads/2011/11/fostering-low-carbon-growt\\_the-case-for-a-sustainable-energy-trade-agreement.pdf](http://ictsd.org/downloads/2011/11/fostering-low-carbon-growt_the-case-for-a-sustainable-energy-trade-agreement.pdf))