

## Climate Innovation Centers:

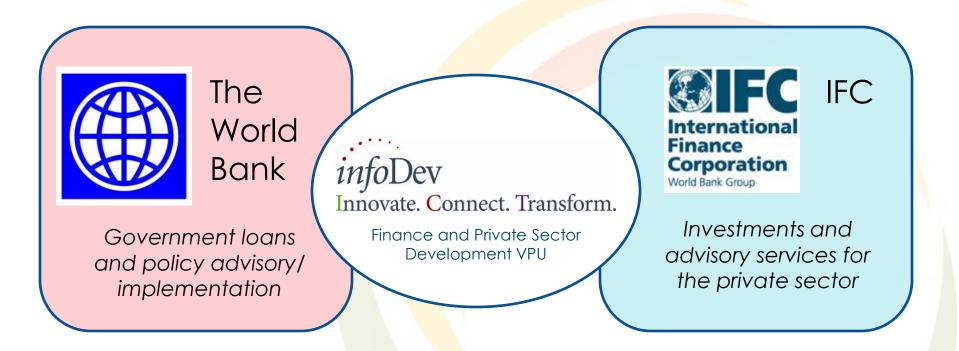
Local solutions and market opportunity for domestic climate/clean tech industries

COP 16 Cancun, Mexico

Tuesday, 7 December 2010

Jonathan Coony
Coordinator, Climate Technology Program
infoDev, World Bank Group





- infoDev brings successful history of innovation in information and communication technology (ICT) for developing countries
- Rapid response team to react quickly to country needs
- A "mobile phone" technology solution for energy/climate?



Climate Innovation Center (CIC) Network to help developing countries create competitive industries for innovative climate technology solutions that meet local needs

#### **Motivations:**

- Countries want their private sector profitably involved in climate technologies
- Key part of the climate technology solution
- Numerous barriers facing them

### **Objectives:**

- Climate change mitigation and adaptation through advanced technologies
- Economic development and job creation through competitive domestic industry



## A global network of Climate Innovation Centers (CICs) that address gaps to innovation and tech transfer

#### 30 CICs in Host Countries

Physically or virtually hosted centers that provide a holistic portfolio of services and financing to enterprises in the climate tech space



#### **Activities of Individual CICs**

- Early Stage Financing
- Government Advisory
- Business Advisory Services
- Information Access
- Market Linkage and Entry
  - Facilities

### Global Network Linking CICs

A global network linking locally driven CICs that delivers opportunities for collaboration, tech transfer and access to export markets



#### **Activities of Global Network**

- Knowledge Platform
- B2B Forums
- Technology Transfer
- Demand Aggregation
- Sharing Best Practice
- A2F competitions



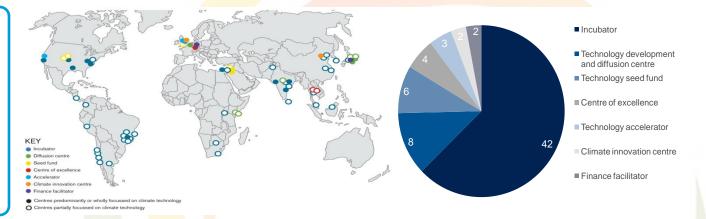
# Design of CIC network informed by global analysis of climate innovation capacity

#### An infoDev Publication:

'Climate Innovation Centers: A new way to foster climate technologies in the developing world'

Global review of over 500 organizations and institutions supporting innovation:

- 67 relevant to climate change
- Gaps remain in both existing capacity & geographic coverage



#### Gaps identified in existing organizations included:

#### **Access to Finance**

- Insufficient financial assistance from innovation centers Bureaucracy in applications for public funding
- Shortage of private investment
- Lack of innovative financing options

#### Technology Information

- Lack of understanding of climate technologies
- Limited capacity to offer technical guidance or assistance
- Absence of technology needs assessments

#### **Business Support**

- Limited capacity for facilitating early-stage innovation
- Tendency to focus on support for later-stage companies

#### **Market Analysis**

- Lack of understanding of consumer needs
- Unavailability of market information and data to portfolio companies

#### **Policy**

- Lack of engagement in policy and regulation issues
- Insufficient efforts in setting and developing standards



## Extensive six month+ process to develop Business Plan for each CIC

#### Business plan development process: bottom-up 150+ stakeholders engaged

Stakeholder identification and outreach

Sector mapping and tech prioritization

Workshop 1: Gap & need identification Follow up: Quantitative analysis, 1on1 interviews

Workshop 2: Model design Develop business plan with key stakeholders

infoDev mobilizes a vast network of in-country partners including; private sector, government, financiers, NGOs, academia, entrepreneurs and incubators. (Sample of Indian stakeholders)



Centre for Innovation Incubation and Entrepreneurship











































# Kenya CIC: Center hosted in Nairobi providing a hub for support and financing

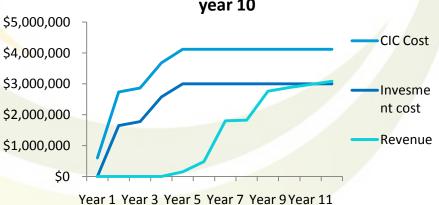
#### Kenya CIC services and activities

#### Access to Enabling Finance **Advisory Services** Access to Facilities Environment Information Risk Capital Fund **Business Training** Market Information Proof of Concept Advice & advocacy Market Intelligence Basic & advanced Computer Animated Seed Investments **Products** courses Desian Competitive Seminars and Events Rapid 3D prototyping **Investment Facilitation** Local bank training Landscape Some office & CIC Network program networking space Syndication **Technology Information** Brokering of tech Working capital & **Technical Training** transfer and joint R&D consumer finance Tech quality & facilitation Product design, & performance data Testing and demo tech courses Initial production Finance Information Advisory Service Fund Database Packaged services TA Fund



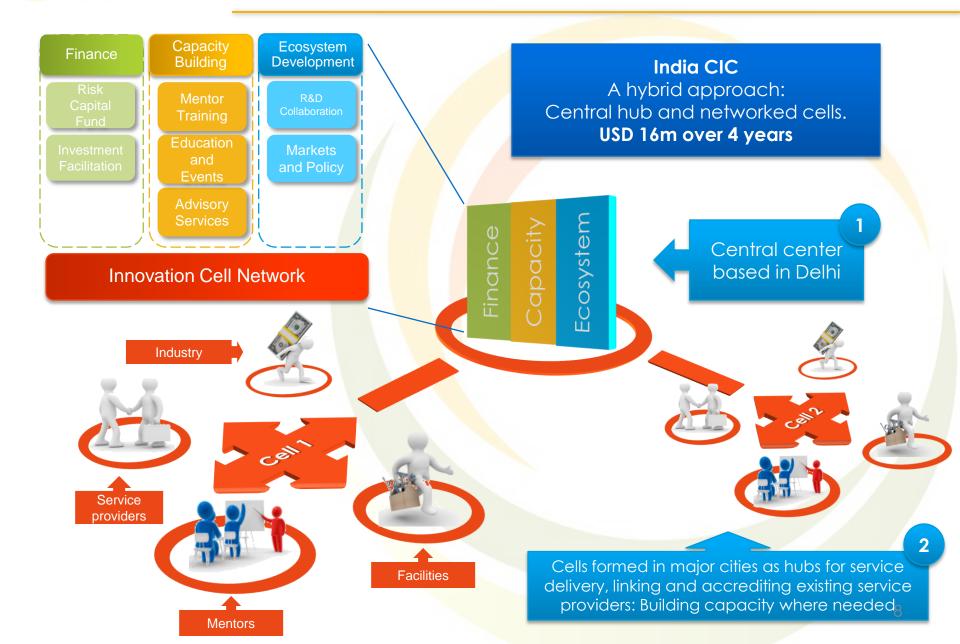


## Revenue Model: 70% of costs covered at year 10





# India CIC: Networked approach to achieve geographical and sectoral scope





# CIC network provides mechanisms for collaboration and export opportunities



Company: WinAfrique

Country: Kenya
Product: Hybrid RE for

telecom towers



Company: ElectroCell

Country: Brazil
Product: Fuel cells &

batteries



Company: Craftskillz

Country: Kenya

Product: Off-grid wind

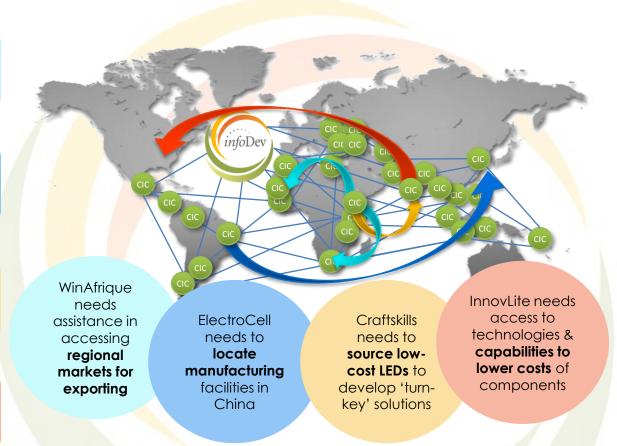
turbines



Company: InnovLite

Country: India

Product: LED lighting



#### **Activities of Global Network**

- Knowledge Platforms ✓ ✓ ✓
- B2B Forums ✓ ✓
- Tech Transfer and collaboration ✓ ✓

- Demand aggregation ✓ ✓
- Sharing Best Practice ✓ ✓ ✓
- Competitions and A2F programs ✓ ✓ ✓ ✓



## Scale Up: Three parallel tracks

Budd Clands TiONOLOGY ROGAM

LIMIT TIONOLOGY

### **CIC Business plan development**

• Demand for CIC business plans in other markets including: South Africa (Gauteng Province), Ethiopia, Vietnam, Indonesia, Rwanda, Ghana, Nepal, Caribbean



### Implementation of Pilot CICs

 Implementation activities in Kenya and India beginning CY11 including selection of: Implementation partners, host institution, project management team, advisory board and CEO



#### **Network creation**

 Setting up networking including activities, programs and governance; Networking platform, business plan competition pilots, regional events.



- CICs go beyond climate change to enable "green growth" and boost host country economic development, industry competitiveness and high-quality jobs
- CICs fit within UNFCCC technology mechanism and complement later stage and other programs like CIF/CTF and carbon finance (providing much needed deal-flow)
- CICs are highly cost-effective by achieving private sector "crowd in", investment leveraging and multiplier effect of innovation
- 4. Successful partnering will be key in scale-up of CIC Network to bring full range of experience, knowledge and financing



## Annex Slides

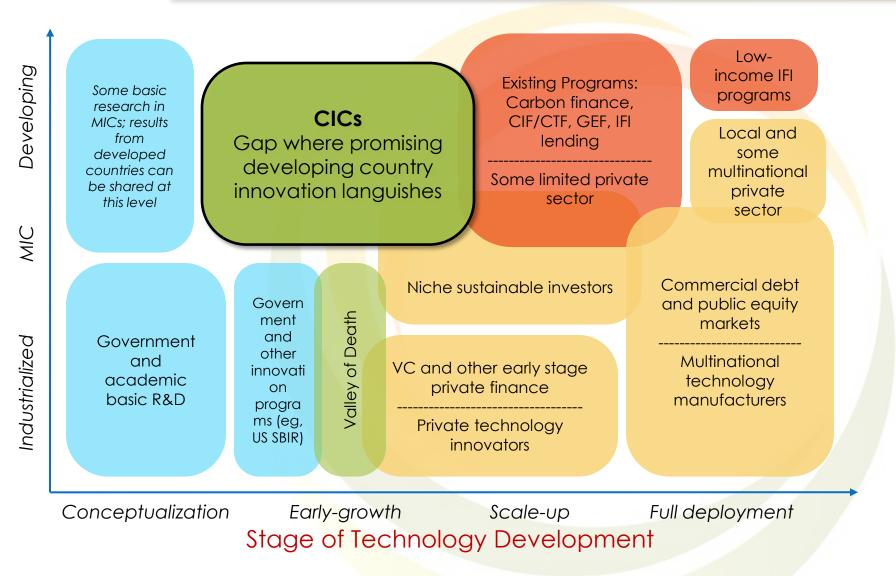


Stage of Country Development

government =

private sector =

# CICs fill gaps and complement existing downstream programs for more established technologies



Mulitlaterals, IFIs =

gaps in capacity =



# CICs use cost-effective means and financial leveraging to produce results for development and climate

## Maximizing impact of finite funding

- Leverages local and international investment
- Achieves multiplier effect of innovation
- Crowds-in private sector
- Maximizes impact of global best practice through knowledge transfer
- Creates a **pipe-line** of investable projects
- Unlocks entrepreneurial culture
- Builds new industry, creates jobs and increases country competitiveness
- Generates own revenue through investments and service fees



## Results for Climate and Economic Development

- 2,500 enterprises created
- 240,000 direct and indirect jobs created
- 65m tons of CO2 mitigated at cost of ~USD
   9 per ton
- 3000 MW in off-grid energy access
- Electricity for 28m people
- Clean water access to 10m homes
- 750 technology partnerships
- 2,000 training programs delivered
- Technologies for adaptation





### For more information please visit:

Kenya and India CIC business plans <a href="http://www.infodev.org/en/Article.644.html">http://www.infodev.org/en/Article.644.html</a>

