

Gore turns to Silicon Valley in green fight

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Al Gore, the former US vice-president and environmental campaigner, is to join forces with Silicon Valley in an attempt to secure billions of dollars in new investment in "clean technology" to combat climate change.

Generation Investment Management, the fund management company set up by Mr Gore and David Blood, a former Goldman Sachs banker, has signed a deal with Kleiner Perkins Caufield & Byers, one of the biggest names in technology venture capital.

Mr Gore told the Financial Times: "This is an effort to change the game where investments in solving the climate crisis are concerned."

He quoted the finding by Sir Nicholas Stern that investment of about 1 per cent of global GDP was needed in new energy technologies to move the world from a high- to a low-carbon economy. "We're gearing up to play a key role in unleashing that investment," Mr Gore said.

The companies are thought to be preparing a joint fund to invest in new and growing businesses in areas such as renewable energy and environmental services, though neither would confirm this.

They will also share information on potential investments. Mr Gore will join KPCB as a partner, while John Doerr of KPCB will join Generation's advisory board.

The deal, which gives KPCB access to Mr Gore's political clout and contacts, illustrates the central role of politics in clean-technology investment. The market for low-carbon energy depends on government support in the form of subsidies, tax breaks or regulation.

For instance, KPCB and Generation advocate putting a price on emitting carbon dioxide through a tax or a cap and trade system. Mr Gore also credited Mr Doerr with the success of a campaign in California to cap carbon emissions state-wide.

But although governments can affect the success or failure of some clean technologies by their policies, they tend to spend little money on them directly, leaving that to industry.

Mr Gore said: "One of the reasons why David Blood and I focused on the public markets is that more money is allocated in an hour in that space than by all the governments in the world. That offers a tremendous leverage."

The companies said their collaboration would cover the full spectrum of groups across the world, as Generation invests in publicly-listed companies – often in the healthcare sector – in Europe and the US, while KPCB focuses on early-stage companies in the US and Asia. KPCB, one of the biggest venture capitalists fuelling the technology boom of the 1990s, has invested \$200m (€137m, £97m) in green technology since 1999.

About \$74bn of investment was poured into "clean energy" around the world last year, said Michael Liebreich of New Energy Finance.

This includes renewable energy, efficiency measures, low-carbon technologies and electricity grid improvements.

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