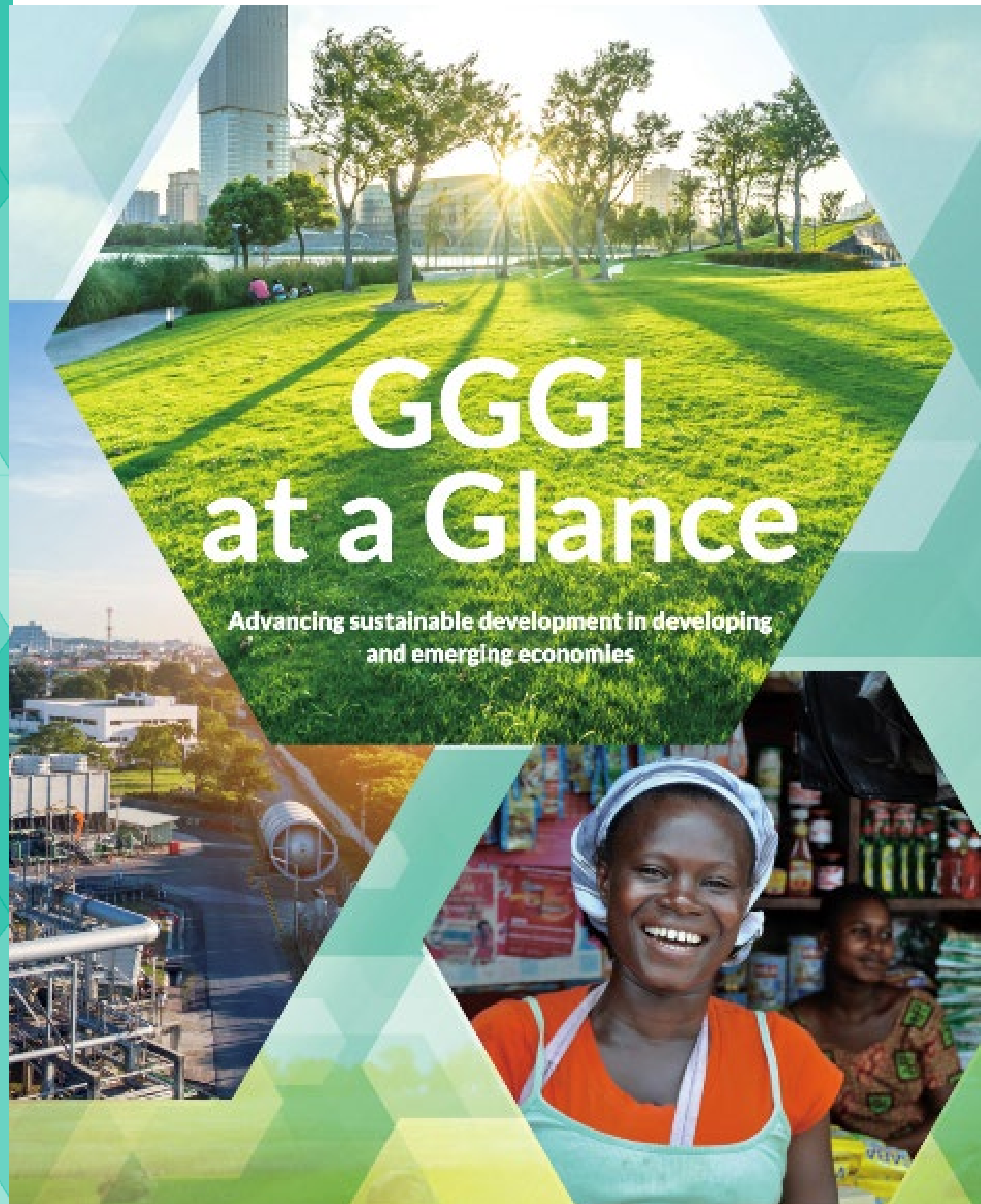




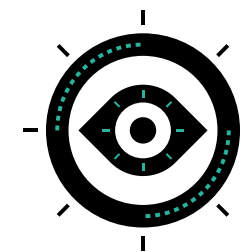
Green and Climate Finance Options to Support the Post-Covid-19 Pandemic Recovery and Climate Action

Dr. Lasse Ringius
Director Green Investment Services Global Practice

Introduction

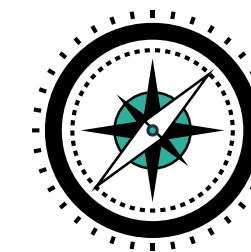


The **Global Green Growth Institute (GGGI)** is a treaty-based international organization focused on supporting developing and emerging economies to achieve sustainable and inclusive economic growth.



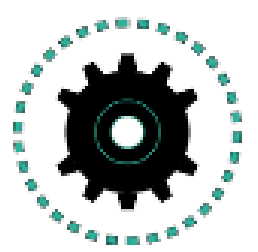
Our Vision

A LOW-CARBON, RESILIENT
WORLD OF STRONG, INCLUSIVE,
AND SUSTAINABLE GROWTH



Our Mission

GGGI SUPPORTS ITS MEMBERS IN
THE TRANSFORMATION OF THEIR
ECONOMIES TO A GREEN
GROWTH ECONOMIC MODEL.



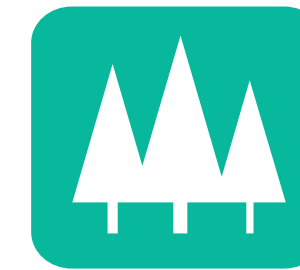
Our Position

A TRUSTED ADVISOR &
DEVELOPMENT PARTNER
EMBEDDED IN MEMBER &
PARTNER GOVERNMENTS

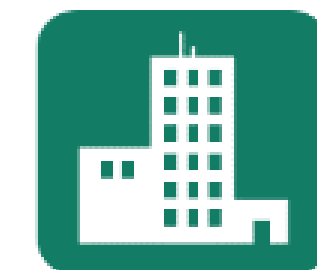
Our Thematic Areas



Sustainable
Energy



Sustainable
Landscapes



Green
Cities

How we work

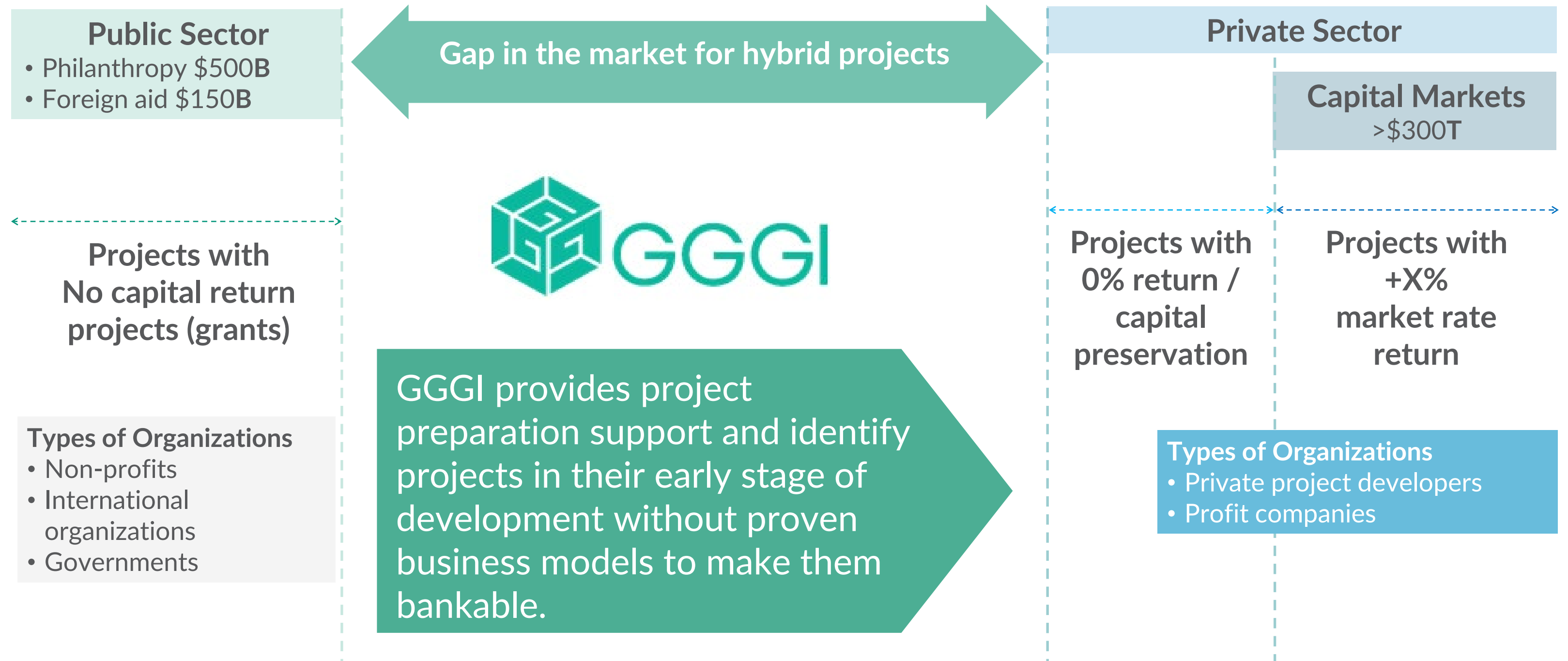
Headquartered in Seoul, Republic of Korea

GGGI is working with 52 countries (41 Members, 4 operations, 7 partners & operations)

- GGGI has a unique in-country presence and prominent role as a neutral, trusted advisor and strategic development partner embedded in Member governments.
- GGGI's operating model maximizes the potential to translate green growth strategies and policies into green investment plans, mobilizing green finance commitments needed to bolster support for low-carbon and climate-resilient economic development and strong institutional capacity development.



Closing the Climate Financing Gap



Closing the Climate Financing Gap

Origination & Development process



Origination Process

- Conduct an initial diagnosis and green impact assessment with key stakeholders
- Carry out an overall assessment to build awareness and a business case for green growth
- Focus on entry points for green cities planning and project development.
- Develop an institutional arrangement for continued engagement
- Support planning and policy development across key urban sectors.
- Prioritize mainstreaming green growth into urban planning, management and finance
- Identify opportunities to set clear targets for project ideas requiring investment.

Development Process

- Design business models and outline initial budget and resources required for selected projects
- Identify relevant partners for engagement and conduct resource mobilization to finance the project
- Carry out preparatory studies in support of a detailed financial assessment and business model
- Provide support in structuring, arranging financing capital and potential investors.

Green Investment Service Offerings

FINANCIAL INSTRUMENTS

Design innovative financial instruments to reduce risk and enable capital flows into the sector

BANKABLE PROJECTS

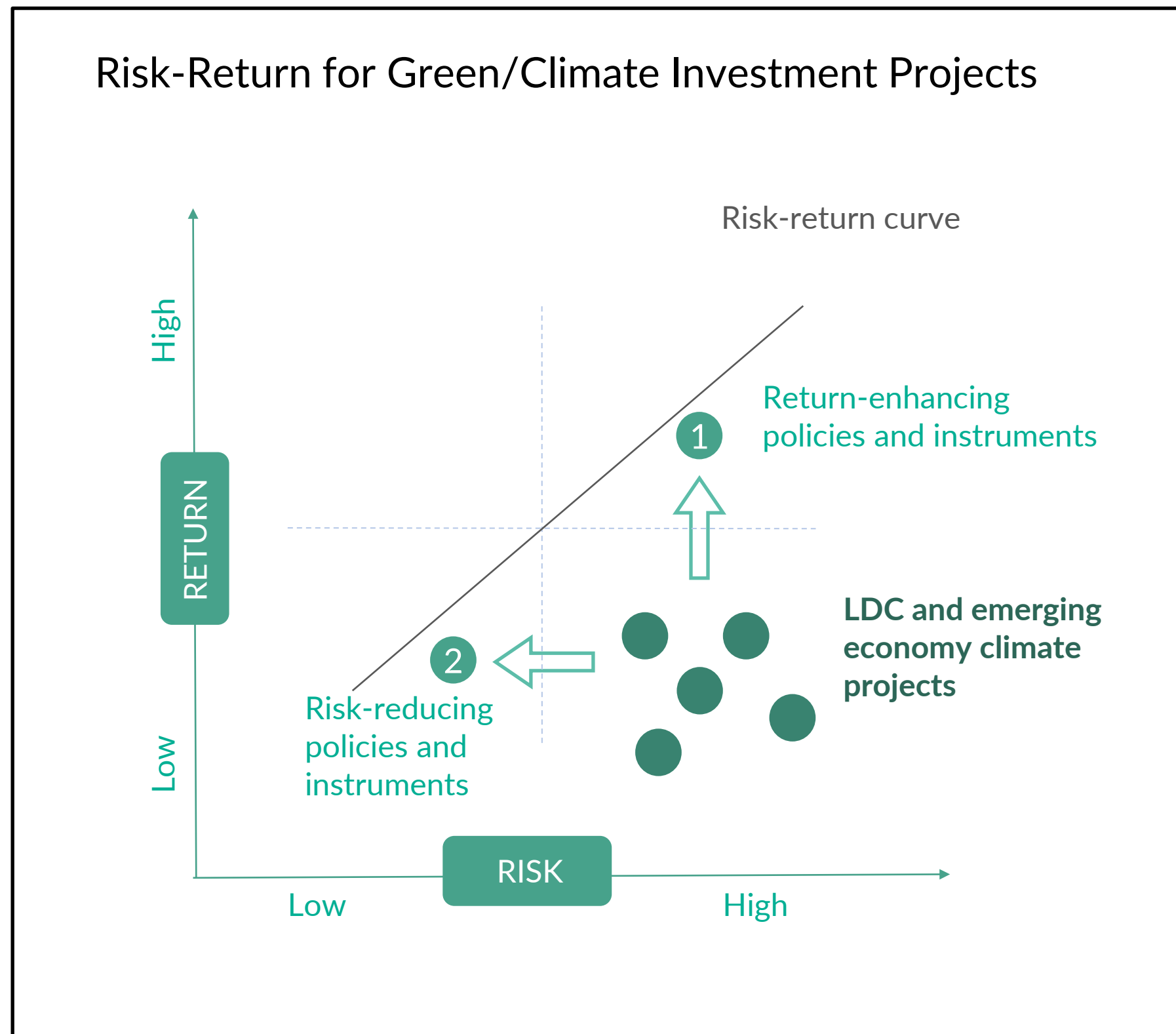
Develop projects that are bankable based on Nationally Determined Contributions (NDC) assessments, and connect with suitable sources of finance

NATIONAL FINANCING VEHICLES

Design national financing vehicles to support countries to accept and effectively use climate finance towards projects and programs

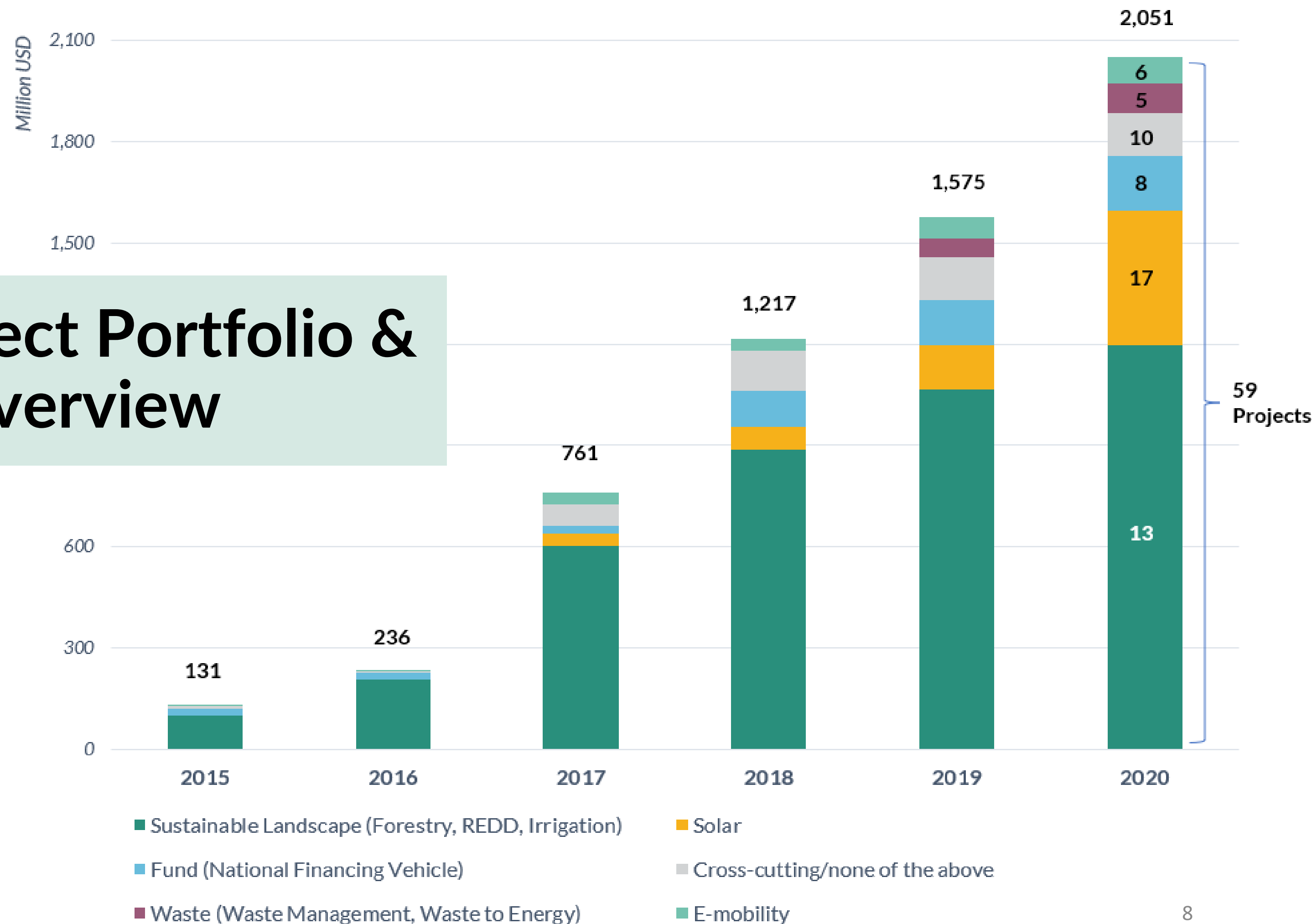


Meeting Investors' Expectations



- Commercial (banks, PE firms) and institutional (investment funds, insurance companies, pension funds, sovereign wealth funds) **investors perceive green climate investment projects in emerging economies as high risk and low return**
- High Risk** due to large upfront capital is required to fund large infrastructure and development projects; more suitable for commercial investors looking for short-term high returns
- Low return** once the projects are operational since the projects generate stable cash flows for long time horizons; more suitable for institutional investors who look for long-term stable cash flows

GGGI's Project Portfolio & Thematic Overview



GGGI Project #1 Vietnam Green Bond Readiness Program (2020 - 2023)



LE GOUVERNEMENT
DU GRAND-DUCHÉ
DE LUXEMBOURG

Funded by
The Government of
Luxembourg

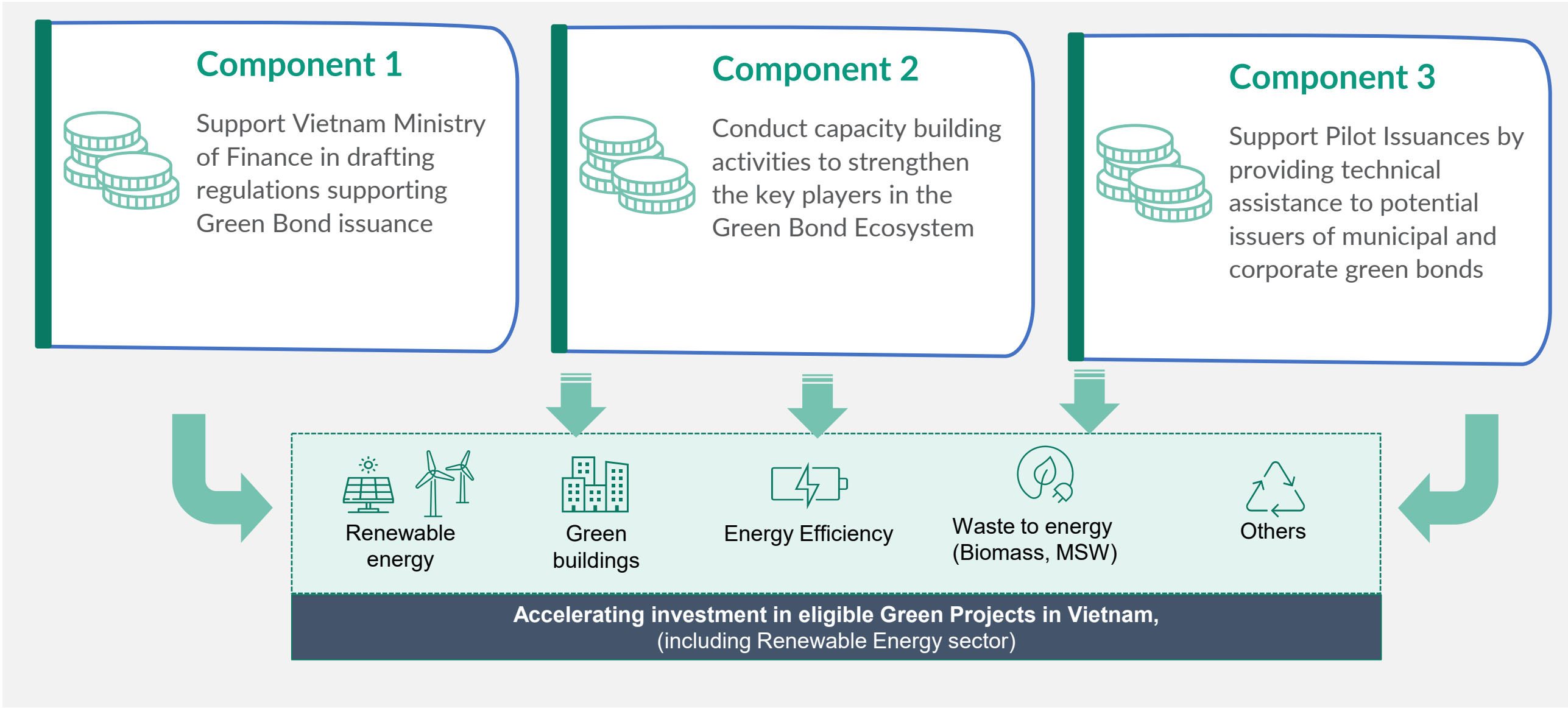


GGGI, in partnership with MOF of Vietnam, support to develop of the green bond market through 3 interventions: (1) Policy reforms, (2) capacity buildings for Green bond ecosystem and (3) Green Bond Pilot Issuances.

Key challenges



80% RESPONDENTS INDICATED THEIR BANKS ARE AT EARLY STAGE, WITH LIMITED AWARENESS ON GREEN BONDS



IMPACTS

Contribute to achieving NDC targets by reduced GHG emissions and increased green jobs through enhanced investments in sustainable projects

PROJECT
PARTNERS



GGGI Project #2: Vietnam Municipal Solid Waste to Energy

Project highlights

- GGGI took the role of financial advisor to complete project financing for the construction of the first-of-its-kind 10 MWe MSWtE power plant.
- Project size: USD 58M (D/E ratio: 62.5/37.5)
- Designed capacity: 500 tons per day, 10 MW
- GGGI teamed up with the Energy and Environment Partnership Program with the Mekong Region to identify a project developer that required technical support for project risk mitigation and finance.

Success factors and impacts

- The project is expected to operate during its 20-year lifetime to enhance environmental protection in the Bac Ninh province.
- Scalability of the project is up to 20 modern MSWTE plants in the secondary cities with an estimated CAPEX of USD 1B.
- Blended concessional finance made high-risk, on-recourse project debt finance more attractive for the local commercial bank partner.



<Initial construction at the project site at the end of 2020>

GGGI Project #3: Mongolian Green Finance Corporation (MGFC)

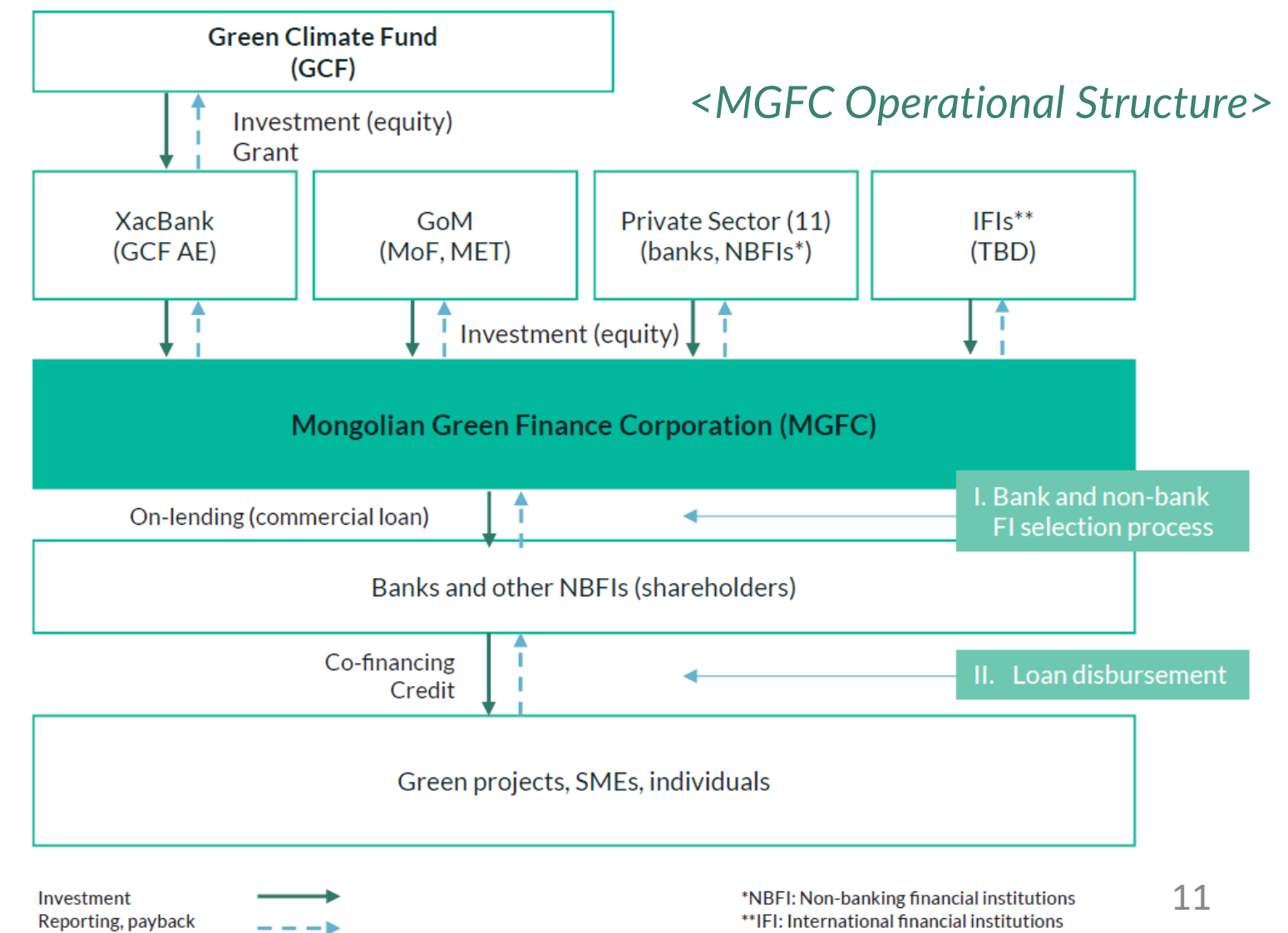
Project highlights:

- MGFC is the first GGGI supported NFI, the first NFI financed by GCF, and the first PPP initiative in the financial sector of Mongolia.
- GGGI played an instrumental role in the establish of the MGFC together with the Government of Mongolia and the Mongolian Sustainable Finance Association.
- Supported by GCF Readiness, this enabled development of the MGFC, and securing USD 26.7M from the GCF in Nov 2020.
- MGFC will accelerate low-carbon, climate-resilient development through affordable financing for households and businesses to switch to low-carbon technologies.



Success factors and impacts

- 216,000 households and at least 127 businesses transitioning to low carbon and energy efficient practices.
- 3.75 mtCO₂e of direct emissions reduction and indirect 333,000 tCO₂e.
- 1,470 jobs are expected to be created, of which 588 are for women.



GGGI Project #4. Climate Technopreneurship Program: GGGI-KDB Partnership to Access GCF Funding

- GGGI is working with KDB and private partners to develop a GCF program to support **entrepreneurs with climate technology-enabled solutions** that will accelerate the low carbon and climate resilient transition in **Southeast Asia**.
- The program aims to address the **gap between seed funding and the longer-term investment (“valley of death”)** by supporting joint ventures to be set up between local startups and global tech companies for **effective technology transfer and diffusion and strengthening entrepreneurial ecosystems** in countries.

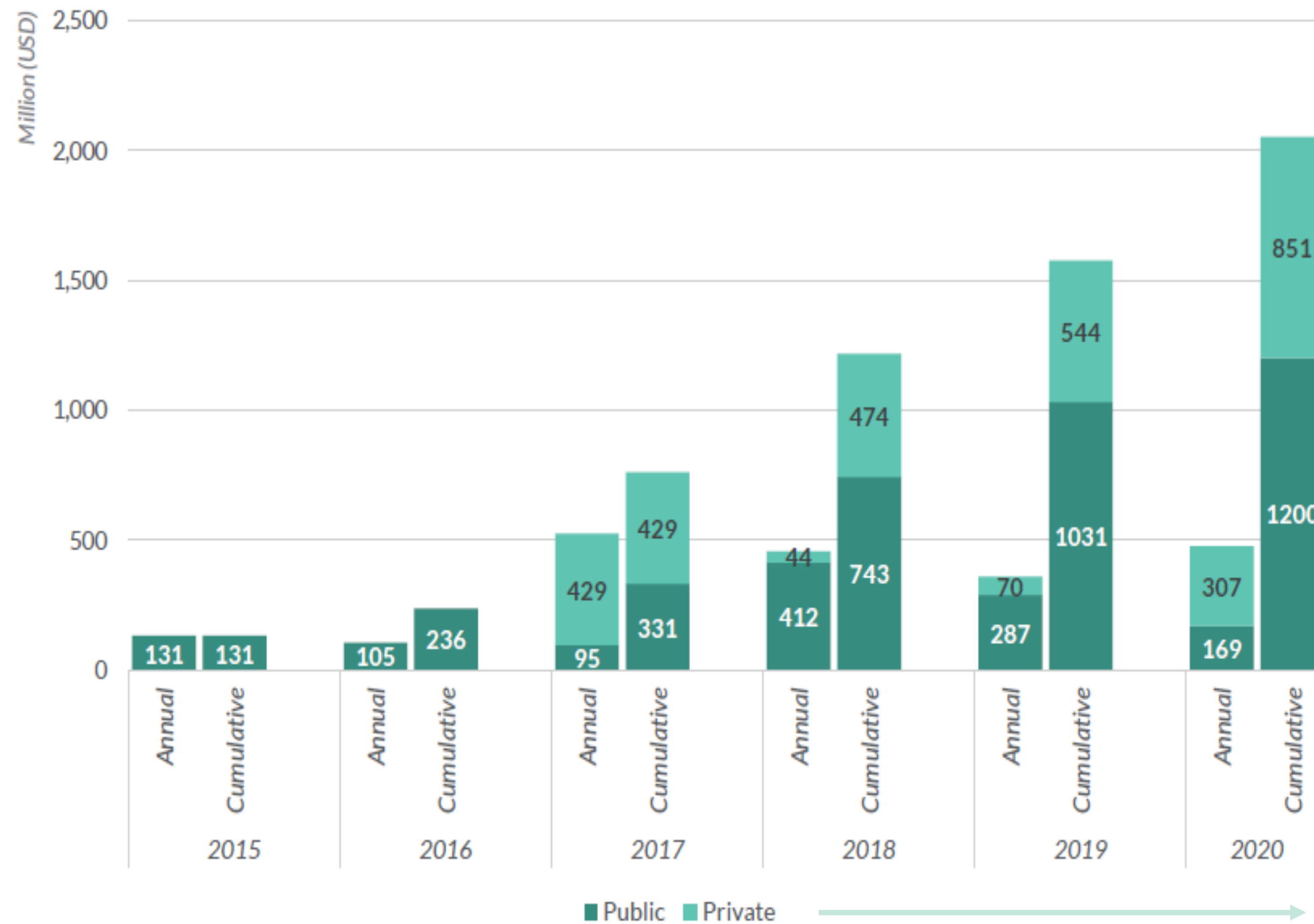
- Project size: **USD 120 million**
- Project component
 1. **Country-driven incubation for local Greenpreneurs** (3M grant/in-kind)
 2. **Global acceleration for Climate Technopreneurs** (12M grant/in-kind)
 3. **Climate Technopreneurship Investment Fund** (100M debt & equity)
 4. **TA for strengthening climate entrepreneurial ecosystems** (5M grant)
- Current Status: PPF approved for F/S and program design (2021.6)



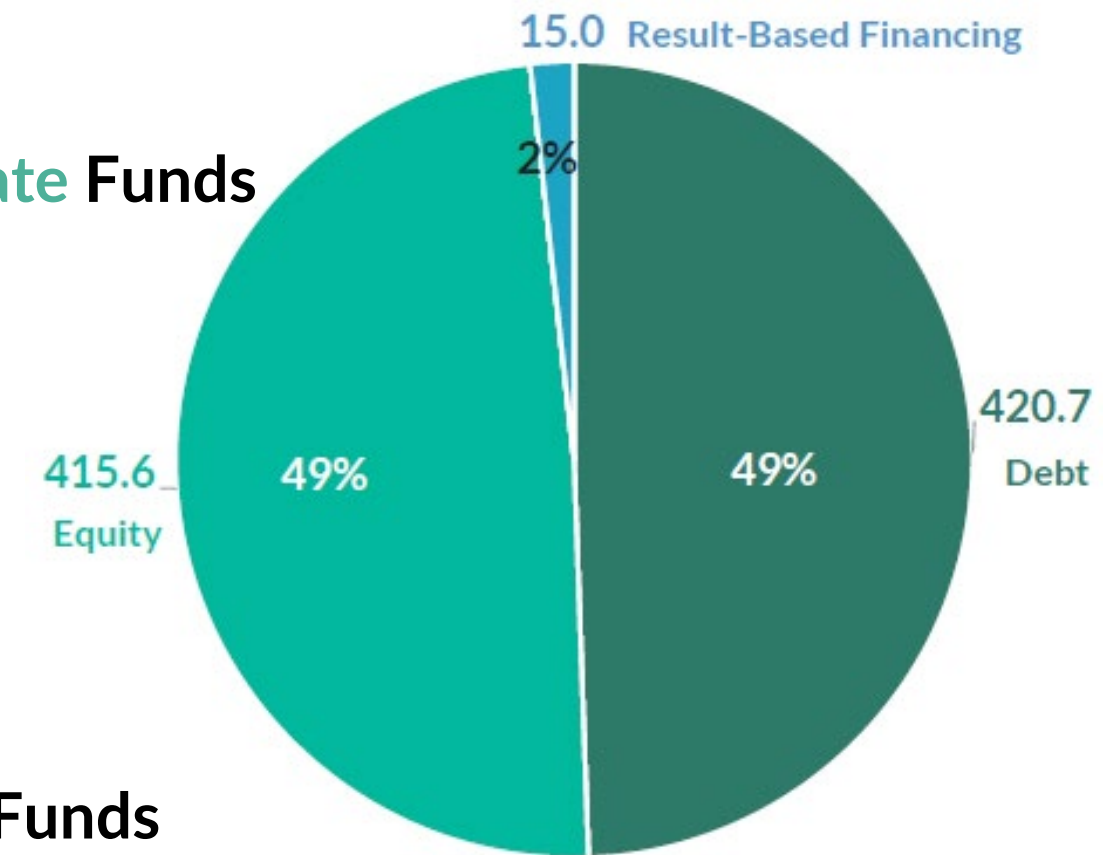
Sponsors and Investors, 2015-2020, (\$M)

Type of Investors	Total	Results-based financing	Debt	Equity	Grant	Guarantee
Private company/business	629.3	0	274.8	354.4	0	0
Development agency	524	430	0	0	94	0
International climate fund	229.1	103.8	23.9	4.7	96.7	0
Local government	211.1	0	38	40.9	132.2	0
Local state-owned company	186.1	0	133.1	52.9	0	0
Global carbon fund	110	110	0	0	0	0
Development financial institution	57	25	22	0	0	10
National financing vehicle	39.5	0	5	0	34.5	0
Multilateral development bank	26.3	0	25.4	0	0.9	0
Impact investor	23	15	4.8	3.2	0	0
Local private bank	13	0	8	5	0	0
Local public bank	2.7	0	2.7	0	0	0
Total	2051	683.8	537.7	461.1	358.4	10

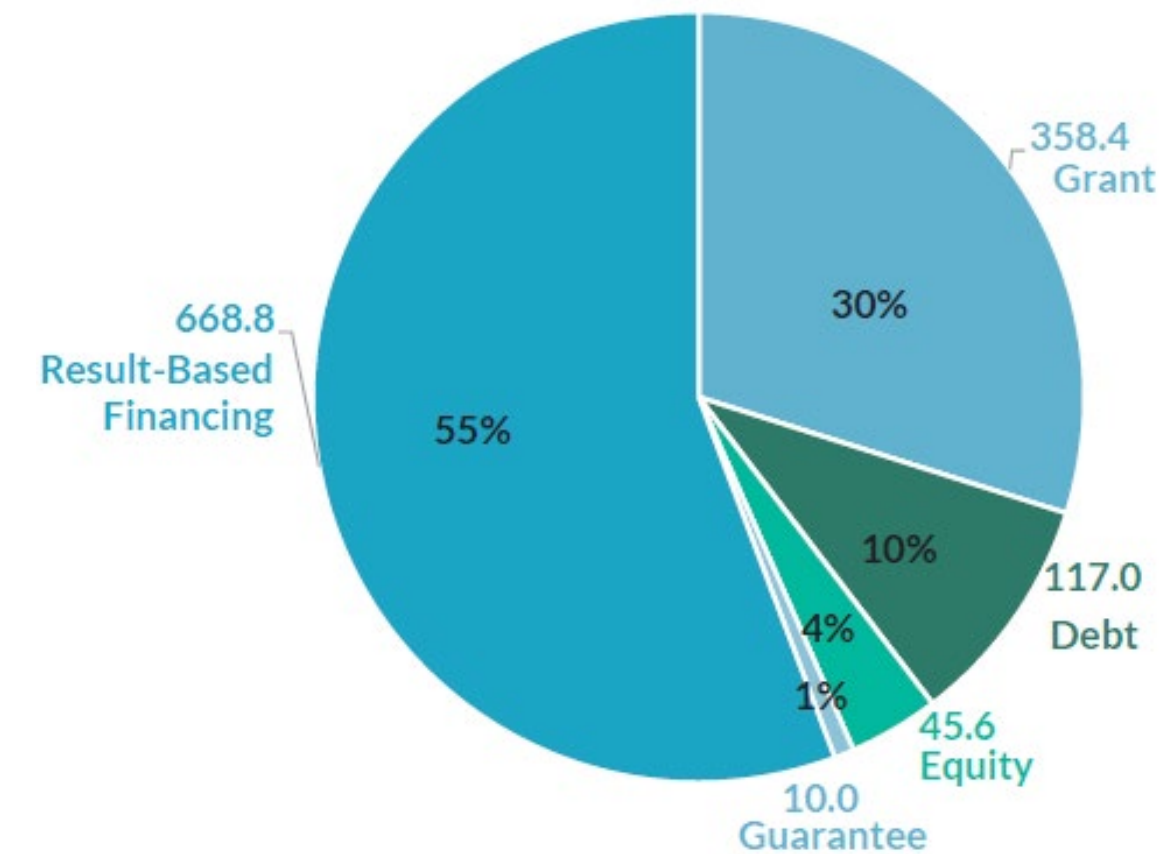
Public vs. Private & Financial Instruments



Types of **Private** Funds



Types of **Public** Funds



GGGI Technical Report 20

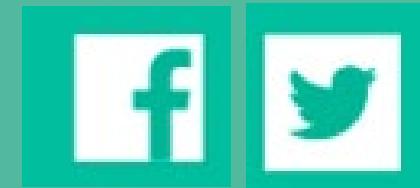
Closing the Climate Financing Gap: Stocktaking of GGGI Green Investment Projects 2015–20



Thank You



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