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“High Level Event on Technology Transfer and Finance” Side Event Report

Overseas Environmental Cooperation Center, Japan (OECC)
Prepared by Jiro Ogahara

This is a report of a side event held at the 18th Session of the Conference of the Parties to the UNFCCC (COP18) from November 26th to December 7th 2012, in Doha, Qatar.

- Title : “High Level Event on Technology Transfer and Finance”
- Date : 13:15 - 14:45, Monday, December 3, 2012
- Organizer(s) : Global Environment Facility (GEF), Asian Development Bank (ADB)
- Venue : Side Event Room 7, Qatar National Convention Center, Doha, Qatar
- Presenter(s) : Dr. Naoko Ishii (Global Environment Facility), Dr. Bindu Lohani (Asian Development Bank), Dr. Ajay Mathur (Green Climate Fund), Dr. Ryutaro Yatsu (Ministry of the Environment, Government of Japan); Ms. Mafalda Duarte (African Development Bank), Dr. Lu Xuedu (Asian Development Bank), Dr. Craig Davies (European Bank for Reconstruction and Development), Mr. Claudio Alatorre (Inter-American Development Bank)
- Abstract: The event divided in two panels focused on existing initiatives supporting climate technology transfer and financing. Panelists have discussed (i) the role of development banks through the finance centre approach, and (ii) experiences and views on facilitating technology transfer with private sector engagement, and how the public sector resources could be effectively utilized.

■ Summary

- Naoko Ishii (GEF) noted the history of GEF involvement in technology transfer, stressing the Poznan Strategic Programme on Technology Transfer to mobilize investment in environmentally-sound technology and management practices in developing countries.
- She underscored the need for continued partnership and financial support, and added that the GEF should act as an innovator, with technology transfer remaining a key activity.
- Bindu Lohani (ADB) highlighted that addressing climate change in Asia is about access to technology. Lohani stated that growth projections and infrastructure investments could provide a new opportunity for low-carbon development; however he noted

additional resources are required.

- He highlighted a new partnership between ADB, GEF and the UN Environment Programme to facilitate technology transfer and bring technologies to market.

Panel I <Andrew Steer, World Resources Institute (Moderator)>

- Steer highlighted four keywords for discussion: technology, finance, networks, and centers; and asked panelists to discuss the current situation of these 4 keywords in their region.
- Encouraging investment in Africa, Mafalda Duarte (AfDB), highlighted that technology transfer is needed to multiply productivity and close the technology literacy gap between countries.
- Lu Xuedu (ADB), talked about the role of development banks for climate technology financing and network support and also about the role of ADB in the pilot Asia Pacific Climate Technology Center.
- He called for establishing a pilot low-carbon technology (LCT) marketplace and facilitating access to finance for climate technology investments. The LCT is supposed to act as a match-making mechanism that will bring together technology sellers and buyers.
- Craig Davies (EBRD) stressed using finance to overcome barriers and “de-risk” the adoption of new technologies, noting private sector investment.
- Claudio Alatorre (IDB), focused on working with existing regional institutions, noting that in addition to renewable energy, energy efficiency and transport, they need to focus on forestry monitoring.

Panel II <Ajay Mathur, Director, Green Climate Fund (GCF)>

- Mathur questioned how to move money from old to new technologies and what role the public sector should play to encourage private sector investment.
- Ryutaro Yatsu (MOEJ), introduced Japanese initiatives to encourage private sector investment, including a joint-crediting mechanism for private-sector investments to support green growth in developing countries. Other actions such as 3R Initiative and the Low Carbon Asia Research Network (LoCARNet) were also introduced, and he finally closed with a commitment to strengthen cooperation to GEF.
- Ekaterina Kushnereva, Cherbrooke, Russian Federation, noted the need for cooperation between public and private sectors, along with the role of education and training and new ecological business models. Their experience is currently being replicated in developing countries.

- Roger Ammoun, Credit Suisse, when talking about growth financing for the climate technology industry, emphasized that the public sector needs to “push” private capital into markets, anchored by regulation, as investors balance risks versus returns. He remarked the importance of public private partnership (PPP) supported by examples, and ask to continue attracting private participation.

Closing

- In conclusion, Mary Barton-Dock, World Bank, joined Naoko Ishii (GEF) in discussing a vision for technology transfer and innovation. Barton-Dock noted the importance of: scaling up markets and existing technologies; increasing support at the policy level; partnering with regional development banks; and increasing international cooperation in research and development.
- She gave examples of success and failure in relation to partnerships for technology transfer and concluded that policies are necessary as well as provision of technical assistance and finance.
- On scaling up and replicating technology transfer, Ishii stressed the importance of “internalizing the climate externality,” calling for an enabling policy environment in which to do this.

■ Q&A

Q1. [Unidentified]: I am aware of some pilot technology transfer projects in Africa but other than that, we do not have more information on the initiatives explained today. Can you elaborate on this matter?

A1. [Duarte, AfDB]: AfDB is still developing its proposal based on consultations we are currently doing in Africa, to see how to prioritize resources and overall prepare the African process. However, we had some pilot projects as experience, and I can mention the UNEP’s initiative for science and technology. The truth is that technology transfer is critical. Technology literacy gap is widening the economic gap and more needs to happen. As for finance, we need to analyze how to link existing initiatives that we currently have and also hot to deal with financing segments. A new fund is also on the table, such as the Sustainable Fund for Africa, but we need to think on how we can mainstream technology transfer in many things that we are doing.

Q2. [Unidentified]: Can you comment on innovative features in the Latin American region.

A2. [Alatorre, IDB]: I have to say that actually there are many similarities with other regions,

but I can mention 2 important aspects: We need to analyze existing distribution of financial resources in the region and we also need to analyze existing networks, and strengthen them. At the IDB, there are institutions with whom we want to work with, and at the sectoral level, in addition to renewable energy and transport we also have a particular need to work with forestry; and in terms of adaptation, we want to focus in agriculture, crop varieties, etc.

Q3. [Unidentified]: Can you comment on barriers for adaptation in the technology transfer process.

A3. [Davies, EBRD]: One of the most important factors is market penetration. We need to think how we can include this topic as well as analyze what problems can be found for not introducing these technologies. It is always important to include all stakeholders in relation to technologies in adaptation and mitigation. After that, we need to understand eligibility of technology needs and how to match those with users, providers, etc. How can we use financial instruments and what are the barriers. As for adaptation, we need to think that technologies are more tailored made. How can technologies be adapted in the region.

Q4. [Representative from World Resource Institute]: It is understandable to allow each region to tailor its programs. However, one key concept that needs to take into account is the learning process. To what extent you share the lessons learned?

A4. [Lu, ADB]: At the ADB we are always thinking how we can take forward our critical experiences. One of the ways to do that is to develop new instruments and we can go forward whit this, but it is necessary to complement with capacity building and so on. It is also necessary to establish a mechanism to share information.

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