

Link Technology Needs with Financing Options: IGES Approach to Mobilizing Private Climate Finance in Asia

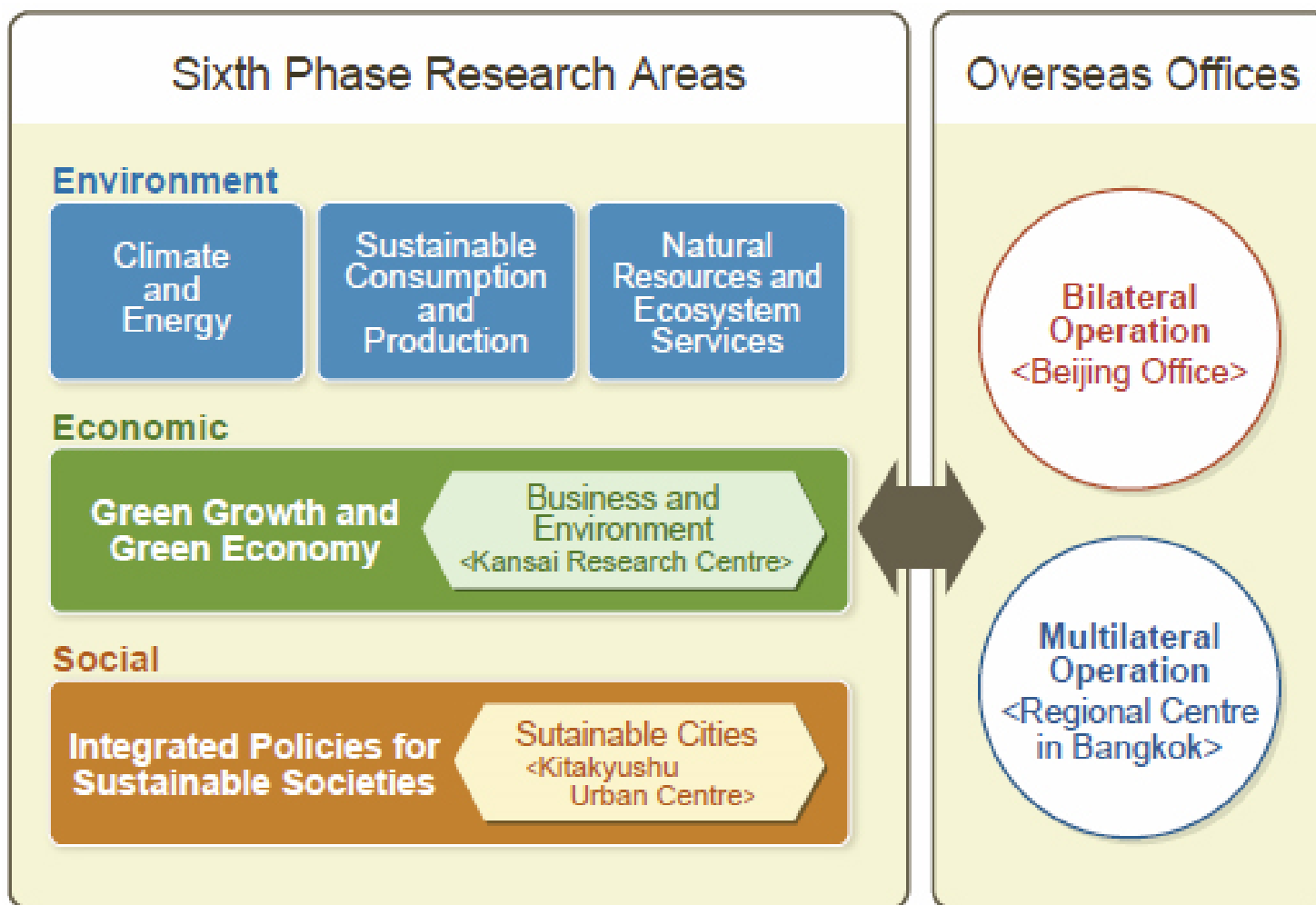
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11 April 2014

Outline

- IGES basic approach
- Ongoing IGES projects
 - UNEP project: Pilot Asia-Pacific Climate Technology Network and Finance Centre in Asia and the Pacific
 - MOEJ project: Approaches to supporting the development of institutional capacity/framework for technology needs identification in Asia
- Some thoughts on “questions for discussion”
 - What type of ~~policies and~~ institutions must be in place for a developing country to be ready for climate finance (from the technology transfer perspective)?
- Questions for the Green Climate Fund

Introducing IGES: An international research institute for realizing sustainable development





Climate and Energy Area

<http://www.iges.or.jp/en/climate-energy/index.html>

Water



MRV and NAMAs

This research task examines how to promote the establishment of the NAMAs/MRV systems in Asian developing countries through policy recommendations.

MRV: Measurement, Reporting, and Verification
NAMAs: Nationally Appropriate Mitigation Actions)

Sustainable Energy System

This research task applies energy mix analysis using energy models and analysis on the potential of energy saving and CO₂ emissions reduction in the industrial sector.

Low Carbon City in Asia



Future Climate Regime for 2020

This research contributes to the policy process of building the post-2020 regime, by providing policy options related to legal form, equity/differentiation of commitments, and levels of mitigation ambition under the post-2020 regime, as well as the operationalisation of NAMAs, MRV and the financial and technology mechanisms.

Market Mechanism

This research task conducts research and analysis on the design of new market mechanisms and inputs to the UNFCCC process. The task also provides various databases, tools and manuals on market mechanisms.

Climate Finance

This research task carries out effectiveness of climate-related assistance, cooperation among developing countries (South-South cooperation) in the climate area and domestic management of climate finance in developing countries.



Technology transfer



Market approach



Green growth/ economy



Technology approach



Adaptation

Market approach: CDM and MRV capacity building

- CDM Capacity Building (FY2003-)
 - To facilitate implementation of CDM
 - Proposal for CDM reform
 - MOU with host country government

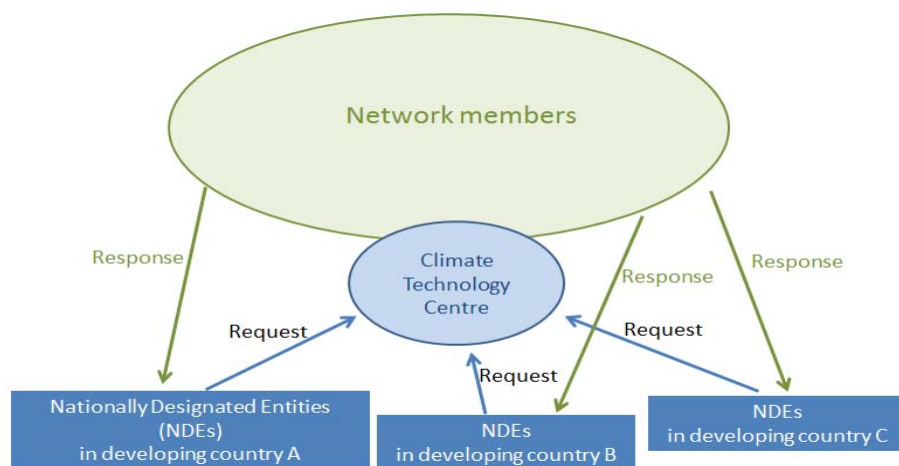


- MRV Capacity Building (FY2011-)
 - To develop institutional development and methodology for MRV to facilitate preparation for implementation in developing countries
 - Support for domestic market readiness

- Joint Crediting Mechanism (JCM) Capacity Building (FY2013-)
 - To establish institutional framework and methodologies to implement JCM in each host country

Technology approach: Promote the activities of Climate Technology Center and Network (CTCN)

- Advanced climate technologies are not widely available in the region and face barriers that can hinder their transfer and deployment.
- CTCN, the operational arm of the UNFCCC Technology Mechanism, is an emerging scheme that supports the development and transfer of climate change mitigation and adaptation technologies in developing countries through the provision of expert technical assistance.



Source: IGES (2013)

CTCN CONSORTIUM



Source: CTCN (2012)

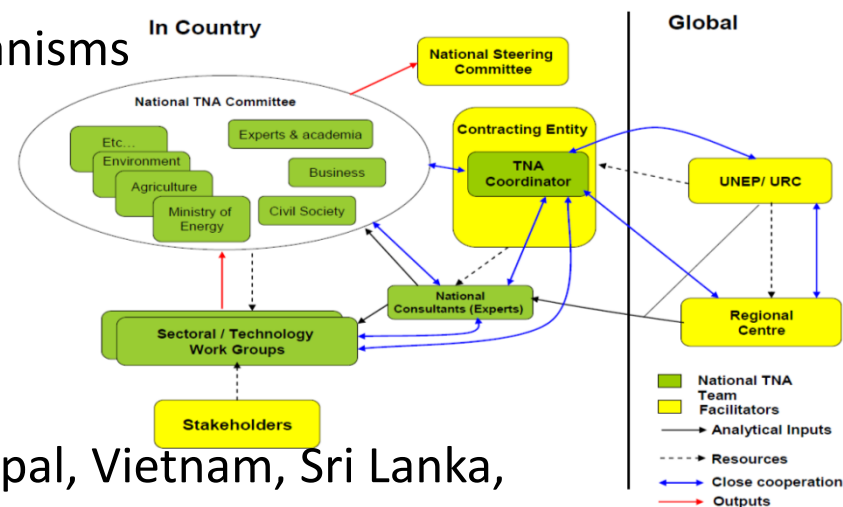
UNEP Project: Pilot climate technology network and finance center in Asia and Pacific

A coherent framework for supporting climate technology transfer, with a focus on mobilizing private sector resources

- ADB and UNEP in partnership with GEF funding and co-funding from donors to pilot
 - A climate technology finance centre in Manila (ADB)
 - A climate technology network secretariat in Bangkok (UNEP)
- Promote public-private investment partnerships in climate technology and strengthen coordination on climate technology transfer
- Build national and regional climate technology centers and centers of excellence
- Support countries in designing technical and financial policy mechanism for climate technology transfer

Analysis of the Technology Needs Assessment (TNA) and Technology Action Plan (TAP) process

- Background
 - Concluded in 2013, the global TNA project (Phase I) provided targeted financial and technical support to 36 non-Annex I Parties to undertake TNAs and prepare TAPs and project ideas.
- Objectives
 - The technology identification mechanisms
 - The role of the private sector
 - Institutions capable of carrying out technology transfer
- Eight Asian countries
 - Indonesia, Thailand, Bangladesh, Nepal, Vietnam, Sri Lanka, Cambodia, and Mongolia [Bhutan and Laos]

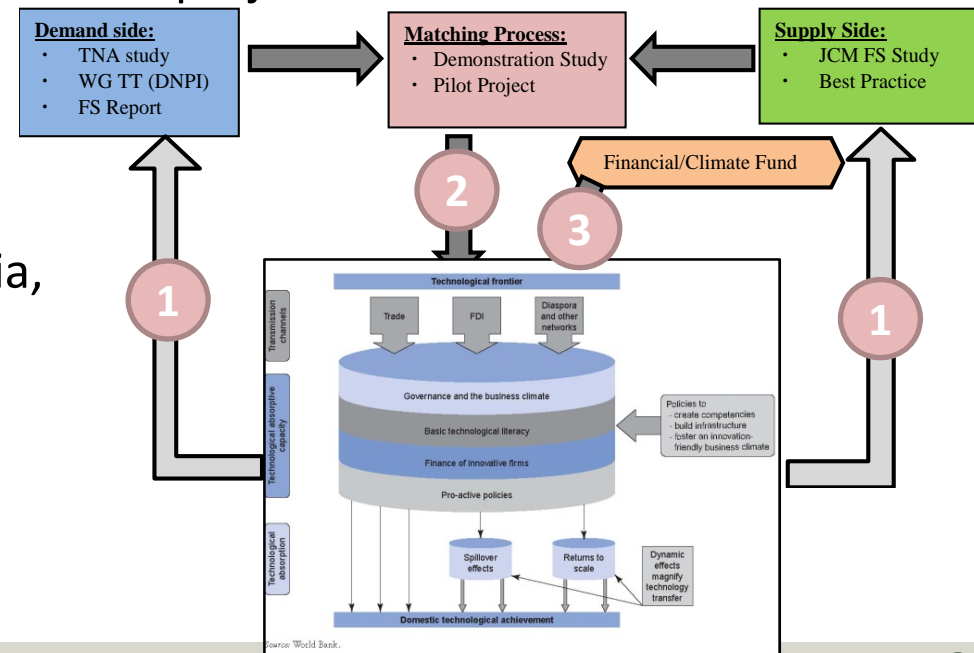


Source: UNEP (2011)

MOEJ Project: Fine-tuning Japanese technologies to meet technology needs in developing countries

- Objectives
 - Put Japanese technology providers in touch with firms in developing countries that look for cutting-edge low-carbon technologies
 - Fine-tune Japanese technologies to fit each country’s circumstance
 - Identify financing options for feasible projects

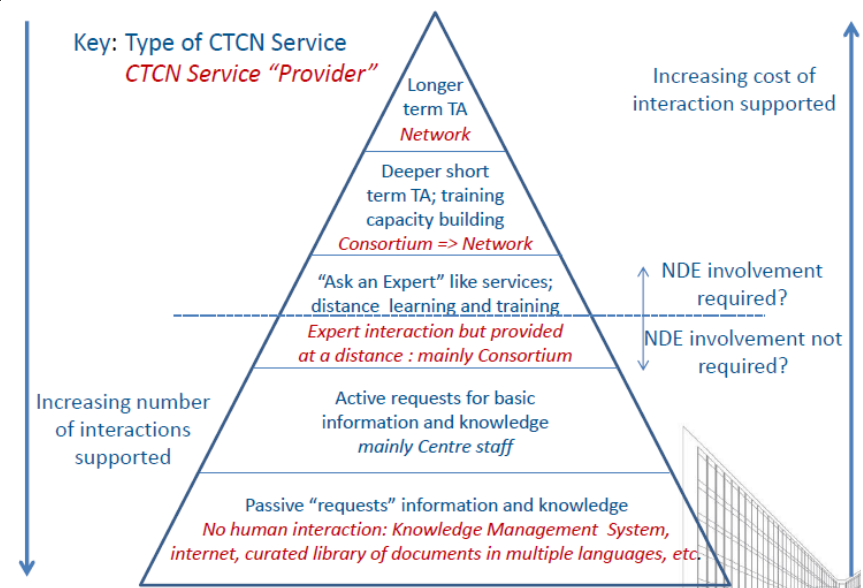
- Nine Asian countries
 - Bangladesh, Thailand, India, Malaysia, Myanmar, Indonesia, Mongolia, Sri Lanka, and Vietnam



Institutional framework (1): CTCN-NDE

- CTCN
 - Budget assumption: \$100 million
 - 75% of the budget will go towards technical assistance in response to country requests; Just above 5% going to outreach, networking and private sector engagement as well as knowledge management, peer learning and capacity building; Rest for operational cost
 - Project size: < \$50 thousand; \$50-\$250 thousand

- CTCN Nationally Designated Entity (NDE)
 - NDEs will serve as national entities for the development and transfer of technologies and act as focal points in interacting or submitting their country requests for the support of CTCN
 - Candidates for NDE: TNA focal points (coordinator); CDM-DNA; research institutions



Source: CTCN (2012)

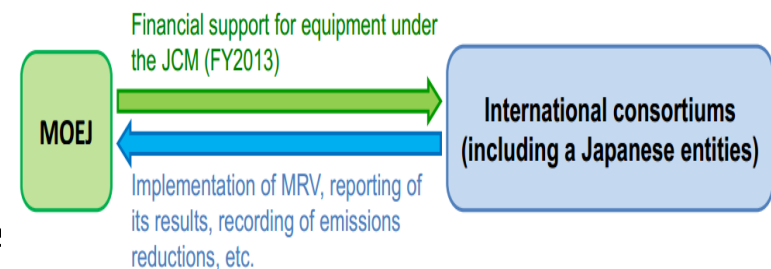
Institutional framework (2): Financing JCM projects

- Joint Crediting Mechanism (JCM)
 - JCM aims to facilitate the diffusion of advanced low-carbon technologies, products, systems, services and infrastructures, which advances mitigation action in developing countries.



Source: the Government of Japan (2013)

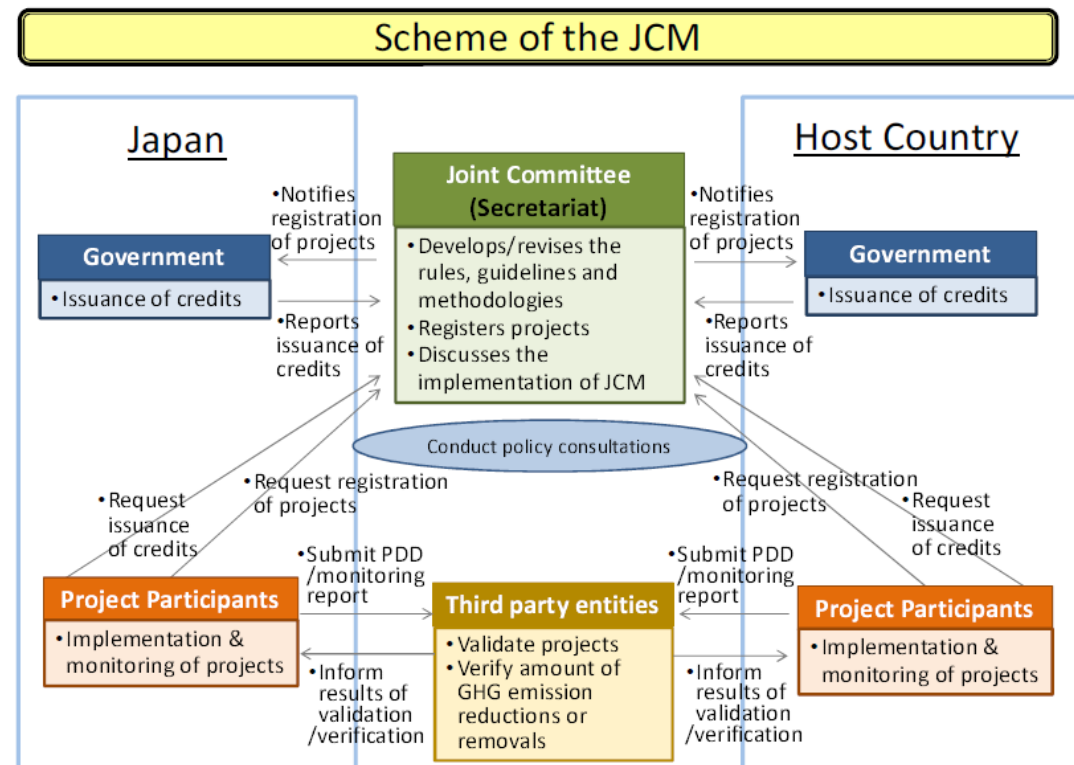
- Financing JCM
 - MOEJ will finance part of an investment cost (upfront cost up to the half), on the premise that recipients seek to deliver JCM credits to the Government of Japan.
 - Budget for FY 2013: 1.2 billion JPY (\$13 million)
 - Recipient: International consortium that includes a Japanese entity and has the Japanese entity act as the representative in charge of accounting and other administrative duties



Source: GEC (2013)

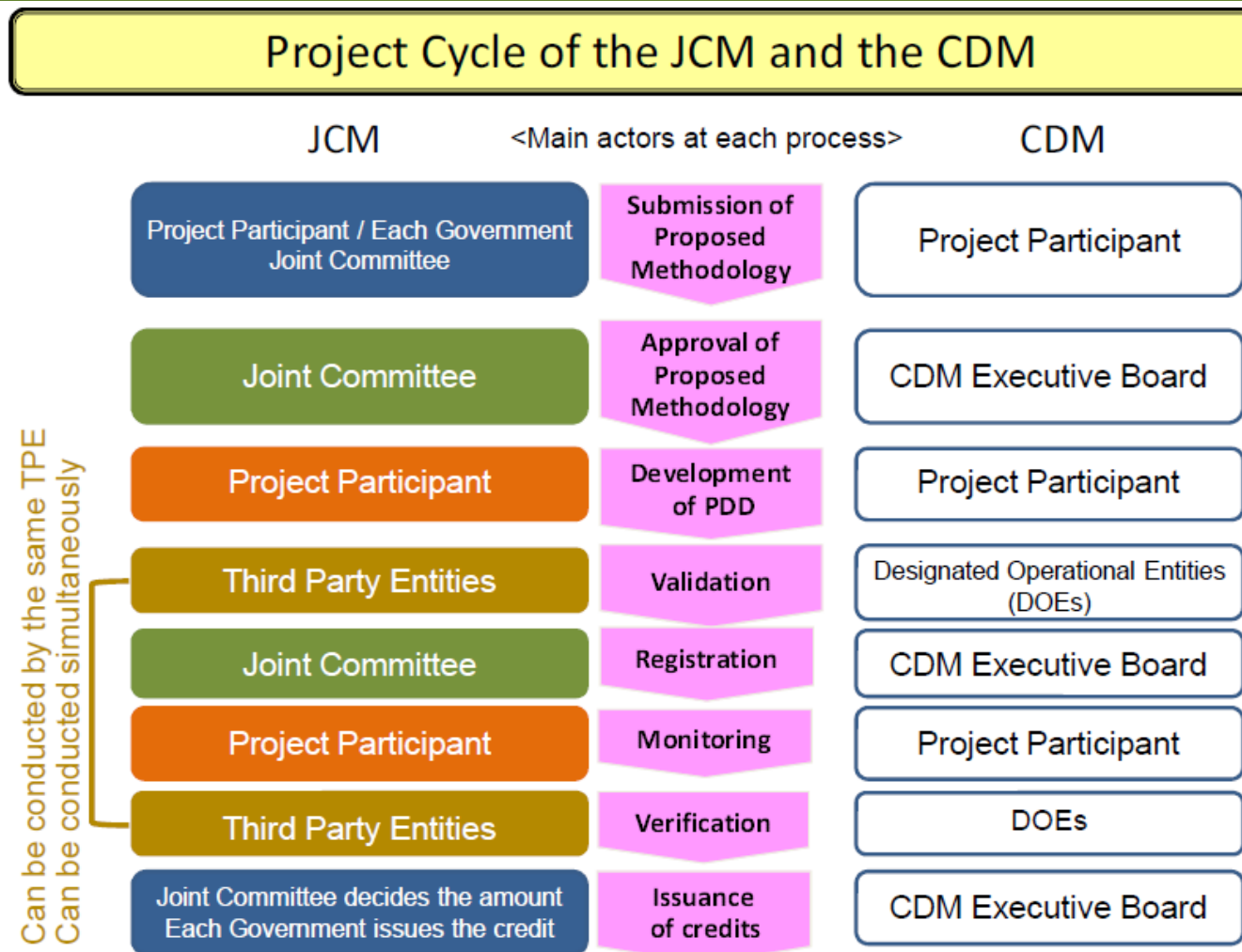
Institutional framework (3): Structure of JCM

- The Joint Committee (JC) consists of representatives from both governments
- The JC develops rules and guidelines necessary for JCM implementation.
- The JC determines either to approve or reject the proposed methodologies.
- The JC designates third-party entities (TPEs).
- The JC decides on whether to register JCM projects which have been validated by TPEs.
- Each government establishes and maintains a registry.
- JCM partner countries: Mongolia, Bangladesh, Laos, Indonesia, Vietnam, Maldives, Ethiopia, Kenya, Costa Rica, Palau



Source: the Government of Japan (2013)

Institutional framework (4): Role of each entity in JCM



Questions for the Green Climate Fund

- How can projects under the CTCN be further scaled up with funding from the GCF?
- Will the GCF use a programmatic approach to fund the CTCN or will the GCF use a traditional project-based approach to support proposals from the CTCN?
- What may be the role ideally played by CTCN-NDEs to better connect the CTCN with the GCF?



Thank you very much for your attention!

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