

innovation  
INSIGHTS

## Clean Technology Diffusion: Business Perspectives

Jennifer Brant, Innovation Insights

November 12, 2012

Workshop organized by the WTO  
Committee on Trade and the Environment

### Technology innovation is needed to effectively address climate change

- UNFCCC: at least \$200 bn annually, for the next 20 years, is needed for mitigation
- Innovation improves cost-effectiveness
- Private sector accounts for two-thirds of global annual R&D spend - an important partner
- Technology as a platform for development

## Innovation responds to incentives

- The market does not reward innovations that reduce pollution but increase cost - sound environmental policies are needed
- Significant and growing investments in clean technologies from many parts of the world
- Partnership is critical
- Government policies can create incentives

## Clean technologies are developed and diffused globally on an ongoing basis

- No diffusion without development
- Technology diffuses through many channels, strengthening local capacity
- There is ongoing, networked collaboration to innovate and bring new solutions to market

Several factors enable and accelerate these processes, across the board

- Absorptive capacity
- Partnership
- Market incentives
- Investment environment including IP
- Government policies

IP rights facilitate green technology development and diffusion

- IPR drive and support partnerships
- Increasing proportion of green innovation comes from emerging markets
- Contribution of IPR to green technology diffusion is context-specific

## Case study: GE Jenbacher gas engine

- What do chickens, corn husks, rice hulls, garbage, pigs, and cows have in common?
- Jenbacher turns waste products into energy
- Adaptation and deployment in many different countries - partnerships critical
- Positive development, environmental impacts

## Governments can support clean technological advancement

- Institute sound climate change policies
- Ensure a favorable investment climate
- Remove local content and procurement restrictions
- Collaborate with technology providers
- Remove tariffs and other customs barriers

## To summarize:

- No diffusion without development
- Clean technology development and diffusion is a dynamic, ongoing process
- Partnership is critical
- Commercial channels important for sustainability
- Absorptive capacity a key driver
- Innovation responds to incentives
- Governments have important role to play

Thank you

Jennifer Brant  
Innovation Insights, Geneva  
jbrant@innovationinsights.ch