

# INFODEV'S CLIMATE TECHNOLOGY PROGRAM



## FY15 PROGRESS REPORT

THIRD STEERING COMMITTEE MEETING – JULY 8, 2015

This Document, presented to the Steering Committee for information, explains the activities carried out in the Fiscal Year 2015 (July 2014 to June 2015)



Australian Government  
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MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION



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# EXECUTIVE SUMMARY

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## OVERVIEW

**The demand for Climate Innovation Centers (CIC) services from promising entrepreneurs and companies remained strong in FY15.** The Kenya CIC now serves over 120 clients. The Ethiopia CIC saw its client base increase from 15 to 40 companies. In Ghana and Vietnam, competitions to provide services to local climate technology companies drew strong interest: the Ghana CIC received 85 applications while the Vietnam CIC received 135. In total, 271 companies are now being served through the global network of CICs, with many more applying for support.

**The range of innovative, CIC-driven climate solutions continues to expand.** The Kenya CIC is supporting a number of companies using mobile money platforms to offer pay-as-you-go renewable energy solutions. This increasingly popular and highly scalable business model is well suited for developing country contexts where household incomes fluctuate enormously. CIC companies are testing this model on solar home systems, mini-grid connections and residential products such as clean cook stoves and lanterns. Similar stories of scalable business models and technologies are being identified by all of the active CICs. The CIC Network is taking steps to identify the most innovative and scalable of these solutions and sharing viable business models and technologies with other entrepreneurs in CIC countries.

**Established CICs in Ethiopia, Kenya, South Africa and the Caribbean celebrated noteworthy achievements.** The Ethiopia CIC launched its first regional hub to serve businesses outside of Addis Ababa, where the population is already feeling the impact of climate change. In Kenya, the center supported one of Africa's first ever crowdfunding campaigns for climate technology companies. The South Africa CIC expanded nationally with the support of the South African federal government, while the Caribbean CIC finalized a new grant to expand its regional activities.

**The program grew to seven countries following the establishment of CICs in Morocco and South Africa.** The growth of CICs in Kenya, Ethiopia, South Africa, and the Caribbean in FY15, along with the launch of the Morocco CIC, greatly expanded the program's operating experience. Client companies are now producing clear results in the form of job creation, CO<sub>2</sub> emission abated and co-benefits like access to clean energy and water. This added experience will help further refine the CIC model and inform the development of CICs in Ghana and Vietnam this coming FY. Across these seven countries, CICs continue to feature prominently in governments' green growth strategies, demonstrating the value of an on-the-ground program that supports local climate change solutions.

**As the CIC business models continue to evolve, key capacity constraints - particularly in the fundamentals of business incubation – have become important to address.** Following an initial performance assessment of the CICs in FY15, the Climate Technology Program (CTP) found challenges to the quality and targeting of CIC services. As a result, improving CIC performance is a top priority for the CTP in FY16. The CTP will seek to improve the overall quality of services to clients and modify the outreach strategy in order to better identify and serve the needs of growth stage companies.

**Early stage financing for CIC SMEs continued to be a challenge.** The CTP finalized design and contracting for the Kenya Climate Venture Facility (KCVF) to work through the Kenya CIC in order to provide financing that addresses the “missing middle” between grant financing and fully commercial financing. The Kenya CIC also piloted crowdfunding in FY15. This novel fundraising approach offered mixed results but critical lessons for financing climate technology businesses, all of which were captured in a report. The Ethiopia CIC facility is being adjusted as a result of impediments to timely implementation including previously unrealistic expectations on navigating local regulations, the capacity of the CIC and specific financing needs of the entrepreneurs.

**Development of a comprehensive CTP results framework in FY15 created a unified set of targets to be achieved going forward.** Working with donor partners and clients, the CTP finalized the structure of results frameworks for both global-level activities and the country-level CICs. For all CICs, a standard results framework template will be used to effectively compare and aggregate results. This comprehensive results framework provides a unified framework with clear objectives for the program and a detailed way to benchmark results.

**The World Bank has started to explore the scalability and replicability of the CIC model within World Bank Group projects.** In FY15 CTP initiated Launchpad, a program designed to develop the next generation of CICs led by World Bank and IFC teams. Out of 30 applicants, Launchpad selected eight World Bank Group teams that have identified country level demand to innovate on the CIC model and prepare business plans. This is a significant step in expanding the use of the CIC model and developing learnings on what works.

**Peer networking, knowledge sharing and convening activities were emphasized in FY15 following strong demand from CICs, donors and partners.** The South Africa CIC hosted an international conference on climate technology in March 2015 that also served as an inaugural meeting for CIC heads and staff in preparation for the launch of the CIC Network. Planned as an annual event, the CIC Network conference complemented other FY15 knowledge sharing activities, including the launch of a CIC Network virtual platform and the *Forum Technologie Climat*, which was jointly hosted by the Moroccan government and drew more than 300 attendees.

**The CTP strengthened its contribution to global knowledge on climate technology SMEs, entrepreneurship and innovation.** This was highlighted by the report *Building Competitive Green*

*Industries: The Climate and Clean Technology Opportunity for Developing Countries.* This report offered the first ever sizing of the climate and clean technology market in developing countries, finding an expected investment of \$6.4 trillion over the coming decade, of which \$1.6 trillion will be addressable by SMEs. This report was highly publicized at UN Climate Week in September 2014 and continued to attract attention throughout FY15. CTP also made contributions to the IEA Energy Technology Perspectives 2015 report and developed a strategy for knowledge and analytics that will guide future activities.

**The design and launch of CTP Global activities in FY15 was an important development for the program to enhance and extend the impact of the CICs.** The CTP Global activities represent a natural extension of CIC operations at the country level. These activities will link centers within the CIC Network, grow the next generation of CICs, create and disseminate knowledge products based on their experiences and provide a common, virtually-linked monitoring and evaluation (M&E) system.

**The interest in the CTP model and success of enterprises supported by the CICs secured an additional USD 20 m in funds in FY15 to complement CTP donor contributions over the life of the program.** Building on FY14 in which the CTP secured \$ 1.03 for each dollar it spent, in FY15 the leverage effect grew considerably. Leveraged funding includes money secured from the government of South Africa, other infoDev donor programs, multilateral programs devoted to clean technologies, and commercial interest in companies supported by the CICs.

**The program substantially increased its year-on-year disbursement rates, although it fell short of projected targets.** FY15 disbursements for the CTP were \$6.3 million. This represents a 75 percent increase from the FY14 disbursement of \$ 3.6 million. At the same time, it also represents an under-disbursement of 15 percent from FY15 budget projections. Under-disbursements resulted from a planned recipient-executed disbursement for the Ghana CIC, which is delayed until Q1 FY16, and activities that achieved their goals and milestones in a less costly manner than expected. In addition, the funding for the Vietnam and Ethiopia CICs was reduced by CTP donors, which will result in reduction in scope of activities planned for those two CICs in FY16.





## LESSONS FROM FY15 TO INFORM FUTURE DIRECTIONS

Several key lessons learned during FY15 will guide the CTP in FY16:

**The CIC model is proving effective but has room for improvement in quality and adaptation to specific contexts.** As CICs gain more experience across an increasing number of countries, lessons on what does and does not work continue to emerge in areas such as proper governance of the CICs, effectiveness of different services offered, the optimal maturity of CIC client companies, and ways to continually incorporate best practice in business incubation. These lessons have allowed the CTP to employ its action learning process to both refine the operation of the existing CICs and inform the design of the new generation of CICs being developed through the CTP Global activities.

**Expanding the scope of the CIC client base to include more mature companies may increase impact.** The CICs are seeing a predominance of early-stage companies and entrepreneurs in their client base. Technical assistance, grants and other services are proving helpful for these enterprises as they develop their products and businesses. However, the time needed to substantially scale-up from such an early stage means that the full impact of results generated, in terms of jobs, climate benefits (mitigation and

adaptation), and co-benefits, may not come immediately. Amending the program to provide services that are more suited to more mature companies will help diversify the CTP portfolio, generate more immediate impacts and create larger results.

**Adapting the CIC model to fit the circumstances of local regulatory environments adds significant time and complexity to project implementation.** Explicit government endorsement of all in-country CTP activities is a necessary precondition for the program. The implementation timeline for each CIC must take into account the time required for proper connections to and approvals from governments. Additionally, implementation of the CICs in Vietnam, South Africa and Morocco all involved government or quasi-government partner entities. This variation on the traditional private sector driven CIC model illustrates the relative pros and cons of more closely working with government.

**Sustainability of the CICs must be explored through fees, investment returns and other options.** While the CTP catalyzes CIC launches through stakeholder convenorship, design and initial funding, the goal of each CIC is to achieve operational and financial sustainability over time. This includes developed operating capacity, establishing a solid reputation, creation of a new, separate legal entity for the CIC, and securing additional forms of financing and revenue flows from CIC services. While some of the CICs have made good progress in this area, others lag behind and further work should be done to assist the CICs in this transition.



# CLIMATE INNOVATION CENTERS AND NETWORK

## OVERVIEW OF PROGRESS

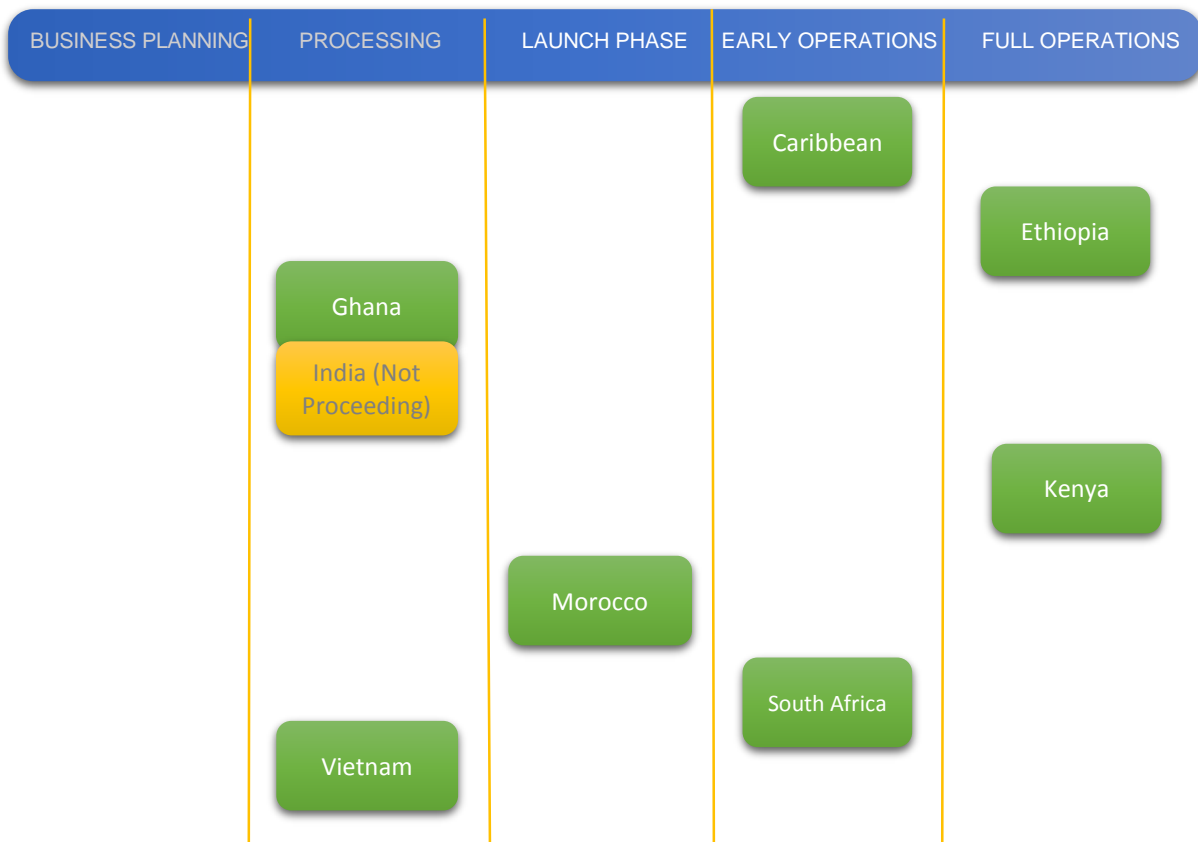
Climate Innovation Centers (CICs) built on the progress of the last year and reached new important milestones in FY15. While the CICs are at different stages of development, a majority of the centers became fully operational, scaled up their services, and increased the number of businesses they support, achieving all but five targets set for FY15 (see figures 1 and 2).

**FIGURE 1. RECORD OF FY15 WORK PLAN MILESTONES ACHIEVED**

CIC	MAJOR DELIVERABLES	ORIGINAL TARGET DATE FROM FY15 WORK PLAN	ACHIEVED (Y/N)
Caribbean	Regionalization through partnership with hubs	Q1	Yes
	Completion of new CCIC grant	Q3	Yes
	Launch of a second proof of concept (PoC)	Q4	No
Ethiopia	Opening of two outreach centers	Q1	Yes
	Access to finance presentations and workshops	Q1 - Q4	Yes
	Technology database	Q4	Yes
	Staff training	Q2	Yes
	Launch of a second PoC	Q4	Yes
	Registration as a legal entity	Q3	No
	Mapping and conceptual design for the Ethiopia Climate Venture Facility (ECVF)	Q3-Q4	No
Ghana	Selection of host organizations	Q3	Yes
	Green Innovators Bootcamp	Q3	Yes
	Grant agreement signing	Q3	Expected June 2015
	Green Innovators Accelerator Program	Q4	Yes
	Opening of GCIC	Q4	No
Kenya	Addition of new clients	Q4	Yes
	Training provided to KCIC clients	Q1	Yes
	Award of PoC grants	Q4	Yes
	Customer satisfaction survey	Q4	Yes
	Registration as a legal entity	Q3	Yes
Morocco	Finalization of legal and physical structure and governance framework	Q2	Yes
	Opening of MCIC	Q2	Yes
	Fast Track Projects Competition	Q3-Q4	Yes

South Africa	South Africa CIC Inaugural event	Q3	Yes
Vietnam	Bootcamp and selection of PoC finalists	Q1-Q2	Yes
	Needs assessment and business support to PoC finalists	Q2	Yes
	Stakeholder consultation on draft Project Detailed Outline	Q4	Yes
	Finalized Project Detailed Outline and Project Implementation Manual (contingent on government progress)	Q4	Yes

**FIGURE 2. CIC DEVELOPMENT STAGES**

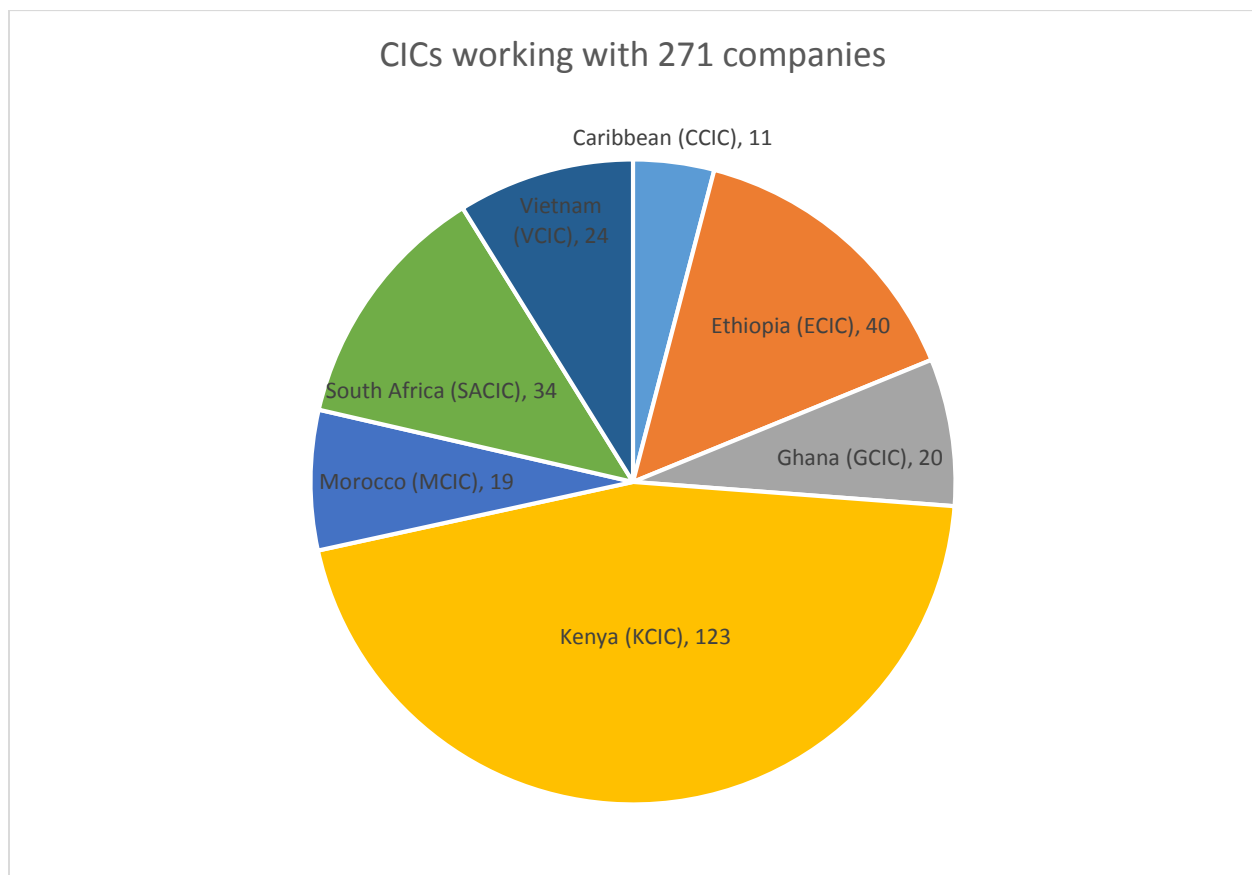


Kenya CIC, the first opened center, continued to be a strong performer. Over the last year, the KCIC supported 110 businesses with training, advice, and grants. Three of these businesses won regional competitions and had the opportunity to pitch their innovative startup ideas at the global 1776 Challenge Cup finals in Washington DC, where over 70 entrepreneurs from around the world competed for \$650,000 in prizes. In recognition of its impact on the startup ecosystem and value delivered to clients, the Kenya CIC was recently voted 'Most Promising Business Incubator in Africa' in the 2014 University Business Incubators Index, a Sweden-based global body that identifies top incubators around the world. As part

of its next stage, the KCIC opened a financing facility designed with World Bank Access to Finance team specialists.

Other CICs have significantly increased their operations and the number of companies they support. FY15 saw the launch of full CIC operations in South Africa and the soft launch in Morocco, both of which organized successful regional clean technology events around their official launches. The Ethiopia CIC opened two regional hubs and organized an additional proof of concept (PoC) grant competition. In Ghana and Vietnam, CICs made major steps towards full launches and organized bootcamps to prepare a pipeline of projects. Overall, the CICs reached more than 250 climate technology businesses and innovators in 12 thematic areas in FY15 (see figures 2 and 3).

**FIGURE 3: CIC NETWORK REACHED 271 CLIMATE TECHNOLOGY COMPANIES AND INNOVATORS**



**FIGURE 4: THEMATIC AREAS COVERED BY CICS**

	Water Management	Resource Use Efficiency	Energy Efficiency and Clean Energy	Solar Energy	Sustainable and Climate-Smart Agriculture	Renewable technology (solar and wind)	Micro-hydro power	Transportation technology	Biofuels and biomass	Waste management and recycling	Efficient Cookstoves	Adaptation Technology
<b>Caribbean (CCIC)</b>	x	x	x	x	x							
<b>Ethiopia (ECIC)</b>	x		x	x	x	x	x	x	x	x		
<b>Ghana (GCIC)</b>				x	x				x	x	x	
<b>Kenya (KCIC)</b>	x				x	x						
<b>Morocco (MCIC)</b>			x	x		x						
<b>South Africa (SACIC)</b>	x	x	x	x	x	x			x	x	x	
<b>Vietnam (VCIC)</b>	x		x		x	x		x				x

The centers have proven their value by leveraging additional sources of funding and finding new partners. Both the Kenya and South Africa CICs have received additional funding from sources other than the World Bank Group and CTP to become major regional and national players.

## CIC NETWORK

With the growing number of fully operational CICs, infoDev also launched the CIC Network, a global platform that connects the CICs, hundreds of businesses supported by CICs and other innovative startups like them. It's a groundbreaking project that's taking the idea of green innovation beyond borders.

During the CIC Network kick-off at the South Africa Climate Innovation Conference in March 2015, CIC CEOs, M&E and business incubation specialists from around the world met to share experiences,

compare the needs of local entrepreneurs, and identify concrete actions to amplify the collective impact of the CIC Network.

One interactive session organized by the infoDev team and the CICs, called “Incubator Services Offering,” explored the entire life cycle of successfully building a CIC from the ground up, from how to start a center to monitoring and evaluation frameworks. The session was designed around the successful Kenya CIC model and infoDev’s incubation mentorship modules.



There was a strong interest and commitment to the CIC Network, ultimately resulting in the development of a joint action plan and immediate next steps to ensure the Network’s success. Since the seven centers are at different points in the CIC lifecycle, one FY15 goal was to leverage their experiences to develop a strategy for establishing consistent performance standards, channels for regular knowledge sharing, and more training opportunities. A CIC Network online platform was developed and launched to support implementation.

The centers are among the first incubation and clean-tech players in their respective markets. Efforts to build their capacities and enhance knowledge sharing will be scaled up in FY16. The infoDev team will continue to provide the CICs with a broader network of virtual and physical tools, training and mentorship sessions, regular meetings, social media platforms, resources, and events to help increase the effectiveness and reach of their services, as well as promote collaboration among CIC clients and stakeholders.

## KEY ACCOMPLISHMENTS

- **CICs scaled up their services and outreach.** Nearly all targets set in FY15 were achieved, 271 businesses received support, and regional outreach strategies were deployed in Ethiopia and South Africa.
- **Other sources of funding were leveraged.** CICs have managed to secure additional resources in the Caribbean, Kenya and South Africa.
- **The CIC Network was launched** in South Africa in March 2015, allowing the seven CICs to share knowledge and best practices. In addition, **a CIC Network action plan was developed and agreed** on by all CICs.
- **Development of a CIC Network platform** will enable virtual sharing of documents, discussion and contacts.

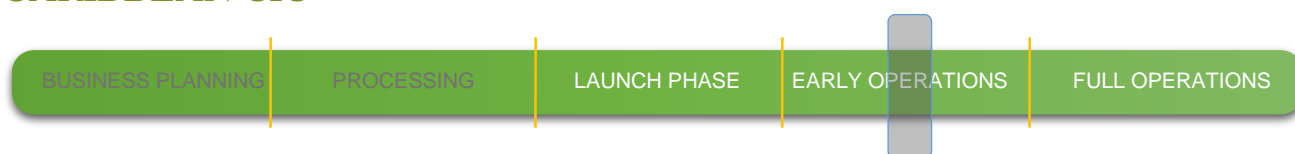
- **CIC Network outreach was initiated** through a World Bank/World Economic Forum blog and a planned *From the Field* note.
- **CIC incubation model assessments** were initiated.

## KEY CHALLENGES

- **Sustainability and revenue generation:** Many of the CICs are grappling with sustainability issues that require addressing through revenue streams or additional fundraising. A review of financing models for innovation centers will be undertaken and recommendations will be provided in order to identify best practices in similar networking models.
- **Knowledge and learning:** The CICs have adopted differing business models and all lack appropriate knowledge of appropriate management practices and business incubation fundamentals. This makes capturing and cataloguing the knowledge and lessons from each CIC very important to share with the network.
- **Technical business incubation capacity:** A preliminary review of the performance of the CICs reveals weaknesses in capacities to successfully incubate and scale client companies. A further assessment of the performance of each individual CIC will be required. On a case-by-case basis, SME incubation curriculum, M&E and skills trainings will be provided to strengthen the capacity of the existing teams.



## CARIBBEAN CIC



### OVERVIEW OF PROGRESS

The critical Caribbean CIC (CCIC) milestone for FY15 was securing additional financing to support the center's sustainability. This milestone was successfully met when the center signed an additional \$1.5 million three-year grant from the government of Canada to scale up CCIC's operations and grow its physical footprint across the region.

The CCIC also incubated its first batch of clients in FY15, providing them with services to strengthen their product offerings and physical spaces to refine their technologies. Each of the 11 winners from the first PoC competition were assigned a mentor to work with them over an eight month period and monitor their progress. The 11 entrepreneurs also received marketing advice on how best to package and present their products as well as legal advice on how to register their companies and, in some cases, patent their products. The CCIC then offered these entrepreneurs an investment readiness bootcamp to assess their financial needs and help strengthen their business plans. These entrepreneurs were working on solutions such as solar powered water desalination, biodiesel from local algae strains and bio-fertilizer made from the local Tamarind plant.

An assessment of results achieved from these incubation programs was in the process of being finalized at the end of FY15, but preliminary results show that progress was achieved. The firms (i) strengthened their business plans, (ii) hired critical staff, (iii) created advisory boards, and (iv) took steps towards business registration. One entrepreneur from Jamaica also secured \$100,000 in additional funding to further support product development. The assessment provided useful lessons that will inform the design of future PoC competitions that generate the greatest transformational impact for the region, such as energy efficiency. Competition will also boost the CCIC's outreach strategy and improve the center's selection criteria to ensure selection of the highest potential entrepreneurs.

In FY15, the center invested time in building its regional presence by entering into partnership agreements with relevant hubs across the 11 CARICOM countries. These hubs will provide services to local entrepreneurs on behalf of the CCIC. The center also focused on entering into strategic partnerships with private sector actors and others potentially interested in sponsoring the center's activities.

Building on its first year of operations, the CCIC further strengthened its governance mechanisms and is in the process of increasing internal staffing capacity in incubation and M&E. Some of the adopted measures included expansion of the management committee's oversight role and changes to the center's staff composition. Internally, the World Bank team forged key partnerships with World Bank

regional colleagues to align CCIC operations with ongoing Bank initiatives, especially in the energy sector.

## KEY ACCOMPLISHMENTS

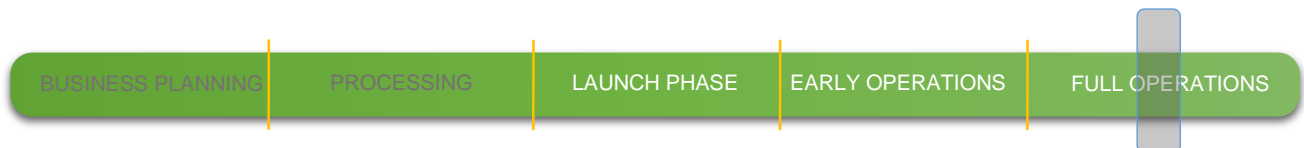
- **Secured \$1.5 million in additional financing** from the Canadian government to support CCIC operations.
- **Provided investment readiness training** to 11 PoC competition winners.
- **Conducted multiple webinars for SME clients** on climate change.
- **Continued offering services to the 11 PoC winners**, including marketing training and working space at CCIC facilities to incubate and test products. Began making provisions for incubation services for all 25 PoC finalists.
- **A hub sensitization workshop** will begin the process of identifying appropriate partners.

## KEY CHALLENGES

- **Regionalizing through hubs:** Regional operations are needed to ensure a strong impact, especially given a limited grant size. In FY15, the CCIC entered into partnership agreements with organizations in 12 island states that supported the outreach of the PoC competition and local entrepreneurs. In FY16, the center will need a better regional engagement strategy that details each hub's service offerings and their relation to CCIC. Additional funding may be required to achieve greater impact, especially in these small island states.
- **Capacity building:** Both the center and the regional hub need to continue building their capacity to provide world-class incubation and business development services to clean-tech entrepreneurs and innovators. Both areas are still new to the Caribbean.
- **Planning a second PoC competition:** A Spring 2015 competition has been delayed until FY16 due to a delay in the signing of a new CCIC grant.



## ETHIOPIA CIC



### OVERVIEW OF PROGRESS

In FY15, the Ethiopia CIC (ECIC) continued to strengthen and customize its services for client SMEs while building a stronger brand name. The ECIC's ability to differentiate itself through quality of services provided will allow it to stand out from other incubation and entrepreneurship programs that have been launched in recent months across Ethiopia.

Key milestones included the transition to a new CEO, Ms. Tehut Tesfaye. This transition is as originally envisioned by the ECIC consortium as it moves towards full operations. Prior to becoming the center's CEO, Ms. Tesfaye served as the center's COO for a little over a year. During her tenure as COO, Ms. Tesfaye demonstrated a strong passion for the work and accomplished a number of deliverables.

The ECIC also made progress on the opening of regional hubs that provide opportunities for more businesses across Ethiopia. One hub was launched in early June, in partnership with Bahir Dar University, in the city of Bahir Dar. The event, which was attended by over 100 people, showed a strong appetite for

business incubation. Attendees ranged from different government offices to academia and the private sector. The second regional hub is expected to launch in the city of Hawassa, in partnership with Hawassa University, in mid-June 2015.

In FY15, a second PoC competition was held, resulting in 75 applications. Out of the 75 applicants, 25 climate technology SMEs were selected to become ECIC clients. These 25 ideas received the highest ratings in innovation, business viability, and impact on the environment and society. The center conducted entrepreneurship and business plan writing workshops for the 25 selected SMEs. Ten out of the 25 new client companies were also awarded small startup grants up to \$50,000.

As of the end of FY15, the ECIC reached a total of 40 client companies and plans to continue recruiting high growth potential climate technology SMEs in the coming year.

As was the case in previous years, the ECIC continued its close collaboration with the government of Ethiopia's Climate Resilient Green Economy (CRGE) strategy. The ECIC was also represented in other World Bank Group-supported projects with the purpose of sharing best practices and guiding private sector discussions on the CRGE initiative.

Another priority for the ECIC was completing the legal entity formation process and becoming legally registered. All analysis, including legal analysis, was completed in FY15; actual incorporation is expected to take place in December 2015. Legal registration will enable the ECIC to raise and manage its own operational funds and ensure the independence and autonomy needed for long-term sustainability.

While the ECIC had targeted FY15 to complete design work on a seed capital facility, alternatives to a full-scale seed fund are being discussed with ECIC donors. A number of reasons contributed to the delay of the seed capital fund initiative. Among them, the design needed to be informed by a deeper dive analysis of the needs of the SMEs that are being supported by the center.

## KEY ACCOMPLISHMENTS

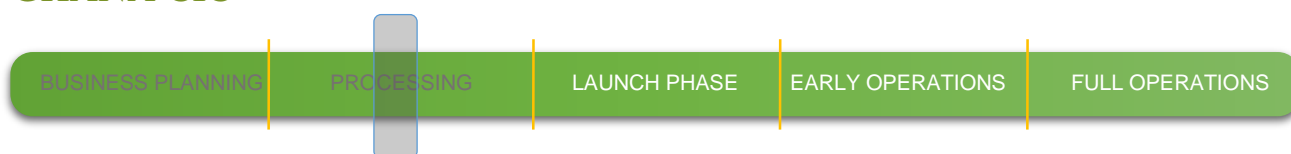
- **ECIC exceeded both PoC and client goals** by holding two new PoC competitions in FY15 (instead of one as planned) and growing its client base to 40.
- **Partnership agreements with two regional universities will open new ECIC centers** by June 2015.
- **A study on the best model for making ECIC a legal entity was completed** and endorsed by the president of Addis Ababa University. Expected date of incorporation is December 2015.

- **The center has provided various types of support for its SMEs,** including training, seminars and access to finance.
- **A gender mainstreaming strategy** will help the ECIC to attract women-led businesses. The center exceeded its FY15 goals in terms of recruiting women entrepreneurs and has developed programs specifically targeting women entrepreneurs for FY16.

## KEY CHALLENGES

- **Client capacity building:** ECIC clients are particularly early stage, especially given Ethiopia's nascent climate entrepreneurship ecosystem. ECIC's FY15 program included a strong focus on building the capacity of existing clients to ensure they have the necessary entrepreneurial know-how.
- **Managing regional hubs:** Additional locations are being researched as potential centers for FY16. As new hubs come online, additional management capabilities will be required.
- **Final tranche of funding** intended for the planned ECIC financing facility will not be disbursed due to project delays and the end of DfID's program in Ethiopia that supported the ECIC.
- **Access to finance:** The Ethiopian financial sector's strict regulatory framework has made it difficult to develop a seed capital facility that will address the financing needs of ECIC clients.
- **Branding and public relations:** Continued national and international branding is important for the sustainability of the ECIC. The center has an active public relations program and is currently leveraging social media, like Twitter and LinkedIn, and online channels, like the Horn of Africa Regional Environmental Center (HoAREC) and ECIC websites.
- **Staff training:** The ECIC staff has a mixed level of incubation expertise, so ongoing training and recruitment of high quality staff is important for the ECIC's success.

## GHANA CIC



### OVERVIEW OF PROGRESS

Selection of an implementing consortium for the Ghana CIC (GCIC) was completed in early FY15 through a competitive process that attracted 24 expressions of interest. The implementing consortium is led by the Ashesi University and includes Ernst and Young, SNV Netherlands Development Organization and the United Nations Institute for Natural Resources in Africa.

The GCIC's work with SMEs and innovators kicked off in March FY15 with the Green Innovators Bootcamp, which identified and trained 20 high potential green startups. In April 2015, seven winning businesses moved on to a venture acceleration program. These accelerator program participants will be the first clients of the GCIC and be featured during the GCIC launch event. These initiatives are part of an overall effort that began in FY15 to raise GCIC awareness of and build a pipeline of clients.

While a formal GCIC launch was expected in late FY15, delays in government approval have pushed the formal launch date into FY16. Signing of the grant agreement is expected in June 2015. These delays make it difficult to maintain stakeholder interest and meet the needs of climate technology entrepreneurs currently in the market.

### KEY ACCOMPLISHMENTS

- **The implementing consortium was selected** by infoDev in early FY15 after a strong response from local partner organizations.
- **The World Bank Group's project appraisal process was completed in Q4 of FY15.** Following government endorsement, the project is expected to be approved before the end of FY15.
- **A successful bootcamp for 20 green innovators and entrepreneurs,** selected from a pool of 80 applicants, was held in March 2015.
- **A three-month acceleration program for the seven winners** of the Green Innovators Bootcamp is ongoing. These SMEs will be showcased at the launch of the GCIC.



- **Key staff recruitments** were initiated in FY15, and the GCIC will have staff in place shortly after the signing of the grant agreement.

## KEY CHALLENGES

- **Maintaining momentum prior to the grant agreement signing** is a key challenge. With the early excitement from the business planning process and the successful bootcamp, there is expectation from potential GCIC clients of the center's launch and programs rollout. The acceleration program is in place to continue activities while the government's endorsement is finalized.
- **Identifying scalable GCIC clients** is a challenge as many of the bootcamp applicants were at idea and early startup stage. While these startups may mature into scalable businesses over time, the GCIC must target businesses that are scalable in the near term as clients to maximize its early impact and bolster its reputation for success.

## NATIONAL BOOTCAMP LAUNCHES GHANA'S 20 MOST INNOVATIVE GREEN STARTUPS



Twenty of Ghana's most promising clean-tech startups are ready to launch thanks to a two-day [Green Innovators Bootcamp](#). Competitively selected after a rigorous nation-wide search, the twenty early-stage entrepreneurs represent the future of Ghana's green growth agenda, with clean technologies ranging from solar energy to biofuels, waste, and water management. During the bootcamp, participants refined their business concepts, identified their customer bases, and even competed in a pitching contest judged by a panel of local investors and industry experts.

The Green Innovators Bootcamp is the first in a series of activities organized by the soon-to-be-launched [Ghana Climate Innovation Center](#) (GCIC). The center will support up to 90 local companies with business facilities and targeted services that include early-stage financing, technology commercialization, business development and capacity building support.

"With the support from our mentor and various experts, we asked ourselves questions that we had not previously thought about," said entrepreneur Sylvia Akotia, one of the winners of the pitching contest. "Having an external perspective has helped us identify our niche, our unique proposition, and the challenges we need to address to move forward with our business."

### **Media Coverage:**

Disrupt Africa: [Ghanaian startups take part in World Bank clean tech bootcamp](#)

TechCabal: [World Bank Funded Climate Bootcamp Jumpstarts 20 Green Entrepreneurs In Ghana](#)

**Web Promotion:** A press release was featured on infoDev's [website](#) and on the World Bank [website](#).

**Blog:** "[Sowing the seeds of green entrepreneurship: Startup bootcamp and pitching competitions](#),"

by Julia Brethenoux, WB Private Sector Development blog. (The post had 5,369 reads as of June 1, 2015)

<http://blogs.worldbank.org/psd/sowing-seeds-green-entrepreneurship-startup-bootcamps-and-pitching-competitions>

## INDIA CIC

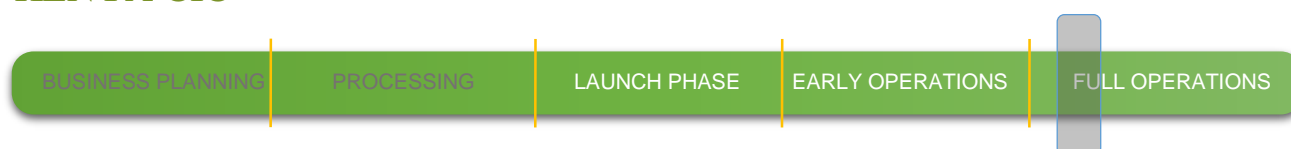
### OVERVIEW OF PROGRESS

The CTP developed an India CIC (ICIC) business plan that attracted substantial local stakeholder interest, including from the Government of India that was prepared to contribute financially to the center.

In FY15, the World Bank country management team for India determined that, while worthwhile in its own right, the India CIC did not fit within the larger strategy the Bank had for India. As a result, the Bank decided not to pursue implementation of a CIC in India.

The CTP is currently reviewing how the funding originally intended for implementation of the India CIC could be repurposed for other program activities and proposals will be set forth in the FY16 Work Plan. The CTP will also make efforts to engage with important Indian stakeholders through activities other than an India CIC.

## KENYA CIC



### OVERVIEW OF PROGRESS

The Kenya CIC (KCIC) in FY15 built on its status as Kenya's leading support center for climate technology entrepreneurs by focusing on the depth and quality of services offered to clients. An important aspect of this effort was identifying clients with high growth potential and targeting particular services to speed these clients along the path to scaling up. The KCIC was named the 'Most Promising Business Incubator' among all the institutions participating in Africa by the University Business Incubators Index ([www.ubiindex.com](http://www.ubiindex.com)). This index is managed by UBI Global, an organization based in Sweden that

globally assesses incubators for their value for the local ecosystem, value for clients and attractiveness of the incubation offering and services.

A key part of the KCIC's effort to offer expanded and targeted services in FY15 was the design of the Kenya Climate Venture Facility (KCVF). Financing approval from the World Bank Group for the KCVF is expected in June 2015. More details on the KCVF's progress can be found in the section on "CIC-level Access to Finance Activities".

The KCIC, with support from infoDev, also tested out crowdfunding, a new financing source for its clients. Six clients under the pilot executed crowdfunding campaigns in FY15. While results were mixed, many lessons about this innovative approach to financing climate technology businesses were gathered. The KCIC is working with infoDev to produce a lessons report on crowdfunding that can inform similar efforts across the CIC Network. This report will be published by infoDev in early FY16.

In an important step for the center's sustainability and its ability to manage the KCVF, the KCIC completed its registration as an independent legal entity in FY15. This allows the KCIC to independently fundraise and serve as a manager or investor in the KCVF. KCIC is discussing additional funding for the next phase of DANIDA's Kenya Program from 2015 to 2020.

Overall, demand for KCIC services remains high, and the center is sometimes in a position to turn away clients. While regrettable, this is viewed by the KCIC as a very positive sign of the quality and relevance of its services.

## KEY ACCOMPLISHMENTS

- **Worked with over 110 clients, created 821 jobs, mitigated 94,307 tons of CO<sub>2</sub> and mobilized \$5.95 million.**
- **Ranked at the top of the 2014 edition of the prestigious University Business Incubators (UBI) Index. KCIC was named 'Most Promising Business Incubator' among all the institutions participating in Africa.**
- **Registered as a legal entity** (company limited by guarantee) in January 2015.
- **Enhanced KCIC brand recognition and visibility** through a publicity campaign, which included participation in major conventions and festivals, such as the Sankalp Africa Summit 2015, Kenya Science Week and Nairobi International Trade Fair 2015. KCIC also hosted high level dignitaries, including World Bank Group President Jim Yong Kim and the Danish Trade and Development Minister.

- **Acted as the Secretariat for the 2015 Global Green Growth Forum (3GF) in Nairobi,** culminating in a regional meeting co-hosted by the Danish Embassy and UNEP, which brought together participants from multiple African countries.

## KEY CHALLENGES

- **Launch of the Kenya Climate Venture Facility (KCVF):** KCIC planned to rollout the KCVF by the end of FY15 but will need until FY16 to establish the facility. More details on the KCVF progress is available in the section on “CIC-level Access to Finance Activities.”
- **Selectivity of clients:** KCIC is fortunate to have high demand for its services. But few of its clients are ready for significant financing and rapid revenue scale up. The KCIC must improve selectivity and target ventures that will make a large impact through their ability to scale.

## MOROCCO CIC



## OVERVIEW OF PROGRESS

The Morocco CIC (MCIC) was soft launched in mid-FY15. This allowed the MCIC to begin supporting SMEs while also fundraising for a full-scale launch. The first months of operations focused on engaging its SME clients through capacity building and partnerships, notably with the Solar Cluster.

The MCIC began its client work with two “fast-track to market” competitions to pilot delivery of the MCIC service offering. Thus far, the center has supported 19 early stage companies, many of which are in the solar sector, a strategic priority for the Moroccan government. An important outcome of these “fast-track to market projects” was to help the MCIC hone its service offerings so that they better target local business needs.

In December 2014, the MCIC hosted a large climate technology conference with policy makers and public and private actors from the MENA region. Participants discussed ways to more fully and effectively participate in local development, manufacturing and deployment of climate technologies. The conference received strong regional participation from stakeholders interested to support climate technology entrepreneurs in the region.

Fundraising for ongoing operations was a priority for MCIC in FY15. A donors roundtable in Q4 of FY15 was positively received and offered encouragement that the MCIC will attract necessary funding to move on to full operations.



#### KEY ACCOMPLISHMENTS

- **Finalization of (i) legal structure, (ii) physical infrastructure, (iii) governance framework, and (iv) management arrangements,** notably within the framework of Morocco's Solar Cluster, which is supported by the German development agency GIZ.
- **Two "fast-track to market" project pilots.** These two pilots informed the MCIC's pipeline of potential clients and added to the value of MCIC's service offerings.
- **Establishment of the MCIC website and the business-to-business (B2B) climate technology marketplace platform.** This B2B platform will provide SMEs with relevant information and facilitate opportunities for business training, marketing support, and product development assistance.

#### KEY CHALLENGES

- **Securing funding to support the center's next four years of implementation.** A detailed fundraising strategy targeting relevant donors has been developed. A donor's roundtable was hosted in Casablanca in May to discuss appropriate financing after the existing \$1.5 million World Bank grant expires June 30, 2015 (all disbursements to be made before September 30th).
- **The MCIC has only two dedicated staff.** Key recruitments, including a full time CEO, are pending.

- **Strategic positioning is an issue.** MCIC's brand overlaps with Morocco's Solar Cluster. The MCIC must actively build its own brand in the market and demonstrate complementarity to the Solar Cluster.

## MOROCCO CIC ORGANIZES NORTH AFRICA'S FIRST CLIMATE TECHNOLOGY FORUM



Clean technology's immense potential for small and medium enterprise growth was front and center at the [Climate Technology Forum](#) in Skhirat, Morocco on December 17, 2014. Over 300 entrepreneurs, public officials, and international climate experts gathered to discuss green business opportunities at the region's first forum on clean technologies and local SMEs. Organized by the Morocco Climate Innovation Center (MCIC) in partnership with the Moroccan Solar Energy Agency and the Solar Cluster, a collaborative platform for Morocco's growing solar industry

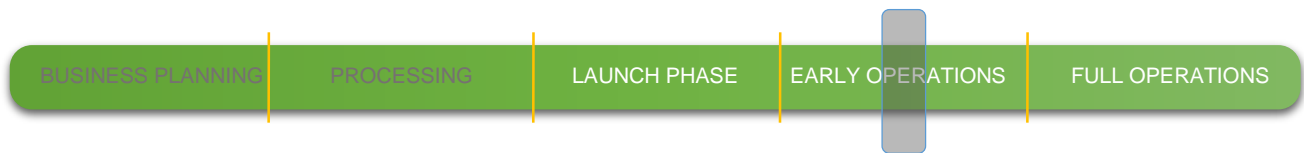
community, the Climate Technology Forum was a major step for Morocco's national climate change agenda. As one of the most vulnerable countries to climate change in the North-Africa region, Morocco plans to implement a number of clean energy targets, including an initiative to generate 42 percent of its total electricity from renewables by 2020. By providing financing and mentorship for Morocco's growing legion of clean-tech entrepreneurs, the MCIC will connect innovative startups with solar industry stakeholders and amplify the impact of Morocco's ambitious green growth strategy.

**Web promotion:** An [article](#) was featured on the infoDev website:

<http://www.infodev.org/articles/morocco-climate-innovation-center-co-hosts-first-climate-technology-forum-region>



## SOUTH AFRICA CIC



### OVERVIEW OF PROGRESS

The South Africa CIC (SACIC) had a successful year. It secured 15 million Rand in FY15 from the government of South Africa for a national rollout of center beyond its current base in Gauteng province. It also secured new, expanded facilities for within the complex that houses The Innovation Hub.

The SACIC also hosted the inaugural CIC Network meeting in March 2015. Plans were established at this event for a full rollout of the global CIC Network in FY16. This event also coincided with an event that launched the SACIC's national rollout.

To strengthen its performance, the SACIC agreed to model its incubation program and service offerings on the Kenya CIC. The SACIC is also looking to collaborate with two other South African centers with climate technology incubation capabilities and grow its national reach.

### KEY ACCOMPLISHMENTS

- **Expanded operational capacity** within The Innovation Hub and hired two dedicated staff members.
- **Served approximately 30 clients** with a mentorship network, technical experts and pre-incubation services.
- **Received a new mandate to play a national role** with a call for proposals organized in three provinces: Durban, Eastern Cape, and the Western Cape.
- **Secured additional funding** from the Development Bank of South Africa.
- **Organized the SACIC global conference** and hosted the inaugural CIC Network meeting

### KEY CHALLENGES

- **SME grants are geared mostly towards research and development**, which does not serve the innovation needs of a majority of SMEs.
- **Need to move beyond a pre-incubation model** in order to offer targeted services that serve the needs of companies beyond the pre-incubation phase.

- **Need to improve overall breadth and quality of services** to meet the broad needs of climate technology ventures.

## GLOBAL CONFERENCE PUTS SOUTH AFRICA CLIMATE INNOVATION CENTER ON THE MAP



South Africa's clean technology future is taking shape at the Climate Innovation Center headquarters in Tshwane, a national hub and incubator for some of the country's most promising green startups.

The headquarters were the venue for a two-day *Green Technologies and Innovations for Inclusive Growth* conference from March 25-26<sup>th</sup>. The event marked the launch of South

Africa CIC's national program and infoDev's global network of CICs. Entrepreneurs, investors, and policymakers from around the world gathered to discuss green entrepreneurship, inclusive growth, and locally relevant solutions to climate change. Panels and hands-on workshops covered emerging policy and technology trends while a pitching competition and expo showcased innovative local clean-tech ventures.

The conference also gathered delegates from all seven CICs to share lessons learned, network, and exchange ideas to amplify the network's collective impact. "*I enjoyed the panels,*" said Tehut Tesfaye Sidelil, CEO of the Ethiopia CIC. "*But what's really exciting is being part of building this collective vision.*"

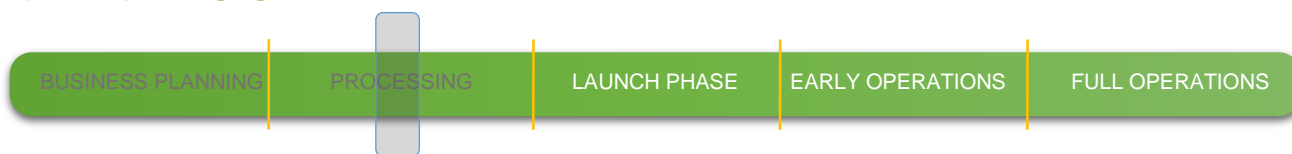
### **Media Coverage:**

**IT Web:** [SA gets Climate Innovation Centre](#)

**Web promotion:** An [article](#) and [press release](#) were featured on the infoDev website.

**Blog:** "[If you want to go far, go together,](#)" by Jana Malinska and Hillary Eason, World Bank Private Sector Development blog (The post had 2,876 reads as of June 4, 2015)

## VIETNAM CIC



### OVERVIEW OF PROGRESS

In the first half of FY15, a proof of concept (PoC) competition selected innovative ventures from a diverse array of climate technologies that addressed climate change adaptation, energy efficiency, renewable energy, and sustainable agribusiness, among others. A detailed needs assessment, venture acceleration support, a technology database and an analysis of the investment facility's proposed structure were undertaken to strengthen the design of the Vietnam CIC (VCIC) services. These pre-launch interim activities, carried out by the World Bank Group, complement ongoing activities within the PoC competition.

The CTP team followed through the revision of the center's governance structure. The VCIC will be implemented in line with the government of Vietnam's decree on overseas development assistance. The Ministry of Science and Technology (MOST) has been selected as the line agency, while the official "project owner" will be the National Agency for Technology Entrepreneurship and Commercialization Development (NATEC), which operates under MOST.

The preparation phase includes securing the prime minister's approval of the Project Detailed Outline (PDO), which lays out implementation arrangements. Progress made in FY15 established the PDO's scope, objectives, outcomes, results measurement framework, implementation arrangements, budget and flow-of-funds, and the modalities of cooperation between the government and the private sector. The preparation phase also defined the role of the Project Management Unit (PMU). Once the VCIC is operational, the aim is for the center to operate as an independent entity.

The grant agreement between the World Bank and the government of Vietnam was drafted in FY15; they are expected to sign in early FY16. A project implementation manual has also been drafted. It sets out detailed governance arrangements and outlines the relationship between different supervisory and operational bodies, including the VCIC's overall steering committee, line agency, project owner, project management unit, management committee, and implementation partners.

### KEY ACCOMPLISHMENTS

- **NATEC was identified as the official project owner**, and key project documents were prepared.
- **A scoping mission in April 2015** confirmed a budget and timeline with donors and implementation and operational arrangements with country specialists. New Washington and Vietnam-based project leads were assigned.

- **A bootcamp provided business plan training** to entrepreneurs.
- **The results measurement framework was finalized; the Project Document Outline and Project Implementation Manual were submitted.** Both are critical steps towards the signing of a grant agreement.

#### KEY CHALLENGES

- **VCIC project implementation was delayed by one year** to find suitable partners and define operational modalities, in line with Vietnam government requirements.
- **Donors withdrew resources for the VCIC** as DfID exited its development assistance programs to Vietnam and DfAT was faced with budget cuts. Additional fundraising to ensure the viability of the project is now necessary.
- **Rollout of services to climate technology ventures that participated in the bootcamp was delayed** due to the challenges in launching the VCIC. Business cases submitted by bootcamp participants are being reviewed to assess their needs and further develop their businesses.



## ACCESS TO FINANCE

CTP's Access to Finance (A2F) Pillar helps high-potential startups and early stage clean-tech firms in CIC countries raise financing so that they can develop and grow their businesses. At the country level, A2F's principal focus is on the development and deployment of pioneering Climate Venture Facilities (CVFs), which provide direct financing to early stage clean-tech firms and leverage additional capital for these companies. These activities are complemented by a) an in-depth assessment of a country's early stage financing landscape, and b) A2F capacity building support for CICs and clean-tech entrepreneurs. At the global level, through the Finance Lab, A2F tests out novel financing mechanisms that might address the financing challenge faced by early-stage clean-tech entrepreneurs in developing countries, generates lessons and insights, and builds linkages with impact investors, SME/VC funds, climate financiers and angel investors interested in clean-tech opportunities in the developing world.

### KENYA CLIMATE VENTURE FACILITY

The principal focus of FY15 was the preparation of the Kenya Climate Venture Facility (KCVF), operational in FY16. Building on KCIC's incubation activities, KCVF will address the financing gap faced by high-potential early-stage clean-tech enterprises by providing early stage financing and high-touch management assistance to help them to develop their businesses and successfully raise follow-on growth financing. Set-up as a subsidiary of the KCIC but managed by a investment team experienced in early stage and clean-tech investing, the KCVF commercial approach will use a range of instruments – equity, debt, mezzanine and “venture-grants” – to provide tailored financing. This will be coupled with high-touch management assistance that will partially be arranged through the KCIC's business support activities. KCIC will support KCVF activities by being a principal source of deal-flow for the facility and provide technical assistance to KCVF's investee companies.

During the first half of the year, infoDev's A2F team helped the KCIC develop an investment approach, management and governance structure, legal options, and rollout plan for the KCVF. Additionally, a mapping of local and international co-investors was conducted to increase the KCVF's potential pool of capital. A review of the center's portfolio was also conducted to assess the funding potential and capital needs of KCIC-supported enterprises. KCIC was legally incorporated in January 2015, a prerequisite for the World Bank to conduct fiduciary appraisals of the proposed project. The project was approved in FY15 by the Bank.

## FINANCE LAB

CTP Finance lab conducted a crowdfunding pilot in partnership with the Kenya CIC to explore alternative financing sources for climate entrepreneurs in developing markets. The pilot selected, trained, and mentored a group of eligible CIC client entrepreneurs in their pilot crowdfunding efforts. Out of this effort, a knowledge report, which chronicles the experiences of the pilot entrepreneurs and captures the macro learning about the crowdfunding industry in undeveloped crowdfunding ecosystems was developed. Also, training materials that can be used in subsequent crowdfunding training initiatives, such as in the Caribbean, were developed.

In lieu of launching a second pilot in the Caribbean concurrently, the team opted to conduct a deep-dive analysis of the macro-economic, technological and social influencers of crowdfunding adoption more generally. The analysis produced a realistic foundation for a crowdfunding pilot in the Caribbean in the coming fiscal year. A number of key findings from the knowledge report to be published in FY16 are as follows:

Networks, networks, networks: The majority of successful African crowdfunding campaigns have been conducted by entrepreneurs with deep ties to non-African markets, where e-commerce and crowdfunding are well-established practices. Campaigns without ties to these markets cannot manufacture access in a short period of time and should focus on a well-managed campaign in their own local networks, preferably using a consumer-facing product or project.

Opportunity costs abound: Crowdfunding is a new way of doing a very old and hard thing – raising capital. It requires an incredibly large amount of time and should be weighed against the pursuit of other financing options and the generation of revenue through customer engagement.



## CTP GLOBAL SOLUTIONS

CTP Global Solutions helps CTP strengthen and expand its operations by connecting, sharing knowledge with, learning from, and providing services to its network of CICs. CTP Global Solutions enhances the effectiveness of the CIC model by identifying, developing and testing new models of support that help catalyze climate technology ecosystems and clusters. In FY15 CTP Global moved into the detailed design of all of its business lines and launched a number of key activities.

BUSINESS LINES	MAJOR DELIVERABLES
<b>Launchpad</b>	<ul style="list-style-type: none"> <li>Recruited innovation and design partner</li> <li>Identification of Launchpad cohort through open innovation competition</li> <li>Recruitment of subject matter experts and advisors for Launchpad teams</li> </ul>
<b>Insight</b>	<ul style="list-style-type: none"> <li>Launch and publication of Competitive Green Industries report</li> <li>Developed market intelligence templates for use by the CICs</li> <li>Contribution to IEA's Energy Technology Perspectives Report</li> </ul>
<b>Market Connect</b>	<ul style="list-style-type: none"> <li>Finalized desk research to identify best practices to build networks</li> <li>Conducted user research to understand South African green entrepreneurs challenges</li> <li>Designed four network prototypes to cultivate the local South African business ecosystem</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>Development of Global Solutions Results Framework</li> <li>Standard results framework developed for CIC</li> <li>Conducted capacity training with six CICs</li> </ul>

## LAUNCHPAD

In FY15, Launchpad was able to mobilize 115 staff from across the World Bank Group to propose new opportunities to launch CICs across 28 countries. From these applicants, eight teams were selected to further explore CIC opportunities during a three month period. The goal of Launchpad is to develop the next generation of CICs. Modeled as a corporate accelerator, Launchpad seeks to crowd source ideas on green competitiveness from across the World Bank Group and provide advisory and funding support to robust teams with strong ideas that are poised to make an impact in client countries. Top teams will participate in the Launchpad program for 27 months and will test ideas in client countries that can be scaled up as future CICs. It is expected that within three months of the program's start, at least four teams will have developed a viable solution to a climate-related market failure in a developing country.

Using insights from preparation activities in FY14, Launchpad was strengthened in capacity and design in FY15. Launchpad sought out Continuum, an internationally reputable design and innovation firm, to assist

with the development the Launchpad team's support model, help evaluate possible Launchpad candidate teams, and provide strategic direction on program design, including Launchpad cohort workshops and team coaching. As a result, Launchpad has developed a novel roadmap for designing and launching climate technology projects that is expected to be more effective at creating sustainable climate programs around the world.

The Launchpad Competition was launched in late March 2015. Following a strong communications campaign, 30 applications were received in late April 2015. These 30 teams reflect the interests of 115 World Bank Group staff, many of whom are seasoned staff members from a cross-section of departments and country offices across the World Bank Group.



A screening committee of ten members identified 16 proposals that were consistent with the objectives of Launchpad, and three judges interviewed these teams to select eight Launchpad cohort candidates. These shortlisted teams consist of seasoned experts that are looking to test and implement their green competitiveness ideas in a number of high priority countries.

SHORTLISTED COUNTRY	TOPIC
China and Low Income countries	Linkages between China and low income countries on climate technologies for the poor
Indonesia	Data-driven climate technologies
Nigeria/Uganda	General climate technologies

Tanzania	General climate technologies
Tanzania/Uganda	Renewable energy business models
Pakistan	General climate technologies
Malawi	Renewable energy for the poor
Egypt	Renewable energy and energy efficiency

The Launchpad team has engaged a number of subject matter experts in climate change, corporate innovation and entrepreneurship to provide the cohort with appropriate mentorship and training to ensure their idea testing is well informed and effective.

## INSIGHT

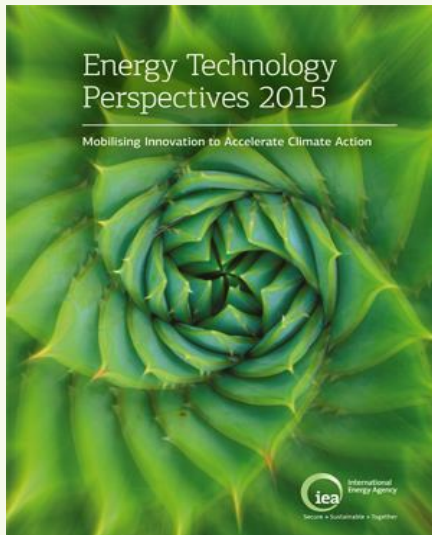
Insight is focused on collecting lessons learned from the CIC experience and promoting research in the climate technology field. These lessons are distilled in learning and knowledge products and disseminated to internal and external audiences interested in climate technology innovation in developing countries.

Insight initiated, distributed and contributed to a number of knowledge products in FY15.

- Cutting Edge Research:** A flagship report, “Building Competitive Green Industries: the Climate and Clean Technology Opportunity for Developing Countries,” was launched and included the production of a “My Favorite Number” video, which garnered 1,500 views on YouTube in less than three months. In addition, the team has begun preparing a follow-up report, “Models for Accelerating Green Entrepreneurship,” that will spotlight the “how-to” of promoting climate related entrepreneurship.
- Practical Guidance:** A report on lessons learned from the Kenya crowdfunding campaigns was produced and disseminated in FY15. Insight also launched *From the Field* notes that reflect practical lessons from the CICs.
- Collaborations and Engagement:** In addition to contributing to the International Energy Agency’s “Energy Technology Perspectives” report, the Insight team also hosted a Launchpad Analytics Competition to identify potential collaboration opportunities with World Bank Group researchers on climate technology related topics. In addition, Insight produced and distributed

templates for Market Intelligence to the CICs and completed country level data sets from clean tech firm surveys conducted in India and Kenya.

## INFLUENCING THE GLOBAL DEBATE ON CLIMATE ACTION



Deploying proven, cost-effective clean technologies is the only way to transform the energy system and meet global climate goals. That's according to a recent report released by the [International Energy Agency](#) (IEA) that calls for tripling public spending on low-carbon technology R&D.

The report, [Energy Technology Perspective 2015](#), says that slow progress and challenging multilateral negotiation processes have made the rapid development and deployment of ground-breaking energy technologies essential to mobilizing climate action. As an emerging thought leader in the clean-tech industry, the Climate Technology Program played a role in shaping the report's message and provided key inputs for chapters focused on innovation. The program's Climate Innovation Centers are even featured as models of clean energy innovation.

The IEA report is a bold call for the acceleration of clean technology advancements and an affirmation of the Climate Technology Program's mission. Innovation in emerging economies could deliver the greatest, fastest advances towards climate change goals. By adding its voice to the global debate, CTP hopes to generate momentum for the energy innovation breakthroughs needed to accelerate climate change progress.

## MARKET CONNECT

The goal of Market Connect is to provide a set of global services to entrepreneurs that complements the services provided by the CICs and the CIC Network. This close complementarity improves CIC performance and provides a fuller range of services to promising climate technology enterprises to maximize impact of the CTP overall. Market Connect will:

- **Support more mature companies** – The CICs have drawn and are providing effective services to promising early-stage but have not yet attracted more mature companies. These more mature companies require different types of services, which Market Connect will help provide.

- **Facilitate access to international players** – Given their early stage of operation, many CICs have not yet demonstrated effectiveness in linking their clients to international markets and partners. Market Connect will establish vehicles by which this can be done which will be available to the CIC clients positioned to do so.
- **Test new models, including for financing, governance and sustainability** – the experience of FY15 demonstrates which aspects of the CIC models require refinement to improve performance. This includes the way in which financing is provided to companies, governance arrangements, and revenue models to ensure sustainability. Market Connect will help inform the CICs on how to address these challenges.

Market Connect leverages the CIC Network’s economies of scale to offer a bridge between entrepreneurs and the global assets they need to succeed (see figure A). Green ventures access Market Connect services via local intermediary institutions (CICs) that are part of the Market Connect network (see figure B).

**FIGURE A**

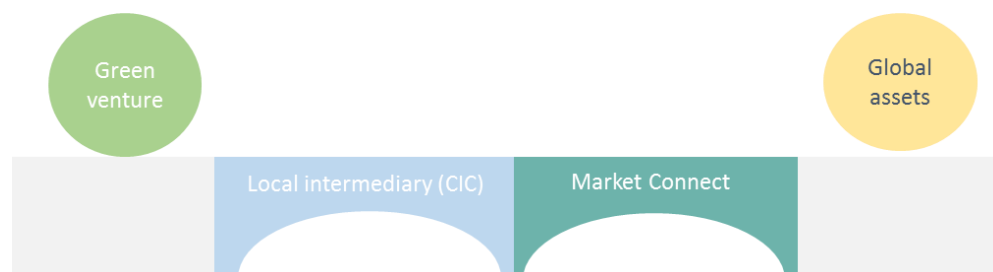
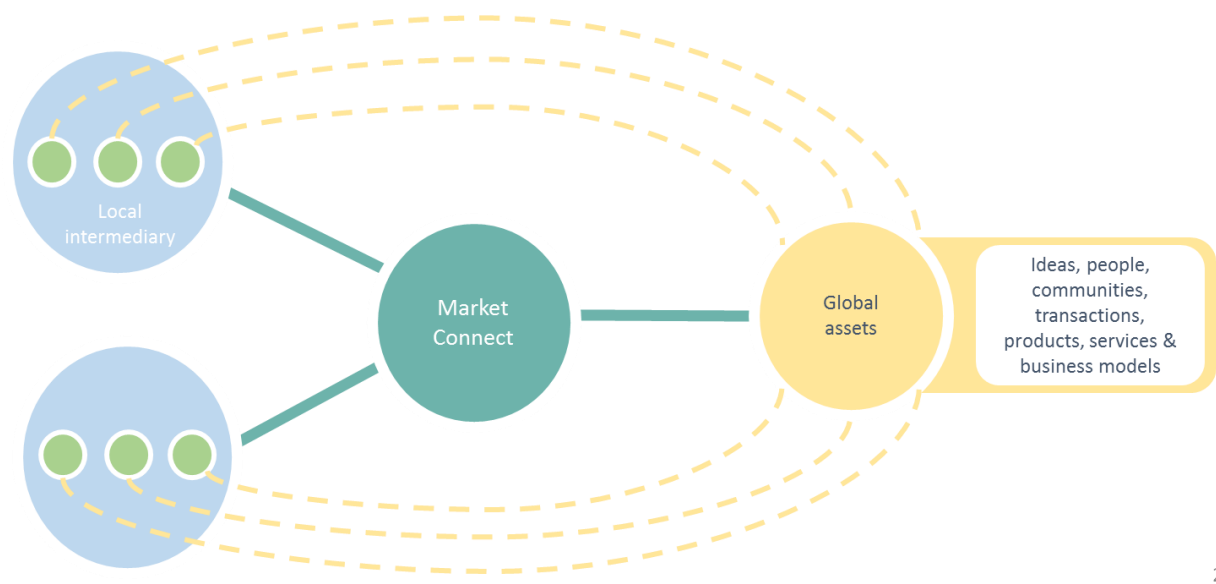
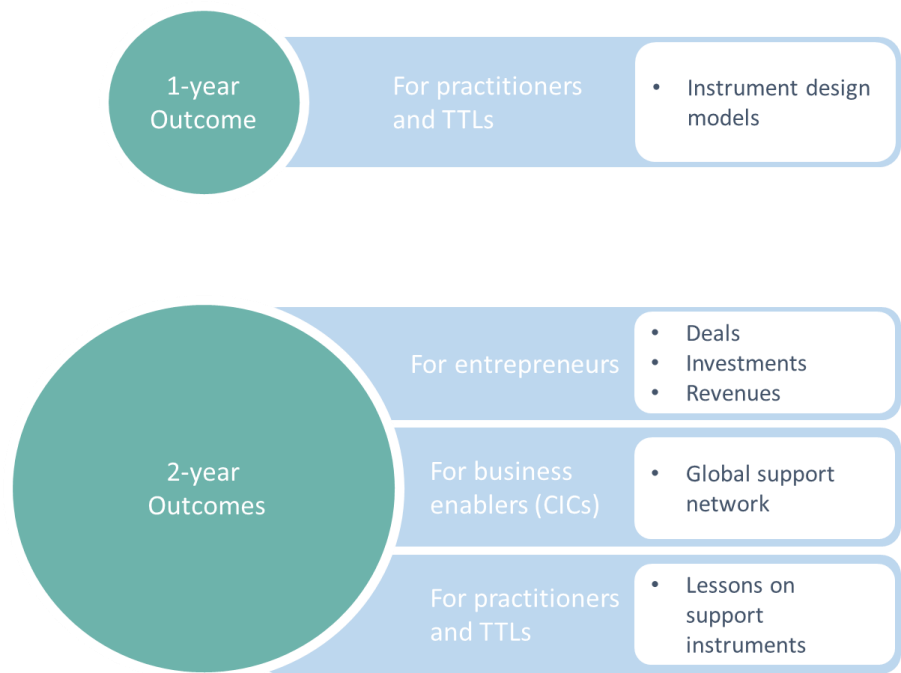


FIGURE B



2

Market Connect’s vision is to not only help green ventures scale but also provide lessons on new support models through global connections.



The first country node of the Market Connect network will be South Africa. South Africa was selected because it is a more advanced economy, and climate technology ventures will help attract global resources and entrepreneurs from other country nodes wishing to connect with the South African market. South Africa

market also represents a stepping-stone for foreign investors and ventures wishing to enter the broader African market. FY15 activities focused on preparing the design of Market Connect services through desk and stakeholder research.

### DESK RESEARCH

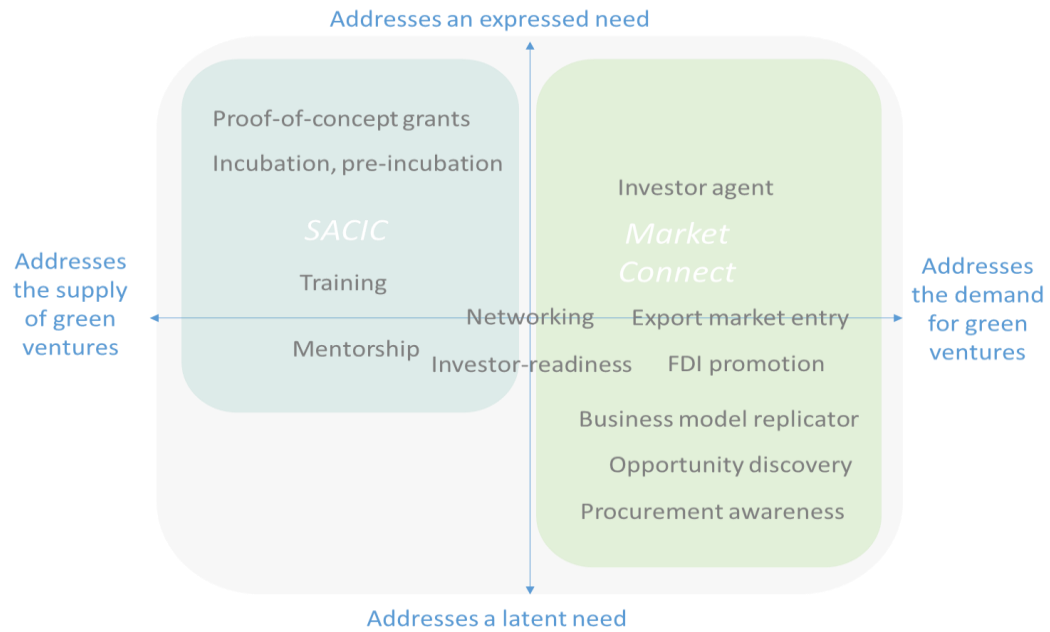
Throughout FY15, the Market Connect team undertook an analysis of over 30 different types of programs and initiatives, all aimed at supporting innovation through connections and networks. What made some of these initiatives and programs work, even across borders and virtually? What made some of the more promising initiatives fail, and why? Lessons learned from the analysis of these cases have informed the design of prototypes and pilot initiatives for Market Connect that will be rolled out in early FY16. The lessons learned from these case studies will form the basis of a report to inform the broader development and policy making community on initiatives that support innovation.

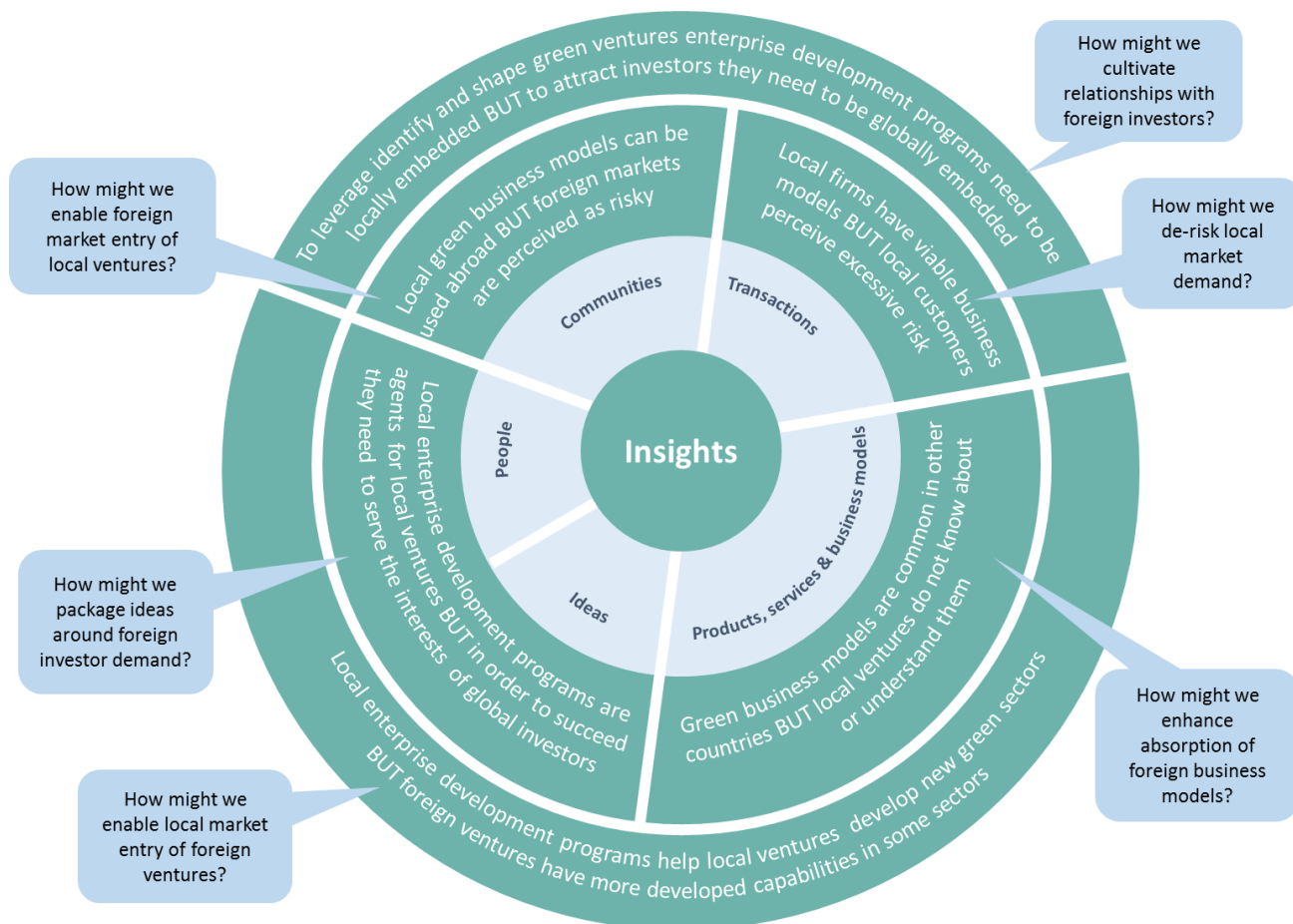
### USER RESEARCH

The team conducted an assessment of the needs of climate ventures, CICs, investors, and broader business enablers through two scoping missions. The first mission to Pretoria, South Africa in Q3 of FY15 included individual and group consultations with South African climate technology entrepreneurs (both inside and outside of the SACIC), investors, representatives from six CICs, SACIC mentors and other local business enablers. These consultations built upon the research described above to help refine cross-border activities for climate innovation and identify potential partners. The consultations also confirmed South Africa as a strong candidate for piloting these activities given the government's support of green businesses and the prevalence of strong startups and investors with Pan-African and global strategies.

A second mission to the Western Cape, South Africa in Q4 of FY15, completed the preliminary user research. The Western Cape is the green economy hub of South Africa and has a strong pipeline of revenue-generating green entrepreneurs who can act as a magnet for global partners and MC nodes. The user research uncovered where complementary global intervention could help enhance the local interventions provided by the CICs. Insights are summarized in the figure below, along with opportunities that arise from these insights and that Market Connect might address in order to strengthen the CICs.







In FY15, Impact created cutting-edge tools to better understand the performance and impact of CIC and CTP Global activities. Since the CICs and CTP Global are deploying novel support models for climate technology entrepreneurs in developing countries, it is critical that proper monitoring and evaluation tools are utilized to assess whether these models are successful and if there's room for improvement.

In addition, a performance management framework was designed to track project milestones, annual targets and disbursements for all the elements of the CTP Global Program. There was also an effort to harmonize the monitoring and evaluation efforts of the global CICs while providing each CIC a place to record important information unique to their own country and environment. To that end, Impact finalized a CIC results framework template that was distributed to all CICs. In order to ensure that these frameworks were properly used, the Impact team hosted training sessions on monitoring and performance management in three CIC countries (South Africa, Kenya, Ethiopia), a regional training in South Africa during a global CIC workshop, and country trainings for another three CICs (Ghana, Morocco, Vietnam).

## COMMUNICATIONS

infoDev's Climate Technology Program positioned itself strongly in FY15. The program initiated several successful events and publication launches, which were widely publicized in regional and international media, as well as in social media networks. Online media viewership for CTP content on infoDev.org grew by 20 percent over the past FY. Its flagship report 'Building Competitive Green Industries' tapped into the international narrative of low-carbon economic growth and was therefore launched during the UN's Climate Week (September 2014). The launch campaign led to significant media and social media coverage; the report and infographic were viewed close to 5000 times, related videos were downloaded 2,500 times and its social media campaign reached 160,000 people. Articles appeared in El Pais, Daily Nation, and Connect4Climate. It was also taken up by influential communities of practice, such as WEF, the Carbon Trust, and the Economic Policy Platform.

A popular blogroll of the World Bank Group featured CTP, leading to a total readership of close to 7,000. All CTP flagship events, publications and audiovisual materials were published on the home page of the World Bank website.

A visit from World Bank Group President Jim Yong Kim to KCIC was widely publicized and underscored the innovative and thought-leading character of the program. It was covered in five regional media, leading to four articles and over 3,800 people reached through social media.

The announcement of the KCIC as the "Most Promising Incubator of Africa of 2014" by the prestigious University Business Incubators (UBI) Index was widely reproduced on websites and blogs of relevant communities of practice. Another key event, the inaugural conference of the South Africa Climate Innovation Center, was highlighted in several national media articles and made 4,950 social media impressions. Like last year, a number of Kenyan CIC entrepreneurs were featured in international media, including Voice of America, the Daily Nation and other Kenyan online media.

## KENYA CIC ENTREPRENEURS IMPRESS GLOBAL AUDIENCE AT STARTUP FESTIVAL

Every year, over 70 entrepreneurs from around the world gather in Washington D.C. to compete in the [Challenge Festival](#), a weeklong event hosted by technology incubator [1776](#) to find the best new ideas in education, health, transportation, energy and sustainability. Among the crowd was Charity Wanjiku. She'd come all the way from Nairobi to pitch Strauss Energy, a company she started with her brother Tony Nyagah to make solar power more accessible and affordable for bottom of the pyramid consumers.



"It was a very exciting experience and yes, I was a little nervous," said Charity of the moments before stepping on stage in front of the full crowd. "I took a deep breath, I stepped on the 'X' and I started pitching. And to be honest, I had a lot of fun! For those two minutes on stage I think I really got into my element; I gave it all and I brought the house down."

Supported by the Kenya Climate Innovation Center (KCIC), Charity and her brother Tony have developed solar cells that can be easily integrated into walls, windows and roofs. Their system even comes equipped with a special meter that feeds unused electricity back to the national grid, generating much-needed extra income for bottom of the pyramid households. It's a simple idea with the potential to change how millions of people meet their energy needs.

While Charity and Tony are currently focused on Kenya, they have their sights set on international expansion. "Right now, thanks to this pitch, hundreds of people around the world know about Strauss Energy, know who we are, where we are from and what's our value proposition," said Charity. "My closing statement summarizes very well our approach: 'The sun that shines in Arizona and Florida is the same sun that shines in Africa.' I think it worked well. It's a catchy phrase that a lot of people will remember."

**Web promotion:** An [article](#) was featured on the [infoDev](#) website and in the monthly newsletter of the [Global Practice on Trade & Competitiveness of the World Bank Group](#).

## RESULTS FRAMEWORK

The interim results for the Global Program and the Kenya CIC can be found in Appendix A. Following the close of the fiscal year (June 30, 2015), these results will be finalized, and FY15 results for the Ethiopia CIC will be added.

## FINANCIALS

**TABLE F1. SUMMARY OF THE DONOR CONTRIBUTIONS TO THE CTP TRUST FUND TF071681 AS OF END FY15.**

Contributions by Programs	Expected Commitments <sup>1</sup>		Received as of FY15	
	('000 donor currency)	(USD '000)	('000 donor currency)	(USD '000)
Kenya				
DFID	4,000 GBP	6,344	4,000 GBP	6,344
Danida	50,000 DKK	9,073	50,000 DKK	9,073
Ethiopia				
DFID	3,000 GBP	4,713	3,000 GBP	4,713
Norway via DFID	4,200 GBP	6,307	4,200 GBP	6,307
Vietnam				
DFAT	3,150 AUD	2,911	3,150 AUD	2,911
DFID via DFAT	2,500 AUD	2,309	2,500 AUD	2,309
Ghana				
Danida	66,700 DKK	11,210	41,700 DKK	7,364
Netherlands	4,000 USD	4,000	1,398 USD	1,398
India				
DFI	5,000 GBP	7,930	2,500 GBP	4,084
Global				
DFID	13,000 GBP	20,390	4,100 GBP	6,697
TOTAL		<b>75,185</b>		<b>51,199</b>

<sup>1</sup> Signed commitments is USD 85 million.

In FY15, CTP expects to disburse \$6.3 million, including \$4.2 million from CICs, \$1.2 million from Global and \$0.8 million for communications and program management. This presents a disbursement rate of 85% out of \$7.4 million budget.

This reflects the following:

- Delay of \$0.5 million disbursement for the first grant to Ghana CIC, which has been delayed from FY15 Q4 to FY16 Q1.
- Some programs under Global have been more efficient than expected. For instance, Insight has achieved all of its milestones while keeping its disbursement level below the target.

More specific information on FY15 CTP Trust Fund budget and disbursement is provided below.

**TABLE F2. FY15 CTP TRUST FUND BUDGET AND DISBURSEMENTS (USD '000)**

CLIMATE TECHNOLOGY PROGRAM (CTP)		FY15 BUDGET	FY15 DISBURSEMENTS¹		DISBURSE MENT RATE	NOTES
CTP TRUST FUND - PROGRAM ACTIVITIES						
CICs	Kenya CIC	2,092	353	2,067	99%	
	Grants to Kenya CIC		1,214			
	Grants to Kenya CVF		500			
	Ethiopia CIC	1,550	232	1,414	91%	
	Grants to Ethiopia CIC		1,182			
	Vietnam CIC	462	325	325	70%	Time spent arranging proper operational model with government and related endorsement delayed full implementation.
	Grants to Vietnam CIC		0			
	Ghana CIC	978	365	365	37%	GCIC grant of 500k is expected in July 2015. If disbursed in FY15, progress made would have been 88%.
	Grants to Ghana CIC		0			
	Morocco CIC	50	60		120%	Final mission included add'l team members to support MCIC
	TOTAL CICs	5,132	4,231		82%	
Global	Launchpad	302	353		117%	Expenses were slightly higher than expected in part due to hiring a project design firm that will be supporting Launchpad teams.
	Finance Lab	338	199		59%	Expenses were lower than projected because actual expenditures for the first pilot were lower than projected, and some initial budget was included for a 2 <sup>nd</sup> pilot, that was to be implemented in FY16. This funding will be utilized in FY16.
	Insight	305	103		34%	Expenses were much lower than expected due to a postponement of the initiation of research for two flagships that will be completed in FY17.
	Market Connect	170	362		213%	Expenses were much higher than expected due to the rapid scaling up CIC network activities, including a workshop in South Africa, an assessment of the CICs, the development of a CIC handbook, and the development of a CIC community of practice.
	Impact	180	87		48%	Expenses were lower than expected due to a postponement of preparation activities for M&E platform that requires raising the M&E capacity of the CICs first.
	Global Program Design & Coordination	152	126		83%	
	TOTAL Global	1,446	1,229		85%	
	TOTAL Program Activities		6,578	5,460		83%
Others						
Communications and Knowledge Dissemination		280	275		98%	
Program Management		530	526		99%	
TOTAL		7,389	6,262		85%	

<sup>1</sup> FY15 Disbursement figures include actual disbursements as of May 31, 2015 and projected disbursement for the month of June 2015. Actual FY15 disbursement figures will be provided in July 2015.

CTP has also leveraged additional funding for the CCIC from infoDev’s Entrepreneurship Program for Innovation in the Caribbean (EPIC) financed by the Government of Canada. \$620k was disbursed towards supporting climate activities implemented by the Caribbean CIC including the disbursement of the first tranche of the grant.

**TABLE F3. FY15 NON-CTP TRUST FUND CONTRIBUTION TO CTP AND DISBURSEMENT (USD ‘000)**

CONTRIBUTION		ACTUAL FY15 DISBURSEMENTS
<b>EPIC Trust Fund</b>	Caribbean CIC	620
<b>TOTAL</b>		<b>620</b>



## APPENDIX A: CTP GLOBAL, KCIC AND ECIC RESULTS FRAMEWORK

### CTP Global

<u>Program</u>	<u>Indicator</u>	<u>FY15 Target</u>	<u>FY15 result</u>	<u>Result Narrative</u>
Market Connect	Market connect service concepts developed based on identified design criteria	0	10	33 Market Connect Case studies by January, 1 user research workshop in South Africa by March, Beneficiary needs assessment report, List of 10 Market Connect Services and Report on support models to connect climate tech entrepreneurs and CICs completed by June
	Number of CIC and host-government training and exchange programs held to support and disseminate global learning opportunities	1	1	The South Africa Event
Impact	Number of M&E frameworks developed	7	6	1 Results Framework (RF) for CTP Global Completed by January, Design for Performance management framework completed by February, CIC RF template completed by April, 3 tailored RF for 3 CICs completed in April and 2 in June
	# of CIC staff trained on results based monitoring	14	12	CIC training on monitoring and performance management in South Africa in March, CIC training on monitoring and performance management completed in 6 individual CIC countries by June

Insight	Number of knowledge sharing products developed (differentiated by type) Cross-CTP	3	3	Firm level data sets tech companies in 2 countries, Climate Technology Support diagnostics and 1 flagship report on building competitive green industries by January, 1 World Bank internal call for proposals on climate change innovation completed by April, , 2 climate technology support case studies and 2 market studies templates completed and Research on early stage climate tech financing needs initiated by June
	Number of strategic partnerships between CTP in collaboration with external bodies to produce and disseminate knowledge and research products	1	1	Partnership with International Energy Agency's to contribute to the "Energy Technology Perspectives" report. The Climate Technology Program played a role in shaping the report's message and provided key inputs for chapters focused on innovation. The program's Climate Innovation Centers are featured as models of clean energy innovation
Finance Lab	Number of crowdfunding pilots conducted	2	2	2 (1 in Kenya completed in April, one initiated in Caribbean in June), Crowdfunding training materials and lessons learned report completed in June

Indicator	Cumulative Achievement as of 31 <sup>st</sup> March 2015	Target by the end of June 2015
<b>Impact</b>		
1.1: Number of new private sector climate adaptation, mitigation and low carbon growth businesses created	45	24
1.2: Number of jobs, direct and indirect (disaggregated by gender) created in climate adaptation, mitigation and low carbon growth businesses	944	600
1.3: Amount of public and private sector finance mobilised for climate change purposes (USD)	6,563,151	800,000
<b>Outcomes</b>		
Number of people better able to cope with the effects of climate change	24,646	26,000
Tons of CO2 equivalent mitigated	97,431	60,000
Number of people using low carbon energy sources	74,026	55,000
Number of people with access to better cleaner water	12,456	6,000
% yield increase of agricultural production	23%	17%
Number of customers reached by KCIC clients	75,250	2,800
% of firms exiting KCIC that are operational after 3 years	Measured in Yr 4.	70%
Percentage growth in revenue of clients supported by KCIC/CTP	21%	15%
<b>Intermediate Outcome</b>		
IO1.1: Number of clients accessing financing from the financial services partnerships.	4	6
IO1.2: Amount of financing (USD) accessed through CIC partnerships with financial service providers (disaggregated by type of financing, including seed facility)	3,114,909	120,000
IO1.3: Leverage ratio of KCIC seed funds to co-investments	Seed fund not yet operational	1:3
IO1.5: Number of green-tech-related policies/ laws/regulation/amendments/code in the process of enactment/enacted reflecting CIC's influence	8	5
IO1.6: % of clients implementing recommended changes/learning	To be measured in Year 4 Quarter 1	70%

IO1.7: Assessment of KCIC client investment readiness	Medium	Medium
Output 1		
1.1: Number of active partnerships formed to deliver services to CIC clients disaggregated by type.	17	18
1.2: Timeliness and effectiveness of monitoring and reporting	Full Compliance	Full Compliance
1.3: Instances of KCIC participation in cross-CIC knowledge sharing activities.	9	3
Output 2		
2.1: Number of mentors/trainers/delivery partners contracted	40	45
2.2: Number of training sessions delivered (disaggregated by type of service)	21	4
2.3: Number of new products/training modules	9	4
Output 3		
3.1: Number of investments made (disaggregated by investment sources including seed facility)	32	10
3.2: Amount of investments made (USD)	5,867,499	2,000,000
3.3: Number of clients receiving Proof of Concept (POC) grants.	20	8
3.4: Amount of POC grants disbursed to KCIC clients( USD)	639,641	540,000
3.5: Number of financial partnerships formed by the KCIC disaggregated by type	3	9
3.6: Number of new financial products and models created/adopted/rolled out disaggregated by type	2	3
Output 4		
4.1: Number of advocacy initiatives conducted by KCIC	6	5
4.2: Number of knowledge products developed	33	10
4.3: Number of information dissemination mechanisms/forums/networking events	37	36
4.4: Number of participants in information forums (disaggregated by type)	1,407	1,440
4.5: Number of media appearances ( online, TV and newspapers)	30	24
Output 5		
5.1: Type and number of clients accessing technical facilities (design and testing)	13	24
5.2: Number of other technical facility providers supporting clients	8	8
5.3: Number of intellectual property (IPs) Registered	10	6