

**May 30, 2013**

**U.S. Remarks (as delivered)**

**Workshops 3 – Enhancing Countries’ capacity to access and utilize environmentally sound technologies through international structures, institutions and initiatives**

Mr./Madam Chair,

The United States welcomes the opportunity to comment on this important topic.

The appropriate diffusion of knowledge and technology has clear potential to help developing economies meet their development goals while avoiding the negative environmental outcomes sometimes seen with rapid economic growth and industrialization.

Addressing the challenge of promoting development and environmental sustainability simultaneously will require innovative and flexible thinking and we’re pleased to be able to participate in this discussion. We welcome the opportunity to discuss how best to strike a balance between making use of new technologies and preserving incentive structures that provide the basis for the innovation and entrepreneurialism essential to future growth and economic well-being.

We support the work of UN agencies on capacity development and systems that will promote innovation and investment in key technologies. These efforts continue to be important to meeting the challenges of eliminating poverty and creating sustainable economic development in the 21<sup>st</sup> century. The U.S. is also a major provider of capacity building assistance on a bilateral basis. Through the Building Opportunities Out of Science and Technology (BOOST) program, we train young scientists and engineers to perform innovative research and connect with the international scientific community. For example, the U.S. recently supported a BOOST project with students from Egypt and Morocco on the collection, interpretation and publication of hydrologic data. In addition, our Global Innovation through Science and Technology (GIST) initiative identifies and supports young entrepreneurs through skills development, networking, and access to financing. This initiative promotes the transition of new ideas and solutions into the marketplace by enhancing individual capacity.

We wish to underscore the importance of our continued emphasis on education, and in particular women's participation in the STEM subjects. We can support women's development and livelihood activities by supporting efforts to promote gender equality in science, technology, engineering, and math education, careers and leadership

In addition, policies that encourage and support the role of women in innovation systems at national and grassroots levels help us unlock the potential of half the population, and lead to the sustainable development outcomes we are seeking. I was happy to see the large number of female inventors highlighted in Dr. Cuero's presentation.

As we engage in this discussion, we need to remain cognizant of the fact that most of the technology and knowledge in question is privately held, that it was developed in a broader market context, and that it is spread most efficiently through market mechanisms. Because most technology is not government-controlled, there are limits to what governments can do to foster diffusion. Developing countries can take aggressive government actions to promote adoption of a new technology – but in isolation, this action is often counterproductive. Without the underlying private sector know-how and support systems and services, the costs of maintaining new technology infrastructure can outstrip the ability of the domestic economy to support it.

Furthermore, approaches such as mandatory requirements for the transfer of intellectual property or domestic procurement as a precondition for investment are market-distorting and actually weaken a country's economic competitiveness. The World Bank Doing Business Report has shown a strong correlation between improvements in the doing business rankings – which includes the protection of property rights – and improvements in global competitiveness.<sup>1</sup> And specifically the report has noted that:

“as economies develop, they may add to or improve on regulations that protect investor and property rights. Many also tend to streamline existing regulations and prune outdated ones. One finding of Doing Business is that dynamic and growing economies continually reform and update their business regulations and the implementation of those regulations ....”

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<sup>1</sup> <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf> (pg 20)

We strongly believe that the transfer of technology should be voluntary between parties and on mutually agreed terms and conditions. We do not believe that technology can be successfully "pulled" in by government action; rather we believe that market forces must push technologies organically.

We do not believe that establishing a new institution or mechanism under UN auspices, or any other, will change these core considerations surrounding successful spread of technologies and know-how.

What governments can do most effectively is to lay the policy foundation for the functioning of that broader market. This includes creation of a regulatory environment that stimulates competition, entrepreneurship, commerce and investment, and a strong intellectual property regime.

These basic structures serve to protect new ideas in the marketplace and preserve the incentives necessary for future technological innovations that will be key to sustainable development. In fact, developing countries that are putting in place these kinds of policy and regulatory frameworks are seeing increases in homegrown technology innovation and entrepreneurship as well as technology transfer from abroad. The growing importance of technology innovation in developing countries is illustrated by the substantial growth in recent years in the number of registrations of intellectual property at WIPO originating with developing country entrepreneurs and companies.

The U.S. believes that the effective incorporation of new technologies is critical for sustainable growth and development. We appreciate the opportunity to participate in this important workshop and the panelists' constructive, pragmatic suggestions to facilitate the spread of clean technologies.

Thank you.