

**IMPLEMENTATION OF ARTICLE 66.2: INFORMATION FROM  
DEVELOPED COUNTRY MEMBERS**

Addendum

**EUROPEAN COMMUNITIES AND THEIR MEMBER STATES**

The present document reproduces information on the implementation of Article 66.2 of the TRIPS Agreement by the European Communities and by Austria, Denmark, Finland, France, Germany, the Netherlands, Spain, Sweden and the United Kingdom.

Information on the implementation of Article 66.2 of the TRIPS Agreement by other member States of the European Communities will be circulated as a supplement to this document.

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**I. INTRODUCTION**

At the meeting of the Council for TRIPS on 1 and 2 December 1998, the Council agreed to circulate the question put by the delegation of Haiti and invited developed country Members to supply information in response to that question. This note provides information from the European Communities and their member States.

For many years the European Communities and their member States have been conducting development cooperation activities including transfer of technologies and intellectual property. Some of our activities on transfer of technologies and intellectual property were already reported under Article 67 in the context of technical cooperation. In addition, the European Communities and their member States provide different incentives to facilitate the flow of community investment in a number of least-developed countries. Although they are not specifically dedicated to transfer of technologies, these instruments are designed to facilitate the flow of investment. In that respect, establishment of strong enforceable IP rights and liberalisation of foreign direct investment regimes by developing countries are also important to facilitate technology transfer. In particular, investment by the private sector is recognised as a key factor in sustainable development and an instrument that facilitates the flow of capital, technologies and know-how. The following programmes are examples of activities undertaken by the European Communities and their member States in areas covering transfer of technologies.

## II. INCENTIVES AND INSTRUMENTS AT COMMUNITY LEVEL.

### Centre for the Development of Industry and the Lomé Convention IV bis

Under the Lomé Convention IV bis, the Centre for the Development of Industry (CDI) is a joint EU/ACP institution providing financial and technical assistance to European and ACP entrepreneurs engaged in the setting up of industrial projects in the ACP Countries. The CDI provides assistance to ACP and European companies in the form of four facilities: identification of partners ; assistance in the preparatory work; advice on the structuring of the project (financial and legal); and support during the take-off phase. The EU may also finance investment projects under the Lomé Convention in the form of loans, interest-rate subsidies and the provision of risk capital. As far as the geographical scope of this programme is concerned, it covers Haiti and 24 other countries that have least developed country status in the the TRIPS Council. In addition to the finance investment projects under the Lomé Convention in the form of loans, interest-rate subsidies and the provision of risk capital, it must be noted that most of the sectors of intervention (Article 229) cover areas where transfer of technologies and know-how exist in order to meet the objective of contribution to the development of the capacity of the ACP States to innovate, adapt and transform technology (Article 220).

### The ECIP programme

Launched in 1988, the European Community Investment Partner (ECIP) was allocated ECU 50 million for the 1996-1999 period to cover Community investment in Asia, Mediterranean third countries and Latin America. The programme operates through five facilities. In the context of Article 66.2 it should be noted that facilities 2, 3 and 4 are relevant. These operate on the basis of reimbursable, non interest-bearing advances for studies prior to the setting up of a joint venture between the EU and one of the countries eligible under the ECIP programme; the acquisition of equity holdings and the provision of loan capital to fund new joint ventures, or the expansion of existing enterprises working under licence with enterprises of the European Union, and reimbursable, non interest-bearing advances for training or for assistance in joint ventures.

### The AL-Invest programme

The European Union has set up an AL-Invest instrument to encourage industrial cooperation between the EU and Latin America. This encompasses meetings between individual enterprises; specialized meetings on questions of sub-contracting; the creation of centres of cooperation involving enterprises in Latin America; the use of computerized systems for cooperation between enterprises; and AL-partners meetings. The Union decided to earmark ECU 41 million for this programme for the 1996-2000 period.

### The Asia-Invest programme

In 1997 the EU launched an Asia-Invest programme along the lines of AL-Invest with an estimated budget of ECU 45 million for the 1997-2002 period. This comprises different facilities:

- the Business Priming Fund co-finances actions of the following types:
  - research and prospecting of new markets in Asia carried out by Chambers of Commerce or business associations from two or more member States;
  - training programmes for entrepreneurs in the language and culture of EU or Asian countries;

- technical assistance to promote transfer of know-how to the least developed Asian countries.
- Asia-Enterprise and Asia-Partenariat co-finance large scale business meetings where entrepreneurs can discuss possible partnerships.
- The Asia Investment Facility finances sectoral or country studies in order to identify, evaluate and promote investment opportunities for EU enterprises in Asia.
- Asia-Invest's newsletter, a web-site and membership scheme further promote networking and partnership between EU and Asian business.

#### Asia-Ecobest programme

In 1997, a new programme was launched. It promotes European environment best practices and business and operates through the Regional Institute of Environmental Technology (RIET). Asia-Ecobest promotes and satisfies, through a method of co-financing, an increased demand in respect of environment related information and enabling activities in both the less and more advanced countries of Asia. RIET seeks to attain the objectives by designing and marketing an attractive package of "service tools".

#### The European Investment Bank (EIB)

- (1) EIB loans may be granted to public or private borrowers in support of projects in all sectors of the economy, ranging from communications, environment and energy infrastructure to industry, services and agriculture.

The EIB finances large-scale projects by means of individual loans (upwards of EUR 25 million) concluded directly with promoters or through financial intermediaries.

Small and medium-scale projects are funded indirectly through global loans made available to banks or financial institutions operating at European, national or regional level.

- (2) A number of the finance contracts and projects bringing together European and local partners in all areas of the world (Africa, Caribbean and Pacific countries, Mediterranean countries, Latin America and Asian countries) include elements of technology transfer or help to protect the environment (e.g. hydro-electric power stations, storage of water, air navigation and communication equipment, etc.).

#### Programme on international cooperation (INCO)

During the 4<sup>th</sup> RTD Framework Programme (1994-1998), 43% of INCO's resources were directed towards scientific & technological cooperation with developing countries in Asia, Sub-Saharan Africa, the Mediterranean and Latin America.

345 joint-research projects and 46 concerted actions were selected and funded, for a total cost of ECU 196 million, of which roughly 50% was spent in funding partners in developing countries. These 391 consortia of scientists and research institutions, working in voluntarily established partnerships, involved around 2 400 scientific teams. Of these, half were located in developing

countries and the remaining in the EU. Thematic areas covered by these projects were Agriculture, Health and Natural Resources.

### **III. PROGRAMMES AND INCENTIVES DEVELOPED BY MEMBER STATES.**

#### **AUSTRIA**

The activities financed by the Austrian Development Cooperation comprise capacity building and scientific cooperation on a general level. Apart from this educational budget line, there exists a program of economic partnership which provides incentives to Austrian companies to start up business - including technology transfer - in least developed countries.

#### **DENMARK**

The Danish Government is allocating 1% of Denmark's GDP, or about US\$1.7 billion annually, for the purpose of development assistance. A significant share goes to least developed countries. Some of the most relevant activities with regard to promoting and encouraging technology transfer to least developed country Members of the WTO are the following:

(1) The Private Sector Programme:

The overriding goal of Danida's PS Programme is to develop the private sector in selected developing countries by supporting the set-up of long-term and mutually binding cooperation between Danish companies and companies in six of Danida's 20 programme countries: Egypt, Ghana, Bangladesh, Uganda, Vietnam and Zimbabwe.

The PS Programme acts as an incentive for Danish companies to think along new lines and to seek cooperation internationally. In this way, Danish business and industry will be better prepared for the challenges inherent in globalisation and companies will gain easier access to and knowledge of new markets. In developing countries, the PS Programme contributes to job creation, economic growth and progress within technology and management. Development is given a boost as entrepreneurs and company management are influenced directly by meeting Danish partners.

Companies within all fields – production, services and trade – can apply for subsidies under the terms of the programme. Danida grants support, for instance, so that Danish engineers can assist in improving production in developing countries. Danida provides advisory services and subsidies in identifying partners, study visits, studies and examinations in the preparatory phase. In the implementation phase, subsidies are granted to management consultancy, start-up, further education and training, posting experts and environmental-protection measures. In addition, advisory services and information are provided for Danish companies on technology transfer and the need to adapt and apply new technology to developing countries.

US\$113.6 million has been appropriated to the PS Programme over a five-year period until 2001. Since the new appropriation came into effect, support has been granted to 214 study visits and 74 studies. To date these activities have resulted in 47 new PS partnerships besides the 18 established while the PS Programme functioned as a pilot project in Ghana, India and Zimbabwe, between 1993 and 1996.

(2) TechChange:

Danida's TechChange exhibitions act as a forum at which representatives from Danish companies and representatives from companies in developing countries are given an opportunity to make contact with each other. The TechChange exhibitions, at which about 12 companies from developing countries participate in each event, are held in conjunction with Danish trade fairs. Afterwards, contacts can be nurtured and may end up including various forms of partnership. Partnership can be anything from minor services to more comprehensive cooperation. As a rule, participants at TechChange exhibitions come from the six PS countries.

(3) World Association of Industrial and Technological Organisations (WAITRO):

At the multilateral level, Denmark contributes to technology transfer through support to the WAITRO was established under the auspices of the United Nations in 1970 as an independent non-profit network of active research institutions and supporting agencies in the field of technological research and development. Its primary aim is to strengthen technological development in developing countries. Denmark has provided financial support to WAITRO since 1988. During the period 1988 – 1997, Denmark's support to WAITRO amounted to DKK 8.6 million.

(4) Research Cooperation:

Approximately 3.5% of Danish ODA is spent on research addressing specific Third World problems, including the dissemination of the results to least developed countries. A special effort is directed towards the provision of technologies that can improve the technological base for agricultural production in the least developed countries and regions. Thus, Denmark is a major donor to the Consultative Group on Agricultural Research (CGIAR) which has this as its primary aim.

Among several bilateral activities promoting technology transfer, the Danish Government is running a special programme to enhance the research capacity of developing countries by way of financing twinning arrangements between research institutions in these countries and in Denmark. It is believed that the sources of higher productivity are increasingly dependent on knowledge and information applied to production, and that this knowledge is increasingly science-based.

## FINLAND

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

The main programmes, which have direct relevance to the Article 66.2 of the TRIPS Agreement, are the Economical, Industrial and Technological appropriation (EIT) and the Finnfund investment schemes.

- (a) Economical, industrial and technological co-operation projects are being subsidised with the so-called EIT appropriation. The objective is to create preconditions for long-term operations on a commercial basis (*the seed money impact*). The appropriation can be granted to Finnish companies, institutions and associations for projects which involve industrial co-operation and technology transfer to developing countries. It can be used to cover the costs of feasibility studies, expert services and training.

In 1997 the appropriation was granted to 39 projects in 19 countries. The main sectors were forest industry, energy sector, environment and health care. Among the companies who have taken advantage of the EIT appropriation are many small and medium sized companies, leading Finnish pulp and paper companies as well as engineering companies.

The EIT appropriation is administered by the Ministry for Foreign Affairs in Finland. It can only be applied for by Finnish companies, institutions or associations because its objective is to promote and encourage technology transfer to developing countries. However, the applicants are, in most cases, expected to be already in close collaboration with companies or institutions in the recipient country.

- (b) Finnfund (Finnish Fund for Industrial Cooperation Ltd.) is a state-owned investment finance corporation and it exists to finance enterprises in emerging countries. Finnfund's objective is to promote dynamic, developing and innovative private enterprises thus encouraging technology transfer.

Finnfund supports industrial cooperation 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.

In 1997 Finnfund had 64 investments project in 28 countries. Several projects are going on in particular in Asia and Eastern Europe, but Finnfund had also some projects in Africa and South America. The investment commitments by Finnfund involve a representative sample of Finnish high-tech companies as well as innovative small and medium sized companies.

Finnfund's investment operations and services are administered by the corporation itself, in Helsinki. It has also a branch office in Kuala Lumpur, Malaysia.

## FRANCE

France has been providing sustained assistance to developing countries and particularly to the poorest countries for a long time. It is currently very active in this domain in terms of both human resources and finance.

### Human resources

There are 1 800 French development agents providing technical assistance to SMEs.

## Finance

### (a) Official Development Assistance

French Official Development Assistance in 1997 totalled FF37 billion, of which FF22 billion went to SMEs, making France the most generous of the G7 countries in this respect, since this amount represents 0.45% of its 1997 GDP. Sustainable development and the reduction of poverty are the top priorities of this assistance.

### (b) Specific Institutions

Two specific institutions are devoted to research to assist developing countries: the Institute of Research for Development (*Institut de Recherche pour le Développement - IRD*) and the Centre for International Cooperation in Agronomical Research for Development (*Centre de Coopération Internationale en Recherche Agronomique pour le Développement - CIRAD*).

#### (1) Institute of Research for Development (IRD)

The Institute has a budget of FF1.12 billion, employs 800 researchers, with 55% of its employees working abroad, particularly in Africa, Latin America and South East Asia, and has nine major laboratories and seventeen associated ones. Its research focuses on nine areas concerning the relationship between man and his environment: climatic variability, water resources, marine and coastal ecosystems, land use and use of the environment, agricultural and microbial biodiversity, mineral resources and natural hazards, health, urban issues and social and economic development.

The aim of the Institute is to implement programmes in partnership with developing countries, international institutions (the UN, the WHO, etc.) and French and European scientific establishments. For example, in the health sphere, it collaborates with the WHO and the UN (UN AIDS programme).

The purpose of these studies is to find appropriate solutions for developing countries and increase scientific skills in those countries. The Institute's approach meets three criteria:

- to adjust to the development priorities of developing countries,
- to concentrate funds on a reasonable number of fields of research, and
- to adopt a multi-disciplinary approach wherever necessary.

Certain research sectors receive specific support: agricultural science and soil studies; health: research on AIDS, malaria, trypanosomiasis, blindness and schistosomiasis.

Partnership contracts with developing countries have an intellectual property clause stipulating co-ownership of results (about 30 initial patent applications giving rise to more than 800 foreign patents).

(2) Centre for International Cooperation in Agronomical Research for Development (CIRAD)

The Centre's purpose, both in France and abroad, is to:

- (a) contribute to rural development in developing countries through research and experimental projects, principally in agriculture, forestry and the food industry;
- (b) where requested by foreign governments, to assist national research institutions in these spheres;
- (c) to provide scientific information to the scientific, economic and cultural groups concerned;
- (d) to work with French and foreign researchers;
- (e) to contribute to devising national policy in the areas of its expertise, in particular through analysing the international scientific situation;

To accomplish this, the Centre can:

- (a) promote and implement technology research and development programmes;
- (b) participate, at the request of developing countries, in defining their agricultural research policy, in providing scientific and technical training and information for their researchers and in implementing jointly defined research and development programmes;
- (c) implement clauses in cooperation agreements concluded by France on agricultural research and development in developing countries;
- (d) be host to the staff of other institutions and assign its own staff to other institutions in France and abroad;
- (e) make research facilities available to the French scientific community and use research facilities to which it is granted access;
- (f) exploit the results of research, in particular by establishing subsidiaries and participating in the work of and cooperating with other public or private institutions, whether French, foreign or international.

CIRAD's budget is approximately FF1 billion, of which two thirds comes from the civil research and development budget and one third from own resources (contractual resources from bilateral financing and international financing, private and other.) It has a staff of 1800 of whom 680 are based outside mainland France in fifty different countries. CIRAD works, through its representatives on the spot or through missions, in more than 150 countries. It provides training for researchers from developing countries in Montpellier (about 900 trainees a year) but also locally in the developing countries with their participation.

CIRAD is a research institution for agricultural development and transfer of technology to developing countries. It carries out its development research in



partnership, with methods adapted to agriculture and the food industry and appropriate to the needs of the country concerned.

CIRAD's partners include national, regional and international institutions whose work concerns rural areas, private businesses and producer groups and representatives of all groups working in agricultural development in the developing countries.

CIRAD is committed to making agricultural research an effective instrument of economic and social development in developing countries in order to raise the standard of living of their inhabitants by creating new wealth and participating in technology transfers.

(c) Bilateral agreements for the protection and encouragement of investment

France has concluded such agreements with 32 SMEs throughout the world. The agreements provide legal protection for French investors and promote investment.

(d) Project financing by the National Agency for the Exploitation of Research

The projects of French businesses are granted up to 75% financing. Such projects must relate to the adaptation of new technologies for the economic development of developing countries and/or be implemented in cooperation with a developing country partner. Nearly seventy projects have been financed so far.

## GERMANY

The German development corporation promotes private industry in developing countries in various ways. Through this, the framework conditions in the developing countries for technology transfer and engagement of the German industry in the developing countries will be improved. The main target is the strengthening of the technological competence in the partner countries.

In the framework of the concept of "public- partnership", contributions by the German industry for development projects in developing countries are explicitly targeted. The technology transfer to developing countries forms part of individual projects. In addition, the German industry is involved in the promotion of technology transfer through the following measures and incentives:

Financing:

- investment financing through the *Deutsche Investitions- und Entwicklungsgesellschaft* (DEG)
- settlement and technology programme through the *Kreditanstalt für Wiederaufbau* (KfW)
- participation in funds to finance projects on infrastructures (KfW)
- collective financing (KfW)

Information and consultancy:

- partnership programmes for chambers of commerce, associations and banks
- investment advice (DEG)

- preparatory investment studies (DEG)

Education:

- promotion of vocational training in German companies abroad through the *Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)*
- Dispatching experts through the Senior Experts Service (SES) and the Center for International Migration and Development (CIM).

#### THE NETHERLANDS

The Netherlands allocates 0.8% of its GDP for the purpose of development assistance. A significant part of this is used for least developed countries (LDCs). The Netherlands tries to promote and encourage a technology transfer to LDCs, as mentioned in Article 66.2 of the TRIPS Agreement, by some of the following programmes and initiatives.

- (a) The Netherlands has 67 investment promotion and protection agreements, almost all with developing countries and least developed countries. These agreements facilitate investment flows, including the transfer of technology. The Ministry of Economic Affairs is responsible for these agreements.
- (b) The Dutch government provides several programmes to stimulate Dutch exports to developing countries. The export transactions, which qualify for these programmes, consist of capital goods, contracting works or services. Most transactions include the necessary transfer of technical know-how (for example the training of local employees or management contracts for Dutch experts to monitor the production process).
- (c) Firstly, there are several programmes to encourage small- and medium sized enterprises, which develop activities for the first time on the international market, including emerging markets and developing countries. More information can be obtained from the Ministry of Economic Affairs.
- (d) Then there is the ORET/MILEV programme that is set up to stimulate exports to LDCs, including the transfer of technology by enterprises. On the basis of a proposal by a Dutch enterprise, a grant of 50% of the cost for the purchase of capital goods, services or works can be provided to the government of an LDC. The grant is given under the condition that it is spent in the Netherlands (OECD tied aid). Besides this, the transaction should contain technical assistance, training, spare parts, be relevant for development and have a sustainable effect. The Ministry of Foreign Affairs and the Ministry of Economic Affairs are in charge.
- (e) In some cases, these export transactions also qualify for the Dutch policy for export credit insurance. This enables exporting companies to insure the financial risks which are likely to occur when doing business with least developed countries. In case of export of capital goods in, for example, the agricultural sector, the technical expertise with respect to the installation, the use and maintenance of the machinery in question is usually transferred by a Dutch expert. It is possible to include the costs of the technical transfer in the export credit insurance.

- (f) Another export-stimulating facility provided by the Dutch government is a subsidy for interest-rates of medium-term export credits or for other financial costs. The target group for this facility is, among others, Dutch exporters of capital goods and technical designs and advice. More information on these programmes can be obtained from the Ministry of Economic Affairs.
- (g) Besides this there is the so-called PUM-programme. Under this programme (technical) experts and managers are sent to developing countries and LDCs to advise companies and non-profit organisations on all kinds of matters. In charge is the Ministry of Foreign Affairs.
- (h) The Ministry of Public Housing, Spatial Planning and Environment has set up a programme which aims to assist a number of countries in the reduction of greenhouse gases by the transfer of technology. As was agreed upon in the Framework Convention on Climate Change, targets set for one country can be met by assisting another country in reducing its emissions. More information can be obtained from the Ministry.

## SPAIN

### 1. Steps taken by the Spanish Patents and Trademarks office (Ministry of Industry and Energy)

#### Subsidies for patenting abroad

The Ministerial Order of 8 April 1994 provides for subsidies to foster activities in the industrial property field. 90% of these subsidies were used to encourage applications for patents in other countries. They covered up to 50% of the costs of Spanish priority patents granted outside Spain.

- 83 patent subsidies were granted in 1995, totalling Pta 63 734 006.
- 82 patent subsidies were granted in 1996, totalling Pta 41 342 949.

#### Provision of technological information

The Spanish Patents and Trademarks Office provides the Latin American countries with technological information free-of-charge via two basic instruments:

- A collection of documents known as CIBEPAT, which includes bibliographical information and summaries of Spanish patents and utility models since 1986, European patents in effect in Spain since 1986, applications for PCT patents in Spain since 1989 and Latin American patents since 1996.
- Official Gazettes of Industrial Property.

The total amount invested for both items is as follows:

1995	Pta 14 057 578
1996	Pta 16 937 287
1997	Pta 17 118 732
1998	Pta 17 800 207

2. Steps taken by the Ministry of Agriculture, Fisheries and Food

- A seminar on the marketing and distribution of perishable agri-food and fishery products was held in Madrid in 1998. It was organised jointly by the ACP-EU Technical Centre for Agricultural and Rural Cooperation and the Ministry of Agriculture, Fisheries and Food. Part of the seminar was devoted to geographical indications and their protection.

The following countries took part in the seminar: Angola, Burkina Faso, Cameroon, Côte d'Ivoire, Guinea Bissau, Equatorial Guinea, Mauritania, Mozambique, Dominican Republic and Senegal.

The same organisers will be holding another seminar on the same subject from 19 to 30 April, 1999 for the following countries: Angola, Ghana, Equatorial Guinea, Kenya, Mozambique, Namibia, Nigeria, Dominican Republic, South Africa and Zimbabwe.

3. Steps taken by the Ministry of Education and Culture

- Steps taken by rights management organisations:

Spanish rights management organisations need to obtain the relevant authorisation from the Ministry of Education and Culture for the exercise of the intellectual property rights that they administer. The Ministry is also responsible for ensuring that management organisations comply with the obligations and requirements laid down in the relevant law (Articles 147 to 159 of the consolidated text of the Intellectual Property Law).

Spanish rights management organisations promote their activities in third countries to a varying degree. They hold courses and facilitate technical means with the aim of establishing a proper rights management system. These activities are carried out in countries where there is a demand for the protected works or performances of Spanish copyright owners or where such a demand is likely. Although at present there is no indication that Spanish rights management organisations carry out these activities in less-developed countries, there is no reason why this should not happen.

## SWEDEN

Sweden contributes with technology transfer to least-developed countries through its development assistance. This assistance is channelled through the Swedish International Development Cooperation 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.

#### UNITED KINGDOM

The UK has 91 investment promotion and protection agreements (IPPA's) almost all with developing countries. These facilitate investment flows, including the transfer of technology.

Export credit guarantee schemes are also 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 financial and insurance assistance to exporters of UK capital goods and services. ECGD also insures UK companies who invest overseas against the political risks of non-return on their investments. On average, policies worth over UK £ 3 billion are issued every year to help UK exporters win contracts overseas – some may be worth over UK £ 100 million but others could be as little as UK £ 25.000. ECGD's policies normally cover exports to developing (i.e. non-OECD) countries. The main markets tend to be found in the Far East and South Asia, the Middle East, Latin America, South Africa, and the Former Soviet Union.

The general liberal climate for inward and outward investment within the Community forms a major policy response to encouraging flows of investment including technology transfer, especially in the absence of restrictions on outward flows. This acts as an incentive in the broader sense.

The Technology Partnership Initiative (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 which includes best practice and other case studies, and organises missions and other events. It has been successful and established a good reputation, especially in markets like India and Thailand where activity has been concentrated. The initiative has been in existence for six years and has recently been reviewed by external consultants and extended with increased funding for a further initial year while consideration is given to a more significant increase in funding for a longer period.

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