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**TRADE AND DEVELOPMENT BOARD**

Commission on Investment, Technology  
and Related Financial Issues

Sixth session

Geneva, 21–25 January 2002

Agenda item 4

**INTERNATIONAL POLICY ISSUES: INTERNATIONAL ARRANGEMENTS FOR  
TRANSFER OF TECHNOLOGY: BEST PRACTICES FOR ACCESS TO AND  
MEASURES TO ENCOURAGE TRANSFER OF TECHNOLOGY WITH  
A VIEW TO CAPACITY BUILDING IN DEVELOPING COUNTRIES,  
ESPECIALLY IN LEAST DEVELOPED COUNTRIES**

Agreed recommendations<sup>1</sup>

1. In its deliberations on the international arrangements for transfer of technology, the Commission took note of the secretariat documents available for consideration under this item.<sup>2</sup> The compendium on transfer of technology provisions<sup>3</sup> is a welcome contribution and should be updated, as necessary, and widely disseminated.
2. The Commission noted the concerns of the international community with respect to enhancing the transfer of technology to developing countries, in particular to the least

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<sup>1</sup> As adopted by the Commission at its closing plenary meeting on Friday, 25 January 2002.

<sup>2</sup> “International arrangements for transfer of technology” (TD/B/COM.2/37); “International arrangements for transfer of technology: best practices for access to and measures to encourage transfer of technology with a view to capacity building in developing countries, especially in least developed countries” (TD/B/COM.2/EM.9/2); “Report of the Expert Meeting on International Arrangements for Transfer of Technology: Best Practices for Access to and Measures to Encourage Transfer of Technology with a view to Capacity Building in Developing Countries, especially in Least Developed Countries” (TD/B/COM.2/33).

<sup>3</sup> *Compendium of International Arrangements on Transfer of Technology: Selected Instruments* (UNCTAD/ITE/IPC/Misc.5), United Nations publication Sales No. E.01.II.D.28.

developed countries (LDCs), as well as their technological capabilities, as reflected in several dozen bilateral, regional and multilateral instruments.

3. Governments and the private sector have an important role to play in the implementation of commitments, *inter alia* through public and private partnerships. In this connection, the Commission emphasized the need for adequate protection of intellectual property in providing incentives for investment and transfer of technology in all countries, taking into account the interests of producers, users and consumers.

4. The Commission examined a number of best practices that can contribute to generating favourable conditions and opportunities for transfer of technology and capacity building. In this respect, the Commission made the recommendations set out below.

### **Governments**

5. Creation of a hospitable domestic regulatory environment for foreign investment, together with intellectual property protection, encourages access to technology. It has been observed that transfer of technology is often most successful when accomplished by means of investment, especially by foreign direct investment (FDI). In this connection, technical cooperation should focus on technological capacity building with a view to enabling beneficiary countries to use intellectual property rights in ways that advance their national systems of innovation.

6. Setting up of coordination committees at the national/regional level with regard to the interface between commitments in the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) and national implementation requirements may facilitate the application of the TRIPS arrangements to local innovation needs and to favouring their pro-competitive implementation.

7. Measures by home countries to promote transfer of technology, especially through FDI in developing countries, should be promoted. In this connection, the Commission would like to draw attention to Article 66.2 of the TRIPS Agreement and paragraph 11.2 of the decision

of the Ministerial Conference of the World Trade Organization (WTO) on implementation of related issues and concerns, adopted in Doha.

8. Support should be provided for capacity building, in particular in LDCs, through specific projects and programmes and by establishing a scientific and technological infrastructure on a cooperative basis for both public and private research facilities so as to enable them to assess, adopt, manage, apply and improve technologies.

### **International community**

9. International instruments with built-in implementation mechanisms, including financial provisions and monitoring arrangements, have a promising implementation record<sup>4</sup> and should be emulated. They can serve as a model in other areas, such as infrastructure, health, nutrition and telecommunications.

10. The TRIPS Agreement should be implemented in a manner that is conducive to transfer of technology, in accordance with its Articles 7, 8 and 40, including by assessing its impact on transfer of technology and capacity building.

11. The establishment of the special trust fund for activities in the area of science and technology for development as decided by the Commission on Science and Technology for Development (CSTD) at its fifth session (ECOSOC resolution 2001/32) should be supported and contributions to it invited.

### **UNCTAD**

12. Taking into account the particular needs of LDCs, UNCTAD should:

- (a) Provide assistance to developing countries in strengthening their capacity to discuss and examine transfer of technology issues and to negotiate technology transfer provisions in international instruments;

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<sup>4</sup> Such as the Montreal Protocol; see “International arrangements for transfer of technology: best practices for access to and measures to encourage transfer of technology with a view to capacity building in developing countries, especially in least developed countries” (TD/B/COM.2/EM.9/2), paragraph 29.

- (b) Further explore ways and means for effective implementation of international commitments in the area of transfer of technology and capacity building and assist interested countries by undertaking a needs assessment with regard to the interface between commitments in the TRIPS Agreement and national implementation requirements;
- (c) Disseminate information concerning existing home country measures that encourage transfer of technology in various modes to developing countries, in particular LDCs.

13. UNCTAD is encouraged to make inputs available to the WTO work programme on trade and transfer of technology, in particular on issues related to the above areas.

14. UNCTAD is also encouraged to continue its support to the work of the CSTD and report to this Commission.