

Please provide the following details on the origin of this report.

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Please provide summary information on the process by which this report has been prepared, including information on the types of stakeholders who have been actively involved in its preparation and on material which was used as a basis for the report.

This report has been prepared by Unit E3 – Global Biodiversity and Development – of the Environment Directorate General of the European Commission. Information was obtained through consulting several departments of the European Commission and from EC policy papers and submissions to other international fora.

Technology transfer and technology cooperation

Inventory and assessment

1. Has your country developed an inventory of existing technologies or category of technologies, including from indigenous and local communities, for the conservation and sustainable use of biological diversity and its components, in all the thematic areas and cross-cutting issues addressed by the Convention?	
a) no	
b) an inventory under development	
c) an inventory of some technologies available (please provide some details)	X
d) yes, a comprehensive inventory available (please provide details)	
2. Has your country assessed the potential impacts of relevant technologies on biological diversity and their requirements for successful application?	
a) no	
b) yes, please give some examples	X
3. Has your country carried out an assessment of the needs for relevant technologies?	
a) no (please specify the reasons)	X
b) yes, and please specify the needs met and the needs not met for existing technologies and for new technologies	

Implementation of some relevant articles of the Convention, relevant decisions adopted at the previous meetings of the Conference of the Parties and recommendations of SBSTTA

4. In implementing the thematic programmes of work adopted by previous meetings of COP, has your country achieved the outcomes identified in these programmes of work through technology transfer and technology cooperation? (Decisions II/10, III/11, IV/6, IV/7 and V/4)	
a) no	
b) yes, but only a few activities in some programs	X
c) yes, and a wide range of activities in many programs of work	
d) if yes, please specify these activities and programmes of work	
5. Has your country undertaken technology cooperation with other Contracting Parties that lack the expertise and resources to assess the risks and minimize the negative impacts of introducing alien species? (Decision V/8)	
a) no	X
b) yes – please give details below (including types of technology transferred, actors involved, terms for transfer and means of access to technology)	

6. Has your country taken any steps or measures to facilitate transfer of technology to and technology cooperation with other Parties to develop and/or strengthen their capacity to implement the policy, program and practice for sustainable use of biological diversity? (Decision V/24)	
a) no	
b) yes, please specify detailed measures and steps	X
7. Could you provide examples or illustrations of benefit-sharing contractual agreements which have included technology cooperation and technology transfer as benefits to be shared? (Article 15)	
a) no	X
b) yes	
8. Has your Government taken measures, as appropriate, to ensure, as set out in the Article 16(3) that Contracting Parties providing genetic resources are provided access to and transfer of technology which makes use of those genetic resources? (Article 16)	
a) no	X
b) yes, please provide some details	
9. Have the taxonomic institutions in your country taken any initiatives in developing national priorities, both individually and regionally, in new technology? (decision IV/1)	
a) no	X
b) yes, in early stages of development	
c) yes, in advanced stages of development	
d) yes, some initiatives in place and some priorities identified	
e), yes, comprehensive priorities identified	
10. Has your country been involved in technology development and/or transfer for the maintenance and utilization of <i>ex situ</i> collections? (decision V/26)	
a) no	
b) yes – please give details below (including types of technology transferred, actors involved, terms for transfer and means of access to technology)	X
11. Has the clearing-house mechanism in your country been further developed in order to assist in obtaining access to information concerning access to and transfer of technologies? (decision V/14)	
a) no	
b) yes, please provide some examples	X

Role of public and private sectors in technology transfer and technology

12. Do you know of any examples of technology partnerships between public research and development institutions from developing countries and private-sector firms from industrialized countries? If so, to what extent have these partnerships involved	
a) the training of developing country scientists in the application of new technologies for the conservation and utilization of genetic resources	No
b) information exchange on new scientific exchange and technological advances	
c) providing various technology components to developing country partner institutions	
d) engaging in joint research and development?	
13. Has your country taken any measures or developed any programs to encourage the private sector or the public-private partnership to develop and transfer technologies for the benefit of governments and institutions of developing countries, including South-South cooperation?	
a) no	
b) yes, please give details	X
14. Have any type of incentives been established in your country to encourage the participation of the private sector in conservation and sustainable use activities as a sources of new technologies and potential financiers of conservation programmes?	
a) no	
b) yes, please give details	X

Impact of intellectual property rights on technology transfer and technology cooperation

15. Are the technologies your country has accessed or wishes to access in the public domain or covered by intellectual property rights?	
a) public domain	N/A
b) intellectual property rights	
c) both	
16. Have intellectual property rights been a limiting factor in acquiring technologies for the conservation and sustainable use of biological diversity?	
a) no	N/A
b) yes, please provide an example and specify the following: the type of technology sought (hard or soft technology); th e area to which it is to be applied (e.g. forest, marine, inland waters, agriculture, etc.)	

Capacity-building for technology transfer and technology cooperation

17. Have adequate institutional structures been established and/or is adequate human capacity available to access relevant technologies, in your country?	
a) no	N/A
b) yes	
18. What, if any, have been the limiting factors in implementing relevant technologies?	
a) institutional capacity	N/A
b) human capacity	
c) others-please specify	
19. Does your country consider that access to information and training or lack thereof has been a limiting factor in access to and transfer of technology?	
a) no	N/A
b) yes, please provide some examples	
20. Has your country been able to identify relevant technologies in specific areas for the conservation and sustainable use of biological diversity in your country?	
a) no	N/A
b) yes, please give details	
21. Has your country developed national policy and established international and national institutions to promote technology cooperation, including through the development and strengthening of technical, human and institutional capabilities?	
a) no (please specify the reasons)	
b) yes, please give some details or examples	X
22. Has your country established joint research programmes and joint ventures for the development of technologies relevant to the objectives of the Convention?	
a) no	
b) yes, please give some details or examples	X

Measures for facilitating access to and transfer of technology

23. Has your country established the mechanisms and/or measures to encourage and facilitate the transfer of technology to and technology cooperation with other Contracting Parties?	
a) no	
b) yes, please provide some details	X

24. Has your country established channels for access to the technologies developed and applied for attaining the objectives of the Convention?	
a) no	X
b) yes, please provide detailed information	

Success stories of and constraints to technology transfer and technology cooperation

25. Has your country identified any success stories and opportunities of and constraints to transfer of technology and technology cooperation?	
a) no	
b) yes, please provide detailed information	X

Further comments

Question 1

This question is probably more relevant for Member States. However, in certain areas information on existing technologies does exist. For instance, the EC has an inventory of original methodologies it has developed for assessing the tropical deforestation based on remote-sensing techniques in the TREES Project. Those methods were transferred to twenty-five partners from the three tropical forest regions. However, in most cases, whilst knowledge exists about relevant technologies, it does not appear that a comprehensive inventory is being developed. This is the reason why it is difficult to provide an exhaustive list of EC funded projects (e.g. through our development aid co-operation) which have contributed to technology transfer.

Question 2

Only to the extent mentioned in answers to questions 1, 4, 10 and 22.

Question 3

This question is more relevant for developing countries. However, the EC does contribute to assessments of countries needs in the context of development co-operation. For instance, the EC's Joint Research Centre is part of the Global Observations of Forest Cover (GOFC); GOFC was established under the auspices of the Integrated Global Observing Strategy to develop forest monitoring to support environmental treaty implementation and for global change research. One of the key-issues examined by this panel is the identification of regional capacities and gaps for forest monitoring. In this project, the EC's Joint Research Centre is particularly active in Central Africa.

Question 4

Some EC initiatives that intend to implement thematic programmes do make use of technology transfer. One example of technology co-operation and transfer is in the context of the fisheries agreements with third countries. The EC has developed the satellite vessel monitoring system (VMS). Thanks to this system, the third countries concerned are able to track the movements not only of Community vessels operating under the terms of the fisheries agreements but also the movements of vessels from their national fleets. This represents an important contribution to responsible and sustainable fishing.

The Community has financed the installation of VMS systems in Madagascar, the Seychelles and

Angola by negotiating for part of the fees paid to the countries by Community fishing vessels to be earmarked for targeted actions to develop the fisheries sector in the third country. The development of the VMS is one of the targeted actions negotiated for these countries. For further information see the answers to questions 22, 23 and 24 below.

Question 6

See answers to questions 22, 23, and 24.

Question 8

The EC has no specific legislation to ensure that Contracting Parties providing genetic resources are provided access to and transfer of technology which makes use of those genetic resources. However, the preamble of EC Directive 98/44/EC on biotechnology encourages patent applicants to include information on the geographical origin of biological material. It is expected that this encouragement will enhance transparency and contribute to the implementation of Article 16.3 of the CBD.

Question 9

Such initiatives would not occur at the EC level but rather at the level of Member States.

Question 10

The EC supports technology concerning conservation, characterisation, collection and utilisation of genetic resources in agriculture. In particular it supports “core-collections” of germplasm material through co-ordinating and promoting Member States’ activities (Regulation 1467/94). Some of this involves cryo-preservation.

Question 11

In its present form the EC-CHM is a web portal, hosted by the European Environment Agency, which gives access to selected information and links of relevance to biodiversity.

One of the aims of the EC-CHM is “to become an efficient vehicle for promoting and facilitating technical and scientific co-operation” (EC Biodiversity Strategy paragraph 21). Moreover, the technology used to create the EC-CHM has been transferred to the Czech Republic and Denmark and is being transferred to Germany and Italy to help them create their own CHMs. By the end of 2003 the portal toolkit will be fully stabilised and freely available.

In collaboration with the Research Directorate General of the Commission (RTD) the CHM hosts a catalogue under construction. This catalogue will contain information on biodiversity research institutions and scientists through which access to technical expertise can be gained.

Question 12

No: This question is more applicable to Member States.

Question 13

See answers to questions 22, 23, and 24.

Question 14

The EC scheme to support the conservation, characterisation, collection and utilisation of genetic resources in agriculture, following regulation 1467/94, supports the involvement of private companies

where relevant.

Questions 15 - 19

These questions appear only to be relevant for developing countries.

Question 20

This question appears to be of relevance mainly for developing countries, but a partial answer for the EC may be found in answers to questions 1, 10, 11, 22, 23, 24.

Question 21

See answers to questions 22, 23, and 24.

Question 22

Some joint research is undertaken. For instance, the Global Vegetation Monitoring (GVM) Unit of the EC's Joint Research Council has been involved since the early 1980s in activities related to issues covered by the Convention on Biological Diversity. A persistent consideration in this work has been capacity building and the transfer of technology to the developing countries involved. Four main projects included an explicit training component:

Tropical forest monitoring (TREES II)

The main objective of **TREES II** was to develop a reliable method for forest change assessment in the humid tropics exploiting the global imaging capabilities of Earth-observing satellites. Forest cover changes during the period 1990-1997 were estimated from one hundred sample-sites using high-resolution optical remote sensing satellite imagery. This provided a reliable measurement of tropical forest cover change in a uniform, independent and repeatable manner. Twenty-five local partners from Latin America, Africa and Southeast Asia performed the interpretation of the high-resolution images after an important training and harmonisation phase.

Land-cover mapping

Through the Global Vegetation Monitoring unit, the EC is coordinating and implementing the **GLOBAL LAND COVER 2000 Project (GLC 2000)** in collaboration with a network of partners around the world. The general objective is to provide a harmonised land-cover database of the whole globe for 2000. Indeed, 2000 is considered a reference year for the United Nation's Ecosystem-related International Conventions. Regional partners have been producing and validating the GLC 2000 regional and global maps and a series of four seminars were organised in order to harmonise the legend parameters, the classification methods, the validation scheme and the diffusion of the products.

Vegetation fire detection

The **World Fire Web** is a system for globally mapping fires in vegetation. It is being developed in response to a call from scientists and policy makers for globally consistent information on the distribution and behaviour of fire in the environment. A total of fifteen satellite data receiving stations have been equipped and trained by GVM for the implementation of specific software dedicated to the detection of active fires.

Protected area management

Collaboration between GVM and the **ECOFAC** programme (<http://www.ecofac.org/EN/General.htm>) has led to a better integration of the geographical dimension of the data collected in the field. GVM has developed the Geographical Information System of ECOFAC and supported its operator at the Coordination Centre in Libreville. Specific developments in the spatial analysis of data collected by the CyberTracker system have also been performed.

Questions 23 and 24

There are a number of EC-funded programmes which contribute to facilitate technology transfer to developing and least developed countries (see the European Communities and their Member States' submission to the WTO *Implementation of article 66.2 : Information from developed country members*). The communication from the European Communities to the WTO *Trade and Transfer of Technology* also presents a list of channels for technology flow. (both documents attached)

Question 25

See the European Communities and their Member States' submission to the WTO *Implementation of article 66.2: Information from developed country members*. The communication from the European Communities to the WTO *Trade and Transfer of Technology* also presents a list of channels for technology flow. (both documents attached)

IMPLEMENTATION OF ARTICLE 66.2 : INFORMATION FROM DEVELOPED COUNTRY MEMBERS

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

GENERAL REMARKS

This document is circulated in accordance with the Decision of the Ministerial Conference dated 14 November 2001 regarding implementation-related issues and concerns. According to paragraph 11.2 of the Decision, Developed Country Members committed themselves to submit prior to the end of 2002 detailed reports on the functioning in practice of the incentives provided to their enterprises for the transfer of technology to Least Developed Country Members in pursuance of their commitments under Article 66.2.

This covernote is followed by a series of forms presenting the existing incentives to technology transfer. In the European Communities (EC), these are given both at Communities level and by Member States. In view of this, the notification is divided into two parts. The first part of the notification deals with incentives given by the European Communities; the second part covers incentives given by individual Member States (Austria, Denmark, Finland, Germany, the Netherlands, Spain, Sweden and United Kingdom). Further information on the initiatives taken by the remaining Member States of the EC will be distributed as supplements to this document.

SCOPE AND NATURE OF INFORMATION PROVIDED

Technology transfer refers here to the ways and means through which companies and organisations acquire technology from foreign sources. There are several types of technologies as well as several channels of transmission. Indeed, the acquisition by Least Developed Countries (LDCs) of a sound and viable technological base does not depend solely on the provision of physical objects or equipment, but also on the acquisition of know-how, on management and production skills, as well as on improved access to knowledge sources.

It is clear that the private - and particularly the commercial- sector is nowadays the main source of technologies and, in this context, technology transfer is often one component of a more complex project, rather than a stand alone activity.

A privileged channel for technology transfer, including transfer of know-how, is Foreign Direct Investment (FDI); Joint research projects between private and/or public partners are also important in helping LDCs to benefit from technologies and adapt them to their specific needs; access to the right partners, to information and to expertise are key at all stages.

In their efforts to encourage and promote technology transfer, Developed Country governments are usually limited by two factors : 1) they do not own the vast majority of such technologies; 2) they can not force the private sector to transfer its technologies.

Incentives can therefore only take the form of encouragement, promotion and facilitation of the (potentially) most fruitful projects. They shall be part of a global and comprehensive approach of development.

Against this background, the EC consider that relevant incentives can be identified as those that :

Objective 1: promote projects such as direct investment, licensing, franchising, sub-contracting, etc.

Objective 2 : improve access to available techniques and industrial processes ;

Objective 3 : support joint research projects ;

Objective 4 : provide training in technology management and production methods ;

Objective 5 : more indirectly, improve the absorption capacity of LDCs (capacity building).

The attached forms illustrate the efforts made by the EC to promote and encourage technology transfer. They describe only incentives that have a strong link with at least one of the aforementioned objectives and, with a few exceptions, which concentrate on European enterprises and institutions.

In addition, most countries and regions benefit from allocations for private sector development included in their national or regional co-operation programs.

Finally, it should be borne in mind that no technology transfer program is specifically dedicated to Least Developed Countries as such. EC's initiatives are usually specific to countries/ groups of countries/ regions, since the EC strongly support regional integration, which fosters better understanding and political and economic links between neighbouring countries. However, the EC's approach to the allocation of aid and incentives pays particular attention to the situation of the Least Developed and other Low Income Countries.

**DESCRIPTIVE FORMS
(EUROPEAN COMMUNITIES)**

• **Name of the program / incentive: INCO (Research for Development)**

• **General description :**

International co-operation in the field of research and technological development (RTD) is pursued under the EC's *Framework Program for research, technological development and demonstration*, through two complementary routes:

- an international co-operation dimension integral to each specific program, which allows the participation of third country's partners in the projects ;
- INCO, a dedicated co-operation program which focuses on specific RTD activities relevant to certain third countries or regions and not addressed by other programs of the Framework Program.

One of the objectives of the International Cooperation Programme (INCO) is to enable developing countries, including the least developed ones, to be associated with the generation of knowledge and innovative and appropriate technologies needed to solve their specific problems and to attain sustainable economic development.

The program brings together North-South consortia of scientists from several countries (at least 2+2) to develop new knowledge and tools and to analyse processes which can lead to policy formulation addressing underlying causes of problems in the fields of health promotion, environmental management, education and learning, conservation, etc.

The program's major asset is the added value and cost-effectiveness that joint research projects can generate by exploiting the resources and scientific excellence of the partners, funding new research, exchanging know-how and transferring technologies, providing on-the-job-training and work experience. It also focuses on how international research co-operation can help stimulate socio-economic development and global competitiveness. The research consortia are entitled to generate jointly new IP and share under equal terms the applications. Many patent applications associate partners from North and South.

INCO is based on the principle of mutual benefit and mutual respect, with all activities underpinned by two basic rules.

1. Constructive dialogue between the EU and its partner countries and regions as essential in identifying priority areas. A pre-condition for this is a basic recognition of the socio-cultural approach of each partner country.
2. Close co-operation and equal distribution of research responsibilities is key to successful research.

INCO projects also provide training for young scientists from developing countries. The next (6th) Framework Program will offer them an enlarged mobility scheme.

- **Beneficiary countries:** ACP Countries (African, Caribbean, Pacific), Asia and Latin-America.

• **Objective(s) in terms of technology transfer:**

Objective 1: to promote joint sharing of R&D costs, and to support prospective activities and the identification of partners (workshops, meetings, travel grants in contracts).

Objective 2: to improve access to available techniques and industrial processes (in particular: better access to legal and technological information sources and training in the state of the art).

Objective 3: to support joint research projects between private and/or public partners.

Objective 4 : To provide training in technology management and production methods, especially in the agricultural field.

Objective 5: capacity building.

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- **Detailed description:**

The current INCO Program aims particularly at global development, such as stemming desertification, enabling food security, reducing the impact of food production practices on land and water environments, and promoting better health and health care for all. The research priorities cover knowledge, technologies and policy for sustainable development. Other specific themes include safe water for all, protection of vegetation and waterways, integrated management of water resources, livestock health, food security, sustainable agricultural production and fighting neglected infectious diseases (e.g. sleeping sickness; in addition to INCO efforts, the EC launched a major effort on clinical trials for new interventions against malaria, tuberculosis and AIDS).

Successive programs have encouraged scientists to set up networks within and between continents and thus place their collaboration on a permanent and equal footing. The results have been tangible for developing countries. They have also added value to the Community research base, while European research is now more appreciated and more accessible in the developing countries.

INCO specific activities for DEC are endowed with €140 million over the period 2002-2006, equivalent to 20% of the total funding allocated to International Scientific and Technological Co-operation in the 6th Framework Program. Non earmarked component of €285 million is at the disposal of DEC researchers to integrate EC-based integrated research projects and networks of excellence.

- **Examples of implemented / ongoing projects :**

- Fighting parasitic disease: Schistosomiasis or bilharzia is a parasitic disease affecting about 200 million people in tropical and sub-tropical countries. Treatment is almost solely via a single drug called Praziquantel. INCO funded six European and nine African scientific and medical organisations to examine various issues relating to the use of the drug and the disease's resistance to it. Reference centres have been set up in Africa where staff has been trained to monitor drug resistance. The broad range of data collected - from dosages to side-effects - is helping national health authorities use Praziquantel more effectively and efficiently.

- Improving the quality and nutritional status of "gari" through the use of starter cultures and fortification with soybean, palm oil and coconut milk (Sept 2002-August 2005) : Gari is a traditional fermented cassava-based staple food produced by natural solid-state fermentation (SSF) and it is the main energy source for many people in West Africa. However, cassava contains very low levels of protein. The objective of this project is to improve the nutritional quality of gari by fortification with soybeans and palm oil (in West Africa) and coconut milk (in East Africa), using a specially formulated starter culture. The technology developed will be disseminated through women's production networks, assisted with business development support.

- **Contact and information :**

Point of contact in the European Commission's Research DG for INCO is: michel.pletschette@cec.eu.int
Further information, news and details of projects can be found at the following INCO pages on the European Commission's Community Research and Development website.

INCO 1 (1994-1998): <http://www.cordis.lu/inco/home.html>

INCO 2 (1998-2002): <http://www.cordis.lu/inco2/home.html>

• **Name of the program / incentive: CDE - Centre for the Development of Enterprise**

• **General description :**

The CDE promotes partnerships between ACP and European enterprises, which may take various forms: financial, technical or commercial partnership, management contract, licensing or franchise agreement, subcontract, etc. It is an institution of the ACP Group of countries and the European Union in the framework of the Cotonou Agreement.

CDE provides support not only to the creation and the strengthening ACP enterprises, but also to intermediary institutions (such as trade and/or sectoral associations) and consultancy firms in ACP Countries, which in turn should be able to provide expertise and advice to local firms.

• **Beneficiary countries :** ACP countries

• **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to European and third country firms (expertise, advice, contacts, search for technology, etc.).

Objective 2: to improve access to available techniques and industrial processes through a better access to legal and technological information sources and training in the state of the art.

Objective 4: to provide training in technology management and production methods.

Objective 5: capacity building (through the support to intermediary organisations and consultancy firms).

• **Detailed description :**

1. Support to ACP SMEs in the formal sector

1.1. Direct assistance:

The CDE lends supports for the design of projects (creation and development phase) and the search for financial and technical partners, particularly in the EU Member States. To this end, the CDE provides for two facilities:

CDE Development Facility - For enterprise creation, extension and development. This assistance covers the following stages :

- project definition;
- pre-feasibility, feasibility, market studies;
- search for technologies and partners;
- financial engineering;
- assistance in legal issues and project development;
- quality and environmental studies.

CDE Assistance Facility - Longer-term support to the following operations :

- start-up and technical assistance;
- staff training;
- diagnosis and audits (technical, financial, management);
- management, marketing assistance;
- restructuring assistance;
- integration into national and regional networks and trade associations;
- promotion of quality, labelling, standardisation and environmental protection.

1.2. Studies and information: provision of consultancy services

1.3. Individual or collective meetings

Holding national and regional technical or sectoral meetings - workshops, trade fairs, manufacturers' task forces, trade meetings, promotion campaigns – on the national and regional level.

The CDE also shares its experience by providing technical documentation and information :

- guides and series on technology (a list is featured on the website);
- online newsletter;
- permanent link between companies benefiting from CDE's support.

The CDE's financial aid allocations may offer:

- up to 2/3 of the total assistance being sought;
- an annual sum per company that may be up to €100,000;
- the potential for accumulating successive operations equals up to 20% of the assets or annual turnover.

2. Support to Intermediary ACP Organisations

Together with the PRO-INVEST program, the CDE provides support to such organisations through :

- assistance in self-management;
- promotion of contacts and partnership between European and ACP intermediary organisations;
- technical assistance to set up their own aid programs for member enterprises

The CDE contribution is considered on a case-by-case basis and invariably involves a contribution from the relevant organisation.

3. Consultants and consultancy firms

The CDE supports :

- specific training for consultants who are supposed to assess and prepare projects for ACP enterprises;
- additional training in consultancy techniques;
- contacts with other consultancy firms.

The CDE contribution may be:

- up to 2/3 of the total cost per operation ;
- limited to €50,000 per year.

- **Examples of implemented / ongoing projects :**

Technical and commercial support and a transfer of know-how: Dominican Pottery

This San Pedro de Macoris-based company uses only local clays to make fired products for export. As they each have different characteristics, the use of three basic clays in the manufacturing process creates technical problems, and by extension, difficulties in trying to maximise production.

The CDE supported the involvement of an expert to advise and provide solutions about staff qualifications, restructuring, the use of more suitable equipment to crush operations and improve maintenance procedures. These contributions enabled the production treatment time to be reduced by one-third and savings to be made on the equipment that was supposed to be replaced, thereby reducing investment costs.

An expert from the Centre provided advice on how to improve the clay processing monitoring systems. This led to a reduction in the amount of clay lost in the production units. Recommendations of the CDE expert about clay mixing, baking process and stove specifications reduced losses at the baking stage from 45% to 3%. A CDE expert trained the enterprise's engineers to repair, adjust and polish moulds. The production losses were significantly reduced and staff is now able to make new moulds and repair existing moulds in accordance with international standards.

- **Contact and information :**

How to get in touch with the CDE:

- directly at its Brussels headquarters :
CDE , Avenue Herrmann Debroux 52 , B1160 Brussels - Belgium.
Phone (+32 2 679 18 11), Fax (+32 2 675 19 03), E-mail (info@cde.int).
- via its decentralised management units
- through its network in the ACP countries and European Union countries
- through bilateral and multilateral or local financial agencies

The addresses of these contacts, plus a simplified online form to apply for assistance are available on the CDE website : <http://www.cdi.be>

• **Name of the program / incentive: PRO€INVEST**

• **General description :**

PRO€INVEST is a new EU-ACP (Africa, Caribbean and Pacific) partnership programme developed and undertaken by the European Commission on behalf of the ACP countries. Its objective is to promote investment and technology flows to enterprises operating in key sectors in the ACP States.

Indeed, Private sector enterprises and intermediary organisations in the ACP countries are working together in a difficult context, worsened by the remoteness of the main markets and a lack of technical know-how. Continuing uncertainty or instability in their legal, economic, technical, financial and social environments adds to the difficulties experienced by these countries in their attempts to attract investors and therefore revitalise their economies and enterprises. In order to overcome these obstacles and also to reinforce existing initiatives, it is necessary both to improve the investment environment and to strengthen those intermediary organisations that provide advice, information and support to ACP enterprises in many areas and at different stages of their business life.

PRO€INVEST, which has a budget of €10 million over a period of 7 years, is financed by the European Development Fund (EDF). Its approach is two-dimensional: to support intermediary organisations and professional associations and to develop inter-enterprise partnerships.

• **Beneficiary countries :** ACP Countries

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to third country firms (studies, advice, contacts, etc.).

The program can also participate in the legal, technical, commercial and financial implementation of projects.

Objective 2 : to improve access to available techniques and industrial processes: access to legal and technological information sources, identification of technology and partners, creation of information sources.

Objective 5 : capacity building of the private sector (intermediary organisations, associations of consultants).

• **Detailed description : a two-dimensional approach**

1. Strengthening the institutional environment for enterprises :

PRO€INVEST supports and strengthens the work of professional organisations (namely chambers of commerce and industry, employers' federations), investment promotion agencies, financial institutions and consultants' associations whose primary objective is the improvement of the business environment and the development of enterprises.

On a cost-sharing basis, these organisations may apply for assistance from PRO€INVEST to develop and optimise their capacities. In particular, the proposed Programme activities intended for intermediary organisations include:

- assessing needs of pre-identified intermediary organisations;
- prompting or supporting the establishment of dialogue between the private sector and the national and regional authorities on the elaboration and implementation of measures to promote investment;

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- developing and proposing services adapted to the needs of enterprises in respect of investment promotion;
- providing technical assistance and funding to support the organisation of investment promotion and partnership initiatives;
- facilitating access to and providing training on the latest information technology and implementing information management systems for the administration of projects and business events.

2. Supporting key sectors :

The Programme facilitates the promotion of investments and the conclusion of partnership agreements between North-South and South-South enterprises in key economic sectors.

PRO€INVEST devotes resources to the identification of those sectors with best potential for ACP development and the creation of partnerships; through various initiatives it brings potential partners together and provides follow up support to individual enterprises.

In the field of investment promotion, PRO€INVEST activities include:

- conducting regional strategic surveys to identify key sectors. These surveys will give an overview of the business environment, the comparative advantages of key sectors, the legal, economic, technical, social and financial constraints on investment and strategies to overcome or reduce the impact of such constraints;
- producing sector and sub-sector surveys which will help identify potential partners and their technological know-how;
- promoting inter-enterprise co-operation through the organisation of partnership meetings by sector, with the ultimate objective of having Investment and Inter-enterprise Co-operation Agreements signed. Proposals will be tailored to the specific markets;
- providing technical assistance to projects arising from PRO€INVEST partnership initiatives.

3. How to benefit from PRO€INVEST ?

On a demand-driven and cost-sharing basis (up to 67% from PRO€INVEST).

- **Contact and information :**

PRO€INVEST is being implemented by a management unit within the Centre for the Development of Enterprise (CDE), under the supervision of the EuropeAid Co-operation Office of the European Commission.

PRO€INVEST Management Unit
Centre for the Development of Enterprise (CDE)
Avenue Herrmann-Debroux 52 - 1160 Brussels-Belgium
tel: + (32 2) 6791850/1
fax: + (32 2) 6791870
email: infos@proinvest-eu.org
website: www.proinvest-eu.org

• **Name of the program / incentive : EBAS (EU-ACP Business Assistance Scheme)**

• **General description :**

EBAS intends to increase the competitiveness of the ACP private sector by giving grants to companies and professional associations towards the use of business development services; it facilitates the access of firms/associations in ACPs to external expertise, in the following fields :

- Production and commercial management;
- Management of information systems;
- Quality improvement and control;
- Operational auditing, health checks;
- Compliance with norms and regulations;
- Setting up of accounting systems;
- Production management;
- Procurement and stock management;
- Packaging, warehousing and shipment marketing;
- Sales promotion and distribution (including website development and e-commerce);
- Reinforcement of market position (including export markets);
- Development of new markets (including export markets);
- Certification.

Associated activities that can be considered together with any of the above include:

- Human resources development and training;
- Development of Management, IT and communications capabilities.

EBAS was launched in 1999 for an initial 3-year period. Until now, more than 1000 projects were approved, for a total amount of about €20 million (EC contribution).

• **Beneficiary countries : ACP Countries :**

• **Objective(s) in terms of technology transfer :**

Objective 2 : to improve access to available techniques and industrial processes, in particular : access to legal and technological information sources, training in the state of the art, training in quality control, production management, marketing, e-commerce, etc.

Objective 4 : to provide training in technology management and production methods.

Objective 5 : capacity building (improved capacity for intermediary organisations).

EBAS also provides for matching funds to facilitate the access to external consultants and experts.

EUROPEAN COMMUNITIES

- **Detailed description :** EBAS is made of two sub- programs :

1.EBAS –Enterprises (884 projects co-financed) :

A company or association wishing to improve its performance can apply to EBAS to co-finance a project that involves consultancy services (the consultant is freely chosen by the company or association). After the project has been completed, EBAS reimburses the applicant for up to 50% of the costs up to a maximum of €70,000 in the case of companies. To be eligible for EBAS assistance, the project must lead to measurable and sustainable benefits in the short term for the applicant, equivalent to at least 3 times the total cost of the project. The applicant must fund at least 50% of the costs of the project if it is a company, 33% if it is an association. Once a project is successfully completed, the beneficiary can make a new application although companies cannot receive grants totalling more than €70,000.

2. EBAS-Capacity building (136 projects co-financed) :

EBAS works with Intermediary Organisations (IO) such as chambers of commerce, investment promotion agencies, professional associations, women entrepreneur associations, and co-operatives. These organisations are a vital partner for EBAS as they provide a direct channel through which the wider private sector can be reached via a single project. The expected impacts of projects could be an increase in the type and quality of services offered to members, a rise in membership or a rise in turnover of members as a result of the improved support they have received from the IO. EBAS capacity building for IO is provided on the same basis as EBAS support for enterprises, delivering support by means of a grant to co-finance the use of external consultancy services.

- **Examples of implemented / ongoing projects :**

Analysis by type of consulting services		
	€	<i>Nber of projects</i>
Marketing, sales, e-commerce	2.523.791	149
Quality control	1.324.185	71
Certification	2.451.506	134
Product development	1.418.249	67
Production management	2.089.937	106
Procurement, Stock control	280.424	14
Packaging, transport	40.947	2
Man't, Admin., O&M, Cost reduction	5.196.042	250
Financial restructuring	527.430	26
Training	1.971.738	99
Other	889.693	33
Capacity Building	3.244.591	69
Total	21.958.534	1020

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Analysis by sector of activity		
	€	<i>Nber of projects</i>
Agriculture, Forestry, Fishing	1.967.061	73
Construction, building	555.374	32
Education	203.621	11
Energy	232.855	8
Environment	29.967	3
Health	277.305	18
Industry, manufacturing, mining	8.065.764	394
Industrial services	771.660	43
Non-industrial, consumer services	1.539.615	75
Population	0	0
Professional services	5.809.573	261
Tourism	1.933.745	78
Transport	368.028	18
Urban development	129.996	4
Water supply	73.970	2
Total	21.958.534	1020

Analysis of industrial/manufacturing sub-sector		
	€	<i>Nber of projects</i>
All sub-sectors without distinction	657.975	18
Agri-food, fish products	2.244.922	111
Art, crafts	147.328	11
Boat build'g, naval repairs, main'ce	20.191	1
Brewing, beverages, bottling	494.752	18
Building materials,	292.374	10
Chemicals, pharmaceuticals	589.579	30
Electric, electronic equipment	306.565	16
Leather goods, shoes	58.294	8
Metallurgical products	491.573	24
Mining, beneficiation, extraction	0	0
Motor vehicles, machinery	74.687	4
N-motor eq't, bicycles, implements	49.909	2
Printing, publications	379.536	27
Quarrying, benef'n, dimension stone	0	0
Rubber, plastic, glass products	278.529	20
Textiles, garments	1.256.914	55
Soap, detergents, clean'g, cosmetics	257.017	11
Wood processing, furniture	390.420	25
Tobacco, spirits	75.200	3
Total	8.065.764	394

- **Example of implemented/ ongoing project :**

ANBA Chemicals is a locally owned business that manufactures and sells cleaning detergents in Francistown, Botswana, for sale on the local market. By producing its own brand products the company is able to sell at a lower price than competitors who simply import South African goods for sale. The company is young and dynamic and had identified several areas in its operations where there was room for improvements that would stimulate future growth. ANBA contacted EBAS with a plan for a project to reorganise their workplace, train workers and design new marketing tools, making use of the expertise of an external consultant to do so. The European Commission duly approved this, the project was successfully implemented and the EBAS grant paid to the company. The results have been impressive with efficiency gains reflected in a 10% fall in costs. The success of this project has led the company on to make further improvements which have resulted in certification by the South African Bureau of Standards, the quadrupling of its product range, and the development of AIDS and environment policies. In addition, the increase in production has enabled the negotiation of more favourable deals with suppliers, and the employment of 10 new staff members. The company is now continuing on its upward path and working towards ISO certification.

- **Contact and information :**

Several EBAS Offices has been created in the ACP region. Their role is to promote EBAS, assist companies and associations to make applications, analyse applications, monitor the progress of projects, check payment requests and evaluate the impact of projects.

All addresses are available at : <http://www.ebas.org>

• **Name of the program / incentive : ASIA – INVEST**

• **General description :**

Asia-Invest promotes and supports business co-operation between the European Union and Asia. The program provides assistance to intermediary organisations to facilitate mutually beneficial partnerships, and opportunities for co-operation agreements between companies, in particular small and medium-sized enterprises (SMEs), in the EU and South and South-East Asia and China, as well as to strengthen framework conditions to increase trade and investment flows between the two regions. The program has operated for 5 years, and is preparing for another 5-year period 2003-2007, with a budget for project funding of €35 million.

• **Beneficiary countries :**

The Asia-Invest program is open to non-profit intermediary organisations (Chambers of commerce and professional business associations) from the EU Member States and 18 participating Asian countries: Afghanistan, Bangladesh, Bhutan, Brunei**, Cambodia, China, East Timor*, India, Indonesia, Laos, Malaysia, Maldives, Nepal, Pakistan, Philippines, Singapore**, Sri Lanka, Thailand and Vietnam.

**East Timor will be eligible to apply under the program from 2003. **Singapore and Brunei will no longer be eligible for direct support from 2003, although their regional links will allow them to participate in the activities of the program using their own resources.*

• **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc through support to European and Asian firms identifying potential partners (advice, contacts, etc.).

Objective 2 : to improve access to legal and technological information sources and to support the creation of information centres.

Objective 4 : to provide training in technology management and production methods (to groups of Asian companies).

Objective 5 : capacity building (of chambers of commerce and other business associations in Asia).

• **Detailed description :**

Proposed Instruments 2003-2007

Asia-Invest awards co-financing to intermediary organisations following a Call for Proposals (grants), to manage projects that will help the companies they represent find strategic partners and internationalise their business between the EU and Asia. Fully funded events and research projects are separate award procedures, provided as a service contract, following a Call for Tender. The instruments of the Asia-Invest program are currently being restructured pending the launch of a second phase 2003-2007, so for this reason no funding was provided in 2002. The following instruments remain in a developmental stage.

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1. Business to business match-making opportunities and partnership building activities :

Asia Venture	Small scale business missions for LDCs
Asia Enterprise	Medium scale sector-specific and multi-sector business to business encounters to help EU and Asian companies to find partners
Asia Partenariat	Large scale multi-sector match-making business meetings in Asia to facilitate partnerships between European and Asian companies

2. Capacity building and research activities to enhance Asia private sector development :

Asia-Invest Technical Assistance	Capacity building for companies in Asia to prepare for international co-operation, involving the transfer of know-how, information on market access conditions in the EU, quality support and strengthening links to European companies.
Asia Investment and Trade Facilitation Studies	Monitoring the business environment through market research studies and think-tanks on trade and investment opportunities in particular in LDCs

3. Networking activities for increasing institutional capacity and dialogue:

Asia-Invest Alliance	Capacity building and networking for intermediaries in Asia involving the transfer of know-how, business partners search, information linkages and personnel exchange with European counterparts
Asia-Invest Forum	Workshops and conferences involving intermediaries exchanging best practice and experiences with public authorities and the private sector

Past Instruments 1997-2001

1. Capacity-building and co-operation facilitation activities :

<p>Business Priming Fund: The instruments of the Business Priming Fund aimed to provide support and funding to groups of EU and/or Asian companies in order to prepare them for business co-operation. The three instruments were :</p>	<ul style="list-style-type: none"> • <u>Market-Place Monitoring</u> co-financed research and monitoring activities of Asian markets by EU organisations to assist with strategic decision making processes • <u>Language and Business Culture Familiarisation</u> co-financed practical training courses to help groups of Asian and EU companies acquire international business and language skills • <u>Technical Assistance</u> co-financed the transfer of know-how to prepare companies from less developed Asian countries for international business co-operation and to strengthen ties with EU partners
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EUROPEAN COMMUNITIES

2. Business to business match-making events and activities :

<p>At all the Asia-Invest business-matching events direct contacts between business managers were arranged in the form of bilateral meetings where each participating company received a personal schedule of pre-arranged meetings. Companies could thus make contact with a large number of potential partners and could gain relevant information about market conditions, the business environment and their competitors. Assistance was an offer for all participant companies, which could include information and training courses for the companies before the meeting and complete assistance during and after the events including follow-up advice. Dates and venues of Asia-Invest supported events were promoted throughout Europe and Asia .</p>	<ul style="list-style-type: none"> • <u>Asia-Enterprise</u>: Sector-specific business to business meetings to help EU and Asian companies find partners • <u>Asia-Invest Business Meeting</u>: Multi-sectoral medium scale business to business meetings or events allowing EU and Asian companies to find partners and discuss projects • <u>Asia-Invest Forum</u>: Seminars and workshops to inform EU business of opportunities in Asia • <u>Asia-Invest Partenariat</u> (Asia and EU): Multi-sectoral large scale business to business events in Asia or the EU to facilitate dialogue between EU and Asian companies
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3. Market research activities :

<p><u>Asia Investment Facility</u></p>	<p>Countrywide and sector specific studies to identify, evaluate and promote investment opportunities for EU companies, with a focus on less developed Asian countries.</p>
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• **Examples of implemented / ongoing projects :**

- Transfer of know-how on jute product development to a group of Bangladeshi companies and professionals, and training in order to disseminate the use of new techniques. Lead applicant : Bangladesh Jute Research Institute. EC contribution : €120 000 from June 2001 to Dec 2002.
- Guidebook for European investors in Bangladesh, providing accurate and detailed information to potential investors about business opportunities in the country. The guidebook is made up of two parts, volume I : general conditions to invest in Bangladesh and volume II : Sector profiles, with a special focus on energy, engineering telecommunications and textiles.

• **Contact and information :**

Asia-Invest, EuropeAid Co-operation Office, European Commission, 1049 Brussels, Belgium
 Web site: www.europa.eu.int/comm/europeaid/projects/asia-invest
 Tel: +32 2 295 9503, Fax: +32 2 296 5833, Email: europeaid-asia-invest@cec.eu.int

**DESCRIPTIVE FORMS
(EU MEMBER STATES)**

• **Names of the programs / incentives :**

- A) – **Financial support for private sector partnerships in the Austrian Development Co-operation**
- B) – **Co-financing of Twinning Arrangements with CDE (Centre for Development of Enterprise in Brussels)**
- C) – **Investment Promotion Program Austria-UNIDO**

• **General description :**

ad.A) Austrian SMEs receive financial support (grants of up to 30 % of total investment) if they are willing to invest in a Developing Country (OECD-criteria). The partnership shall aim at :

- the creation and/or development of competitive enterprises in the partner country;
- achieving a maximum net value added in the target country;
- achieving a know-how transfer between the Austrian enterprise and the company in the developing country. (Max. amount : €72.672 in a three years period)

ad.B) Austrian SMEs are being supported to find partners in ACP countries and in business start-up (€169.490 for 2001 and 2002).

ad.C) Austrian SMEs are being supported to find in a new program with UNIDO (€257.000 for 2002 and 2003).

Total amount A+B+C since 1999: €717.490

- **Beneficiary countries :** Developing Countries according to OECD, priority is ACP, especially : Ghana, Mozambique, Tanzania, Ethiopia.

• **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc.

- Through non-financial incentives : Support to national and third country firms identifying potential partners (advice, contacts, etc.).
- Through financial incentives to national firms : Financing or insuring of prospective activities, insurance coverage of risks, loans... Any direct investment has to be channelled through the Austrian entrepreneur with the support of Austrian intermediary banks such as BUERGES, FGG and Control Bank. The Austrian Control Bank provides risk capital or equity for operations in developing countries.

Objective 5 : capacity building.

There are also activities in the focal countries of the Austrian bilateral technical aid program (Uganda, Ethiopia, Senegal, Burkina Faso, Mozambique, Bhutan and Nicaragua), usually carried out through Non-Governmental Organisations.

- **Detailed description :**

PROGRAM A): Financial support for private sector partnerships

Purpose :

Financial aid in form of non-reimbursable grant for a long-term partnership between an Austrian small and medium sized enterprise (SME) and a private company in a developing country.

Eligible applicants :

Small and medium sized enterprises (SME) of all sectors (except banking, real estate and insurance) based in Austria.

Definition of an SME:

- maximum of 250 employees;
- maximum turnover of €40 Mio. or maximum balance-sheet total of €27 Mio.;
- must be independent, i.e. less than 25% owned by one or several enterprises falling outside of the definition of an SME.

Type of projects :

Private sector partnerships which are aiming at

- the creation and/or development of competitive enterprises in the partner country;
- achieving a maximum net value added in the target country;
- achieving a know-how transfer between the Austrian enterprise and the company in the developing country.

Financial support :

The Federal Ministry for Foreign Affairs (MfFA) supports projects in two categories of developing countries (see following page for an exhaustive list of applicable countries) :

- 30% of direct project costs for projects in "program countries" of the Austrian Development Co-operation;
- 25% of direct project costs for projects in other developing countries.

The total financial contribution per SME can not exceed €72.673 in a period of 3 years.

The direct project costs are those incurred by the Austrian SME in the partner country. These include investments as well as assets.

Application :

The application can be submitted to the MfFA as well as to BÜRGES.

The Federal Ministry of Foreign Affairs, Department for Development Co-operation, will provide general information on activities in developing countries as well as specific information on project-related issues.

BÜRGES and FGG, two specialised banks, have been appointed by the MfFA with the handling of all organisational and financial matters of the grant. The BÜRGES respectively the FGG will therefore provide advice on the application, handling and settlement procedures.

BÜRGES is in charge of all investments with a total volume of up to €726.728 (= ATS 10 Mio.)

FGG is in charge of all investments with a volume exceeding €726.728 (= ATS 10 Mio.).

Examples of projects :

- South Africa : in the telecommunication branch in Pretoria; the setting up of a regional training office for business acquisition and technology transfer.

- Senegal : textile industry; rehabilitation of cotton manufacturing in Dakar; renewal of machinery and modernisation of production.

- Zimbabwe : shoe manufacturing; establishment of alternative shoe production facility in Harare ("Waldviertler").

- Costa Rica : environmental certification; know how transfer for licensing of environment standards to obtain orders from Government and international companies.

- Mozambique : mineral water bottling, feasibility study for a filling station, technology transfer plus training management.

- Ghana : tinned food processing, feasibility study for a filling station, technology transfer plus training management.

- Tanzania. Tyre recycling, detergent-production; feasibility study for a filling station, technology transfer plus training management

Sub-Total amount spent since 1999: €291.000

PROGRAM B): Co-financing of Twinning Arrangements with the “Centre for Development of Enterprise”

Three Austrian consultants are identifying potential business partners in Mozambique, Ghana, Tanzania and Zimbabwe and bring them together with Austrian business-partners.

Logic of Intervention :

Sector-policy. Austrian Small- and Medium scale entrepreneurs are called to initiate business-partnerships in ACP-countries so as to stimulate investments eventually and to help in the fight against poverty by creating local added value (i.e. employment etc.). There can be the creation, expansion, diversification, rehabilitation or privatisation of industrial enterprises in ACP countries. Local production of goods and services should be built in a sustainable way. The business-risks for the Austrian partner, who considers investment in an ACP-country, can be reduced by limited state-subvention.

Characteristics of the sector-environment :

Basically there are difficult framework-conditions for Austrian small-scale investors in ACP-countries, starting to find the right partner, finances, political and socio-economic circumstances and generally often harsh market-conditions or reluctance towards private entrepreneurial activities in the said developing countries. This will be tackled by exceptional efforts of the funding and executing agencies (FMfFA, CDE, Fed. Chamber of Commerce-Austria, the Intermediary banks).

Primary Objective :

Substantial increase in number of Austrian SME-businesses that take the opportunity to co-operate with ACP-partners and contribute to the increase of economic value added in the partner-countries through sustainable investments.

Project Objectives:

BÜRGES handles and executes the various procedures to establish joint co-operations of ACP-SME-partners and those of Austria. It uses the four facilities of CDE: 1) Identification 2) operations prior to implementation of a project 3) structuring the project 4) project start-up and development.

Results :

- up to 24 SME-"twinning arrangements" in 6 ACP countries identified;
- diagnostic missions of Consultants;
- reporting;
- diagnostic missions of Austrian companies;
- reporting;
- "letter of intent" for joint co-operation issued;
- projects started under the various facilities;
- credit schemes utilised.

Activities :

Facility 1) Three Austrian consultants have identified 24 "twins" in GHANA, SENEGAL, TANZANIA, UGANDA, MOZAMBIQUE and ZIMBABWE;

Facility 2) BÜRGES proceeds on behalf of the Ministry and CDE;

Facility 3) BÜRGES checks the project structure and proceeds with the financing on behalf of the Ministry and CDE;

Facility 4) BÜRGES proceeds after consultations with the Ministry and CDE concerning the start-up assistance.

PROGRAM C): Multi-bi-project jointly between UNIDO, CDE and Fed.Chamber of Commerce

Co-financing of BUSINESS PROMOTION EVENT in East Africa between UNIDO, CDE and Fed. Chamber of Commerce, financed by : Fed. Ministry for Foreign Affairs of Austria.

- A promotion tour in Austrian cities for awareness raising.
- Several days for sub-sector-meetings in (maybe) Ethiopia and Tanzania.

To motivate the European partner to eventually invest in the region, Austrian and East African entrepreneurs are liaising. The Austrian private sector can/will play an important role to improve development co-operation. One of the keys to improve Tanzania's national business activities is the promotion of "Foreign direct investment" .

UNIDO has established an "INTEGRATED PROGRAM APPROACH" for the region, which involves different areas of possible interventions and UNIDO-expertise, one of which is the "Foreign direct investment" facility. (Others may be "cleaner production", agro-industry, capacity building etc.)

The Austrian participation in one of these aspects could be the contribution to the component business promotion for foreign direct investment in Ethiopia and Tanzania.

Its main objective is to promote individual meetings between businessmen from Ethiopia/Tanzania and Austrian foreign investors to discuss specific investment projects. In each of these countries three sub-sector-meetings may be organised with UNIDO and CDE.

Prior to these meetings a certain number of projects could be identified and selected through the involvement of CDE, UNIDO and FMfFA-Austria expert personnel in the following sectors: Agro-industry, metalwork, wood industry, small scale mining, tourism, pharmaceutical industry and protection of environment; The respective ministerial counterparts in Ethiopia and Tanzania will then be invited to contribute their thoughts and development plans.

Financial contribution for the event might be provided by the Austrian Ministry for Foreign Affairs of up to about €200.000

Contribution of CDE in the form of providing travel-fees for Austrian entrepreneurs to Addis Abeba and Dar Es Salaam;

Contribution of UNIDO organising the event and providing the logistics.

Other participants: Chamber of Commerce – Austria

Chamber of Commerce – Ethiopia and Tanzania

others, etc.

• **Contact and information :**

Ministry for Foreign Affairs of Austria, Minoritenplatz 9, A-1014 Vienna/Austria
Deptmt. for Development Co-operation, Co-financing and Private Sector Development
W.Moser, 0043-1-53115/4471
wolfgang.moser@bmaa.gv.at

- **Foreword :**

Denmark has a number of institutions and programs that are contributing to the transfer of technology to the developing countries within the meaning of the TRIPs-agreement's art. 66.2. Development assistance is based on a bilateral and a multilateral track.

Denmark provides bilateral development assistance to fifteen program countries. These are: Bangladesh, Benin, Bhutan, Bolivia, Burkina Faso, Egypt, Ghana, Kenya, Mozambique, Nepal, Nicaragua, Tanzania, Uganda, Vietnam and Zambia. The bilateral assistance is concentrated on promoting sustainable development through poverty-oriented economic growth. Technology transfer is an incorporated part of the assistance. It is implemented through technical advisers, consultant services, capacity-building etc. The activities assist the business sector in the developing countries vis-à-vis their efforts with regard to product development and marketing i.e. through the introduction of information and communication technologies.

Denmark provides multilateral development assistance through institutions such as development banks and a range of multilateral organisations. Many of the projects of these organisations are incorporating technology transfer in their assistance.

• **Name of the program / incentive : DANIDA - The Mixed Credit Program**

• **General description :**

The mixed credits incentives are primary financial and can be used to finance project supply to developing projects, which are undertaken in close collaboration with the developing country. The mixed credits cover various sectors listed by OECD for tied aid. Among these are : water, health, transport, infrastructure in general, environment, education, energy in particular renewable energy and small industrial projects. For every project proposal DANIDA performs an appraisal. The appraisal report, which contains a number of recommendations, is handed out to the people locally responsible for the project. They have the responsibility to see it through that the recommendations in the appraisal report are carried out.

• **Beneficiary countries :**

The list of beneficiary countries is dynamic. The mixed credits program can be granted to all of the developing countries (DAC) with a GNI per capita below DKr 17517, which also fulfil specific minimum requirements regarding creditworthiness. Currently the following countries receive direct support : China, Colombia, Dominique Republic, Egypt, El Salvador, Guatemala, India, Indonesia, Jordan, Kazakhstan, Morocco, Namibia, Peru, Philippines, Senegal, Sri Lanka, Thailand, Tunisia and Vietnam.

In addition to these countries support is given to regional banks whereby countries can benefit through membership. These are :

- Central American Bank for Economic Integration (CABEI) the beneficiary countries are : El Salvador, Guatemala, Honduras and Nicaragua;

- Development Bank of Southern Africa (DBSA) the beneficiary countries are : Mozambique, Namibia, Tanzania and Zambia;

- Industrial development Corporation of South Africa (IDC) the beneficiary countries are Mozambique, Namibia, Tanzania and Zambia.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through loans to national and third country firms.

Objective 2 : to improve access to available techniques and industrial processes through training in the state of the art.

Objective 4 : to provide training in technology management and production methods: when supporting a commercial contract regarding deliveries of goods and related services for development projects, training in operation and maintenance will always be an essential part of the delivery.

Objective 5 : Capacity building is pursued through the co-operation between the commercial parties, including the training included in commercial contracts. Where projects are considered lacking capacity thus endangering the sustainability of the project, technical assistance may be financed by the Mixed Credit program to build up capacity.

• **Contact and information :**

Secretariat for Mixed Credits
Royal Danish Ministry for Foreign Affairs
2 Asiatisk Plads
1448 Copenhagen K - Denmark
Dir. Phone : +45.3392 0951
Fax : +45.3392 0020

e-mail : sbk@um.dk
Homepage : <http://www.mixed-credits.dk>

• **Name of the program / incentive : DANIDA - PS Program**

• **General description :**

The Private Sector Program under DANIDA consists of both financial and non-financial incentives. The PS Program contributes to the development of the private sector in the developing countries through the establishment of long term mutual co-operation between Danish companies and companies in the developing countries. Support is given to studies (no more than DKr 250.000), visits (no more than DKr 25.000), establishment expenditures, training and education of employees, technology adaptation, environment measures and emission of experts. The total amount possible granted is currently DKr 5.000.000. To be eligible the Danish company has to transfer technology or/and other know-how to the local company. In addition the PS co-operation must contribute to economic and social development in the host country. The PS-Program is open to every sector. Technical advice is given both to governments and private firms.

• **Beneficiary countries :**

The beneficiary countries in Asia are : Bangladesh, Bhutan, Nepal and Vietnam. In Africa : Egypt, Ghana, Benin, Burkina Faso, Kenya, Mozambique, Tanzania, Uganda and Zambia. In Latin-America : Bolivia and Nicaragua.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc.

- through support to national and third country firms identifying potential partners

(advice, contacts, etc.)

- through financial support to national firms for the establishment of expenditure, technology adaptation, environment measures or missions of experts.

Objective 2 : to improve access to available techniques and industrial processes, though training in the state of the art.

Objective 4 : to provide training in technology management and production methods.

• **Contact and information :**

Ministry of Foreign Affairs, Business and Contracts Department,
Copenhagen - Denmark

• **Name of the program / incentive : DANIDA – Investment Guarantee Scheme for developing Countries**

• **General description :**

The guarantee scheme for Danish investments in developing countries was established in 1966. The purpose of the scheme is to encourage direct investment in developing countries by providing investment guarantees to private Danish investors against the political risks of transfer restriction, expropriation, and war and civil disturbance in the host country. The investment projects should contribute to the economic growth and development of the host country and must be financially, economically and environmentally sound. The host country must be a developing country with an annual GNI per capita of no more than DKr 22080. The standard term of coverage is 15 years, the coverage is 90% of the guaranteed investment and return can be covered with up to 20% annually of the guaranteed amount (however max. 60% of the guaranteed amount). The annual premium amounts to 0.5% of the guaranteed investment. The investor must have substantial influence on the management of the investment project thereby making technology and knowledge transfer from the Danish company to the developing country possible.

• **Beneficiary countries :**

Developing countries with an annual GNI per capita of no more than DKr 22080.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through the insurance coverage of political risk.

• **Contact and information :**

Ministry of Foreign Affairs, Business & Contracts Department, Copenhagen.

- **Foreword :**

Technology transfer to developing countries is promoted and encouraged through various programs and activities by the government of Finland. Some of these programs are directly planned to encourage Finnish companies to invest in developing countries, to enter into co-operation with companies in these countries or to participate in other means in industrial and technological projects. Some programs promote technology transfer more or less indirectly, though. The latter group of programs include, for example, contributions to multilateral assistance funds within the framework of the United Nations, the World Bank Group and the European Communities.

• **Name of the program / incentive : The Economical, Industrial and Technological appropriation**

• **General description :**

Economical, industrial and technological co-operation projects are being subsidised with the so-called EIT appropriation (TTT in Finnish). The EIT appropriation is administered by the Ministry for Foreign Affairs in Finland.

• **Beneficiary countries :**

For example the following countries have entered into contract for EIT appropriation: Algeria, China, Cuba, Indonesia, Iraq, Iran, Libya, Malaysia, Peru, Sudan, Thailand, Vietnam.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through financial incentives to national firms (financing or insuring of prospective activities).

- **Detailed description :**

The EIT appropriation can be applied for by Finnish companies, institutions or associations. However, the applicants are in most cases expected to be already in close collaboration with companies or institutions in the recipient country. Furthermore, the Ministry for Foreign Affairs may grant EIT appropriations also for such studies through which Finland and a developing country seek to identify and develop new concrete co-operation projects to be implemented by their respective companies, organisations or corporations.

As a rule, EIT appropriations are not supposed to cover more than 50 % of the total costs of the projects concerned. However, in some cases the percentage can be higher. The remaining costs are to be borne by other financing sources, mostly by the applicants themselves and their potential co-operation partners in Finland and in the developing countries in question.

- **Examples of implemented/ongoing projects :** Feasibility studies related to water supply projects.

- **Contact and information :**

Ministry for Foreign Affairs – Division for the Americas, Asia and Oceania (co-ordination) and desk officers in regional divisions.

P.O. Box 176, 00161 HELSINKI - Tel. +358-9-16005

• **Name of the program / incentive : FINNFUND investment schemes**

• **General description :**

Finnfund (Finnish Fund for Industrial Co-operation Ltd.) is a state-owned investment finance corporation and it exists to finance enterprises in emerging countries. Finnfund is a member of European Development Finance Institution, an alliance of European development finance companies. Finnfund's effective investment commitments total €209 million consisting of investments in 71 projects in 23 countries.

• **Beneficiary countries :**

Most of the new investment commitments were for projects in developing countries. Several projects were going on in particular in Asia and Eastern Europe, but Finnfund had also some projects in Africa and South America. Due to the economic development of many countries in Central and Eastern Europe, the need for Finnfund's financing in these countries has diminished. Finnfund's operating area covers the countries classified as developing countries in the Development Aid Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

• **Objectives in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc: Finnfund's objective is to promote dynamic, developing and innovative private enterprises thus encouraging technology transfer.

• **Detailed description :**

Finnfund supports industrial co-operations and technology transfer through minority shares for Finnish investments, guarantee arrangements and long-term credits for Finnish companies. In addition to financing it offers a wide range of fund management and advisory services. The investment commitments by Finnfund involve a representative sample of Finnish high-tech companies as well as innovative small and medium sized companies.

Finnfund co-finances training of personnel and management in developing country companies when being a shareholder.

• **Examples of implemented / ongoing projects :**

Tanira Ltd. Hand pump factory in Tanzania, about €0.2 million invested in 1988
Shanghai Fimet Medical Instrument Co.Ltd. Dental chair factory in China, about €0.4 million invested in 1994;
SEW-Componenta (Tianjin) Co. Ltd. Industrial gear factory in China, about €3.2 million invested in 1995;
Kemwater (Yixin) Co. Ltd. Water cleaning chemical factory in China, about €0.4 million invested in 1999;
Beijing Novo Information Technology Ltd. IT map applications company in China, about €0.2 million invested in 1999;
KWH Pipe (Dalian) Co.Ltd. District heating pipe factory in China, about €1.4 million invested in 1996;
Valmet-Xian Paper Machinery Co. Paper machine factory in China, about €0.7 million invested in 1988;
Ghanira Ltd. Hand pump factory in Ghana, about €0.1 million invested in 1992;
Fiskars India Ltd. Scissor factory in India, about €0.3 million invested in 1986;
Charminar Nonwovens Ltd. Nonwoven fabric factory in India, about €0.1 million invested in 1988;
Additionally, we have made investments in lower middle income countries – total 172 investment commitments.

• **Contact and information :**

Ms. Elina Jussila - Assistant Legal Affairs - FINNFUND
Ratakatu 27, 00120 Helsinki Tel. +358-9-3484 3315 Fax. +358-9-3484 3317

• Name of the program / incentive : Capacity Development of District Forestry Extension Staff in Social Forestry in Five Districts of the Northern Region of Malawi.

• General description :

The project is focused on capacity building of forestry extension staff. Its purpose is to improve institutional capacity to provide effective and efficient forestry extension services to rural communities.

The project started in October 2001 and lasts for 3 years. The total budget is €2.192.130. The government of Finland contributes €2.024.547 and the government of Malawi €167.583.

The Ministry for Foreign affairs/Department administers the project for International Development Co-operation.

• Beneficiary country : Malawi.

• Objective(s) in terms of technology transfer :

Objective 5 : capacity building.

• Detailed description :

- The immediate beneficiaries are the forestry extension workers working in the districts and extension officers from partner organisations (final beneficiaries are the local communities of 5 districts).

- The projects aim at improving institutional capacity (of the forestry administration) to provide effective and efficient forestry extension services to rural communities.

- Improved logistics and support provided to the District Forestry Offices for efficient extension service.

• Examples of implemented/ongoing projects : Training and capacity building are on-going.

• Contact and information :

Mr Pertti Anttinen
Ministry for Foreign Affairs
Unit for Southern Africa
P.B. 176, 00161 Helsinki
Tel. +358-9-160 56259 Fax. +358-9-160 56259
e-mail : pertti.anttinen@formin.fi

• **Name of the program / incentive : Provincial Forestry Action Program, phase II**

• **General description :**

Finland has been involved in support to the Forestry sector in Zambia since 1972, most recently in facilitating the development of the Zambian Forestry Action Plan (ZFAP). Three Provincial Forest Action Plans (PFAP) were developed in co-operation for the Central, Copperbelt and Luapula Provinces by August 1998. Their objective is to enhance sustainable management and utilisation of the forestry resources.

The 1st phase of the PFAP started in 1995 and it is proposed to be continued by phase II.

Duration : 4 years.

Administered by the Ministry for Foreign Affairs/Department for International Development Co-operation. Government of Finland part of the budget: about €6.460.000.

• **Beneficiary countries :** Zambia

• **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. Support to third countries (advice, contacts, etc.).

Objective 2 : to improve access to available techniques and industrial processes, through training in the state of the art.

Objective 5 : capacity building.

• **Contact and information :**

Mr Pertti Anttinen
Ministry for Foreign Affairs
Unit for Southern Africa
P.B. 176, 00161 Helsinki
Tel. +358-9-160 56259 Fax. +358-9-160 56259
e-mail : pertti.anttinen@formin.fi

• **Name of the program / incentive : DEG - Deutsche Investitions- und Entwicklungs-gesellschaft mbH**

• **General description :**

In the framework of Germany's development policy, DEG is the institution that supports the private sector in developing and transition countries by providing them with financial support and advice.

DEG is a subsidiary of the Kredit Anstalt für Wiederaufbau (KfW). It supports the creation and the development of the private sector in these countries through long-term investment funds and advice on market conditions. The aim of DEG's support is to make as many profitable, private investments in businesses as possible whilst at the same time ensuring that those businesses are environmentally and socially compatible and are meaningful from a development policy point of view.

The DEG provides back up for private investment in developing countries that have the capacity to benefit from commitment by foreign businesses but where commercial banks and financiers still regard a long-term commitment as too risky. The DEG provides the services at market rates and these services do not include any subsidies. This is because only successful investments that pay for themselves and make a return also guarantee stable earnings and lasting employment. They create lasting growth and contribute towards better standards of living for the people in the countries in which the investments are made.

The DEG can work in any developing country where the legal framework and investment climate allows private investment. In general there are no restrictions that disadvantage the LDC countries, but neither are there any special advantages. The only exceptions are certain projects executed in trust (Treuhand projects) for which the federal government has set aside resources on special terms for trustees.

The DEG provides project finance in the form of venture capital and long-term loans for businesses in developing countries and advises investors on the planning, preparation and implementation of their projects. Here the DEG also uses its own resources to part-finance preparations, particularly feasibility studies, for the projects of small and medium-sized German investors.

Promoting business partnerships between investors from Germany or other EU countries and local businesses in developing countries is a particular objective. By supporting this type of co-operation the DEG mobilises commercial and technical know-how, experience in products and marketing and training and further training expertise for the country as well as additional investment capital from other financiers totalling many times the amount of resources it invests itself.

By linking a business's own contribution with additional development co-operation resources a public private partnership (PPP) can achieve high levels of synergy which ensure lasting progress and development.

Apart from direct technology transfer through joint ventures, the DEG also promotes technical competence by co-financing undertakings that have no access, or very limited access, to long-term investment capital. This makes the businesses more competitive and more attractive as partners in co-operative ventures with businesses in industrial countries. Indirectly the kind of financial sector promotion in developing countries practised by the DEG is a significant contribution towards the strengthening of entrepreneurial potential in developing countries. By developing and part-financing financial instruments that mainly benefit small and medium-sized local businesses, the special technological innovation of these undertakings is promoted and their effectiveness in job creation is supported.

- **Beneficiary countries :**

At the end of 2001 the DEG was represented in a total of 18 of the 49 LDCs. Its financial commitments in respect of investments in 45 businesses (including finance sector projects) totalled €185.4 million; €137.0 million went to 33 undertakings in 14 African countries and €48.4 million to 12 undertakings in four Asian countries. The amount of finance going to LDCs represented 8% of the DEG's total business.

- **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc.

→ through support to national firms identifying potential partners (advice, contacts, etc.);

→ through financial incentives to national firms (financing or insuring of prospective activities, loans and equity);

→ financial incentives to third country firms (financing or insuring of prospective activities, loans, guarantees of loans, equity participation).

- **Contact and information :**

DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

Geographical address:

Belvederestraße 40, 50933 Cologne

Postal address:

P O Box 45 03 40, 50878 Cologne

Telephone: 02 21 / 49 86-0 Fax: 02 21 / 49 86-290

International codes: + 49 / 221

E-Mail: businessrelations@deginvest.de

Internet: <http://www.deginvest.de>

• **Name of the programs / incentives : Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH**

1. **PPP-Facility**
2. **Senior Experts Service (SES)**

• **General description :**

1. **PPP-Facility :**

- training and capacity building for SME promotion and vocational training;
- training and capacity building for rural development;
- technology transfer for environment improvements, renewable energy supply, improvements in infrastructure, water and waste management;
- implementation of social standards;
- implementation of eco-standards;
- aids prevention and other health care activities;
- good governance;
- sustainable tourism;
- sustainable land and forest management, including certification processes FSC;
- Food quality and safety system development.

Duration: since 1999 . Budget (2002-2004): €3,5 Mio

2. **Senior Experts Service (SES):**

The Senior Experten Services (SES) is a non-profit organisation which, with the help of senior experts, promotes the vocational training, further education and qualification of specialists and executives in Germany and abroad. The main areas are technical and economic fields. The senior experts' activities are oriented towards quick and pragmatic assistance on the spot, with special emphasis on help towards self-help, generally combined with the solution of pressing problems.

The duration of the assignments is between 2 weeks and 6 months, follow-up assignments are welcome.

Duration: since 1990 . Budget (2000-2004): €9 Mio.

- **Beneficiary countries :** Developing countries (Africa, Asia, Latin America) and countries in transition.
- **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc., through support to national and third country firms identifying potential partners (advice, contacts, etc.)

Objective 2 : to improve access to available techniques and industrial processes : access to legal and technological information sources, training in the state of the art.

Objective 4 : to provide training in technology management and production methods.

Objective 5 : capacity building.

• **Contact and information :**

Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
Dag-Hammarskjöld-Weg 1-5 Phone: +49-6196/79-0
Postfach 5180 Fax : +49-6196/79-11 15
D – 65726 ESCHBORN internet : <http://www.gtz.de>

• **Name of the program / incentive : Public-Private-Partnership-Facility**

• **General description :**

The resources of the Federal Ministry of Economic Co-operation and Development (BMZ) are used by the PPP Facility to support private sector commitments involving the purchase, building and/or operation of infrastructure projects in developing countries, considered worthy of promotion from a development policy point of view, and intended to improve the economic and social infrastructure. Here the facility assumes part of the risk of German undertakings (developers and operators of projects) in respect of the costs of preparing a private sector commitment.

This risk sharing takes the form of refunding part of any costs incurred in respect of such preparations where a commitment under consideration fails. An example is making an unsuccessful bid in an international tender. Another reason for a project not coming about may be that the results of the detailed feasibility study showed that implementation by the private sector would not be very profitable.

The following conditions have to be met if risk is to be covered by the PPP Facility: The project investigated in the study has to be deemed worthy of promotion from a development policy point of view and has to be in line with the overall principles of German development co-operation in the country in question. The object of the study has to be the preparation of a project (investment in and/or running a project) that has a reasonable chance of being implemented and being profitable. The cost of the study has to be acceptable in relation to the planned private commitment (investments or contract to operate a project). The applicant has to be technically and financially in a position to submit an internationally competitive offer. It therefore has to be able to provide evidence of appropriate experience (e.g. a list of references).

A total DM 4.5 million was budgeted for 2000 and 2001 whilst €3.5 million was budgeted for the period 2002 to 2004.

• **Beneficiary countries :** Partner countries are :

Afghanistan	Ecuador	Laos	Paraguay
Egypt	El Salvador	Lesotho	Peru
Algeria	Eritrea	Madagascar	Philippines
Angola	Georgia	Malawi	Rwanda
Armenia	Ghana	Mali	Zambia
Azerbaijan	Guatemala	Morocco	Senegal
Ethiopia	Guinea	Mauritania	Sierra Leone
Bangladesh	Haiti	Mexico	Zimbabwe
Benin	Honduras	Mongolia	Sri Lanka
Bolivia	India	Mozambique	South Africa
Brazil	Indonesia	Myanmar	Syria
Burkina Faso	Yemen	Namibia	Tanzania
Burundi	Jordan	Nepal	Thailand
Chile	Cambodia	Nicaragua	Chad
China (PR)	Cameroon	Niger	Tunisia
Costa Rica	Kenya	Nigeria	Turkey
Côte d'Ivoire	Columbia	East Timor	Uganda
Dominican Republic	Congo (DR)	Pakistan	Vietnam
Cuba	Cuba	Palestine Authority	

- **Objective(s) in terms of technology transfer :**

Objective 1: Promoting direct investment

The Facility promotes direct investment by German and European undertakings in the infrastructure of developing countries where the aim is to achieve a durable improvement in the economic and social infrastructure. In particular, the barrier to businesses represented by sometimes very high costs of project development and tendering in developing countries has to be removed. Technology transfer is one of the additional goals. In many cases the privatisation of infrastructure previously provided by the state goes hand-in-hand with the application of technologically advanced solutions which have the effect of increasing productivity.

Financial incentives :

Ensuring the up-front costs of project development. In the event of failure, part of the costs is refunded. The cost refund is granted subject to costs up to a ceiling of €100.000 per undertaking, having been incurred in respect of the following:

- commissioning of external consultants: up to 50% of the costs of the contract with the consultant or of the consultant's offer on the basis of which the refund is granted;
- studies carried out by the applicant itself: a maximum of 33% of the estimated costs on the basis of which the KfW grants a refund.

- **Contact and information :**

Kreditanstalt für Wiederaufbau (KfW)
Palmengartenstrasse 5-9
D – 60325 Frankfurt
Tel. +49-69-7431-4327
Fax. +49-69-7431-2218
e-mail : Annika.Frank@kfw.de

• **Name of the program / incentive : Stiftung für wirtschaftliche Entwicklung und berufliche Qualifizierung (SEQUA). Partnership Program**

• **General description :**

The partnership program is supporting co-operation projects between German chambers and associations play an important role for the development of small and medium enterprises. The partnership program supports activities for new and better services for small and medium enterprises and interest representation for a better policy environment.

Approximately €7,5 Mio p. a

• **Beneficiary countries :** All developing countries.

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to third country firms : firms receive advice/training in different fields relevant for technology transfer (i.e. intercultural training, international markets, export and import, international contracts, technical training and advice, etc.

Objective 2 : to improve access to available techniques and industrial processes : creation of information centres, training in the state of the art , etc.

Objective 4: to provide training in technology management and production methods.

Objective 5: capacity building.

• **Contact and information :**

Stiftung für wirtschaftliche Entwicklung und berufliche Qualifizierung (SEQUA)

Mozartstrasse 4 – 10

D – 53115 BONN

Tel. +49-228-98238-0

Fax. +49-228-98238-19 oder –29

e-mail : info@sequa.de

**• Name of the program / incentive : Scientific – Technological Co-operation
(Wissenschaftlich-technologische Zusammenarbeit, WTZ)**

• General description :

General Goals are

- Co-operation for the mutual benefit of both partners in joint research and education projects.
- Contribution to the improvement of economic relations with the partner countries.
- Participation in multilateral networks of research establishments and enterprises.

Financial incentives comprise mainly travel costs and to a lesser extent equipment to initiate joint projects between partners in Germany and partner countries.

• Beneficiary countries :

African and Arab countries, especially Egypt, South Africa, Morocco and Tunisia, where special bilateral agreements exist.

• Objective(s) in terms of technology transfer :

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to national and third country firms identifying potential partners (advice, contacts, etc.), financing or insuring of prospective activities.

Objective 3 : to support joint research projects (support to joint research projects between private and/or public partners).

• **Name of the program / incentive : Deutscher Genossenschafts- und Raiffeisenverband e. V. (DGRV)**

• **General description :**

DGRV is (co-)financed by the Ministry of Economic co-operation and Development (BMZ). It plays an important role in part of co-operative development training and know-how transfer. Its budget is approx. €3 Mio.

• **Beneficiary countries :**

All Latin America countries, South Africa, China, Vietnam, India and CEA-Countries in transition.

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to national firms (loans) and support to third country firms (advice, contacts, financing or insuring of prospective activities).

Objective 4: to provide training in technology management and production methods.

Objective 5 : capacity building : legal advice on auditing systems, training of staff of agriculture co-operatives, savings and credit co-operatives, co-operative banks.

• **Name of the program / incentive : Advanced re-locatable multi-sensor system for buried landmines**

• **General description :**

The humanitarian landmine clearing is attracting more and more global attention. The recent treaty to ban the manufacturing and sales of anti-personnel mines is most welcome. But the technical challenges of the safe removal of mines already in the ground remain unchanged. At present about 100 million mines are still installed in 62 countries. Abandoned landmines and other unexploded ordnance (UXO) now kill or maim about 30.000 persons globally every year, 80 percent of which are innocent civilians. The average casualty rate for classical landmine detection is one injured or dead de-miner per 1000 mine detection, but rates as high as one injury per 100 mines have been encountered. Detection of landmines has been accomplished in a very slow and dangerous way. Modern radar technology progress using the possibility of advanced multiple microwave-sensors may improve the current situation of landmine detection. The overall aim of the project is to investigate the feasibility of using ground penetrating radar (GPR) with integration of multiple microwave-sensor technologies to improve the individual landmine detection (Resolution : down-range : 3 cm and cross-range : 3 cm; auto-detectability better than 99 %). The fundament for this proposal is the development of two major ground penetrating radar (GPR) systems (real video pulse and stepped frequency CW radars). In this research project, we distinguish three parts : the first part comprises the design and realisation of two re-locatable imaging GPR systems. This research concentrates on the development of an ultra-wide-band (UWB) impulse radar and stepped frequency continuous wave (SFCW) radar. Buried landmines are usually regarded as “small objects”. High-resolution data of the subsurface will be acquired via the multi-sensor system having a high detectability of landmines. The second part comprises the development of accurate electromagnetic modelling methods, high-resolution 3-D image reconstruction, robust signal and imaging processing and experimental verification. Signal processing and imaging methods will be evaluated, verified and modified by executing outdoors experimental campaigns. The third part comprises the development of multi-sensor data fusion (MSDF), feature extraction and object classification methods and algorithms.

• **Beneficiary countries :** All countries that suffer from buried AP landmines.

• **Objectives in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through incentives to national firms (loans, establishment expenditure, technology adaptation, environment measures, and missions of experts).

Objective 3 : research applied to needs of countries suffering from buried AP landmines.

• **Area of the programs / incentives : Health, Agriculture, Economic and infrastructural support, Education, Environment**

• **General description :**

This all concerns programs that will lead to direct transfer of technology. Instruments in the field of education, information, infrastructure and enhancing of investment that do not have a direct technology transfer component are not included.

Program : Health				
technology transfer, investment				
objectives		2000	2001	2002
	technology transfer	1.755.457	4.915.679	5.844.115
	investment	5.786.910	10.599.569	6.356.633
	TOTAL	7.542.367	15.515.248	12.200.748
Beneficiary countries	AF,BD,BF,ET,HT,KH,MW,MZ,NP,SD,SO,TZ,VN, YE,ZM			

Program Agriculture				
research, technology, management, training, program				
objectives	1,2,3,4,5	2000	2001	2002
	capacity building	6.193.111	7.429.354	2.435.307
	production systems	2.257.021	2.155.165	1.472.381
	TOTAL	8.907.945	9.777.919	4.228.496
Beneficiary countries	AF,BD,BF,BJ,BT,CV,ET,HT,ML,MZ,RW,SD,SN,T Z, YE			

Program Economic and infrastructural support				
interdisciplinary planning, communication, institutional support, infrastructure, energy, bio-gas				
objectives	1,2,3,4,5	2000	2001	2002
	capacity building	2.019.132	3.139.963	3.354.056
	training	388.332	302.555	3.843
	TOTAL	2.407.464	3.442.518	3.357.899
Beneficiary countries	BD,BT,CV,ML,MZ,NP,TZ,UG,VN			

NETHERLANDS

Program		Education		
HRD, investment				
objectives	1,2,3,4,5	2000	2001	2002
	ict, graduate, masters	4.679.326	3.116.569	3.980.215
	TOTAL	4.679.326	3.116.569	3.980.215
Beneficiary countries		BT,ET,MZ,RW,VN,YE		

Program		Environment		
Conservation, protection and support				
objectives	1,3,4,5	2000	2001	2002
	Bio-diversity protection, waste	9.013.516	7.558.845	10.199.856
	TOTAL	9.013.516	7.558.845	10.199.856
Beneficiary countries :		AF,AO,BD,GW,MZ,NE,SD,SO,TZ,VN,YE,ZM		

• **Name of the program / incentive : Technology Promotion Project**

• **General description :**

These projects are intended for Spanish companies that wish to promote their technologies abroad and hope to carry out a specific technology transfer project as licensors.

Credits are provided to finance the following types of activities and intellectual property : equivalency authorisations and certifications that allow for internationalisation; the creation of prototypes for the transfer of technology and international promotions; personnel training for the licensing company; documents; studies and contracts ; technical translations; overseas promotional studies; legal support and the negotiation of agreements.

These actions are complemented with a foreign network which carry out important work in consulting, seeking partners and logistical support for Spanish companies that want to do business abroad. In relation to this activity, CDTI has representatives in Brazil, Colombia, Chile, Morocco, Japan and Korea. The total budget for these projects is approx. €4 million annually with an open call for proposals.

• **Beneficiary countries :**

These projects are intended for Spanish companies doing business in any country around the world, especially in Latin America, North Africa and Korea.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc: through support to national and third country firms identifying potential partners (advice, contacts, etc.)and loans to national firms.

Objective 3 : to support joint research projects between private partners.

• **Foreword :**

Sweden contributes with technology transfer to least developed countries through its development assistance. This assistance is channelled through the Swedish International Development Co-operation Agency (Sida). In particular its department for Infrastructure and Economic Co-operation (INEC) deals with technology transfer to developing and to least developed countries.

INEC is responsible for Sida's development assistance to the infrastructural sector and it also deals with economic co-operation. This involves sector and feasibility studies, investment projects, energy savings and renewable energy projects in the energy field and also in other areas such as telecommunications, roads, housing, urban development etc. These projects often include sector reforms, institution building and the use of local resources in road construction for example.

INEC also provides support to productive sectors in developing countries, such as industry and trade, capital markets development, contract-financed technical co-operation, credits and guarantees, international training etc.

With regard to least developed countries, most of INEC's activities are geared towards the transfer of technology and know-how.

Within the area of technical co-operation and training, INEC arranges contract-financed technical co-operation such as consultancy studies, competence building and institutional building projects. The division supports 150-200 projects per year in about 30 countries. Over 80 international courses are arranged each year with participants from some 100 countries. Competence development and alliance co-operation within private industry and adjoining sectors is another important branch. These projects are normally small and catalytic. Through the Start Program, local companies in Sida's partner countries are given access to Swedish technology and know-how at the same time as Swedish small and medium-size enterprises are encouraged to test new markets. The Start South Program supports investments in more than 40 developing and least developed countries in Africa, Asia and Latin America. It offers financial support to Swedish small and medium-size enterprises at the starting-up phase of joint projects with local companies by providing write-off loans to finance education and training and the transfer of industrial know-how.

Examples of participating least developed countries and areas of activity:

<p>Zambia: Fish culture Water purification Mining Refrigeration technology Deforestation</p> <p>Tanzania: Tourism Printing Works Concreting Measures of precaution for documents Manufacture of Household Utensils Sisal production</p> <p>Mozambique : Hotel management Dental surgery</p>	<p>Angola : Granite mining</p> <p>Uganda : Mineral prospecting Tourism Forestry Irrigation project Printing factory</p> <p>Ethiopia : Cardiology</p> <p>Eritrea : Printing factory</p> <p>Bangladesh: Heart surgery Diabetes care</p> <p>Vietnam: IT-technology Furniture production</p>
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• **Name of the program / incentive : Start South-program**

• **General description :**

To promote the development of trade and industry in the developing countries. Sida (the Swedish International Development Co-operation Agency) has created the "Start South-program."

The target group for the program is Swedish companies in the process of starting sustainable business co-operation with companies in the South. The commercial activities shall take place in the developing country.

Transfer of technological know-how from the Swedish companies to the companies in the South is often a prerequisite of successful co-operation. To encourage such transfer, Sida can offer a write-off loan of SEK 500.000, - to the Swedish company to finance education and training. The loan is written off as soon as the training is finalised.

To facilitate the purchase of technological equipment, Sida also provides loans of SEK 250.000,- to the Swedish company. This loan runs for 5 years on favourable rate of interest.

The program started in 1996. The total budget amounts to SEK 40.000.000, -

• **Beneficiary countries :**

Africa: Botswana, Cap Verde, Ethiopia, Eritrea, Guinea Bissau, Mozambique, Namibia, South Africa, Tanzania, Zambia, Zimbabwe, Uganda.

Asia: Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Laos, Mongolia, Nepal, the Philippines, Sri Lanka, Thailand, West Bank/Gaza, Vietnam.

Latin America: Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru.

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through loans.

Objective 2 : to improve access to available techniques and industrial processes : access to legal and technological information sources, training in the state of the art, training in industrial production know-how.

Objective 4 : training in business practices and management.

Objective 5 : capacity building projects.

• **Examples of implemented /ongoing projects :**

Through the Start South-program a Swedish company together with a Zambian company has started fish breeding at large scale at the Zambesi River. Another project involves a Swedish company that has established co-operation with a Zambian company in areas such as maintenance of real estate property, electronics, telecommunications, water supply and refrigeration systems.

• **Contact and information :**

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• Name of the program / incentive : Trade policy support to Tanzania

• General description :

Strengthening of the competition authority and formulation and implementation of a national trade policy.
8 million SEK from December 2000- December 2004 are foreseen.

• Beneficiary country : Tanzania

• Objective(s) in terms of technology transfer :

Objective 5 : capacity building project.

• Examples of implemented /ongoing projects :

Between November 1999 and June 2001 Sida financed the development of a National Trade Policy through a special agreement. 2 million SEK were used for technical assistance, workshops, study visits. From July 2001 this project is part of another larger commitment with the Ministry of Trade and Industry (MIT).

The ongoing commitment is called "Capacity Building Project for MIT" and consists of the following three projects;

1) Finalization and Implementation of the National Trade Policy.

2) Implementation of fair competition policy and law, inclusive technical assistance for the establishment of a Fair competition Commission and a Fair Competition Tribunal.

3) Upgrading of the Ministry's registry function, which means introduction of adequate administrative routines och procedures.

Agreement period; July 2001 - June 2004, 8 million SEK

MIT is responsible for the implementation inclusive procurement of needed consultants.

The Trade Policy has been finalized in its draft version and approval by the Cabinet is awaited in March 2003.

As regards the Fair competition project, all the preparatory work has been finalized and Cabinets approval of the concept and structure of the two bodies is awaited. After that implementation will start.

The administrative upgrading is an ongoing activity.

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• **Name of the program / incentive : Swedfund International AB**

• **General description :**

Swedfund is a state owned company investing in developing countries and in Central and Eastern Europe. It provides risk capital and know-how for long term investments in Africa, Latin America, Asia and in Central and Eastern Europe. The investment should give attractive returns to all stakeholders, environmental aspects must be addressed and best ethical practices should be used.

The investment should be based on a well-defined business concept and have strong growth potential. The strategic partner must have a solid track record and the necessary financial and managerial resources to ensure the successful preparation, execution and operation of the joint venture.

The overall goal is to contribute to the development of financially sound economies.

Swedfund International AB is a limited liability company with a capital of about SEK 866 million.

• **Beneficiary countries :** Developing countries and countries in Central and Eastern Europe.

• **Objective(s) in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through financial incentives to national firms (such as loans) and financial incentives to third country firms (loans, guarantee of loans, equity participation)

Objective 3 : to improve access to available techniques and industrial processes, in particular the transfer of know-how

• **Examples of implemented /ongoing projects :**

In 1994 the Swedish telecom company Telia Overseas invested in Namibia's (and one of Africa's) first GSM-net. In 1997 Telia Overseas entered into a second program, MTN in Uganda. For both projects Swedfund acted as co-financier.

In 1987 the company SSPC (Sino-Swed Pharmaceutical Corporation) was set up as a joint venture between Swedish and Chinese pharmaceutical industry for production of tablets and infusion solutions. This was one of the first Swedish-Chinese joint ventures. Swedfund's investments in the pharmaceutical sector cover a wide area of sectors, from advanced high-technology (Africa's first Gamma-knife from Electa) to mass production (infusion in Lithuania and earlier in Pakistan).

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• **Name of the programme / incentive : Research and education in bio-policy**

• **General description :**

Support to the African Centre for Technology Studies (ACTS) with regard to bio-policy.

African Centre for Technology Studies (ACTS) was established in 1988, with a remit to undertake policy research on the application of science and technology to sustainable development. Initially the Centre was Kenya-specific in its coverage but with wide international contacts. In 1992, ACTS revised its mandate to focus on the implementation of the recommendations (Agenda 21) of the United Nations Conference on Environment and Development (UNCED), and related conventions on biological diversity (CBD) and climate change. In 1997, the legal status of ACTS was changed by way of a charter to become reconstituted as an "autonomous non-profit making and non-partisan international policy research, training, advisory and information dissemination institution".

To date ACTS has established research, training and library facilities designed to generate and disseminate new knowledge and information on technological and environmental management in Africa. Its research and training activities aim at providing new ideas for intervention by policy-makers in Africa and elsewhere. ACTS has given attention to the possibilities of biotechnology as well as the companion questions on Intellectual Property Rights (IPR) brought to the fore by CBD and the World Trade Organisation (WTO) in an African context.

Most of the findings from ACTS' research activities are presented in national and regional seminars and international conferences. An external review commissioned by Sida in 1999 state that ACTS through the years have produced large quantities of high quality publications and that relevance of ACTS' research and training for development of African policy has increased. Sida assesses ACTS as an important institution for developing national and regional policy positions concerning development and use of science and technology for African conditions. The participation of the African countries in WTO-, FAO-, and CBD- processes and negotiations is critical and ACTS is viewed as an important resource in this context.

Sida support to ACTS is in form of unrestricted core and during the period January 2000 to June 2001 an amount of SEK 0.75 million was disbursed and during the period January 2001 to December 2003 an amount of SEK 3 million has been allocated to ACTS.

• **Beneficiary countries :** African countries.

• **Objective(s) in terms of technology transfer :**

Objective 5: capacity building projects (in order to improve the economic and legal environment.

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• **Name of the program / incentive : Commonwealth Partnership for Technology Management (CPTM)**

• **General description :**

CPTM works to enhance Public/Private Sector co-operation and by positively encouraging a “Win-Win” or “Prosper they Neighbour” philosophy. These activities are carried out primarily through co-operative resourcing by Networkers whose time is voluntarily given, thereby leveraging applied funds by a factor of 5:1 at least.

• **Beneficiary countries :**

Primarily, but not exclusively, in the emerging Commonwealth countries. However, our horizons are wide and expansion beyond the Commonwealth is happening.

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to national and third country firms.

Objective 2 : to improve access to available techniques and industrial processes (creation of information centres/networks).

Objective 3 : to support Joint Research projects through private and/or public partners.

Objective 5 : Capacity building.

• **Detailed description :**

Members are drawn from Commonwealth Governments, Private & Public Sector Companies, Networkers and the Commonwealth Secretary-General's nominees. All these categories are represented on the Board of Directors. CPTM's funds come from financially contributing governments, that is governments that make a specific direct financial contribution to CPTM annually, and the private and public corporate sector. Networkers contribute by offering their skills and knowledge on a voluntary basis. CPTM's activities are backed by a small full-time staff in the London Hub and by an increasing number of National Hubs including Malaysia, Botswana, Barbados, Lesotho, Namibia, ST. Lucia, Swaziland, Uganda and Zimbabwe amongst others.

• **Examples of implemented /ongoing projects :**

An example of CPTM's work is Smart Partnership International Dialogues. While there are many institutions running international conferences around the world to promote greater understanding of technology, economics, regional co-operation etc., CPTM's International Dialogues are unique events.

- They bring together Presidents, Prime Ministers, Civil Servants, and Representatives from Labour and Business in a single forum with a single format applied equally to all participants.
- The format is dialogic with Presidents sitting at the same table as others and sharing in group participation and solution finding.
- The dynamism of the Dialogue creates a rare atmosphere of camaraderie crossing status, political and ideological boundaries.
- Dialogue creates friendships and bottom-to-top networks that can produce international joint ventures with rare political goodwill.
- These friendships and networks continue the dialogue well after the initial event.

These dialogues alternate between Africa and Asia.

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• **Name of the program / incentive : Export credit guarantee schemes**

• **General description :**

Export Credit guarantee schemes can also be relevant to the encouragement of technology transfer. In the UK these are run by the Export Credits Guarantee Department (ECGD), the main function of which is to provide guarantees/insurance for exports of UK capital goods and insurance for UK investments overseas. One of the outcomes of the review of ECGD (concluded in July 2000) was that it should try to “identify better ways in which ECGD support might contribute towards developing countries’ sustainable development”. ECGD’s Good Projects in Difficult Markets (GPDM) Scheme provides support for viable, professionally managed, hard currency generating projects in countries where ECGD cover would not otherwise be available. GPDM and ECGD’s “productive expenditure” policy, whilst not specifically geared to the purpose of promoting and encouraging technology transfer to Least Developed Countries, potentially have a role here.

• **Beneficiary countries :** Potentially all countries.

• **Objective(s) in terms of technology transfer :**

Objective 1 : to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through financial incentives to national firms (financing or insuring of prospective activities, insurance coverage of economic and political risk) and to third country firms (financing . or insuring of prospective activities).

• **Detailed description :**

ECGD, the Export Credits Guarantee Department, is the UK’s official export credit agency. It is a separate Government Department reporting to the Secretary of State for Trade and Industry. It derives its powers from the 1991 Export and Investment Guarantees Act. It has over 80 years experience of working closely with exporters, project sponsors, banks and buyers to help UK exporters compete effectively in overseas markets where the private sector may be unable to help. It does this by arranging Finance facilities and Credit insurance for contracts ranging from around £ 20.000 up to hundreds of millions of pounds. There is special help for smaller exporters. It also provides Overseas Investment Insurance for UK-based companies investing overseas. On average it underwrites business worth over £4 billion a year.

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• **Name of the program / incentive : Business Linkages Challenge Fund (BLCF)**

• **General description :**

The BLCF is a cost-sharing grant scheme i.e. it gives grants to enterprises to achieve DFID's objective of developing commercially sustainable business linkages that bring benefits to the poor. It is a way of working in partnership with the private sector towards the goal of poverty eradication.

The objectives of the BLCF are to support innovative business linkages that transfer the technology, skills, information and market access that are necessary to compete in the global economy. Supported linkages will not only need to bring benefits to the members of the linkage, but also lead to sustainable improvements in the livelihoods of the poor.

The Fund encourages and supports the formation of business linkages by enterprises in developing countries with each other and/or with international partners. These linkages must bring enhanced competitiveness and generate clear benefits for the poor. The linkages involve an investment of resources by all members of the linkage – skills, technology, information, facilities, supplies and access to markets. The linkages, in turn, bring benefits to all members and to poor people.

Bidding is competitive and grants are allocated according to the degree to which bids meet BLCF criteria and objectives.

Funding comes from the UK Government's Department for International Development (DFID).

• **Budget and duration :**

This increases the BLCF portfolio to 27 projects with a total potential grant value of over £6.7 million and counterpart private sector contributions of over £12 million.

• **Beneficiary countries :**

The Fund links businesses in the UK, Europe and USA with businesses in:

Bangladesh, Belize, Bolivia, Botswana, Cambodia, Dominica, Dominican Republic, Grenada, Guatemala, Guyana, Haiti, India, Jamaica, Lesotho, Malawi, Mozambique, Namibia, Peru, South Africa, St. Lucia, St. Vincent, Swaziland, Tanzania, Thailand, Zambia and Zimbabwe.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through grants to national and third country firms.

• **Name of the program / incentive : Financial Deepening Challenge Fund (FDCF)**

• **General description :**

The FDCF is a cost sharing grants scheme funded by the British Government's Department for International Development (DFID) that encourages the private sector to contribute to the achievement of poverty eradication. Specifically the FDCF awards grants to private sector financial institutions that are committed to increasing access to commercially sustainable financial services for the poor and businesses that employ the poor.

The objectives of the FDCF are to mobilise the international financial sector to invest in and develop financial sector capacity in target countries and to catalyse the financial services sector in target countries to widen the range of products, improve efficiency of intermediation and extend services to the poor .

The FDCF supports projects involving the development and piloting of a broad range of financial products and services including credit, savings, insurance, health cover, housing finance, pensions, leasing working capital and remittances. It also wishes to support projects that lead to improvements in the regulatory and supervisory environment for financial service delivery.

Bidding is competitive and grants are allocated according to the degree to which bids meet the FDCF criteria and objectives.

The FDCF offers grants of between £50,000 and £1,000,000, and expects bidders contributions of at least 50 percent of project costs, except in exceptional circumstances.

• **Budget and duration :**

A total of 9 FDCF awards have been made in the first 3 bidding rounds, with FDCF grants totalling in excess of £6.5 million. The total value of these projects is in excess of £16.5 million, with contributions to project costs of £10 million from bidding organisations and their partners.

• **Beneficiary countries :**

The FDCF operates in the UK, and selected countries in Africa and Asia. These are Botswana, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zimbabwe and Zambia in Africa, and India and Pakistan in Asia.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through grants to national and third country firms.

• **Name of the program / incentive : Technology Partnership Initiative (TPI)**

• **General description :**

TPI is administered by the UK Department of Trade and Industry (DTI). The aim of this initiative is to facilitate transfer of environmental technology on a commercial basis to developing countries by encouraging improved information flows (including among intermediaries, customers and others in developing countries about UK capabilities) and encouraging partnerships between UK firms and business and other contacts in developing countries. It has established a large network of contacts and, among other things, produces a newsletter that includes best practise and other case studies, and organises missions and other events. The project is a continuing one with an annual budget of around £500 000.

• **Beneficiary countries :**

Potentially any country but particularly focused on 16 priority markets for the UK environmental goods and services identified by JEMU and TPUK, which includes : Brazil, China, Czech Republic, Egypt, Hong Kong, Hungary, India, Israel, Malaysia, Philippines, Poland, Singapore, South Africa, South Korea, Taiwan and Thailand.

• **Objectives in terms of technology transfer :**

Objective 1: to promote projects such as direct investment, licensing, franchising, sub-contracting, etc. through support to national and third country firms (advice, contacts, etc.).

Objective 3 : to improve access to available techniques and industrial processes via training in the state of the art.

WORLD TRADE ORGANIZATION

WT/WGTTT/1
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(02-3210)

Working Group on Trade and Transfer of Technology

Original:

TRADE AND TRANSFER OF TECHNOLOGY

Communication from the European Communities

Work of the Working Group under the auspices of the General Council pursuant to paragraph 37 of the Doha Ministerial Declaration

INTRODUCTION

The European Communities (EC) welcomes the agreement reached by WTO Members in Doha on a Working Group under the auspices of the General Council to examine the relationship between trade and transfer of technology, and of any possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries. The EC intends to contribute to this work programme, which should address the issue of technology transfer in a comprehensive and ambitious manner, taking due account of the objective of sustainable development, and recalls the agreement to report to the 5th WTO Ministerial on progress in the examination.

The present contribution aims to contribute to a discussion on the approach of the Working Group (WG). The EC is of course open to look at additional issues that other Members may suggest related to transfer of technology, including in co-operation with international organisations, and intends to provide additional contributions on specific elements for consideration in the WG.

CONSIDERATIONS FOR A WORKING PROGRAMME

In its examination of the relationship between trade and transfer of technology, the EC suggests that the WG focuses on (1) a common understanding of the definition of technology transfer; (2) the identification of various channels for transfer of technology; and (3) the conditions under which these channels are most effective. The understanding reached on these issues would constitute the basis for possible recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries.

- **Considerations on a common understanding of technology transfer**

In order to move towards a common understanding of technology transfer, the Working Group should seek to agree on a clear, simple and workable definition of its two components (technology and transfer). In doing so, we should bear in mind the overall objective of helping developing countries in their efforts to integrate in the global economy and make use of the opportunities it offers through access to and use of technology. A narrow definition of technology transfer would risk excluding relevant factors and

processes and hinder progress towards this overall objective. The EC therefore believes that a definition should seek to be inclusive, comprising processes and factors relating to *inter alia* the access and use of technology (flow, the diffusion or the making available in any other way of know-how, experience, skills and equipment, including by learning, utilising and replicating processes and factors).

The WG should take into account discussions in and results from relevant WTO committees and working groups, while avoiding any duplication of progress already made. It should also take account of relevant existing international agreements and understandings and generally of discussions in any relevant fora.

- **Technology transfer channels**

The objective in identifying channels for technology transfer is to provide a common basis for assessing the effectiveness of these channels with a view to considering recommendations for further improvement. In assessing the effectiveness of the channels for technology transfer, a distinction should be made between problems inherent to the channels themselves, problems caused by capacity constraints of both technology recipients and transferring entities, and absence of factors that could help constitute an enabling environment for technology transfer. In this context, it should be noted that most technology is held by private firms and that the decision to make such technology available will form part of their overall business strategy, thus including considerations that relate to the long term interest and profitability in making the technology available.

On this basis, and in a wholly preliminary manner, the EC wishes to highlight the following channels for consideration:

Investment

Foreign direct investment (FDI) often involves technology transfer via the transfer of production factors, the provision of services, or by a licensing agreement linked to the investment. Investment can imply the creation of a subsidiary or a joint venture with a local company in the host country. Technology may be transferred as part of installation of production or service-related equipment or in intangible form such as know-how and skills.

FDI as a means to transfer technology represents a long-term interest of the investor in the host country. The investor often has an interest in maintaining and up-dating technology and in ensuring its effective use, and is therefore likely to invest continuously in the technology and provide training for its application. Trans-national companies in fact often provide entire packages, including technology, training, management, marketing and other production factors that will help bring effective application of the technology in question. Different rationales behind investments, e.g. market searching, efficiency seeking or linked to natural resource licensing brings different levels and types of technology transfer.

As FDI is a major channel of technology transfer, an increase in FDI brings more technology, and conditions that stimulate FDI will thus tend to increase technology transfer. Key conditions for FDI are *inter alia* good governance and stable, transparent and predictable regulatory frameworks, including the protection of IPR. The multilateral framework envisaged in the WTO to secure transparent, stable and predictable conditions for long-term cross-border investment will be an important contribution to increased FDI flows. Commitments to simplify trade procedures in the context of the WTO agenda on trade facilitation can also contribute to the establishment of the requisite transparent and predictable trade and investment environment.

An issue for consideration is how to optimise the benefit of FDI to the host country economy and to sustainable development in that context. A key element is the capacity of developing countries to attract and absorb appropriate and high-quality technology. In this context, consideration should be given to measures and methods, including capacity building measures, to encourage the creation of growth

opportunities in the host country, e.g. by backwards linkages and contracting with local suppliers, and the promotion of good Corporate Social Responsibility as a means to increase technology transfer by FDI. Another important element is the ability of host governments to avoid that anti-competitive practices hinder technology transfer or diminish its positive implications for the host country. The multilateral framework envisaged in the WTO to enhance the contribution of competition policy to international trade and development is an important factor in this context. There would be interest therefore in examining how the encouragement of domestic competition policy capacity and international co-operation could address anti-competitive practices that inhibit technology transfer.

Trade in services

Trade in services can be an important channel for the transfer of technology. This can involve skill building and access to knowledge among local service providers and other economic operators being users of services. Trade in services, in particular when taking place through commercial establishment (that is, mode 3), can serve as a channel for technology transfer, e.g. by creating a subsidiary or a joint-venture in the host country to provide a service either in relation to own production or to service the local market, and/or linked to a licensing arrangement.

GATS Article IV recognises this potential. It aims at increasing developing countries' participation in world trade through the negotiation of specific commitments relating to the strengthening of their domestic services capacity and its efficiency and competitiveness, through access to technology on a commercial basis.

Consideration should be given to the impact of liberalisation in relevant service sectors and modes of supply and how to maximise the technology transfer benefit of service liberalisation.

Trade in goods

Like trade in services, trade in goods as a channel for technology transfer may be linked to investment, i.e. the transfer of equipment or machinery for a production process or as part of a licensing agreement.

Sales of such equipment or machinery, embodying technology, play a crucial role in the diffusion of technology and may also be a stand-alone transfer, which is effectuated by use of the production factors in recipient country production or by reverse engineering in relation to an intermediary or capital goods.

Consideration should be given to the impact of liberalisation in high technology and intermediary sectors as a means to increase technology diffusion. This, inter alia, could include examination of the role played by high tariffs, non-tariff barriers, and tariff escalation in promoting or inhibiting diffusion of technology.

Licensing of technology subject to intellectual property rights

Where the technology in question is subject to intellectual property rights, the transfer of this technology implies transfer of the legal rights to the technology in question by selling patent rights or licensing the right to make use of the right. Know-how and skills linked to the licensed technology will normally become available through the learning process of the licensee country, and might be facilitated where the licensing is linked to investment, e.g. in the form of a joint venture.

The decision to license in a given country is that of the right-holder and forms part of the right-holder's business strategy or, in the event of a non-profit organisation holding the right, its objectives. The existence and enforcement of an IPR system in the recipient country is often a prerequisite and the confidence of the right-owner in that system is a key element.

It should be noted that most existing technologies are not patented anymore and, in principle, can be exploited free of charge. In such circumstances, the core point is the access to technological information and the identification of the most appropriate technologies to each country. Other channels, such as investment or trade are relevant.

Government procurement

Government Procurement as a tool to purchase goods and services of high quality for public customers is an appropriate vehicle to import technology and know-how, which may be diffused to and benefit the private sector. The tendering process, as an open and competitive system to obtain not only the lowest price but also the highest quality, ensures competition and innovation among bidders.

Central, regional or local governments are important purchasers in terms of budget spent and solvability, with an important capacity to mobilise resources and attract new technology. This is often organised through a public contest where suppliers are called to compete in the development of new designs, crafts, models, technology or simply ideas. Companies that consider participating in a public tender exercise will be concerned with issues of confidentiality, legal certainty and data protection, and transparency and predictability in government procurement are some of the important elements in attracting private participation in public projects and in relation to technology transfer in that context. Improved transparency in government procurement will support the creation of an environment conducive to private participation and thus facilitate access to technology via government procurement.

Development co-operation

Development programmes in sectors that are technology dependent – e.g. customs, health, and education - may imply technology transfer. Transfer of technology and know-how as part of development assistance often builds on one of the channels outlined above (e.g. investment in local production, transfer or production equipment or machinery), but in principle always combined with technical assistance and capacity building. Development co-operation involving technology transfer may take various forms. Examples are provision of factors of production or products that involve technology, thus building on trade in goods, services or possibly a licensing agreement; training and exchange programmes; investment promotion and support, thus using the investment channel; research programmes; and targeted credit schemes. Development co-operation, including trade related and environment related technical assistance and capacity building, should therefore be considered an instrument or a facilitator for the purposes of the work of this Working Group. Attention should be given to ways of rendering assistance more effective in supporting appropriate technology transfer.

Multilateral Environment Agreements

Most Multilateral Environment Agreements (MEAs) contain technology transfer provisions as part of positive measures aimed at assisting developing countries meet their MEA obligations. Examples of MEAs that provide for technology transfer are the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal, the Montreal Protocol on the Ozone Layer, the Convention on Biological Diversity, the Climate Change Convention and its related Kyoto Protocol. Chapter 34 of Agenda 21 "*Transfer of environmentally-sound technology, co-operation and capacity building*" is also relevant in this context. The WG should take account of MEAs as an instrument for technology transfer, including by considering the inter-action between MEAs and the channels indicated above.

- **Assessment of technology transfer channels with a view to recommendations**

The common understanding of technology transfer and the identification of channels for technology transfer should form the basis for an assessment of the effectiveness of the various channels and the

potential for improving these. The assessment to be carried out could also lead to clearer identification of other factors in host country or country of origin influencing technology transfer - notably conditions that contribute to the creation of a legal and regulatory environment conducive to technology transfer, or which in their absence constitute disincentives to technology transfer. The immediate objective may be possible recommendations by the Working Group to the General Council, as foreseen in the Doha Ministerial Declaration. Consideration should, however, also be given to complementary measures for which WTO members could invite consideration by governments or relevant international organisations. In particular, consideration should be given to capacity constraints in relation to technology transfer and the need for improved capacity building to help countries absorb and make use of technology.

ORGANISATION OF THE WORK OF THE WORKING GROUP

The EC suggests that, as a first step, the WG request that the WTO Secretariat prepare an outline of (i) work of relevant WTO committees and working groups and (ii) existing international agreements, conventions and understandings or other relevant documentation, included that prepared by other international organisations (e.g. UNCTAD), that could be of relevance to the work of the WG. In this context, it may also be useful to look at existing bilateral or autonomous instruments as well as private sector initiatives and the EC suggests that members be invited to provide information pertaining to their instruments and experiences relating to access to and use of appropriate technology.

In carrying out its work, the WG should invite the contribution of other international organisations in order to widen the scope of reflections and allow for consideration by other organisations on steps that could be taken within their respective mandates in support of WTO efforts.

The Working Group should co-operate with, without duplicating the work of, relevant WTO committees and working groups. In particular, it should take account of work in the Council for Trade in Services, Council for Trade in Goods, the TRIPS Council, the Working Group on the Relationship Between Trade and Investment, the Working Group on the Interaction between Trade and Competition Policy, the Committee on Trade and Development, including in relation to work on trade related technical assistance and capacity building, and the Committee on Trade and Environment.
