

STATEMENT BY SIDHARTO R. SURYO-DI-PURO, THE INDONESIAN DELEGATION, ON BEHALF OF THE GROUP OF 77 AND CHINA, TO THE COMMISSION ON SUSTAINABLE DEVELOPMENT AD-HOC WORKING GROUP ON INDUSTRY AND SUSTAINABLE DEVELOPMENT: THE ROLE OF INDUSTRY IN THE TRANSFER OF TECHNOLOGY

New York, 3 March 1998

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Mr. Co-Chairmen,

The Group of 77 and China notes that during the 1998 session of the Commission on Sustainable Development, business and industry will underscore their contribution in the area of technology cooperation. Business and industry have a key role to play in the transfer of technology which is indispensable for the promotion of sustainable development. They also play a critical role in addressing poverty alleviation by stimulating more sustainable consumption and production, all in the context of sustainable development. In this regard, business and industry should be encouraged to help bring about sustainable development through managerial, technical and financial resources for the purpose of meeting major environmental challenges.

We are encouraged that since the deliberation of the UNGASS last year, there have been some initiatives in developing the Government's control and influence over the technological knowledge produced in publicly funded research and development institutions. We believe that such publicly owned technologies could be made accessible to the developing countries, and could be an important means for Governments to catalyze private sector technology transfers. In this regard, the Group would like to express its sincere appreciation to the government of the Republic of Korea for conducting the international expert group meeting on the role of publicly funded research and publicly owned technologies in the transfer and diffusion of environmentally sound technologies, held from 4 to 6 February 1998.

Agenda 21 stands as the central internationally agreed comprehensive blueprint for action to be taken by governments, United Nations organizations, development agencies, business and industry, nongovernmental organizations, in every area in which human activities impact on the environment. As such, the agenda should be implemented. Therefore, addressing issues beyond the domain of Agenda 21 would hamper the implementation of the outcomes of the Rio Summit.

Mr. Co-Chairmen,

The Group of 77 and China is of the view that the Chairman's Summary on the implementation of Agenda 21 should be based on the relevant principles of the Rio Declaration on Environment and Development and the Chapters of the Programme of Action for Sustainable Development. These include, among others, Principle 3 on the right to development, Principle 7 on common but differentiated responsibilities, and Principle 19 on strengthening endogenous capacity-building. They also refer to Chapter 4 on changing consumption patterns, Chapter 6 on protecting human health, Chapter 9 on the protection of the atmosphere, Chapter 16 on environmentally sound management of biotechnology, Chapter 17 on the protection of oceans, all kinds of seas, and Chapter 34 on the transfer of environmentally sound technology, cooperation and capacity-building.

The report contained in document E/CN.17/1998/4, particularly the final paragraph (paragraph 66), which calls on the international community to strengthen development cooperation, points to the prime importance of financial support as well as measures to accelerate the transfer of environmentally sound technology. The reiteration of international commitments on the above issue is essential.

Business and industry play a very important role in this regard. They can provide favourable access to and transfer of environmentally sound technologies, in particular to the developing countries. These supportive measures promote technology cooperation and the transfer of necessary know-how as well as building up of economic, technical and managerial capabilities for the efficient use and further development of transferred technology. This implies that when discussing the transfer of technologies, human resource development and local capacity-building aspects of technology choices, including gender-relevant aspects, should also be addressed.

Technology cooperation involves joint efforts by both enterprises and Governments and both are suppliers and recipients of technology. Therefore, such cooperation entails an interactive process involving the government, the private sector, and research and development facilities to ensure the best possible results from the transfer of technology. Successful long-term partnerships in technology cooperation necessarily require continuing systematic training and capacity-building at all levels over an extended period of time.

Mr. Co-Chairmen,

Since Rio, there has been little achieved in facilitating the transfer of environmentally sound technology to the developing countries. Instead, the intellectual property rights (IPR) regime has become far more strict, especially through the Trade Related Intellectual Property Rights (TRIPs) Agreement in the World Trade Organization (WTO). Evidence is also emerging that the IPR regime can inhibit developing countries from having effective access to environmentally sound technologies (ESTs). The full application of intellectual property rights should not be allowed to become a barrier to technology transfer.

The Group of 77 and China is of the view that in adopting the transfer of technology, several considerations should be taken into account as follows:

1. Stronger protection of intellectual property rights will impede the transfer of technology and will further widen the gap between the developed and developing countries.
2. In addition to acquiring ownership rights, developing countries interested in the pursuit of biotechnological innovation need to preserve their natural genetic endowment rights for future exploitation.
3. Based on the above, it would be advisable to assess the relationship between the TRIPs Agreement and the Convention on Biological Diversity. We require a study to determine under what circumstances IPRs could become a barrier to the transfer of environmentally sound technologies, and under what circumstances would IPRs promote such transfers.
4. The private sector is one of the sources of employment creation, information, training, and capacity building. Developing initiatives for the public and private sectors partnership shows great promise for the increased voluntary use of environmental management. Only in this way can the private sector make its full contribution to sustainable development.
5. The private sector has an increasing role to play in the delivery of effective technology transfers which clearly involves the transfer of skills and knowledge.
6. The Government's control and influence over the technological knowledge produced in publicly funded research and development institutions open up the potential for the generation of publicly owned technologies that could be made accessible to the developing countries, and could be an important means for Governments to catalyze private sector technology transfers. In this regard, proposals for the

further study of various options with respect to those technologies and publicly funded research and development activities are welcomed.

7. Technology transfers and the development of the human and institutional capacities to adapt, absorb and disseminate technologies, as well as to generate technical knowledge and innovations, are part of the same process and must be given equal importance. Governments have an important role to play in providing, inter alia, research and development institutions with incentives to promote and contribute to the development of institutional and human capacities.
8. In this context, it is important to identify barriers and restrictions to the transfer of environmentally sound technologies and seek to reduce such constraints while creating specific incentives, fiscal and otherwise, for the transfer of these technologies. Progress in the fulfillment of all the provisions contained in Paragraph 34 of Agenda 21 should be reviewed regularly as part of the multi-year work programme of the Commission on Sustainable Development.

Finally, the Group of 77 and China would like to reserve its rights to explain its position at some future time.

Thank you, Mr. Co-Chairmen.