GLOBAL BMZ GREEN INVEST

OVERVIEW

<table>
<thead>
<tr>
<th>Global Global implementation</th>
<th>Colombia, Mongolia, Vanuatu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic area</td>
<td>Multi-sectoral</td>
</tr>
<tr>
<td>Project start date</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>Funding source</td>
<td>Earmarked: Germany</td>
</tr>
<tr>
<td>2017 budget</td>
<td>USD 367,500</td>
</tr>
<tr>
<td>% of budget disbursed</td>
<td>81%</td>
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HIGHLIGHTS

- Under the Green Invest project, GGGI supported three countries - Colombia, Mongolia, and Vanuatu - to identify bankable projects as part of their respective Nationally Determined Contribution (NDC) implementation plans.
- In Vanuatu, GGGI successfully delivered a business model and technical design for the implementation of solar refrigerators for selected private rural tourism operators in Vanuatu.
- In Mongolia, GGGI supported three initiatives, Mongolia green inclusive infrastructure private public partnership (PPP) program, Mongolia energy efficient residential retrofitting in Bayangol District of Ulaanbaatar City, and Mongolian Sustainable Finance Forum (MSFF) 2017.
- In Colombia, Business models for the use and commercialization of residual biomass waste-to-biogas/biomethane energy were successfully developed. Three waste streams were evaluated: palm oil waste, municipal solid waste and poultry litter waste.

CONTEXT

The need to mobilize private capital for inclusive green investments is one of the most pressing issues for the achievement of green growth and, since 2015, the targets set in the Paris Climate Agreement and Agenda 2030. The establishment of GreenInvest aimed to contribute to driving convergence between the different but related initiatives. GreenInvest works to overcome challenges including:

- High barriers for private-sector investments persist, including uncertainty and incoherence in policy and regulatory frameworks.
- Project sponsor inexperience in designing bankable green growth projects to submit to potential investors.

OVERALL OBJECTIVE

- Find new innovative approaches to mobilize private capital for inclusive green investment in developing and emerging economies by sharing knowledge and enabling the public sector to work more efficiently and effectively with the private sector and institutional investors.

RELEVANT SDGs

8. Promote inclusive and sustainable economic growth, employment and decent work for all.

13. Take urgent action to combat climate change and its impacts.

17. Revitalize the global partnership for sustainable development.

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### RESULTS ACHIEVED IN 2017

<table>
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<tr>
<th>OUTCOME 1</th>
<th>STATUS</th>
<th>ACHIEVED</th>
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<tbody>
<tr>
<td>Contribution to implementing projects under a country's Nationally Determined Contribution (NDC).</td>
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Specific project implemented and targets under a country NDC addressed.

<table>
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<tr>
<th>OUTPUT 1.1</th>
<th>STATUS</th>
<th>ACHIEVED</th>
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<tbody>
<tr>
<td>Projects designed under a country NDC (only countries that are part of the NDC-Partnership).</td>
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In addition to the 3 projects GGGI targeted to design, 2 additional projects were identified and delivered through BMZ GreenInvest Program. All projects were aligned to the country NDC targets.

- **Project 1: Solar Refrigeration for Vanuatu Rural Tourism Operators.**
  With the successful completion of the project in 2017, the Government of Vanuatu has indicated a strong interest to scale-up the project. This interest stems from the initial outcomes of the project, which saw a significant increase in local business activities within the 2 months after the solar freezers were introduced. This is also being fostered by strong business sentiments among rural tourism bungalow operators to grow their business and improve their income earnings. Furthermore, there is high interest among other bungalow operators to participate in similar projects, and businesses are now willing to make financial contributions having seen the demonstrated benefits. Consequently, with GGGI’s support, the Government of Vanuatu prepared a concept note to scale-up the project late 2017, to seek further funding from interested development partners.

- **Project 2: Mongolia Green inclusive infrastructure private public partnership (PPP) program.**
  Business cases for ten demonstration projects along with detailed procurement support documents were prepared and delivered to the UB city. UB city has formally endorsed this project, with a clear intent to take it forward to financing. The Investor Forum to support the matching of the 10 business cases to potential financiers was organized on December 19, 2017, in Ulaanbaatar, Mongolia. There were more than 70 participants from national and local government authorities, regulatory organizations, local private sector companies, ESCO companies from China, international organizations, and members of the Business Council of Mongolia. The partnership between UB city and potential financiers from China will be continued in 2018 via knowledge and capacity sharing events. Private sector companies (ESCOs) in China have indicated a keen interest to collaborate with UB city on PPPs in 2018.

- **Project 3: Mongolia Energy Efficient Residential Retrofitting in Bayangol District of Ulaanbaatar City.**
  Energy Auditing for 3 residential buildings completed and submitted for Government review and validation. The energy audits provide overall energy efficiency potential in across UB (of 1077 buildings), which would show overall energy efficiency potential in UB. The Government of Mongolia set out ambitious targets and goals to improve energy efficiency, conserve energy and reduce energy losses. For instance, in Mongolia’s Green Development Policy and NDC document, it set out goal to reduce building heat loss by 20% by 2020 and 40% by 2030. Furthermore, Law on Energy Conservation (2015) has been adopted in order to implement these goals, and identified 99 high energy consumers, also known as designated entities, which are obliged to carry out energy efficiency measures every three years. Through this activity the UB Mayor’s office has received crucial support to achieve its residential energy efficiency targets, as well as to contribute towards the national goals, by carrying out investment-grade energy audit for model residential buildings to assess energy efficiency potential and its investment needs. Second phase of this cooperation is to develop a business model to explore market-based energy performance contracting for large scale residential buildings.

- **Project 4: Mongolian Sustainable Finance Forum (MSFF) 2017.**
  The Mongolian Green Credit Fund (MGCF) and introduction of MGCF-developed pipeline projects to potential domestic and international investors was successfully convened on September 14, 2017 in Ulaanbaatar, Mongolia. The focus theme of the forum was “Fostering Partnerships to Scale Up Sustainable Finance”. The forum attracted more than 500 people attended the event from government and regulatory organizations, banks and other FIs, DFIs and international organizations, clients, businesses, civil society organizations and the academia. The Forum announced the MOU between Mongolia’s Ministry of Environment and Tourism, Ministry of Finance, Mongolian Bankers Association, and GGGI. The MoU establishes an MGCF Steering Committee to accelerate the MGCF’s legal establishment and initial operation. The Forum also included a discussion of the National Sustainable Finance Roadmap with financial regulators. This Roadmap, supported by UN Environment, includes policies and regulations to support the introduction of sustainable finance in the non-banking financial sector that covers micro-finance institutions, insurance companies, and the stock exchange. There was also showcasing of MGCF pipeline projects and crucial feedback from potential investors at the forum.

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RESULTS ACHIEVED IN 2017

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<th>OUTPUT 1.1 (continued)</th>
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<th>ACHIEVED</th>
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<tr>
<td>• Project 5: Colombia, Innovative business models and financing mechanisms to catalyze private investment for waste biomass to energy biogas projects. This activity was undertaken to support MME in developing policies to attract private sector investment in the production and commercialization of biogas and biomethane. The broader objective of the activity was to promote the development of non-conventional energy sources with lower GHG emissions through support for the formation of a Nationally Appropriate Mitigation Action (NAMA) to meet Colombia’s NDC. Aside from the concrete business plans for the three waste-to-energy streams, policy recommendations were presented and discussed with the government. This activity was well received by the main government counterparts (MME and UPME), demonstrating a strong commitment to the National Climate Change Policy approved in mid-2017. Colombia is aware of the necessity to draw on external technical and finance assistance to meet its national climate ambitions.</td>
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## PARTNERS

### LOCAL
- Vanuatu: Ministry of Climate Change’s Department of Energy; Ministry of Tourism, Trade, Commerce and Ni-Vanuatu’s Business’ Department of Tourism; and the Ministry of Education and Training’s TVET.

### INTERNATIONAL
- Partnership for Action on Green Economy
- International Finance Corporation
- UNDP

## LESSONS LEARNED
- Timelines for projects can shift based on government processes and decision-making requirements.
- The development of a pipeline of projects take a considerable amount of time. This pipeline took four out of the 12-month delivery period to originate.