

U.S. Statement
Substantive informal session: “Trade, technology and capacity building and other non-financial means of implementation”
10 December 2014, Trusteeship Council Chamber, United Nations, New York

(AS PREPARED)

Thank you Mr. Chair,

We’d like to make a brief, single statement addressing all the major issues on today’s agenda: Trade reforms and facilitation, trade and investment regimes for sustainable development, and fostering science, technology and innovation for sustainable development.

First, the UN has long called for "new and innovative" ways to finance development, emphasizing the need for partnerships and non-financial means of implementation. The means of implementation discussion typically includes treatment of traditional development finance, as well as areas such as trade, financial markets and mechanisms, science, technology transfers and innovation, among others. Regardless of the source, one overarching theme of development finance is clear: **the creation of an enabling environment encompassing structural reforms that provide accountability, transparency, and respect for the rule of law are critical to attract private financing, create conditions in which businesses can thrive, ensure effective means of implementation and foster sustainable growth and development.**

It is widely accepted that international trade is an engine for development and sustained economic growth. In Monterrey we all agreed that **a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting all countries at all stages of development.**

A well-functioning multilateral trading system can bring benefits to all and can contribute to enhancing the integration of the developing countries in the system, in particular the least developed countries. For trade to truly be an engine for development, there needs to be an increase in trade, and private-enterprises are most productive in transparent and predictable regimes. Research shows that countries with better institutions trade more, and countries that trade more grow faster. **Each government is ultimately responsible for creating a domestic climate that will “enable” such growth.**

While progress has been made over the past several years, there are significant opportunities to eradicate corruption, improve business regulation, clarify property rights, and establish and enforce the rule of law toward the objective of well-functioning markets and competitive enterprises.

Recognizing that public-private alliances can multiply the impact of official development assistance, more attention needs to be focused on engaging the private sector in development partnerships. The private sector provides management skills, information technology skills, business acumen, and helps small farmers and businesses connect to the global value-chains.

The voluntary transfer of technology on mutually agreed terms, coupled with the capacity and desire of countries to absorb the technology, together are important components of sustained economic development

The environment for technology absorption and domestic innovation in the receiving country is critical, as it must enable the acceptance and transformation of new technologies into local solutions that will spur inclusive economic growth.

Indigenous human capacity in science, technology and engineering fields, and modern infrastructure, including for information and communication technologies and affordable Internet access, create a virtuous cycle for innovation, as well as diffusion, and transfer of technology, and are critical to the realizing realization of this transformation.

Policies that support innovation include good governance, rule of law and respect for intellectual property rights (IPR), improved access to finance (especially for small and medium enterprises), and government and private sector investments in education, health, information and communication technologies, and infrastructure will increase developing countries' demand for and ability to absorb technology.

Experience shows that effective, sustainable technology transfer and absorption requires more than handing over patents, blueprints, or even equipment and plants. The institutional and individual know-how and capacity to use, supply the inputs for, maintain, and market the outputs of technology are equally critical. Private sector investment, both local and foreign, is one of the most effective means to transfer both technology and know-how.

To catalyze innovation and encourage voluntary technology transfer most effectively, developing countries – governments, private sector, civil society - should lay the policy foundation for the functioning of that broader market. This includes creation of a regulatory environment that stimulates competition, entrepreneurship, commerce and investment, access to information and communications technologies, and a strong intellectual property regime. More government-held data and government-funded research data should be made open and accessible to the public and research community alongside efforts to increase the capacity for data collection, analysis, and visualization. These basic structures serve to protect new ideas in the marketplace and preserve the incentives necessary for future technological innovations that will be key to sustainable development. Countries should also invest in and promote education, local research and development (R&D), and commercialization of that research, as well as increase the number of R&D professionals per capita. These efforts should specifically seek to target under-represented groups, including women and girls, in order to ensure that R&D efforts leverage and benefit from the skills of all citizens.

Finally, we stress the role of innovation and technology in economic, social, and environmental transformation. **We agree that all parts of society have a role in creating more transparent and responsive governments, improved enabling environments for investment and innovation, and in harnessing the strength of the private sector and other stakeholders to support that transformation globally. We emphasize that such changes have to be implemented to create conditions that will support innovation and growth.**

Co-chairs, thank you.