

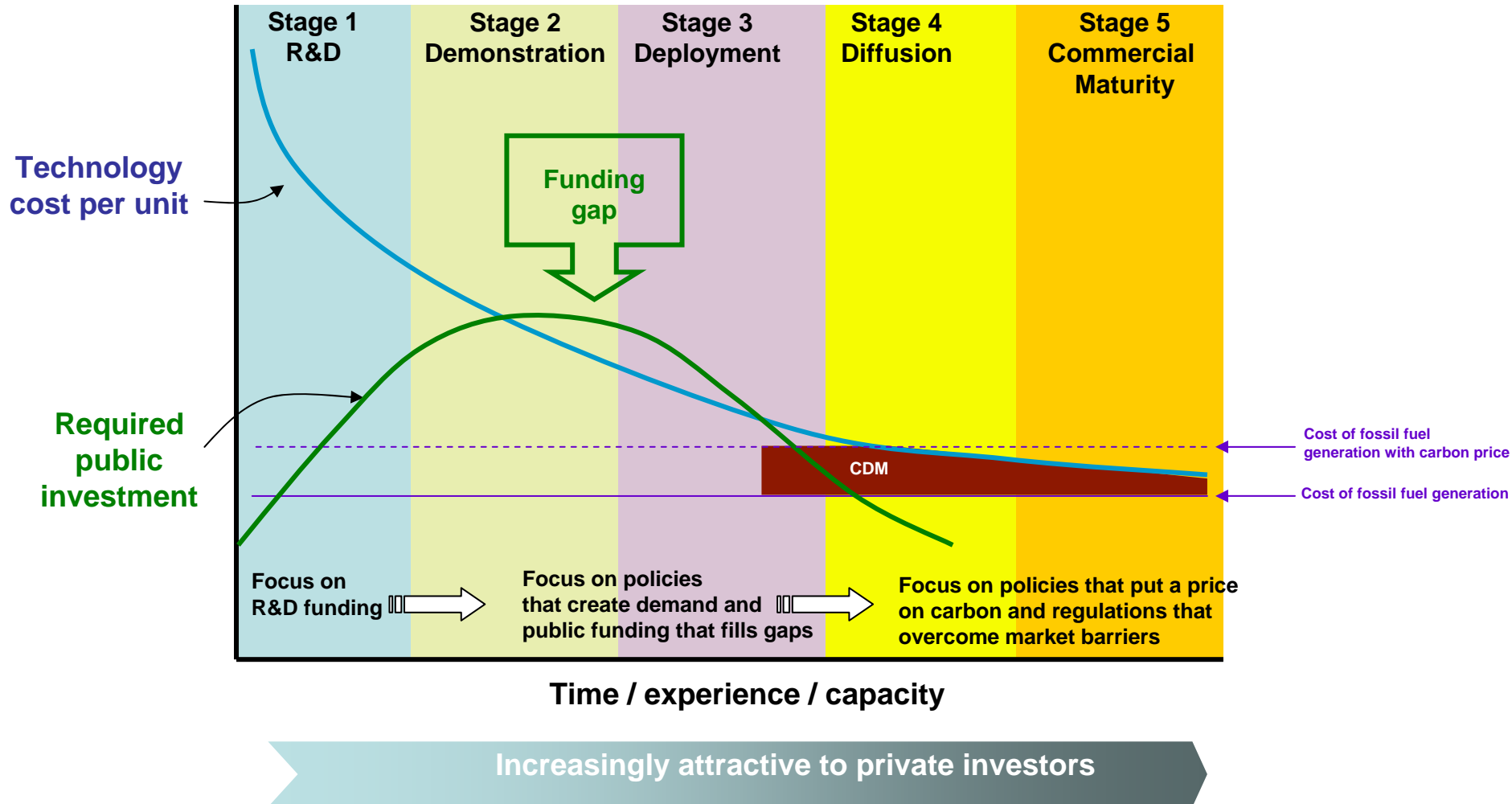
Innovation on finance and technology – the role of the UN



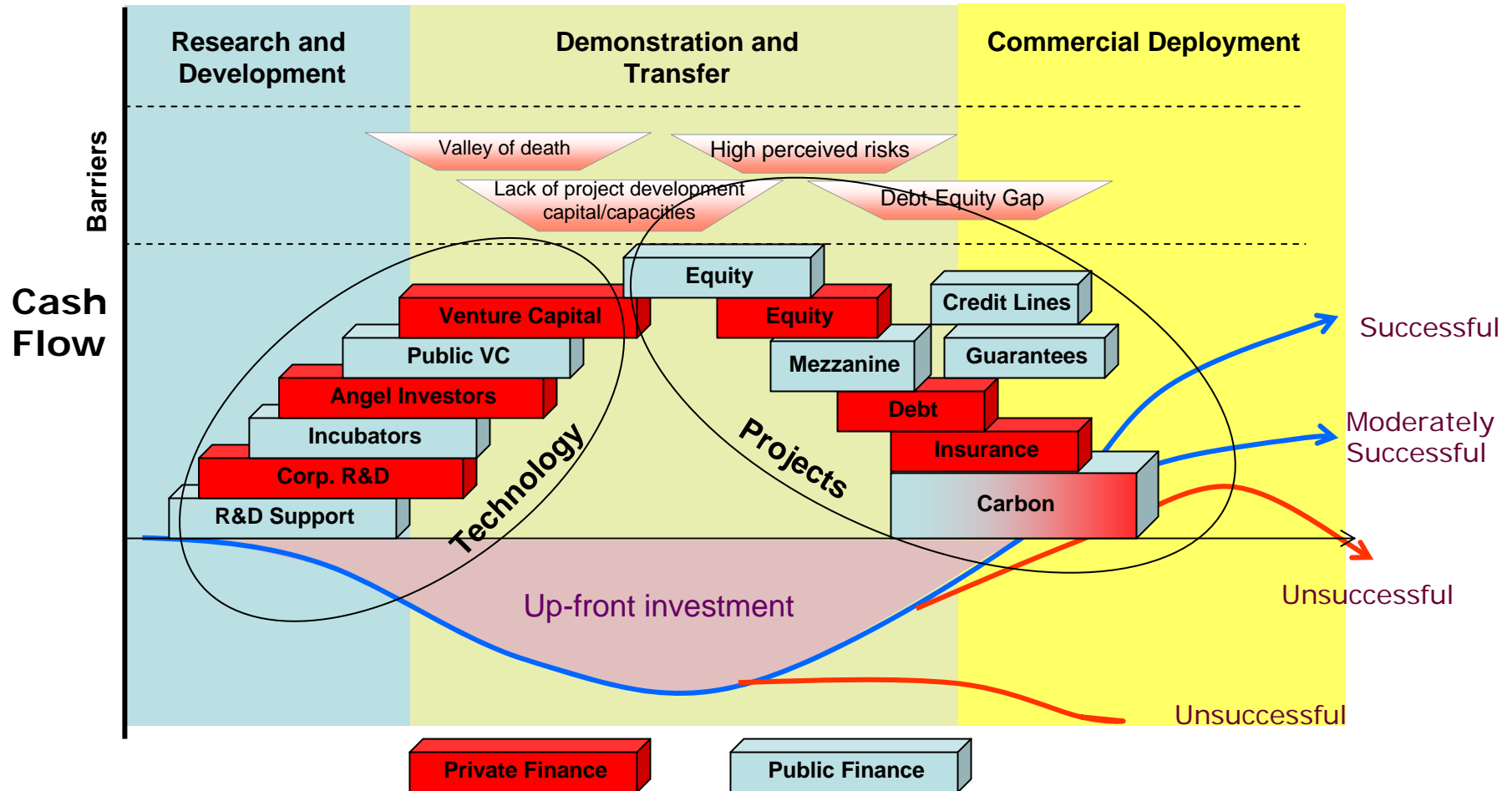
United Nations Environment Programme

Division of Technology, Industry and Economics

The Funding Gap along the Finance Continuum

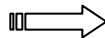


Filling Gaps in the Finance Continuum

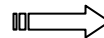


Evolving Role of Government

Focus on
R&D funding



Focus on policies
that **create demand** and
public funding that **fills gaps**



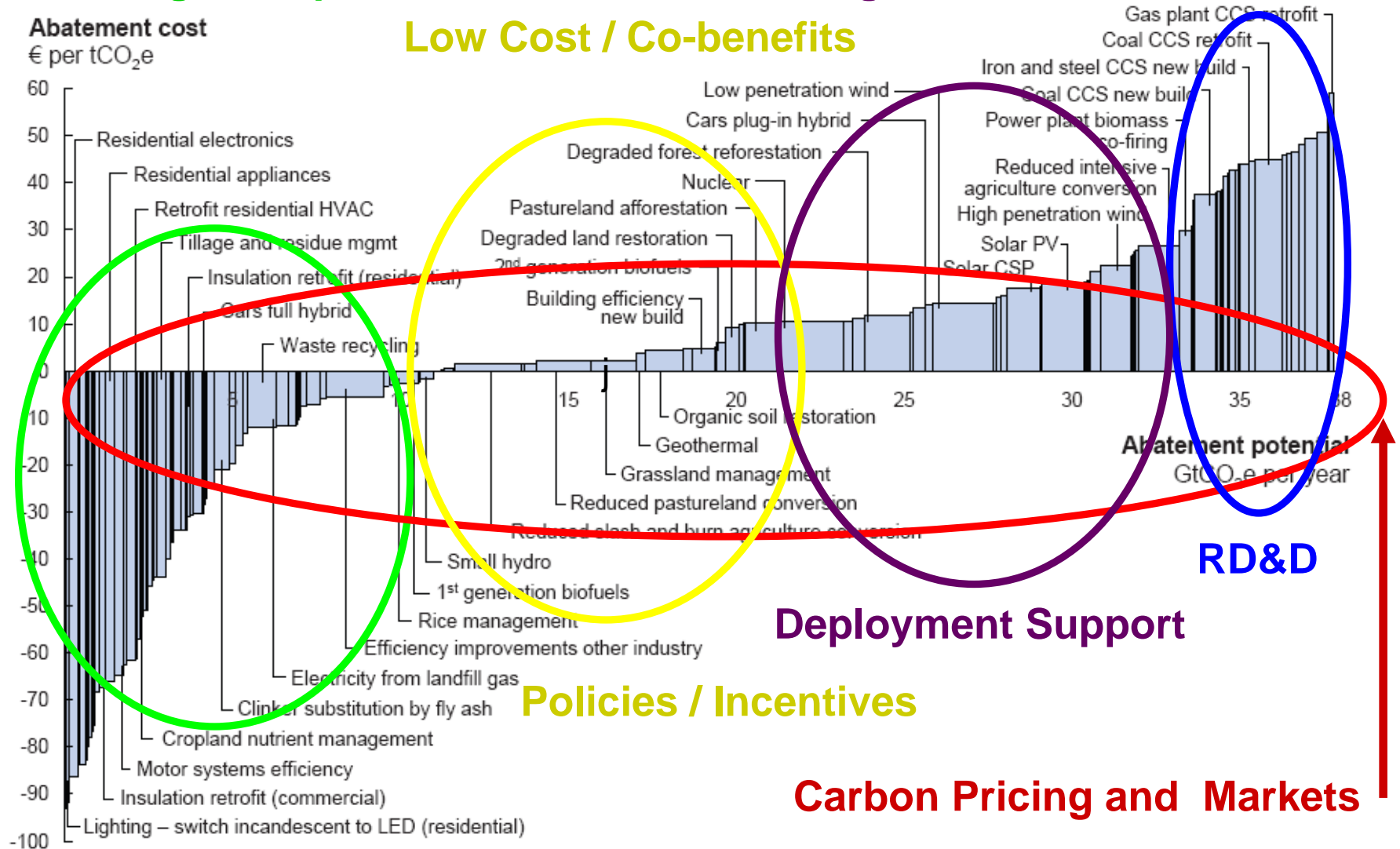
Focus on policies that put a **price on carbon** and regulations that
overcome **market barriers**

Different Measures for Different Technologies

No Regrets Options

Significant Cost High Cost

Low Cost / Co-benefits



Policies / Barriers

Policies / Incentives

Deployment Support

RD&D

Carbon Pricing and Markets



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Submission by UNEP under the Bali Action Plan – Technology

Thoughts Concerning Technical Assistance and Capacity Building to Support the Transfer of Climate Technologies: Possible activities and their potential impact

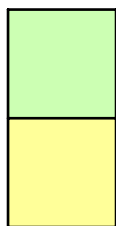
The Special Report on Methodological and Technological Issues in Technology Transfer by the Intergovernmental Panel on Climate Change helped consolidate the view that the ‘transfer’ of technologies is in fact a multi-faceted process that is more accurately described as development followed by ‘diffusion’ or ‘dissemination’. This is because technology transfer requires the creation of an enabling policy environment, which entails stable macroeconomic conditions; broad stakeholder involvement; the development of human and institutional capacities for selecting and managing technologies, as well as to develop technology codes and standards; and the establishment of procedures that take equity issues into consideration while safeguarding property rights. **Efforts to promote technology transfer in the area of climate change mitigation may thus be usefully articulated in terms of strategies to foster the development of robust markets for cleaner energy technologies.**

A range of barriers hamper the development of such markets. Poor access to timely and unbiased information hinders both the setting of broad policy priorities and the drafting of sector-specific legislation and regulations by public authorities, prevents the finance industry from estimating more accurately the risks of cleaner energy technology investments, and stifles more widespread adoption of cleaner energy technologies by industry in developing countries. Reduced institutional and human capacities are a particularly important concern amongst governmental agencies, which face growing demands in the area of climate change, but lack of capacity also hampers the private sector’s ability to organise itself in a more effective manner. Limited access to finance affects

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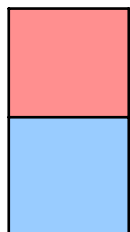
Policy and Networking Elements

Initiative		Scope				
Policy	1. Climate policy support	Help governments resolve specific issues related to the design and implementation of climate and sustainable energy policies and programmes	✓✓	✓	✓	✓
	2. National cleaner energy technology plans	Help countries prepare comprehensive national technology plans that provide the basis for the systematic removal of barriers needed to develop markets for prioritised technologies	✓	✓	✓	✓
	3. Improving energy subsidy frameworks	Provide institutional and financial support to governments willing to make changes in energy subsidy regimes in favour of climate-mitigation technologies.	✓✓	✓	✓	
	4. Financial innovation support	Help first-mover financial institutions develop new financial products, move up the learning curve and reduce the high transaction costs of initial climate sector commitments.	✓	✓✓	✓	
Networks	5. Regional climate change networks	Operate regional networks of climate change officials that provide a means for sharing knowledge, exchanging information and experience, and accelerating technology transfer through cooperative regional efforts	✓✓	✓		
	6. National cleaner energy technology centres	Establish national centres of excellence in clean energy technology, building off existing energy agencies or other suitable institutions	✓	✓	✓	✓



Barriers

Incentives



(Carbon) Markets

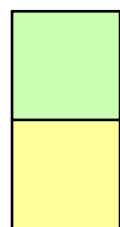
RD&D

Increasing cost



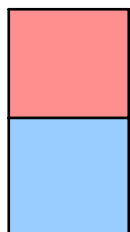
Finance and Technology Elements

Finance	7. SME finance facility	Facilitate the scale-up of seed financing and later stage bank financing to climate entrepreneurs	✓	✓		
	8. Risk mitigation facility	Establish fund guarantee programmes to share market and technology risks, targeting the mobilisation through local commercial banks of domestic lending for climate projects		✓	✓✓	✓
	9. LDC credit facility for climate infrastructure	Provide affordable long term financing on concessional terms for low carbon infrastructure projects				
	10. End-user finance facility	Help the domestic banking community to begin financing the uptake of cleaner technology amongst households and small business	✓✓	✓	✓	
	11. Carbon finance facility	Facilitate first-of-a-kind carbon transactions based on new methodologies and approaches			✓	
	12. Incentive facility for first movers in industry	Provision of targeted support for first-movers investing in cleaner energy technologies through financial assistance and information which can help reduce transaction costs			✓	✓
Technology	13. Regional technology market assessments	Creation of technology platforms to scale-up the uptake of cleaner energy technologies at the regional level in key areas such as energy-using devices, energy intensive industries or fossil-fuelled power generation	✓	✓	✓	
	14. Energy efficiency standards and labels	Development of standards and norms for selected products and strengthening of national and regional capacities to adopt, implement and enforce a range of product standard programmes	✓✓	✓✓	✓	



Barriers

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Increasing cost

