

**Presentation to ECOSOC of the 2013 Report of the Committee for Development Policy (CDP) on the 2013 theme of the Annual Ministerial Review,
“Science, technology and innovation and the potential of culture, for promoting sustainable development and achieving the Millennium Development Goals”**

**Professor José Antonio Ocampo
Chairperson of the CDP
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Mr. President, Distinguished Delegates, Ladies and Gentlemen,

It is a great honor and pleasure to introduce to you the Report of the Committee for Development Policy on its 15th Session. The session was held in New York from 18 to 22 March this year. In the past, I had the opportunity to attend the High Level Segment of the ECOSOC as Under-Secretary-General for Economic and Social Affairs. I am very happy to join you once again as Chair of the CDP.

As in the past, this year’s CDP Report to the Council examines several development issues of relevance for your current and future deliberations. It considers science and technology, small-island developing States, smooth transition from the category of least developed countries, and international cooperation for the post-2015 era. Today, I will dedicate most of my statement on the CDP analysis on “science, technology and innovation for sustainable development”, the theme of this year’s Annual Ministerial Review. I will go over the other topics only briefly as we will have another opportunity to continue our dialogue at the CDP-ECOSOC panel discussion at the General Segment on the morning of 18 July.

Mr. President,

As it has been recognized by the UN throughout its history and by all schools of economic thought, science and technology are central for economic development. Already in 1963, half a century ago, the UN convened in Geneva the Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas. In turn, the Conference on Science and Technology was held in Vienna in 1979. The conferences called for the transfer of technologies to developing countries, with appropriate assistance from developed countries. These ideas were reflected in the strategies adopted for the UN Development Decades.

Paralleling developments in the UN, the Green Revolution in the 1960s and 70s saved millions of lives and contributed to reducing hunger, malnutrition and poverty by increasing food production productivity. Progress in medical science, knowledge and practice has reduced the number of deaths and suffering from diseases, such as tuberculosis, polio, malaria and HIV/AIDS. More recently, information and communications technologies have revolutionized not only the way in which the production and distribution of goods and services are organized but also how people, and particularly young people participate in political life.

The centrality of STI for sustainable development is reflected in the fact that technological choices have implications not only for economic progress, but also for social development and environmental sustainability. Indeed, there are important distributional implications when decisions are made about what type of technology and knowledge is promoted and what is neglected. The negative contributions of past technological choices to climate change are well known, and the changes required to combat this problem will require no less than a technological revolution. Thus, it should be clear that the technological choices we confront are *societal* choices, not just technical or scientific ones. In this regard, knowledge systems that encompass STI need to be understood to include cultural, social and institutional dimensions in which STI operates. This broader approach contrasts with earlier and narrower perceptions of the role of science and technology in economic growth. It offers greater opportunities for the achievement of sustainable and inclusive development.

Mr. President,

Development is to a large extent a process of capacity building, and the creation of a national knowledge system in general and STI capacities in particular is part of this process. Developed countries are frontrunners in the creation of STI capacities. Developing countries are lagging behind, though some of them are striving to close the gap. Catching-up offers some advantages, particularly those of drawing from knowledge and skills accumulated elsewhere, as well as the flexibility associated with avoiding the sunk costs from past technological choices and jumping into new, technological paths. This flexibility is particularly relevant in the current context of climate change and the need to reduce carbon emissions.

Emerging technological paradigms can therefore serve as windows of opportunity for the sustainable development of latecomers. However, the latecomer advantages cannot materialize without the country going through technological learning and capability development, and this requires active state intervention. Governments need to stimulate the development of systems that foster acquisition of technological capacities and the dissemination of knowledge. Improving the quality of the educational system is an essential ingredient in this process. But these so called “horizontal” policies may not be enough. Governments also need to design and implement effective sectoral policies that would allow for the dynamic structural transformation of the economy toward sectors with higher technological contents.

In this regard, the CDP report considers whether the current international trade and investment regimes provide developing countries with sufficient policy space to promote national STI capacities. The Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS), for example, does include flexibilities, but it significantly restricts the scope of STI policies at the national level, and these flexibilities have been further eroded by multiple Free-Trade Agreements. Measures that developed countries used to support their own industrialization – such as reverse engineering, discrimination against foreign patent application and exclusion of industries, such as pharmaceuticals, from the domestic patent application, and other limits on patents rights – are no longer available. Similarly, the Agreement on Trade Related Investment Measures (TRIMS) prohibits

practices such as local content requirements and export performance and technology transfer requirements. These measures were widely used by successful industrializers in the past.

Our analysis thus indicates there is need for a global dialogue on the reform in international property rights regime. Stringent protection of IPRs can be a serious deterrent for the realization of global goals. Systems of STI need to foster new innovations and dissemination of new knowledge and technologies. In this regard, we argue that the international community could consider a broad research exemption for experimental users and judicial power to require non-exclusive licensing in the spirit of public interest. We also underscore the need to better safeguard the public interest by ensuring transparency in licensing and allowing wider use of non-exclusive licensing.

Furthermore, the CDP report also argues that there is need to consider knowledge and technologies that contribute to meeting basic human needs and to addressing environmental challenges as *global public goods*. A defining aspect of global public goods is that they should be non-excludable: once the knowledge or technologies are created in these crucial areas, no one should be excluded from access to them. The current system of financing research and development depends largely on granting exclusive intellectual property rights as an incentive for private investment in the generation of technology and innovation. This leads to underinvestment in innovations for social priorities. Therefore, alternative mechanisms for financing innovation are needed, such as prizes and public funds –including public funds to buy technologies that would then be made freely accessible.

Mr. President,

Let me quickly highlight the other issues examined in the CDP Report.

In response to ECOSOC resolution 2011/44 in December 2011, entitled “how to further the full and effective implementation on the Barbados Programme of Action and the Mauritius Strategy”, the Committee examined the vulnerabilities and development needs of small-island developing States (SIDS) and possible policy responses to address these challenges. International support for the sustainable development of SIDS has been on the UN agenda for a long time, but the threats associated with climate change and the impact of the recent global economic and financial crisis have further intensified the challenges SIDS face.

Without concrete global measures and support by the international community, the SIDS cannot properly confront these challenges. Restoring stability to global economic and financial markets is needed to support the sustained economic growth of these countries, and further actions to minimize the extent and impact of climate change are indispensable for the sustainable development of SIDS. Both Barbados and Mauritius initiatives contain a wide range of measures designed to help SIDS to address their vulnerabilities and development needs. But implementation has been slow and, in some instance, the measures adopted have been clearly insufficient; those related to climate change are cases

in point. Measures to support climate change adaptation need to be significantly scaled up and their implementation should be accelerated.

With regard to the LDC category, the Committee welcomed the adoption of General Assembly resolution 67/221 on smooth transition for countries graduating from the list of least developed countries. In this regard, the Report proposes refinements to the reporting procedures envisaged by that resolution. These suggested guidelines are intended to enhance and facilitate reporting to the Council on the preparation and implementation of smooth transition, as requested by the GA. The Report also notes the sustained positive development progress of Samoa, which is scheduled to graduate from the LDC category in January 2014.

Last, but not least, the CDP progressed with its work on how the UN development agenda should proceed in the post-2015 era. It noted a few relevant emerging trends in global economy that have important implications for the design and implementation of that agenda. These include the increasing heterogeneity of developing countries, a transition to a multipolar world, persistent global inequality and rising domestic disparity. Addressing these global challenges requires changes in the way the global partnership functions. It also calls for the introduction of reforms in some key areas of governance of the global economy aiming at a more enabling international environment for the benefit of all.

The Committee highlighted that particular attention should be paid to rising domestic inequalities and the persistence of high levels of abject poverty, two of the most adverse trends that the world has experienced in recent decades. In this regard, it recommends that the United Nations should incorporate the reduction of inequality as a specific goal, with measureable targets, in its post-2015 agenda.

I will not elaborate on these issues here. As I mentioned at the beginning of my statement, I will have an opportunity to engage in an exchange of ideas with you, face-to-face, at the panel discussion during the general segment on the 18th of this month. I will be joined by my CDP colleague Stephan Klasen. The concept note for the panel discussion should be available from the Council's website. Both Stephan and I are looking forward to welcoming you all at the panel discussion and to engaging in a productive exchange of ideas to further advance the contributions of the Council to the implementation of the UN development agenda.

I thank you for your attention.