

Mobilizing Investments to Enhance Access to Climate Technologies

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ADB

UNFCCC "Bali Building Blocks"

	Mitigation	Adaptation
Finance		
Technology		

UNFCCC's Technology Mechanism

- **Technology Executive Committee (TEC)**
 - High-level policy body
 - Works with the CTCN and other bodies under and outside the UNFCCC
- **Climate Technology Center and Network (CTCN)**
 - A large network of partners to assist countries on technology needs
 - To be operational from early 2013
 - **UNEP** ranked first as potential CTCN host

UNFCCC's Financial Mechanism

- **Global Environment Facility (GEF)**

- All **MDBs** are GEF implementing agencies

- **Green Climate Fund (GCF)**

- Fund instrument adopted in Dec 2011
- Expected to mobilize multiple \$billions per year
- Board will likely commence work next month
- Expected to be "ready for business" in 2014
- **MDBs** expected to play substantial role, particularly in the early years

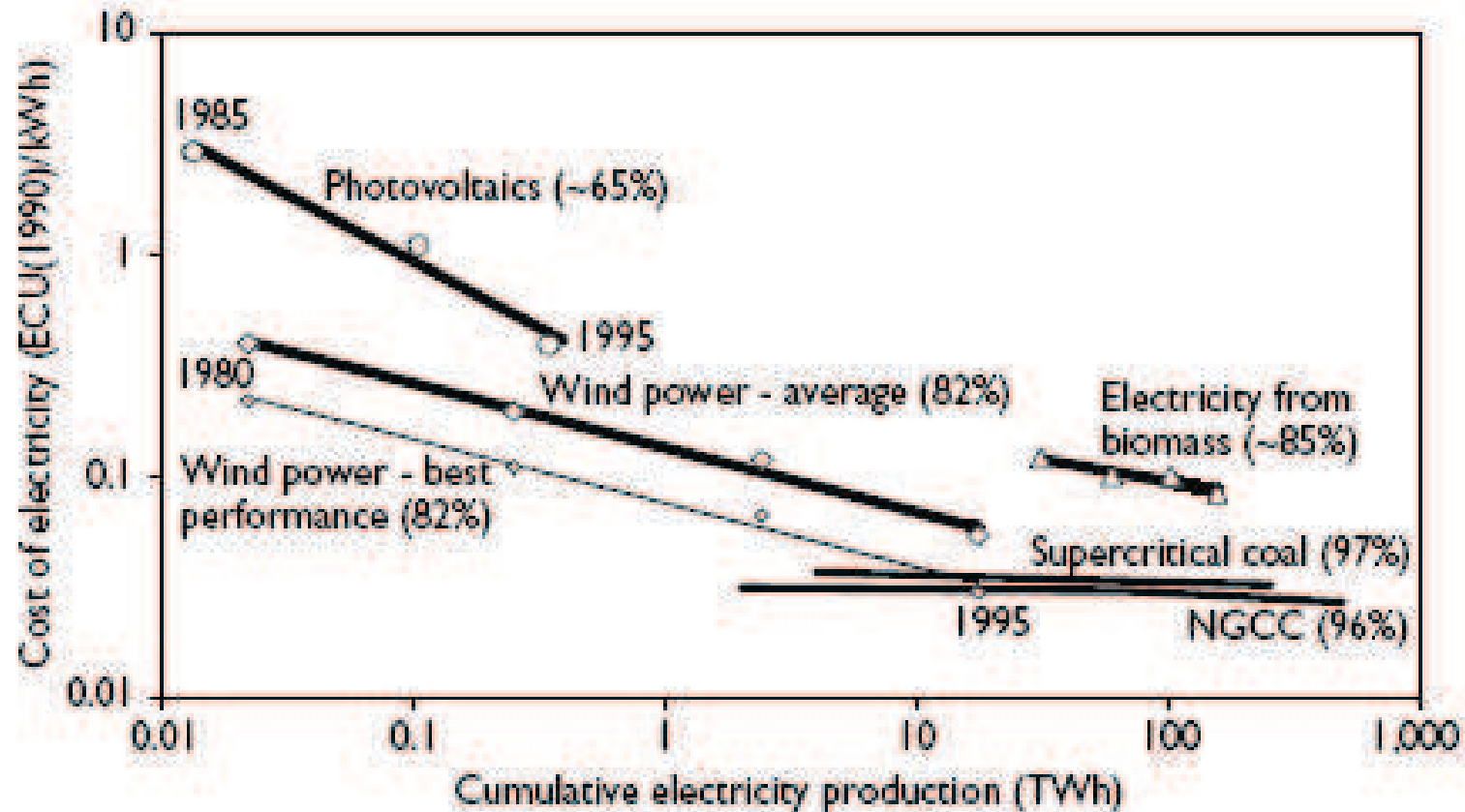
UNFCCC "Bali Building Blocks" and IFI/MDB Relevance Today



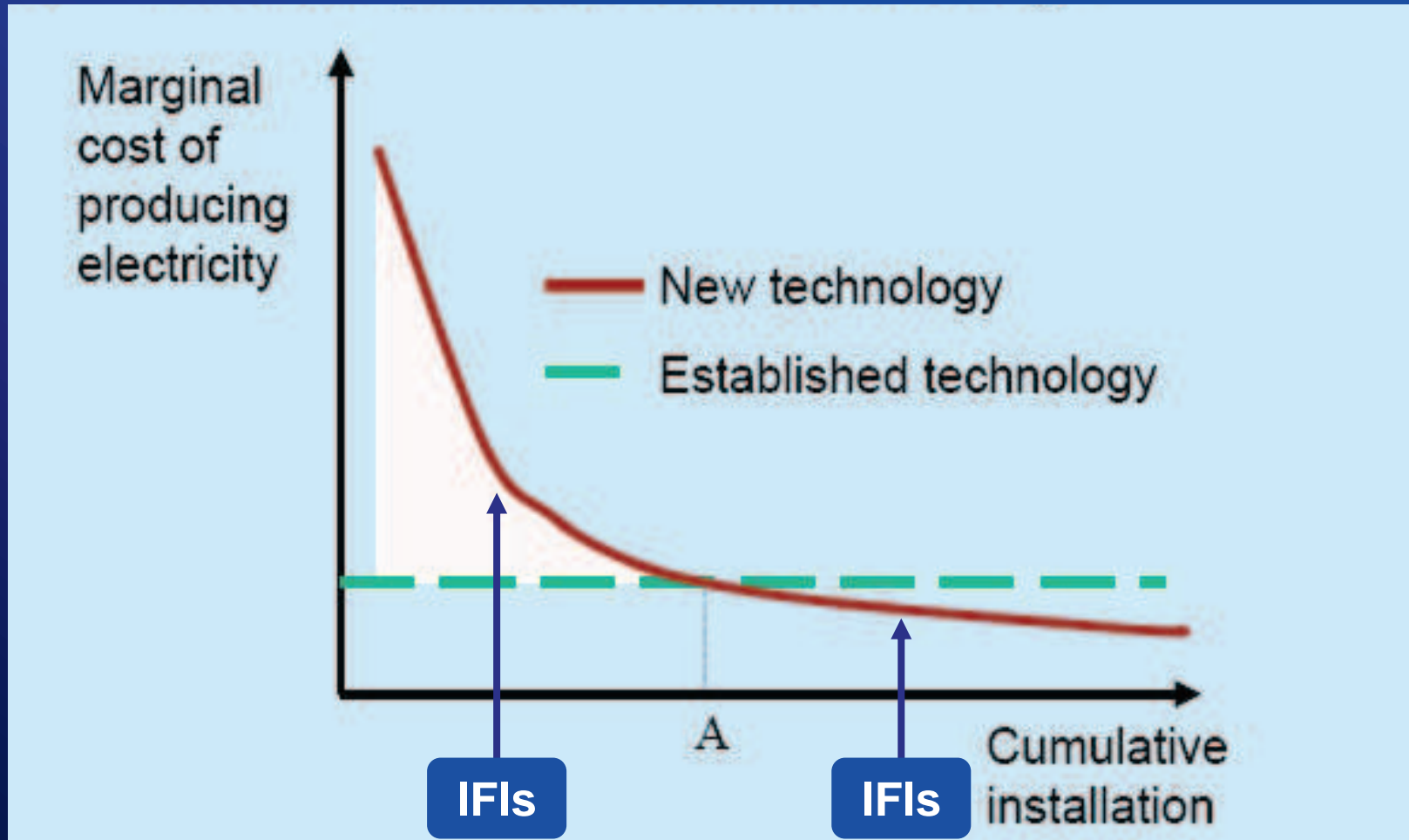
Ongoing ADB Projects (sample)

Country	Project Type
Indonesia	Geothermal power
India	Wind power
Lao, PDR	Small hydropower
Bangladesh	Waste composting
China, PR	Geothermal space heating
Thailand	Solar PV
Philippines	Energy-saver bulb distribution
China, PR	Landfill gas
Mongolia	Boiler efficiency improvement
China, PR	Concentrated solar power
China, PR	Urban transport system

The obvious: economy of scale

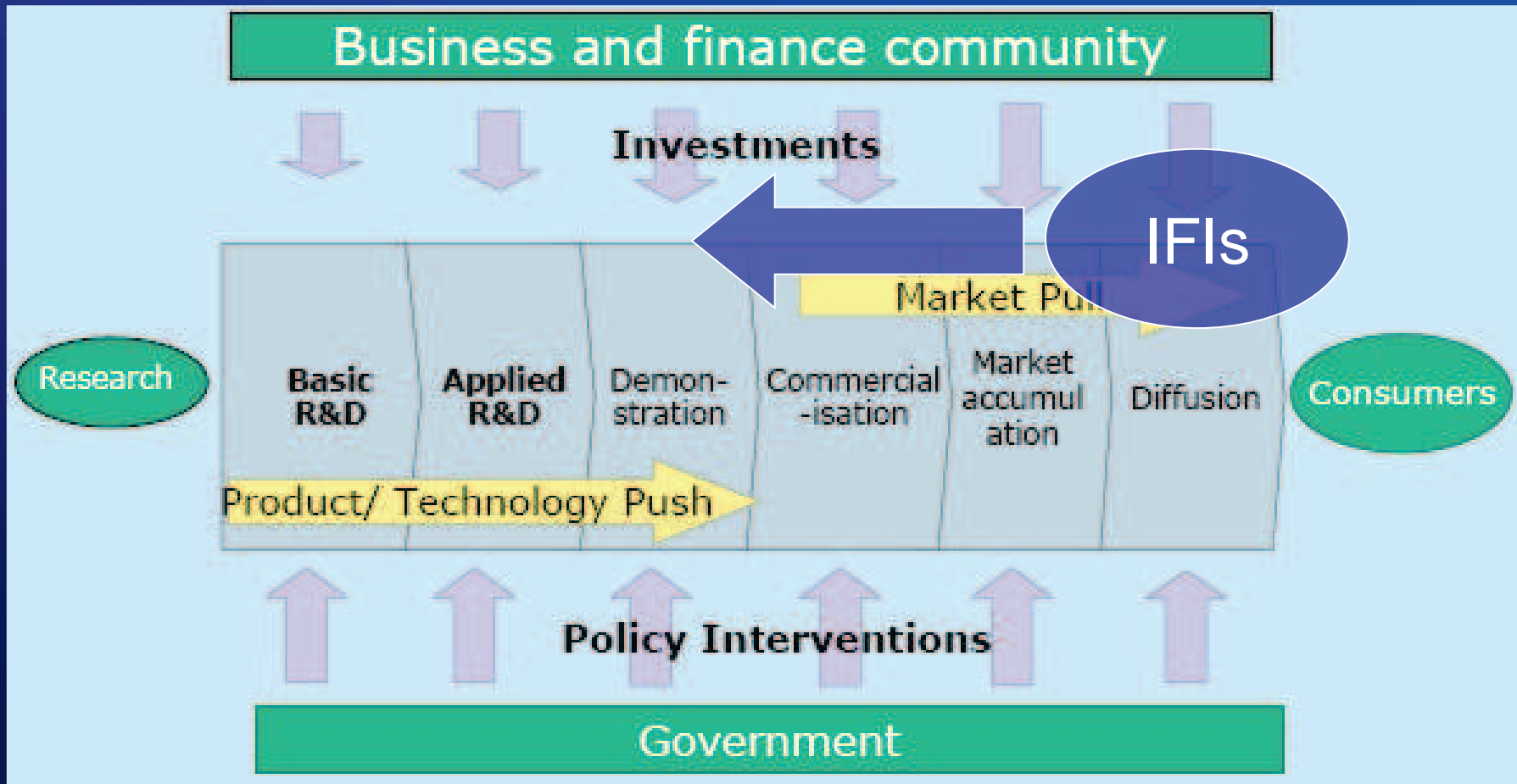


Not so obvious?



2. But can we help here? 1. We can finance here

Technology Innovation Chain



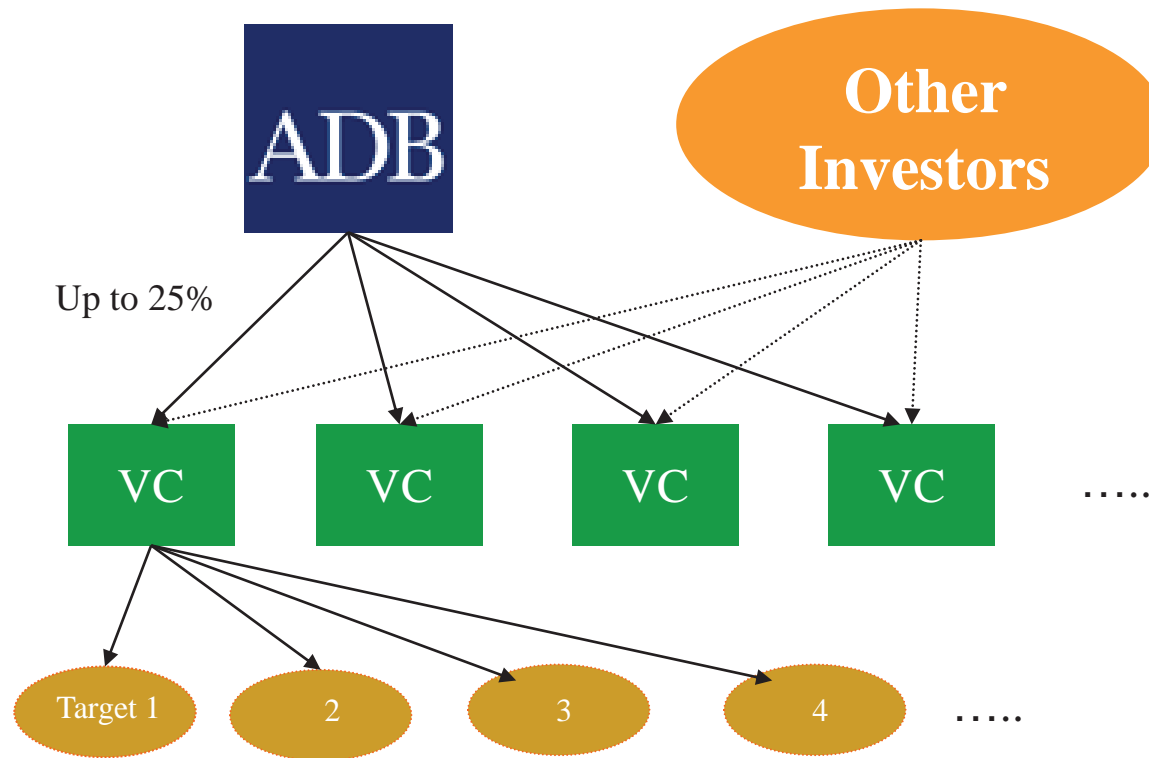
ADB and Climate-Tech: Innovate, Transfer, Diffuse

Innovation: Asia Climate Change and Clean Energy (AC³E) **Venture Capital Initiative** will provide (i) equity (up to \$100 Million), and/or (ii) technical advisory, to 5-7 venture capital funds that will invest in nascent companies with climate mitigation and adaptation technology products.

Transfer: Low-Carbon Technology **Marketplace** will bring together commercial buyers and sellers of low carbon technologies and assist them with executing transactions. **Tech-transfer CDM** will use carbon credits to lower the cost of energy-efficient and/or renewable energy technology products and make them affordable in developing countries.

Diffusion: **Climate Public-Private Partnership Fund** will mobilize private equity investment at scale, in the order of \$billions, in partnership with the world's largest pension funds and sovereign wealth funds. **Asia Solar Energy Initiative** aims to mobilize financing from ADB and partners to install 3GW of solar power generation in the next 3 years.

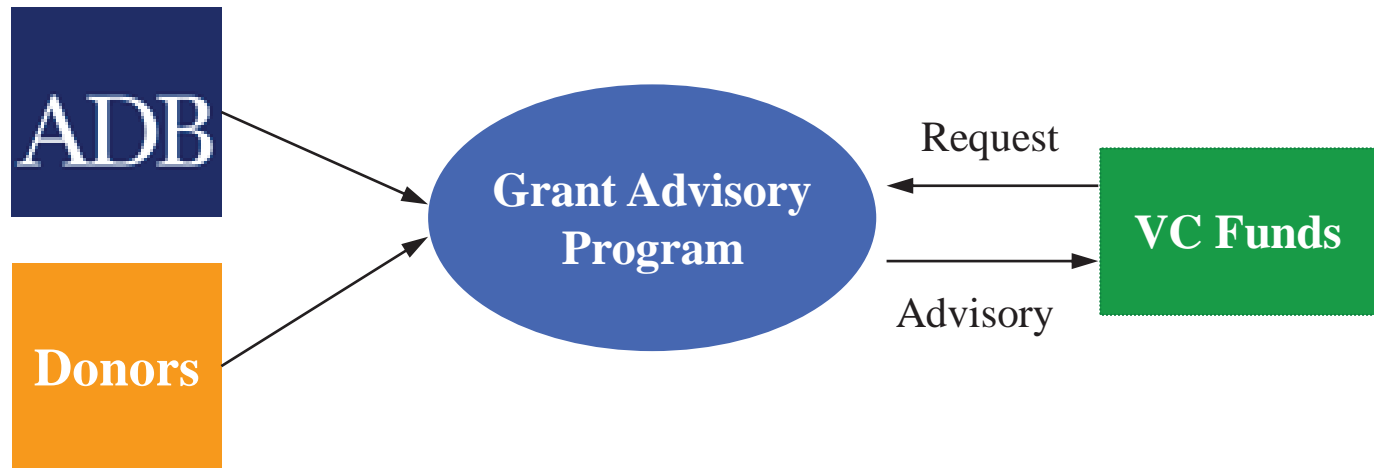
VC Initiative: Equity Investment



ADB's role (1):

- Dedicate up to \$100 million to multiple VC funds
- Leverage its network to invite commercial investors and government agencies to co-invest in VC funds

VC Initiative: Technical Support



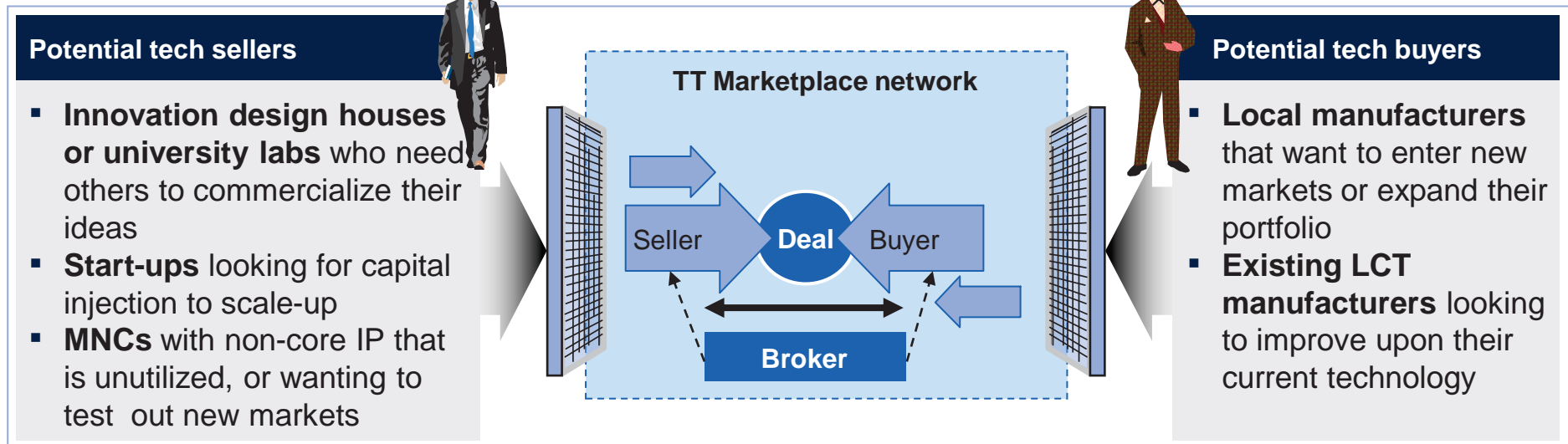
ADB's role (2):

- Secure funds (own and donors) to provide a pool of technology experts and consultancy firms for VC funds
- This allows VC funds to expand their focus sectors and sub-sectors, allocate more resources to early stage opportunities, reduce transaction costs, and give a better chance to boost return profile

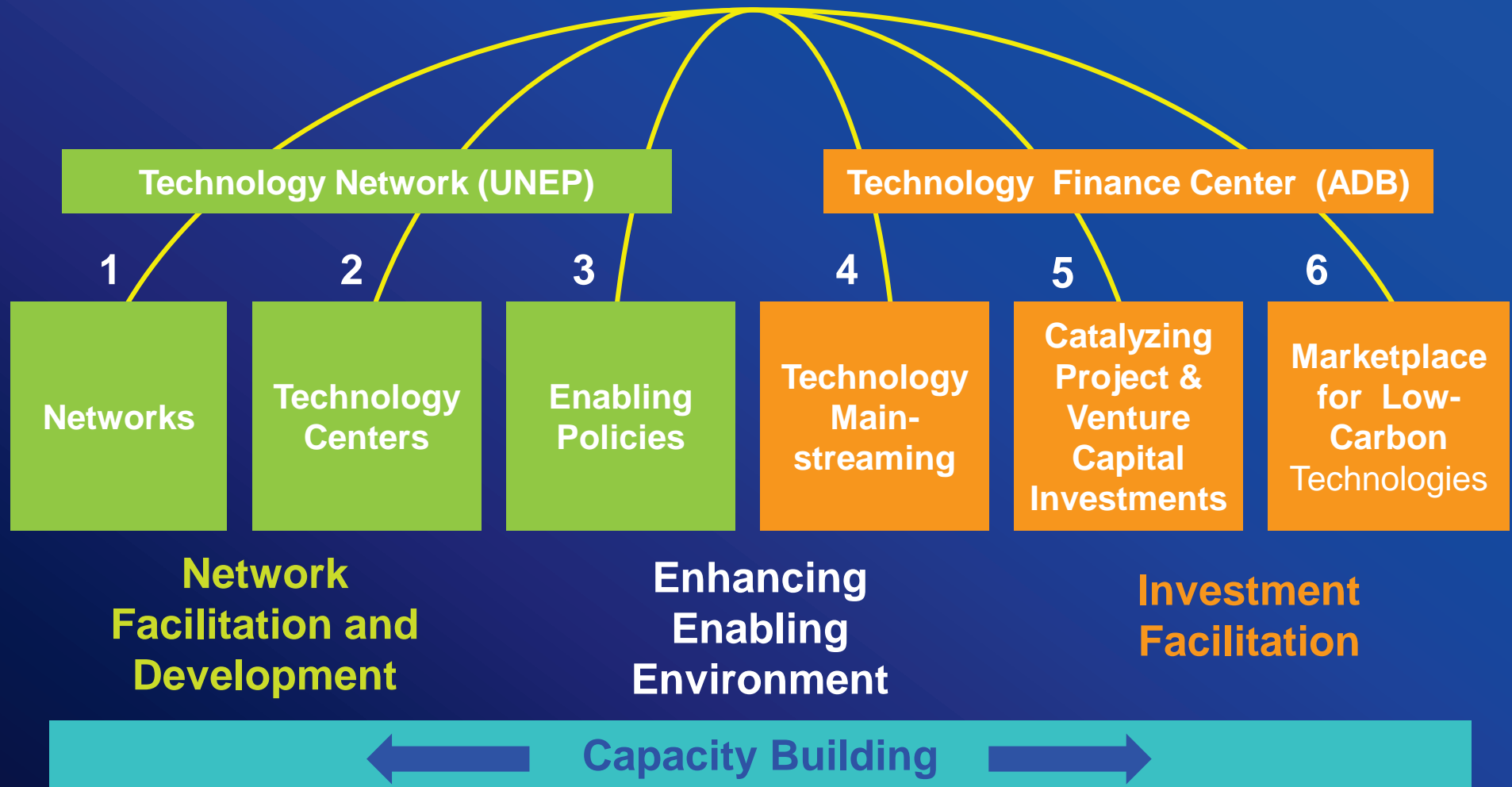
Low Carbon Technology Marketplace

How it works?

- **Matchmaking broker for IP**, where the brokers proactively identify sellers and buyers, and helps them structure a transaction (licensing, JV, or acquisition)
- Most contracts will likely be “**tailor made**”, complex to structure and carry out, and require some component of post-deal support
- **Focus on specific technology sectors**, employing brokers that are experts in the sector, capable of evaluating technologies, understanding strategic objectives and suggesting value-adding partnerships



Pilot Asia-Pacific Climate Technology Network and Finance Center



ADB-UNEP Pilot Asia-Pacific Climate Technology Network and Finance Center

■ Objective

Accelerate access to climate mitigation and adaptation technologies

■ Focus

- Foster knowledge-sharing and collaboration
- Create enabling environment for private-sector based innovation and diffusion
- Facilitate mobilization of financial resources
- Demonstrate how the **technology and finance mechanisms could work in tandem to generate a step change** in the level of access to climate technologies

ADB-UNEP Pilot Asia-Pacific Climate Technology Network and Finance Center

■ Initial Financing Partners

- Global Environment Facility**
- Government of Denmark**
- Government Finland**
- Government of Japan**
- Government of the Republic of Korea**
- VITO Flemish Institute for Technological Research
NV**

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ASIAN DEVELOPMENT BANK

ADB

GCF and Technology

Linkages (from decision text)

17. *Requests* the Board to initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;

Funding window and structure (from fund instrument)

38. The Board shall also ensure adequate resources for capacity-building and technology development and transfer. The Fund will also provide resources for innovative and replicable approaches.

Private sector facility (from fund instrument)

41. The Fund will have a private sector facility that enables it to directly and indirectly finance private sector mitigation and adaptation activities at the national, regional and international levels.

42. The operation of the facility will be consistent with a country-driven approach.

43. The facility will promote the participation of private sector actors in developing countries, in particular local actors, including small and medium-sized enterprises and local financial intermediaries. The facility will also support activities to enable private sector involvement in SIDS and LDCs.