



AUSTRALIA

Technology Cooperation

Submission to the AWG-LCA

This submission outlines Australia's views on technology cooperation. It complements Australia's submission on technology transfer to the AWG-LCA in Accra in August 2008.

The development and diffusion of low emission technology is vital to global efforts to decouple emissions growth from economic growth. Australia fully supports the UNFCCC technology framework amended and adopted at COP 13 in Bali, 3/CP.13. The prime responsibility for delivering technology outcomes under the Convention and 3/CP.13 lies with Parties themselves. While pursuing the same objective, technology cooperation is a separate issue to scaling up financing for clean development.

The UNFCCC Secretariat has noted that the private sector is, and will continue to be, the overwhelmingly dominant driver of technology development and deployment¹. The dispersion of technologies globally is put to effect by the private sector. Intellectual property, in particular, is the domain of the private sector. The attractiveness and efficiency of global and national markets will determine the success of technology cooperation. To date, the private sector has been under-represented in discussions and should be given a greater role.

The key to enhancing investment flows is the creation of appropriate and stable enabling environments, economic incentives and supportive national policy frameworks. Targeted public sector investment in technology cooperation can play an important role, particularly in areas with no market or where the market has failed.

¹ Investment and financial flows relevant to the development of an effective and appropriate international response to Climate Change, UNFCCC, 2007

Both developed and developing countries are involved in the production and distribution of low emission and adaptation related technologies at many different levels. Since 1990, many non-Annex I parties have dramatically improved their technological capacities and do not require the same forms or levels of assistance to support technology cooperation. For example, a number of rapidly industrialising non-Annex I countries have demonstrated that they can develop and deploy complex, costly and unique technologies, including highly advanced nuclear, defence and space programs.

Countries with a capacity to develop and deploy clean technologies should focus their efforts on cooperative research, development and the deployment of new clean technologies with others. International efforts to facilitate the deployment of clean technologies should prioritise those countries – in particular the least developed countries – that will benefit most.

In line with the objectives of Bali Action Plan subparagraph 1(d), Australia plays an active role in the Asia-Pacific Partnership on Clean Development and Climate. The Partnership supports the development of new and proven technologies for renewable energy, reducing emissions from fossil fuels and improving energy efficiency. It focuses on developing practical projects that involve a high level of cooperation between government and industry in and across developed and developing country partners in the Asia Pacific region – Australia, China, India, Japan, the Republic of Korea, the United States of America and Canada.

In September 2008 the Australian Prime Minister announced Australia's proposal to establish the Global Carbon Capture and Storage Initiative, the first stage of which will be to establish a Global Carbon Capture and Storage Institute. The focus of the Institute will be to accelerate the development of carbon dioxide capture and storage (CCS) technology globally by facilitating public private partnerships in flagship demonstration projects, leveraging and sharing experiences and identifying and supporting the necessary research.

A wide variety of processes, mechanisms and organisations outside the UNFCCC – such as the International Energy Agency, the Global Environment Facility and various national and international programs – have considerable experience and valuable expertise in implementing global technology cooperation. In order to make the most of our resources, we should use these existing processes and mechanisms rather than create new ones.

The UNFCCC can make its strongest contribution through facilitating, rather than attempting to be the focal point for implementing, enhanced global technology cooperation. Technology cooperation facilitated by the UNFCCC should be high impact and cost-effective and leverage as much as possible these external processes and structures.

Below are a broad set of factors that could guide Parties' discussions on technology cooperation. We propose that actions should:

- a. Enhance the global development and uptake of mitigation and adaptation related technologies, particularly through improved trade and investment flows
- b. Be cost effective, by using markets to the fullest extent possible
- c. Address clearly demonstrated needs, market failures and/or other identified policy/regulatory barriers
- d. Promote or enhance sustainable market-based outcomes where appropriate.
- e. Complement existing activities, processes and mechanisms both inside and outside the UNFCCC to maximise benefits, use existing resources and avoid creating unnecessary overheads.

Proposals to create a new Subsidiary Body for Technology would require major institutional change and risks duplication of work being undertaken elsewhere.

Attachment A

Suggested elements of a future work program

There are a range of areas where enhanced international cooperation could improve cooperation on clean technologies. A future work program could examine these areas:

1. Actions for enhanced capacity building and enabling environments
 - (a) Developing actions to enhance capacity building at institutional and human level (e.g. improved technical and policy skills and training, assistance in developing national policies and measures), and national and sub-national enabling environments (improved social, economic and technology frameworks including transparent regulatory and legal frameworks). Skills development, particularly in accessing private financing and in project development, would be a high priority.
 - (b) Consideration could also be given to enhancing the capacity of the Experts Group on Technology Transfer (EGTT) to provide technical advice.
2. Actions to enhance low emission technology and research and development
 - (a) Governments and public sector organisations can promote greater cooperation on technology research and development, including in developing the skill sets needed for this support, and developing robust national systems of innovation.
 - For example, Australia has announced a proposal to establish of a Global Carbon Capture and Storage (CCS) Initiative, including a A\$100 million Global Institute to work cooperatively with other countries and industry to accelerate the research, development, demonstration and commercialisation of CCS technology.
3. Enhancing Technology Needs Assessments
 - (a) There is a need to re-evaluate the current Technology Needs Assessment (TNA) process in order to streamline the process and engage relevant stakeholders including within national governments. Lessons learned from the development and

application of the National Adaptation Programmes of Action (NAPA) process – including its approach to mainstreaming climate change considerations into government and community decision-making – may be instructive.

4. Improving access to technologies

- (a) Smaller scale projects can sometimes be stranded below the scope of the major development or technology funds. A "technology leveraging facility" could assist matching TNA outcomes with available private/public carbon financing. This could include a facility similar to the Private Financing Access (PFAN) model developed by the Climate Technology Initiative (CTI) and promote closer collaboration with international financial institutions and multilateral development banks. Such a facility could be supported initially through a refocusing of existing technology-based funds under the GEF.
- (b) Ownership of intellectual property (IP) rights is not a significant barrier to technology cooperation or use. However, poor IP protection can deter investment and innovation. Work could be undertaken by the EGTT, in conjunction with relevant financial experts, to develop template models for IP licensing arrangements for use by Parties. Appropriate and accessible IP licensing models may improve IP protection and reduce project development costs.
- (c) Consideration could also be given to ways to improve information exchange on mitigation and adaptation related technology and access to suppliers and products for developing countries. This could build on the foundation of the UNFCCC Technology Transfer Clearing House (TT:Clear), which provides a web-based portal for this purpose.