

India Climate Innovation Center (CIC): Summary Note

Green Growth and Climate Technology Innovation

Economies around the world are reorienting towards low-carbon, green growth paths. Technology, and its deployment and diffusion, is acknowledged as a key factor in efforts to mitigate and adapt to the current and future impacts of climate change. Therefore, accelerating innovation and technology transfer is in global focus. India, an emerging economic power is a key stakeholder in this effort.

Utilizing its experience of innovation in over 80 developing countries, *infoDev*, engaged Indian stakeholders to conduct an assessment of the climate innovation landscape to examine the feasibility of a "Climate Innovation Center" (CIC) as a mechanism to maximize innovation in India. Through analyzing current capacity and market gaps, the result is a business plan which outlines the focus, implementation strategy, investment requirements and impact of a CIC in India.

Market Assessment and Gaps

infoDev began a rigorous 8 month process that collected views and experiences of around 100 climate technology stakeholders. Stakeholders concluded that a CIC in India would fill a number of market gaps by:

1. Giving access to flexible finance at a number of strategic levels.
2. Building capacity of new and existing enterprises and facilitating the interaction of innovative enterprises with large industry.
3. Enabling collaboration and supporting an ecosystem that aggregates existing partners.
4. Creating regional clusters of innovation to leverage existing resources and infrastructure.
5. Providing a hub for building international partnerships that can facilitate technology transfer and collaborative R&D, as well as business to business linkages.

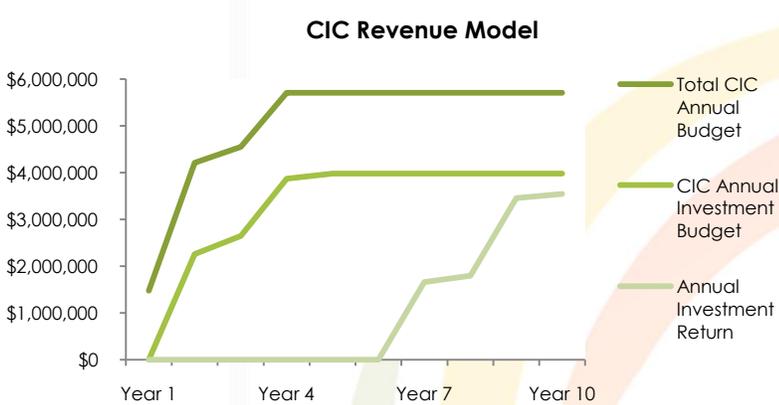
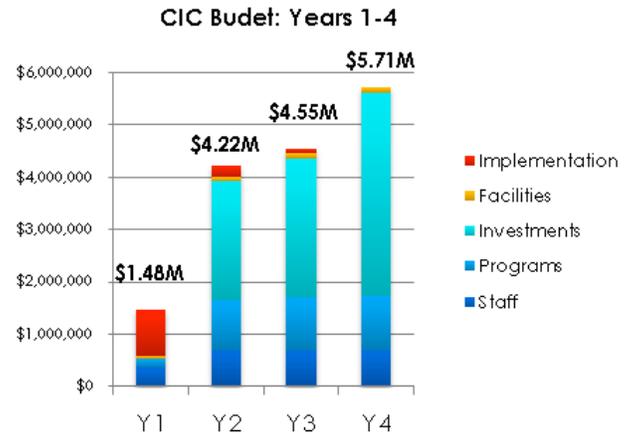
Proposed Services

Finance <ul style="list-style-type: none"> ▪ Provide various levels of risk capital through a flexible fund that includes proof of concept (\$10 – \$50K), pre-seed (\$100 – \$250K) and seed (\$250K - \$750K) financing. ▪ Facilitate other sources of financing through syndicating investors, cataloguing existing sources of funding and building partnerships with banks for working capital. 	Capacity Building <ul style="list-style-type: none"> ▪ Launch mentorship program for entrepreneurs, directly providing educational services, holding events and seminars. ▪ Provide access to a specialized services fund for high-cost, high-expertise technical assistance including intellectual property right support.
Ecosystem Development <ul style="list-style-type: none"> ▪ Coordinate, broker and fund applied R&D activities including piloting (USD 500K) applied R&D competitions. ▪ Form global technology partnerships through networking activities. ▪ Develop and provide access to a range of analytical and research products. 	Innovation Cells (decentralized) <ul style="list-style-type: none"> ▪ Build regional and technology-specific clusters of innovation by accrediting, leveraging, and networking existing: <ul style="list-style-type: none"> ○ Advisory services: Professional services, incubators and mentors. ○ Facilities: Labs, equipment-testing facilities and universities/incubators. ○ Industry: Technology partnerships, demonstration projects and manufacturers.

Stakeholders prioritized six areas on which the CIC should focus including: *water, energy efficiency, agriculture, solar, transportation and bio-based energy*. The center should build specializations in one or more of the above sectors to ensure a critical mass of expertise and impact is achieved over time.

Investment and Impact

The business plan outlines a required funding of **USD 16 million** over 4 years to establish the Center in India. This funding includes operations, programs, investments and implementation. In the first four years, the CIC will create more than **70 sustainable climate technology ventures**, generating **4,800 direct and indirect jobs** at a cost of approximately **USD 3,300 per job** and over **36,000 jobs** within 10 years at an average cost of less than **USD 900 per job**. Based on projected revenue from CIC invested ventures, the Center aims to cover 70% of its costs after its 10th year of operation. It will also **leverage over 100%** of cost from co-investment and contributions from the private sector



The CIC will accelerate the growth of innovative climate technologies and its main social, economic and environmental impacts will result from the technologies that the Center supports. Impacts will include; carbon mitigation (**2.2m tCO₂**), access to energy (**94 MW/ 1 million people**), access to water (**1b kiloliters/ 1.5m people**) and increased agricultural efficiency (**56,000 farmers**).

Governance

It is envisaged that the CIC will be a non-profit entity, incorporated in India and overseen by a board of 9 directors (4 public sector and 5 private sector). An Investment Committee of investment experts will be established to screen and approve investments.

Next Steps

The stakeholder engagement process has built a strong coalition of partners and identified a pipeline of potential beneficiaries allowing the CIC to produce tangible impacts over the first four years, once implementation funding is secured. Such a holistic program can catalyze transformation in India's climate technology space to help develop new industries, create jobs and produce products and services that equip the country and its people to respond to the challenges of climate change. For more details, please see full India CIC business plan and annexes.