



Single-year Expert Meeting on the contribution of foreign direct investment to the transfer and diffusion of technology and know-how for sustainable development in developing countries, especially least developed countries

Geneva, 16-18 February 2011

Wednesday, 16 February 2011

OPENING PLENARY SESSION

10.00-11.00 Opening, Introduction of the Issues Note

Item 1: Election of officers

Opening statement by Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD

Item 2: Adoption of the agenda and organization of work

Item 3: Foreign Direct Investment, the Transfer and Diffusion of Technology and Sustainable Development

Introduction by Mr. James Zhan, Director, Division on Investment and Enterprise, UNCTAD

"Promoting technology transfer via FDI for sustainable development"

Introduction by Ms. Anne Miroux, Director, Division on Technology and Logistics, UNCTAD

FIRST INFORMAL SESSION

11.00-13.00 TNCs and the transfer of technology: FDI and non-equity modalities

TNCs can transfer and diffuse technologies of many kinds, including a wide range of hard and soft elements. They do so through both foreign direct investment (FDI) and various non-equity forms of foreign operation. The bulk of technology dissemination is still undertaken through internal channels within the networks of TNCs, but external channels by non-equity forms have become increasingly important. The discussion of this session will focus on the following issues:

- The technological gaps between developed and developing countries and the potential roles of TNCs in bridging the gaps.
- TNCs as major players in technology creation and diffusion: facts and figures.
 - The forms of knowledge and technology involved in the transfer process.

- FDI as an important source of new technology to the developing world.
- Technology transfer through external channels by non-equity forms of activities, such as franchising, licensing and subcontracting.
- The economic, strategic and policy factors which determine the mode of technology transfer: the nature and speed of change of technology, transfer costs and risks, corporate perceptions of benefits and risks and government policies.
- Constraints in LDCs or low-income developing countries for direct technology transfer by TNCs.

Speakers:

Ronaldo Mota, National Secretary for Technological Development and Innovation, Ministry of Science and Technology, Brazil

Guy Rajemison Rakotomaharo, Ambassador of Madagascar

Ochirkhuyag Gankhuyag, Vice Chairman, Foreign Investment and Foreign Trade Agency, Mongolia

Roger Strange, Professor, University of Sussex

Interactive discussions

SECOND INFORMAL SESSION

15.00-18.00 TNCs and the diffusion of technology: linkages and spillovers

Foreign affiliates can diffuse technology and skills to domestic suppliers, customers and entities with which they deal directly or indirectly. In particular, backward linkages between foreign affiliates and domestic firms are important for enhancing technology dissemination. In addition, TNCs have been increasingly shifting their R&D activities to the developing world. The discussion will focus on the following issues:

- The interaction between TNCs and domestic firms in developing countries and the mechanisms of knowledge and technology diffusion.
- Spillovers: lessons from the literature and implications for low-income countries.
- Linkages and channels of technology diffusion: technical requirements and specifications; assistance in raising their technological capabilities.
- Constraints in LDCs or low-income developing countries for indirect technology transfer and diffusion from TNCs.
- Latest trends in the internationalization of R&D by TNCs in developing countries and implications for LDCs or low-income developing countries.

Speakers:

Ari Kokko, Professor, Copenhagen Business School, Denmark

Anil Bhardwaj, Secretary General, Federation of Indian Small & Medium Enterprises

Baye Elimane Gueye, Chief, Bureau for Private Sector Support, Senegal

Sarianna Lundan, Professor, Bremen University, Germany

Interactive discussions

18:00 **Cocktail at Escargot bar (3rd floor)**

Thursday, 17 February 2011

THIRD INFORMAL SESSION

10.00-13.00 **Factors affecting technology transfer and diffusion:
lessons from successful cases**

This session identifies successful examples of technology transfer and diffusion at different levels (firm-, industry- and country-levels). It presents basic information of the selected cases concerning the host country, industry and companies involved, explores the nature of technology transfer and dissemination, and tries to identify the factors for successful technology transfer, including the role of government policies.

Speakers:

Laurent Miéville, Head of Technology Transfer, University of Geneva, Switzerland

Tatiana Lisitsa, Deputy Director, Investment and Innovation Policy Department, Ministry of Economy, Ukraine

Hector Rafael Gonzalez, Managing Director, International Offices, Centre for Exportations and Investments, Dominican Republic

Dennis S. Tachiki, Professor, Tamagawa University, Japan

Interactive discussions

FOURTH INFORMAL SESSION

15.00-18.00 **Innovation systems, technology transfer and innovation
performance in developing countries**

Accelerating development and raising living standards in developing countries requires strong national (particularly firm- and farm-level) technological and innovative capacities. In order to build these capacities, it is important to strengthen innovation systems. The capabilities and the specific challenges faced by countries vary greatly, but systemic weaknesses are common, particularly in the poorest countries. National policies and strategies tailored to country circumstances are urgently needed to harness technology transfer and build domestic capacity. In this context, this session will discuss issues such as:

- How can strong innovation systems in developing countries support successful technology transfer and efforts to build national technological and innovative capacity?
- How are developing country policymakers trying to build the needed STI capabilities? What challenges do they face? What policy tools and STI strategies have in the past proved effective

in strengthening innovation systems, and what lessons are there for other developing countries?

- How do the challenges, the capabilities needed and the policies/strategies implemented vary by country in terms of level of development, size, factor endowments (land, labour, capital), existing capabilities, production structure, export specialization or development strategy?
- What types of challenges are faced by firms and farmers, especially small ones, in accessing and absorbing technologies via FDI, trade or other channels?

Speakers:

Rajah Rasiah, Professor of Technology and Innovation Policy, University of Malaya, Malaysia (by videoconference)

Dominique Foray, Professor, Chair in Economics and Management of Innovation, EPFL, Switzerland

George Essegbey, Director, Science and Technology Policy Research Institute (STEPRI-CSIR), Ghana

Interactive discussions

Friday, 18 February 2011

FIFTH INFORMAL SESSION

10.00-12.00 Promoting technology transfer and diffusion: coherent policies matter

Making the best use of TNC-mediated technology transfer and diffusion requires proactive policy support in both host and home countries, at both national and international levels. In host developing countries, a clearly-defined strategy and the right mix of policy instruments and business conditions are needed. This session examines the promotion of synergies between FDI policies and other policies affecting technological development. Drawing on lessons from the successful cases discussed in the third session of the meeting, the session aims at identifying a policy framework for enhancing technological and innovative contributions of TNCs for host developing countries, especially LDCs. It focuses particularly on the following issues:

- Boosting absorptive capacities of domestic enterprises, including through workforce skills upgrading and SME development policies.
- Targeting specific technologies and foreign companies, through, for instance, aiming at technologies relevant to priority areas in development strategies, crafting a sector-specific incentive programme and introducing relevant investment promotion measures.
- Promoting technology dissemination through linkages. Policies include, among others, creating industrial/technological clusters to generate agglomeration effects and increase local learning, and building cooperative relationship between foreign and local research centres.
- Home country and international policies to assist in technology transfer, including through the promotion of R&D internationalization, international IPR policies and official development assistance.

Speakers:

Rongfang Wang, Division Director, Department of International Cooperation, Ministry of Science and Technology, China

Herbert Oberhaensli, Vice President, Head of Economics and International Relations, Nestle

Carsten Fink, Chief Economist, WIPO

Ahmed Abdel Latif, Senior Manager, Programme for Intellectual Property and Technology, ICTSD

Interactive discussions

Followed by

FINAL PLENARY SESSION

Item 4: Adoption of the report of the meeting

