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Contribution by WTO

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technology and innovation for development”

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**UNITED NATIONS COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)  
SECRETARIAT'S REQUEST FOR IGOS' INPUTS FOR CSTD ISSUES PAPERS ON**

**PRIORITY THEME 2: GLOBAL COOPERATION IN SCIENCE, TECHNOLOGY AND INNOVATION FOR  
DEVELOPMENT**

**WORLD TRADE ORGANIZATION SECRETARIAT INPUT<sup>1</sup>**

## **1 BACKGROUND**

The World Trade Organization (WTO) is an international organization dealing with the rules of trade between WTO Members. At its heart is the Agreement Establishing the WTO, or the Marrakesh Agreement, which recognizes among other things that trade and economic relations should allow for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development.

Annexed to the Marrakesh Agreement is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which entered into force on 1 January 1995. The TRIPS Agreement stipulates that the protection of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Given the importance of technology for development, particularly in least developed countries (LDCs), Article 66.2 of the TRIPS Agreement requires developed country Members to provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to LDC Members in order to enable them to create a sound and viable technological base.

## **2 IMPLEMENTATION OF ARTICLE 66.2 OF THE TRIPS AGREEMENT**

### **2.1 Establishment of the monitoring mechanism**

Pursuant to instructions given by Ministers at the 2001 Doha Ministerial Conference, the WTO Council for TRIPS adopted a decision in 2003 on the "Implementation of Article 66.2 of the TRIPS Agreement" that put in place a mechanism for the monitoring and full implementation of the obligation in question (the 'Article 66.2 Mechanism').

Under this mechanism, developed county Members submit annual reports on actions taken or planned under Article 66.2, including information on the type of incentives provided. The TRIPS Council reviews these submissions and provides Members the opportunity to, *inter alia*, discuss the

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<sup>1</sup> Disclaimer: This response has been prepared under the WTO Secretariat's own responsibility as an information resource, without prejudice to the positions of Members of the WTO and to their rights and obligations under the WTO Agreement

effectiveness of the incentives provided. To date, the Council has conducted 20 annual reviews of the implementation of Article 66.2 of the TRIPS Agreement. The 21st review will commence in October 2023.

## **2.2 Implementation of the Article 66.2 Mechanism**

In the 28 years since the TRIPS Agreement came into force, the implementation of Article 66.2 Mechanism has steadily evolved. More than 350 reports have been submitted, containing a vast amount of information on incentive programmes in various technology fields.

In the last full reporting cycle (2018-2020), nine developed country Members - namely Australia, Canada, the European Union and its Member states, Japan, New Zealand, Norway, Switzerland, the United Kingdom (UK), and the United States of America (US) - submitted 25 reports containing over 754 incentives programmes in various technology fields, including agriculture and food, environment and climate change, information and communication technology, public health and pharmaceuticals, intellectual property, business, trade, finance, education, social sciences, construction, infrastructure, transport, manufacture, metrology and mining.

All WTO LDC Members, and Observers were beneficiaries of these programmes. Myanmar, Uganda, Cambodia, Tanzania and Bangladesh were recipients of the greatest number of reported programmes.

## **2.3 Enhancing implementation of the Article 66.2 Mechanism: LDCs' needs and priorities**

Several factors contribute to the effective implementation of the Article 66.2 Mechanism, such as a robust dialogue between LDC Members and developed country Members, LDCs' self-identified technological needs and priorities to help developed countries in carrying out their obligations, active engagement and positive responses made by developed country Members to LDCs' needs and priorities.

To facilitate dialogue between LDC Members and developed country Members, the WTO Secretariat has organized 15 annual workshops between 2008 and the present day, with the participation of capital-based experts from LDC Members as well as experts from specialized international organizations, such as UNCTAD. Since 2016, LDC participants presented on current priority areas for technological development in their respective countries, programmes relevant to these technology fields, and their general experience with programmes reported under Article 66.2.

In 2020, the LDC Group reported on four commonly shared priority fields of technology fields: agriculture and food, environment and climate change, public health and ICT. In 2021, the WTO Secretariat developed, in consultation with the LDC Group, a voluntary survey questionnaire on LDC needs and priorities for technology transfer with the aim to facilitate the matching of incentives programmes with the specific technology fields identified by individual LDC Members as development priorities.

Three rounds of survey were conducted in 2021-2022, resulting in responses from 18 LDC Members: Angola, Bangladesh, Burkina Faso, Benin, Cambodia, Guinea, Gambia, Haiti, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Mali, Myanmar, Nepal, Senegal, Togo and Zambia.

The survey results confirmed that LDC Members prioritised the four commonly shared technology fields mentioned above, as well as several other technology fields such as manufacturing, construction, infrastructure and transport, and mining.

The LDC Group indicated that this information should serve as a basis for developed country Members to initiate targeted activities and projects in LDCs. For their part, developed country Members highlighted the value of LDCs identifying priority areas for their technological development, which would best satisfy their development needs, and could help developed countries to carry out their obligations more effectively.

LDC Members identified government sponsored and funded joint research and development (R&D) activities as most widely valued category of reported incentives.

### **3 COLLABORATION AND COORDINATION WITH OTHER INTERNATIONAL ORGANIZATIONS**

Several international organizations actively participated in recent annual workshops on the implementation of the Article 66.2. In particular, they reported on how they are supporting LDCs in undertaking needs assessments for technology transfer in their specialized areas of expertise. These activities include UNCTAD's fast-tracking implementation of eTrade Readiness Assessments in LDCs, UNTechBank's Science, Technology and Innovation (STI) Review and Technology Needs Assessment (TNA) for LDCs, UNFCCC's climate change adaptation technology needs for the LDCs, and WHO's Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property (GSPOA).

The continuous collaboration and coordination between the WTO and these and other IGOs will be vital for advancing the dialogue between WTO Members, assisting LDCs in their needs and priorities assessments, and effective implementation of incentives programmes for technology transfer to LDCs.

### **4 CONTACT INFORMATION**

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