

Mr. Chairman,

Malaysia would like to reiterate the importance of adaptation measures for the well-being of the developing countries in particular the least developing countries LDCs

Developing countries are most vulnerable to the adverse impacts of climate change, which severely disrupt our economic and social development measure.

Much has been said about providing financial + technological support to help developing countries to carry out adaptation measures. But pledges has been ~~slow~~ <sup>very</sup> slow in coming and many ~~have~~ <sup>will</sup> remain as pledges. We ~~can't~~ <sup>can't</sup> waste <sup>much</sup> time as reflected by the happening in the Philippines, Bangladesh & other small island states.

Therefore, Malaysia would like to see these pledges transform into real measures. And we hope <sup>that</sup> it is done quickly to enable the developing countries carry out their adaptation measures. ~~again~~

such as protection of their coast against the rising sea level, Research and development to ensure their agricultural crops withstand the adverse ~~on~~ climate change / and to have the capacity to carry out renewable energy and energy efficiencies programs /

~~Thank you.~~

Though much has been said about adaptation, let us all not forget the root cause of this phenomenon. and I ~~can~~ conclude by agreeing with the delegates from Hungary, that the better solution to solve this problem is to put in / serious efforts / on mitigation / - i.e. attempts to ~~put off~~ <sup>turn</sup> <sup>down</sup> the tag rather than using the <sup>bucket</sup> <sup>to</sup> remove the excess water.

or Alternatives

DC adopts the vulnerable countries to carry out the adaptation process

**PANEL DISCUSSION ON: TECHNOLOGY AND CLIMATE CHANGE**

**On 16 December 2004, 3 pm – 6 pm at PLENARY I**

**Presentation by**

**Dato' S. Sothinathan,**

**Deputy Minister of Natural Resources and Environment, Malaysia**

**Theme: Technology Transfer**

HE Mr Eduardo Campos, the Moderator of the Panel Discussion

Excellencies,

Distinguished Delegates,

Ladies and Gentlemen

1. At the outset, on behalf of my delegation allow me to register our profound gratitude and appreciation to the people and Government of Argentina for being an exemplary host to this Conference of Parties. We are also honoured to take part in this panel discussion to share our thoughts on this important subject of transfer of technology.

Mr Chairman,

2. We are all aware that under the UNFCCC and its Kyoto Protocol, we are to reduce our emissions of greenhouse gases and find ways and means to adapt ourselves to the impact of climate change. While we bear in mind that developed and developing countries have common but differentiated responsibilities, we also recognise that to effectively undertake these responsibilities we are dependent on environmentally

sound technologies, which are essential to reduce greenhouse gases emissions and respond effectively to climate change.

3. The developed countries are well advance in having such technologies while the developing country Parties, in particular, the least developed countries are in dire needs of such technologies. As such, Agenda 21 and the Johannesburg Plan of Implementation have specifically addressed the issue of technology transfer as one of the means towards addressing the problem of climate change as well as contributing towards sustainable development. In this regard, throughout our ten years of implementation of the Convention, development and transfer of environmentally sound technologies for the protection and stabilization of climate had always been high on the agenda of our negotiations.

4. UNFCCC had established an Expert Group on Technology Transfer to deliberate and provide professional advice on this matter. Developed country Parties have also provided some financial support. Many meetings and workshops have been held. Yet, we still have not seen many cases of actual transfer of technologies to the developing country Parties to enable them to carry out sustainable development commitment under the Convention. Right now, we should not be asking ourselves what went wrong. But more pertinently, we should assess ourselves on what **have not been done to** initiate and hasten the transfer of technology?

Mr Chairman,

5. Malaysia recognises that the ability to acquire and implement environmentally sound technology is very crucial if we want to see developing countries play their roles effectively in addressing climate change. We realise that there are many issues related to the transfer of technology. However, at this panel discussion, I wish to highlight a few of them, which I believe are significant to make further headway in this matter.

6. **Firstly**, I would like to emphasise on the importance of inventory of relevant technologies. This is a prerequisite for technology transfer. Before we discuss on technology transfer, we must know what we have or what we don't have. It is pertinent that the type of technologies available be made known to the developing country Parties. Therefore, Malaysia places a very high priority that the national communications from Annex 1 Parties should include detail information of climate change related technologies in line with Article 4(3) and 4(5) of the UNFCCC. With such information, the developing countries would be able to evaluate the suitability of such technologies in relation to our local environment. However, at present, such detail reporting is lacking. **We therefore urge that Annex 1 Parties to include such detailed information in their national communications.**

7. **Secondly**, on the importance of incentives for technology transfer. Malaysia recognises the importance of environmentally sound technologies towards meeting our sustainable development goals. Malaysia also recognises that under the present market mechanism,

private sector will not be willing to transfer these technologies voluntarily without the intervention of the government. As “**pull factors**”, Malaysia provides tax incentives for the import of environmentally sound equipments such as those that would improve energy efficiencies.

8. However, we do not see Annex 1 Parties providing the “**push factors**” to their private sector to promote such transfer of environmentally sound technologies to the developing country Parties. These push factors such as subsidies and tax rebate will provide the incentives to the private sectors in Annex I Parties to make available the technologies on a preferential basis and thus enabling the developing country Parties to acquire them at an affordable cost. In a workshop on innovative financing organised by the Secretariat, some private sector participants from Annex 1 Parties pointed out their concerns over the lack of support from their government. This has weakened their confidence in participating actively in the technology transfer. Moreover, current national policies of some Annex 1 Parties further restrict the flow of technology to developing countries under the pretext of national interest. **These constraints or barriers must therefore, be reduced or eliminated if the developed country Parties are sincere to facilitate transfer for technologies.**

9. **Thirdly**, I would like to emphasise on the importance of research and development. In developing countries, the effort to eradicate poverty and for overall development often override other preferences. Thus, few funds are available to carry out R&D on developing new climate related technologies or upgrading existing technologies. Malaysia recognises that local research and development on endogenous technology would contribute towards the overall transfer of technology. Therefore, we

believe joint venture projects between Annex 1 Parties and Non Annex 1 Parties would provide a more conducive momentum for us to move forward in technology transfer. We also recognise that private sector is another viable mode to facilitate technology transfer through the Type II partnership. However, one of the main constraints for the private sector from Annex I Parties is lack of financial incentives. Therefore, Malaysia urges that the Annex 1 Parties Government to consider providing financial incentives to enable their private sectors to engage in these joint venture projects.

10. Fourthly, building of human capacity and institutional development is an integral part of technology transfer. Malaysia recognises the need to create enabling environment to better adapt to the new technologies which involve the strengthening of institution and human capacity as well as the transfer of knowledge and skills. This provides many opportunities for both Annex I and Non Annex I Parties to engage in collaborative ventures. Such ventures include attachment scheme at the Universities, industries and research institution. In this regard, we should explore the possibilities of undertaking such training programmes on a cost-sharing basis.

Mr Chairman,

**11. To conclude,** Malaysia would like to reiterate that technology is key to enable the developing countries to achieve the aims of the Convention. However, during the past ten years in the history of the implementation of the Convention, little has been done to actually transfer the technology despite the protracted negotiation over the issues. But let us not dwell over the past and look forward to the future.

We believe that there are still avenues for both Annex I and Non-Annex I Parties to work together meaningfully by focusing on the issues that I have just raised. Let us hope that this does not remain on paper alone but some concrete actions are forthcoming. Finally, **LET US CONTINUE TO REMIND OURSELVES of a saying that "WORDS ARE DWARF, DEEDS ARE GIANT"**.

Thank you.