

Agenda item 4 (d) ii.

# Possible work by the TEC on innovative financing and investment options at different stages of the technology cycle

TEC/2021/22/12

Technology Executive Committee, 22<sup>nd</sup> meeting

Virtual meeting, Germany, 20–23 April 2021



***Dietram Oppelt, TEC member***

22nd April 2021

## Background

- **At TEC 18**, the TEC considered, as part of the discussion on the initial list of activities of its rolling workplan 2019-2022, to conduct an analysis of innovative financing and investment options at different stages of the technology cycle.
  
- **Rolling workplan 2019-2022**, Area Support, Activity 6:
  - 6. Prepare concept note, including mapping, on innovative financing and Investment options at different stages of the technology cycle
    - a. Concept note for the TEC to consider and decide on scope of the issues
  
- Work conducted by the **Task Force on Support**

## **Task Force on Support**

### **TEC members**

Kinga Csontos, Suil Kang, Ladislaus Kyaruzi, Hamza Merabet, Stephen Minas, Naoki Mori, Shivshankar Srikanth, Stig Svenningsen, Dietram Oppelt

### **Observer organizations**

BINGO: Hans-Jörn Weddig; ENGO: Colin McQuistan;  
RINGO: Rabhi Abdessalem; YOUNGO: Béatrice Coroenne

### **UN Organizations and bodies**

Rajiv Garg - CTCN



## Purpose of the Concept Note

The Concept Note aims to provide an **overview of possible work** the TEC may undertake on innovative financing and investment options at different stages of the technology cycle:

- **What is meant by innovative financing and investment and why it is important;**
- **Brief overview of existing knowledge** on innovative financing and investment options at different stages of the technology cycle;
- **Who the key actors are** that work on innovative financing and investment options and their role in promoting innovative financing and investment options, and;
- **What work the TEC could undertake** on innovative financing and investment options at different stages of the technology cycle **and possible next steps.**

## Why focus on innovative financing and investment at different stages of the technology cycle

- Strong **disconnect between current ambition pledges** by countries and **current state of climate technology diffusion**; To meet ambitious climate goals, **global investment in climate technologies needs to be scaled up**
- Needed system transitions can be accelerated by increase of **adaptation and mitigation investments, policy instruments** and scaling up of **technological innovation**
- **Innovative financing and investment** as well as **climate technologies** are expected to **play a key role** on the path to achieving the goals of the Paris Agreement
- Despite availability of many climate technologies, innovative financing and investments at different stages of the technology cycle are not deployed at the scale needed to meeting the climate targets

## Possible work of the TEC on the topic

A gap analysis revealed that the **scope of work of the TEC may focus on:**

- **Differentiation** of innovative financing and investment options for climate technologies **for adaptation and mitigation and specific subsectors**. This could include **experiences and lessons learned from the energy sector** which are relevant to other sectors, as this sector has been the focus of attention in the area of innovative financing and investment;
- **Innovative financing and investment options** at different stages of the technology cycle **in developing countries, particularly in most vulnerable countries**. Assuming that there is no 'one size fits all', circumstances for different countries, in different sectors, at different stages of the technology cycle might be very specific;
- **Innovative financing options including their enhancement through digitalization**, such as through crowdfunding and mobile payment solutions

## Agenda item 4 (d) ii. – Innovative financing and investment options at different stages of the technology cycle

#	Activities	Timeline
1	<p>Prepare a technical paper on innovative financing and investment options at different stages of the technology cycle, including mapping, based on existing data and literature. Possible elements of this technical paper could include:</p> <p>a) Key innovative financing and investment options at different stages of the technology cycle. Synthesize experiences and lessons learned, including good practices, on innovative financing and investment options at different stages of the technology cycle, including mapping, with particular focus on developing countries.</p> <p>b) Key policy challenges related to innovative financing and investment options at different stages of the technology cycle. Noting that many challenges are often dependent on specific local, national or regional circumstances.</p> <p>c) Ways for policy makers to effectively support the use of innovative financing and investment options at different stages of the technology cycle.</p>	2022
2	Develop a TEC Brief and recommendations to the COP.	2022
3	Disseminate the TEC brief and recommendations to key stakeholders.	2022



## TEC consideration

The TEC is invited to...

...**consider** the concept note and **provide guidance** on further work on this issue.



*Thank you!*

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***Dietram Oppelt, TEC member***

22<sup>nd</sup> April 2021