

FOSTERING LOCAL SOLUTIONS TO CLIMATE CHANGE

Climate change represents both a threat and an opportunity for developing economies. With significant impacts on health, food security, productivity, and overall quality of life, developing countries are disproportionately burdened by climate change.

“ *The World Bank estimates that it will cost US\$70-100 billion per year through 2050 for developing countries to adapt to a 2 degrees celcius warmer planet.* ”

At the same time, new technologies and business models provide developing countries with a historic opportunity for growth. Clean technology solutions and investments in sectors such as renewable energy, clean water and climate smart agriculture can enable countries to leapfrog older inefficient technologies, grow their domestic economies, increase competitiveness and participate in global innovation efforts.

To turn climate challenges into growth opportunities, the Climate Technology Program (CTP), supported by infoDev / World Bank Group, helps local small and medium enterprises (SMEs) commercialize and scale the most innovative private sector solutions to climate change. With CTP support, the success of these enterprises leads to emissions reduction and improved climate resiliency, while also enabling developing countries to capture greater value in the innovation value chain, build competitive sectors, and create jobs.

HOW DO WE WORK?

A GLOBAL NETWORK

The CTP is establishing a global network of business hubs – **Climate Innovation Centers (CICs)** located in seven countries around the world – to provide promising clean technology entrepreneurs with the *knowledge, capital, and access to markets* required to launch and grow their businesses. CICs, which are being established **in Kenya, South Africa, Ethiopia, the Caribbean, Morocco, Ghana, and Vietnam**, are locally owned institutions that provide a suite of services to local clean technology SMEs and climate innovators. The CICs offer:

- **Business advisory and training to build local capacity;**
- **Seed financing to bridge funding gaps;**
- **Policy support to promote more effective policies and sector regulations.**

HARVESTING GREEN POWER IN ETHIOPIA

Alphasol Energy, an Ethiopia CIC client, offers integrated clean energy solutions that combine micro-hydropower, biofuels, and solar power. With each micro-hydropower project, Alphasol is able to generate enough energy to power schools, churches, and up to 40 local households.



A TESTING GROUND FOR NEW SOLUTIONS

The CTP also drives innovation by developing new models for developing countries to more actively participate in these growing clean technology sectors. This includes cutting-edge analytical pieces, the development of the next generation of CICs (among others through ‘Launchpad’, a World Bank-wide call for innovative proposals), novel seed capital investment facilities, and pilot programs to link companies and experts globally.

A GLOBAL NETWORK OF CLIMATE INNOVATION CENTERS

The global network of CICs helps innovative enterprises become more competitive in both local and international clean technology markets.



SERVICE OFFERINGS OF THE CICs

-  MARKET INTELLIGENCE
-  VENTURE FINANCE
-  BUSINESS ADVISORY & TRAINING
-  GOVERNMENT ADVISORY
-  ACCESS TO FACILITIES

THE VALUE ADDED OF CLEAN TECHNOLOGY SMES

GROWING MARKET OPPORTUNITIES

Investments across 15 clean technology sectors in 145 developing countries are expected to top **US\$6.4 trillion over the next decade, with US\$1.6 trillion of that market accessible to SMEs** (infoDev / World Bank Group, 2014).

ECONOMIC GROWTH

Economic analysis shows how developing countries could significantly benefit from investments in clean technology sectors. In Kenya for instance, under green economy investment scenarios, the **national real GDP** is projected to exceed a business-as-usual model by approximately **12 per cent by 2030** (UNEP, 2015).

LOCAL INNOVATION




SMEs embrace the **'disruptive' entrepreneurial approach required** to address climate change. SMEs often have more flexibility than large firms to experiment and take on business model and technology risk and are better able to address frontier markets and low-income communities.

PRODUCING CLEAN BRIQUETTES IN JAMAICA

A grant from the Caribbean CIC is helping Shirley Lindo develop sustainable high-energy briquettes made of castor oil byproduct, dry maringa pods and charcoal dust. Shirley starts exporting to the US in 2015.



KENYA CIC HIGHLIGHTS

-  Served **110 enterprises** and created **821 jobs** in FY 2015
-  **Mitigated 94,307 tons of CO₂**, which is equivalent to annual greenhouse gas emissions from close to 20,000 passenger vehicles
-  **Ranked at the top** of the 2014 edition of the prestigious University Business Incubators (UBI) Index and named 'Most Promising Business Incubator' in Africa

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