United Nations Framework on Climate Change
Transfer of Technology Consultative Process
Asia and the Pacific Regional Workshop

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Country Paper from Australia

Prepared by the Australian Department of Industry Science and Resources

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1. Introduction

Australia is supportive of the consultative process initiated by the Chairman of the SBSTA. The workshop in Arusha, Tanzania represented a good start in the consultative process and Australia looks forward to participating in the Asia and Pacific workshop in January 2000. Australia welcomes the opportunity to submit its views on the development and transfer of technologies, especially as they relate to climate change.

Australia sees the private sector playing the key role in technology development, diffusion and transfer. However; Australia believes the public sector has a significant role in designing the legal, institutional and policy frameworks to facilitate private sector investments and in ensuring that adequate education, training and research and development frameworks exist and are enhanced.

2. Plans Policies and Activities to Implement Article 4.5 of the Convention

Plans and Policies

Australia is supportive of bilateral and multilateral technology cooperation activities to facilitate technology transfer. Australia has formal bilateral arrangements facilitating technology cooperation with several non-Annex I countries, especially in the Asia Pacific region. Technology transfer is also facilitated through Australia's overseas aid program and the International Greenhouse Partnerships Office. Like most countries, Australia produces only a fraction of its total technological needs, and therefore also has bilateral arrangements to facilitation technology transfer from overseas.

At the multilateral level, technology cooperation is facilitated through Australian involvement in the activities of the International Energy Agency (IEA) and the Asia Pacific Economic Cooperation (APEC) arrangements. Australia is also active in the Climate Technology Initiative (CTI) which aims to foster international cooperation for accelerated development and diffusion of technologies.

Australia through AusAID supports bilateral, regional and multilateral projects that facilitate the transfer of "hard" and "soft" technology for climate change in sectors such as energy, forests, land resources and adaptation. In 1997-98 the total approved value of these activities was approximately $152 million and expenditure in that year was $20 million. Australia has committed approximately $116 million to the Global Environment Facility (GEF) since 1991. Approximately 40% of funds to GEF are allocated to climate change.

Australia considers that the identification of bilateral and multilateral opportunities to promote technology cooperation should be sought out by interested countries. The outcomes of the special IPCC report on methodological and technological issues relating to technology transfer that will be available in early 2000 and the Third Assessment Report of the IPCC to be completed in early 2001 may provide appropriate guidance in respect of future cooperative activities.

Activities

Australia is currently undertaking many projects in the Asia Pacific region. Following are examples of Australian aid projects or programs that have promoted, facilitated and/or financed transfer of technologies. The Australian Overseas Aid Programme is funding programmes and projects that have a total value of $268 million. In addition Australia has current commitments of approximately $33million to the Global Environment Facility Climate Change programme. The Aid programme also supports a wide range of environmental management in sectors such as energy, forests and land resources.

Capacity building is intrinsic to Australia's development co-operation programme. It includes institutional strengthening, collaborative research and education training. Projects in these areas provide developing countries with the capacity to put in place policies and activities to mitigate and adapt to climate change.

Australia is helping vulnerable Pacific nations to address climate change through a strategic response that addresses adaptation and abatement issues. The programme is supporting not only projects that directly target climate change problems, but also broader socio-economic development activities that help small island states to cope better with climate change.

Australia supports the South Pacific Forum Secretariat's energy program which promotes energy-efficiency policies and renewable energy technologies. Australia belongs to, and strongly supports, the South Pacific Regional Environment Programme (SPREP), the peak environment organisation in the South Pacific. SPREP helps Pacific countries to deal with crucial environmental and natural resource management issues, including climate change.

Australia and the World Bank have signed an agreement concerning the National Strategy Study Program (NSS) for the CDM. Australia will provide $3million to be used for the execution of selected climate change-related studies in the Asia Pacific region. The Australian NSS program aims to build capacity of developing countries in the Asia Pacific region to explore the opportunities and potential benefits of participating in the CDM.

Australia is also providing $6 million through its International Greenhouse Partnerships Program to progress the establishment of the Kyoto project-based mechanisms, including the CDM. The establishment of commercial international collaborative projects is a major activity stream of the Program to gain experience in the lead up to the establishment of the CDM. To date, Australia has established seven projects under the Activities Implemented Jointly (AIJ) pilot phase with four non-Annex I countries in the Asia Pacific region. The projects encompass a wide variety of energy technologies including solar, wind and micro-hydro power, energy efficiency measures, gas pipeline refurbishment and landfill gas capture and utilisation. Technology transfer and capacity building are integral components of these projects.

The Australian Government will continue to support projects that contribute to reducing greenhouse gas emissions, enhancing carbon sinks, and adapting to the adverse effects of climate change. These projects will variously involve institutional strengthening, climate and sea level monitoring, and the transfer of practical technologies in areas such as energy efficiency, solar energy, forestry and land management.

3. Assistance to Identifying Technology Needs

Australia recognises that enhanced information on climate related technology is needed, as is capacity building to enable developing countries to take advantage of available technologies and to address the ultimate objectives of the Convention. Australia supports a comprehensive approach whereby all Parties have access to an enhanced technology information dissemination system.

At the Fourth Conference of Parties (COP4) in Buenos Aires, Australia proposed that Parties consider the possibility of establishing a "clearinghouse". This "clearinghouse" could coordinate activities with a number of international, regional, national and thematic focal points linked across the Internet. It could be located under the UNFCCC Secretariat or an existing information centre endorsed by the Parties. Users without access to the Internet could be provided with services in other formats such as diskette, print, etc.

Australia is a member of the OECD/IEA Climate Technology Initiative (CTI) which will conduct a joint industry seminar on technology diffusion prior to the UNFCCC Workshop as part of a global series of workshops. The CTI, through its Co-operative Technology Implementation Program, is currently working with the Southern African Development Community to identify technology needs and priorities and to develop strategic development and diffusion plans based on these requirements. CTI is actively seeking to establish similar partnerships with countries in the Asia Pacific region.

4. Attacking Barriers to Technology Transfer

Australia suggests that Parties build on the work reported by the UNFCCC Secretariat in the Technical Paper on Terms of Transfer of Technology and Know-How (FCCC/TP/1998/1). Whereas the UNFCCC survey investigated a limited number of projects, the paper clearly delineated that barriers vary from country to country, and that a combination of policy instruments is likely to be needed to address the removal of these barriers.

The UNFCCC paper also noted that the key barriers, in order of decreasing importance, appear to be financial, economic, technological, institutional and cultural. Financing of technology development and diffusion in Annex I countries is mainly the domain of the private sector. When the financing impediment is considered alongside the economic barriers imposed by the often-substantial cost of new or upgraded technology and associated services, the need for individual governments to create favourable investment conditions for the private sector cannot be overlooked.

Technological and institutional barriers are, on the other hand, more amenable to addressing in a multilateral context, although circumstances will vary from country to country in respect of these barriers. Australia is supportive of mechanisms that can accelerate legal and financial policy reforms, to bring about framework changes which can create a market pull for energy efficient technologies.

At the technological level, UNFCCC can make a significant contribution to information dissemination, technology assessments (including financial analysis), and technology applications. Institutional impediments can be addressed through an integrated approach that provides for enhanced technical knowledge and capabilities at the country level through

continuing education, training and skill development, research and development base, and other relevant capacity building.

Important work in respect of promoting the removal of barriers to technology transfer is being undertaken by the entity operating the convention's financial mechanism, the Global Environment Facility (GEF). The GEF has two operational programs specifically directed to barrier removal, namely "Removal of Barriers to energy efficiency and energy conservation" and "Promoting the adoption of renewable energy by removing barriers and reducing implementation costs". The experiences and lessons learned from the activities implemented under these programs are tracked and disseminated by the GEF's monitoring and evaluation office. Parties may like to consider encouraging the GEF to enhance its outreach on these matters through mechanisms such as workshops in conjunction with meeting of the convention and its subsidiary bodies, enhanced information on the GEF's web page etc.

5. Harnessing Investment Opportunities and Enhancing Private Sector Participation

Australia considers that the multilateral / bilateral flow of funds to non-Annex 1 countries needs to increasingly lever private sector capital to enhance the flow of private sector funds noting that, in the longer term, as the markets for environmentally sound technologies become well established and their commercial viability is demonstrated, the market will be driven primarily by the private sector.

6. Expected Outcome of the Consultative Process

Australia is hopeful that this workshop, the second in the series of workshops in the Consultative Process, will provide a clearer understanding on the part of all parties of technology transfer issues in relation to the implementation of Article 4.5 of the Convention and Australia supports the development of a suitable framework for this process. Australia expects that the informal structure of the workshop's group sessions will be extremely useful in providing some clear direction from this workshop which will assist in the preparation for COP6 in November. Australia has committed $30,000 from its overseas aid program for this Asia / Pacific consultative work shop process being held in Cebu in January 2000.

7. Conclusions

Australia is pleased to attend this workshop as we believe that the discussions at the workshop will increase understanding of technology transfer issues in the Asia Pacific Region. Australia is already extremely active in the region through its Overseas Aid programme including support for projects that assist adaptation to climate change, and through its International Greenhouse Partnership Programme to progress international collaborative projects (AIJ) to reduce greenhouse gas emissions.