

**REPORT ON THE IMPLEMENTATION OF ARTICLE 66.2  
OF THE TRIPS AGREEMENT**

AUSTRALIA

Addendum

The following communication, dated 24 October 2008, from the Delegation of Australia is being circulated pursuant to paragraph 1 of the Decision on Implementation of Article 66.2 of the TRIPS Agreement. It was circulated as an advance copy at the Council's October 2008 meeting.

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1. The following report is submitted by Australia in accordance with paragraph 1 of the Decision of the Council for TRIPS of 19 February 2003 on "Implementation of Article 66.2 of the TRIPS Agreement" (IP/C/28) which provides that developed country Members submit annually reports on actions taken or planned in pursuance of their commitments under Article 66.2.

**I. TYPE OF INCENTIVES**

2. Technology transfer is interpreted in this report to include training, education and know-how. Australia's transfer of technology to least developed countries (LDCs) occurs through the facilitation of a strong intellectual property environment in LDCs, through incentives that form part of the Government's bilateral and regional development assistance programme, and occurs through export-related activity as a normal product of market forces. Technology transfer may occur through exports and outward or direct investment by Australian firms in other countries. This transfer of technology may occur in joint ventures between Australian firms and overseas companies or governments.

3. Australia recognizes that technology transfer, economic growth and poverty reduction are best fostered in an efficient, open and market-based economy. Fundamental to this framework is good governance. Australia provides extensive governance assistance to LDCs (the preliminary figure for 2006-07 is approximately \$A623 million) which includes programmes aimed at improving economic and financial management, strengthening the rule of law and justice, increasing public sector effectiveness and developing civil society and human rights.

4. Australia considers that the education of LDC nationals at Australian (and other) universities and their training in the use and management of technological equipment comprise two of the most effective means of transferring technology and know-how to which Australia has access. Consequently, a significant portion of Australia's assistance is directed at providing education and training. A detailed account of some Australian activities and funding is provided below, including a

table showing the Australian aid programme's assistance to least developed countries with a major technological transfer component during 2007-2008.

## **II. GOVERNMENT AGENCY MAKING THE INCENTIVES AVAILABLE**

5. This report focuses on information on activities that promote technology transfer carried out by the Australian Agency for International Development (AusAID).

## **III. ELIGIBLE ENTERPRISES AND INSTITUTIONS PROVIDING INCENTIVES**

6. The vast majority of Australian development assistance activities are implemented by organizations and individuals selected through a competitive tendering process. Australian aid to LDCs has been untied since 2001 and has been untied to all countries since 2006, allowing non-Australian organizations to bid for contracts to supply goods and services under the aid programme.

## **IV. APPROPRIATE TECHNOLOGY**

7. For sustainable development, it is critical that technology transfer be appropriate to the needs of the particular country. In order to ensure this, Australia jointly develops country strategies with all major partner countries to form the basis of development assistance. Country strategies are informed by a country-specific analysis of development needs and dialogue with partner governments as to the most effective way for Australia to help address those needs. Australia has working partnerships with a range of international and community organizations to ensure harmonization of resources and appropriately targeted assistance.

## **V. MONITORING AND EVALUATION**

8. Monitoring and measuring the effectiveness and results of development assistance are key concerns for the Australian aid programme. A range of mechanisms and experts are used to ensure the effectiveness of monetary incentives, including the AusAID Audit Committee, High Level Advisory Groups, the Aid Advisory Council, the Committee for Development Co-operation, peer reviews and corporate reviews. To ensure that Australia is at the forefront of global efforts to improve development effectiveness, AusAID's Office of Development Effectiveness was established in 2006.

## **VI. DETAILS OF INCENTIVES FOR TECHNOLOGY TRANSFER TO LDCS**

### **A. AUSAID: BILATERAL PROGRAMMES**

9. Australia provided approximately \$A623 million in development assistance to LDCs in 2007-2008. Many of these activities carry a technology transfer or investment component. Examples of activities for which technology transfer or investment is a major component or the primary aim have been included below.

#### **1. Solomon Islands – Economic Reform Programme**

10. Since 2004, the Regional Assistance Mission to Solomon Islands (RAMSI) has been supporting the Solomon Islands Government to develop and implement economic reform through a specialized Economic Reform Unit based in the Ministry of Finance and Treasury. Working with local counterparts, advisers from Australia and New Zealand (including the Australian Treasury) have assisted the Solomon Islands Government to introduce a new Foreign Investment Act and State Owned Enterprises Act; improve efficiency and equity in the tax system through a reduction in tax and duty exemptions; and facilitate increased competition in the aviation sector.

## **2. Vanuatu – Governance for Growth**

11. Australia is supporting the Government of Vanuatu through the \$A32 million Governance for Growth programme, *from 2008 to 2011*. Vanuatu and Australia aim to work jointly to identify and overcome governance obstacles to broad based growth, effective service delivery and poverty reduction, especially to Vanuatu's rural population. The programme draws on a wide range of aid modalities including technical assistance, grants, direct investment as incentives, and brokering the involvement of international organizations and other donors.

### **B. REGIONAL AND GLOBAL PROGRAMMES**

12. In addition to bilateral assistance, the Australian aid programme provides LDCs with transfers of technology through various regional and global programmes. In most cases, it is difficult to separate expenditure specifically to LDCs through these programmes; however, LDCs are included as beneficiaries.

#### **1. ASEAN-Australian Development Cooperation Programmeme**

13. The ASEAN-Australian Development Cooperation Programme, with a budget of \$A57 million (2008-15), has a programme stream that includes: customs capacity building; legal infrastructure for e-commerce; assistance in private sector competitiveness and SME development; quality assurance systems for fruit, vegetables, fish and fishery products; animal and plant health management and quarantine; and risk assessment in support of food safety measures.

#### **2. Economic Cooperation Work Programme (ECWP)**

14. The ASEAN-Australia New Zealand Free Trade Agreement concluded in August includes a chapter on economic cooperation. This is the first time Australia has included such a provision in a free trade agreement. It will be implemented through an Economic Cooperation Work Programme worth some \$A20-25 million over five years, designed to fund technical assistance and capacity building for ASEAN member States to implement the free trade agreement.

#### **3. Trade Analysis and Reform Project (TARP)**

15. This initiative is a \$A7.1 million, three-year activity that aims to assist participating economies of the Mekong region (Cambodia, Lao PDR, Viet Nam and Thailand) to meet the challenges of, and benefit from, global trade liberalisation and regional economic integration. In particular, the activity aims to enhance awareness of WTO Agreements and provide technical and advisory assistance with WTO accession and implementation issues.

16. TARP also includes the funding of a specialist position in Lao PDR to assist in the implementation of the Integrated Framework. This Framework aims to mainstream trade into national development plans such as the National Growth and Poverty Eradication Strategy, and to assist in the coordinated delivery of trade-related technical assistance in response to needs identified by the Government of Lao PDR.

#### **4. World Organisation for Animal Health (OIE) Project to Strengthen Veterinary Services to Combat Avian Influenza and Other Priority Diseases in South East Asia**

17. This project is assisting veterinary services in the region to meet OIE international quality standards. Australia is providing up to \$A3 million over three years to support the OIE/FAO "OFFLU" programme (an international scientific advisory and technical exchange programme for avian influenza), conduct quality assessments and implement capacity building activities.

## **5. South East Asia Foot and Mouth Disease Campaign**

18. This programme is implemented by OIE and involves the coordinated control of foot and mouth (FMD) disease by eight ASEAN countries (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Viet Nam). The long-term objective of the campaign is to facilitate and promote the international trade of animals and animal products by creating FMD-free areas in the region. This includes improving veterinary standards and adding value to the regional control programme. Australia has provided nearly \$A4 million for the programme since 1996.

## **6. Asia Regional Sanitary and Phytosanitary Capacity Building Programme**

19. This programme aims to enhance the capacity of selected ASEAN countries (all except Singapore and Brunei) to meet international standards consistent with the WTO Agreement on the application of Sanitary and Phytosanitary (SPS) measures. In particular, countries' capabilities to address animal and human health aspects of SPS are being strengthened. The aid programme has committed \$A3.9 million towards this initiative, implemented by the Department of Agriculture, Fisheries and Forestry.

## **7. Support for Trade Capacity Building**

20. Australia and the Pacific island countries are preparing to commence negotiations on a regional free trade agreement known as the Pacific Agreement on Closer Economic Cooperation (PACER Plus). Australia has announced a range of measures to build the knowledge and capacity of Pacific island country governments to develop and assess trade policy, and to help them negotiate outcomes that support their domestic goals. This support includes a facility to help each country to conduct national research on trade priorities and the establishment of a trade fellowship to train officials who will be engaging in PACER Plus negotiations. In addition, Australia has funded Pacific-based research bodies to produce independent reports on trade issues of importance to the region. This important programme of work continues to be developed in consultation with partner governments.

## **8. Australia Pacific Technical College**

21. This project works in partnership with industry and regional governments in the Pacific, and aims to increase the number of skilled Pacific Island graduates as well as to improve the quality of their training to meet Australian standards of vocational and technical education. The intention is for Pacific Island economies to benefit from larger, better skilled workforces to support economic growth, and for graduates to benefit from improved employment opportunities at home and in an increasingly international labour market. Initial funding of \$A149.5 million will provide for the establishment and operation of the college for the first four years between 2007 and 2011. Training will be undertaken in Fiji, PNG, Samoa and Vanuatu. It is expected to graduate around 3,000 students in the first four years in the areas of hospitality and tourism; automotive, construction, electrical and manufacturing trades; and health and community services.

## **9. Australian Scholarships**

22. Australian scholarships provide educational, research and professional development opportunities to support growth in the region and to build enduring links at the individual, institutional and country levels. Award programmes, managed by AusAID are the Australian Development Scholarships (ADS) and the Australian Leadership Awards (ALA). These programmes aim to strengthen human resource capacity, build partnerships and linkages, address regional priority issues and contribute to long-term development needs in Australia's partner countries. The Endeavour programme managed by DEEWR focuses on strengthening education linkages, skills and knowledge

while showcasing Australia's excellence in education, science and training. From 2006, Australian scholarships will provide approximately \$A1.4 billion over five years. LDCs targeted under these scholarship programmes include: Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao PDR, Lesotho, Malawi, Maldives, Mozambique, Nepal, Samoa, Solomon Islands, Tanzania, Timor-Leste, Tuvalu, Uganda, Vanuatu and Zambia.

#### **10. Australian Centre for International Agricultural Research (ACIAR)**

23. The Australian Centre for International Agricultural Research (ACIAR) provided \$A23.9 million in 2006-07 for joint technical and policy research projects with developing countries, mainly in the Asia-Pacific region. ACIAR works both bilaterally on research programmes that link Australian research institutions with developing country institutions, and multilaterally on research through grant and project specific funding to International Agricultural Centres. Projects include technology adoption, knowledge transfer and capacity building in areas including: agriculture, fisheries and forestry productivity and sustainability; animal nutrition and health; agricultural innovation, training and institutional reforms; and invasive pests and diseases.

**Australia's aid programme: Australia's Technical Assistance to  
least developed countries 2007-2008**

Australia's Technical Assistance ODA to Least Developed countries for 2007-2008 in Australian dollars is summarised below. Data is not available for IP specific technology transfer elements, however the figures below capture the significant knowledge-transfer and capacity building that occurs in the provision of technical assistance.

<b>Country</b>	<b>\$A</b>
AFGHANISTAN	66,788,992.83
BANGLADESH	45,799,959.75
BHUTAN	2,028,736.85
CAMBODIA	48,879,011.13
CHAD	261,284.00
ERITREA	65,583.00
ETHIOPIA	3,086,627.28
HAITI	335,039.00
KIRIBATI	6,176,446.76
LESOTHO	636,789.66
MALAWI	2,854,462.22
MALDIVES	2,322,094.63
MOZAMBIQUE	4,239,434.38
MYANMAR	35,484,016.22
NEPAL	9,616,082.60
RWANDA	588,440.28
SAMOA	12,548,653.60
SENEGAL	75,505.00
SIERRA LEONE	100,000.00
SOLOMON ISLANDS	226,189,445.91
SOMALIA	2,494,509.00
SUDAN	26,383,318.71
TIMOR-LESTE	85,098,420.22
TUVALU	5,118,021.70
UGANDA	2,383,209.84
VANUATU	32,466,414.43
ZAMBIA	1,884,161.38
Total	623,904,660.37

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