

**CTI / Industry Joint Seminar on Technology Diffusion  
in Eastern Europe and Central Asia  
28-29 October 2003, Vienna**

CTI / Industry Joint Seminar on Technology Diffusion in Eastern Europe and Central Asia took place on 28-29 October 2003 at the Vienna International Center, Austria. The seminar was organized by the Climate Technology Initiative (CTI) and the UN Industrial Development Organization (UNIDO), in cooperation with the Secretariat of the UN Framework Convention on Climate Change (UNFCCC) and Austria Ministry of Economics and Labor. It was attended by 105 representatives of governments, intergovernmental organizations, non-governmental organizations (NGOs), business and industry groups, and academic institutions.

The objectives of the seminar were:

- To increase participants' awareness of climate change and technology transfer issues;
- To review experiences in Central and Eastern Europe and in Central Asia;
- To promote the development of environmentally-sound projects by encouraging collaboration between policymakers, technology transfer specialists, financial institutions, and the private sector.

Lack of capacity and a variety of barriers are frequently cited as impediments to the successful transfer of climate-friendly technologies; therefore, the theme of the Seminar was "Challenges to the Governmental, Business and Financial Sectors for the Promotion of Industrial Technology Transfer". Key recommendations and outcomes on the theme in relations to the target region (CEE & CAS) are as follows:

- Annex II Participants (business & industry) recommended that major factors for successful execution of a JI-Project would include:
  - An early build-up of detailed knowledge of Kyoto rules;
  - Early positioning with all relevant entities in the investor country;
  - Collaboration between investor & host government on JI-projects,
  - Close contact with local organizations and existing networks;
  - To show the advantages of energy efficient technology to decision-makers in monetary terms, and public sector partnership from the beginning.

- Regarding how to overcome financial barriers to diffusion of climate-friendly technologies, recommendations from CEE/CAS participants include:
  - International (financial) organizations increase the number of technical assistance programmes that are of a demonstration/pilot nature;
  - International financial organizations (e.g. EBRD & WB) increase the share of climate friendly, renewable and energy-saving technologies in their technical assistance and investment project pipelines, establish funds to assist in overcoming financial barriers,
  - To develop a private sector fund that could operate on a leasing basis;
  - To develop/assist Energy Service Companies (ESCOs)—they can play a role in overcoming financial barriers by acting as project developers, help to obtain pre-investment funding and project financing;
  - To take insurance to reduce general project implementation risks and organizational, legal, financial and market barriers.
  
- Regarding how to make sustainable development objectives attractive to business, industry and financial institutions, recommendations from CEE/CAS participants include:
  - To attract foreign and local investors as joint venture/joint production partners;
  - To develop a consultative process between government and the private sector that will enhance the development, transfer and adoption of climate-friendly technology and also lead to the creation of a suitable ‘enabling environment’;
  - Incentives & innovative environmental legislation might stimulate private sector involvement;
  - Business & industry should start GHG inventories at enterprises, develop strategies for business development in the framework of UNFCCC and Kyoto Protocol, and develop capacity to prepare CDM/JI project proposals and related documentation.
  
- The main points raised about the role of bilateral and multilateral institutions in assisting local project developers and for assisting in market reforms include:
  - To strengthen coordination and cooperation among international programmes and institutions responsible for the implementation of these programmes;
  - To encourage national initiatives to supply safe, cost effective, socially acceptable and environmentally-friendly energy resources;
  - To expand operational programmes of multilateral financial institutions, improving

transparency of international processes and access to information in international institutions, support in the process of negotiating/developing national targets;

- To facilitate applicant operational entities from the region.

Other groups of recommendations are as follows:

### ***Information & data***

- Trustworthy data is needed as the basis for projects that would be attractive for investors as well as to support improved decision-making using computer-based tools.
- To develop information systems and connections to regional and international networks via specialized bodies and information companies & support the development of information technologies in/for the private sector.

### ***Awareness***

- Regular awareness campaigns by the media to society at-large should be undertaken providing information on climate change, problems and measures to limit the problems. Also, regional experiences in dealing with climate change problems should be shared as examples of the types of responses and actions that could be undertaken.
- Support for an increased participation of the private sector & representatives of enterprises in relevant meetings (e.g. Convention & Kyoto Protocol but also in GHG mitigation, energy audit, technology transfer and sustainable development) is required.

### ***Needs assessments & pilot projects***

Comprehensive technology needs assessments (in-depth assessment of a country's technological requirements) are needed followed-up by pilot projects. In this respect, increased financing should be provided for a greater share of technical assistance pilot programmes/model projects that are replicable. Increased assistance for CDM- & JI-related capacity building is also required to ensure a regional balance.

### ***Policy***

In general terms, national & sectoral development plans & policies (e.g. energy, technology, investment & industry) should take account of climate change issues while policies and measures addressing climate change should be formulated and implemented in the context of sustainable development, taking into account national & sectoral plans & priorities. This could be achieved during the processes surrounding the ratification of the Kyoto Protocol and establishment of requisite bodies & procedures.