

AWG – LCA Workshop

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**Effective mechanisms and enhanced means...:
scaling up development and transfer of technology**

South Africa



Technology life stages

4 stages:

- Retrofitting 'old' technology
- Deploying existing climate-friendly technology more widely, at an affordable cost (licensing)
- Incentivise new and emerging technologies
- Financing and investment for R&D into new climate-friendly technology

Adopting technology life-stages approach allows us to design best-fit:

- Financing needs, barriers and options;
 - Risk is an important element in financing emerging and new technologies; and
 - Capacity including human & institutional.



Matrix of packages for means of implementation

Technology life cycle	Finance requirements barriers	Financing options	Capacity	Risk
1. Retrofit “old” technology				
2. Wider deployment of existing technology				
3. Incentivize new and emerging technology				
4. R&D into new technology				



Example: Wider deployment of existing technologies

- **Finance: requirements / barriers:**

- price gap;
- going to scale in the market at affordable cost;
- licensing, IPR and patent rights;
- manufacturing capacity

- **Financing options:**

- increasing the price on carbon (CDM & deeper cuts);
- preferential terms for DCs;
- free for LDCs;
- Multilateral Technology Acquisition Fund;
- FDI with guarantees;
- Grant funding to scale up pilots and demos
- grant funding to support a major acceleration in engineering and technical skills



Example: Wider deployment of existing technologies (2)

- **Capacity:**

- installation, construction capacity;
- technical and operating capacity;
- management;
- regulatory capacity

- **Risk:**

- financial risk;
- technical risk (lack of absorptive capacity);
- consumer awareness to create market demand;
- weakening national systems of innovation



Conclusion

- Development of a package for means of implementation:
 - Technology
 - Finance
 - Capacity
- In relation to the 4 building blocks:
 - Mitigation: BAP b(ii): MRV mitigation action, supported by MRV technology, financing and capacity-building
 - Adaptation
 - Technology and finance
- Each developing country can define a package suitable for own needs.

