

May 12, 2011

**Re: New Report on Global Climate Technology Innovation: A Call for a New Initiative**

Dear Colleagues,

Today, Clean Energy Group, a national nonprofit organization, released a new report on global climate technology innovation. The report, based on original research and over forty interviews with global experts from other industry and nonprofit sectors, proposes a new global initiative to accelerate international climate technology innovation based on successful innovation practices from those sectors. Our most surprising and provocative conclusion is that developing countries will be a new source of technology innovation -- challenging the conventional wisdom that climate solutions will only come from massive funding for 'North to South' technology transfer. We hope that you will find the report useful and thought provoking.

The report, [Moving Climate Innovation into the 21<sup>st</sup> Century: Emerging Lessons from other Sectors and Options](#), analyzes technology innovation models from the agriculture, health, and information and telecommunications sectors. Its case studies range from projects like the Human Genome Project, to the rise of the mobile phone industry in developing-world markets, to what can be learned from the Global Fund and the Consultative Group on International Agricultural Research. The authors interviewed more than 40 experts from around the globe who created, partnered with, or benefited from these initiatives. It explores how these strategies have evolved, especially in developing countries.

Here are some of the key messages from the report:

- Climate recovery will require new, much cheaper technologies that serve the needs of the poor—this will require innovation at all points on the technology value chain from technological improvements, to business models and financing schemes;
- Developing countries must be considered partners in any technology innovation initiative rather than passive recipients of transferred technology and capacity building—both because developing countries have called for national ownership and priority setting, and because—
- Innovation theory and practical experience show that many of the breakthroughs for low carbon technologies are likely to come from the developing world to be transferred to the West.

This report provides first-hand advice from experts directly involved in international technology innovation efforts on how to solve the climate technology problem from the bottom up, with developing countries as the source of technology innovation. We argue that climate innovation needs to learn from other sectors on how to tap the global brain, how to work with end users and the private sector, how to steward new technologies through the full value chain, and how to structure independent innovation organizations.

Based on lessons learned from nine case studies of existing international public- and private-sector technology and market development collaborations, the paper presents core principles and three options for a new climate innovation initiative.

The principles include imperatives to:

- Define the technology barriers and needs with end users upfront;
- Tap the global brain and bank with new internet companies and technologies;
- Look to developing countries as innovators in their own right through “reverse innovation;”
- Focus on market or product development—beyond information sharing and policy;
- Address the full value chain of product development- to steward breakthroughs to market;
- Involve the private sector early and often;
- Treat intellectual property rights or IPR as a solvable problem;
- Ensure that any organization with an innovation mandate is as independent as possible—small organizations that are heavily networked tend to more effectively manage innovation.

The report recommends three options to accelerate global climate technology innovation, one of which includes a virtual global network focused on innovation for new mitigation and adaptation products in developing countries. It would use new “open innovation” strategies to include input from experts in the South and North, focus on creating new products for the poor, and bring together finance and intellectual property rights experts to accelerate lab to market development. This new initiative is not proposed to be part of any United Nations climate negotiated structure on technology, if any comes into place, but to operate as an independent and complementary effort on technology innovation.

We plan to begin a design process to structure such an initiative in the near future.

While the report was commissioned and funded by the UK Department for International Development and the UK Department of Energy and Climate Change, all views and opinions expressed in the report are those of CEG and do not represent the position of the UK government or its respective agencies.

A copy of the report, including an Executive Summary, can be downloaded from the CEG website at [www.cleanegroup.org](http://www.cleanegroup.org).

Thank you and please contact us if you would like more information.

Best

Jessica Morey and Lewis Milford  
Report Co-Authors

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#### **ABOUT CLEAN ENERGY GROUP**

Clean Energy Group (CEG), a national, U.S. nonprofit organization, promotes effective clean energy policies, develops low-carbon technology innovation strategies, and works to develop new financial tools to stabilize greenhouse gas emissions. Clean Energy Group concentrates on climate and clean energy issues at the state, national, and international levels, as it works with diverse stakeholders from governments as well as the private and nonprofit sectors. For more information on Clean Energy Group, please visit [www.cleanegroup.org](http://www.cleanegroup.org).