

Global Green Growth Institute (GGGI) engagement in GCF's activities

Nuku'alofa, Tonga
July 2017





About the Global Green Growth Institute

- Less than five years old intergovernmental organizational
- 27 member countries
- Created to pursue and define greener models of economic growth amongst countries
- In most of GGGI member countries, GGGI's country team embedded in GCF's NDAs to support development of national climate change planning and projects/programs



Energy



Water



Land-Use



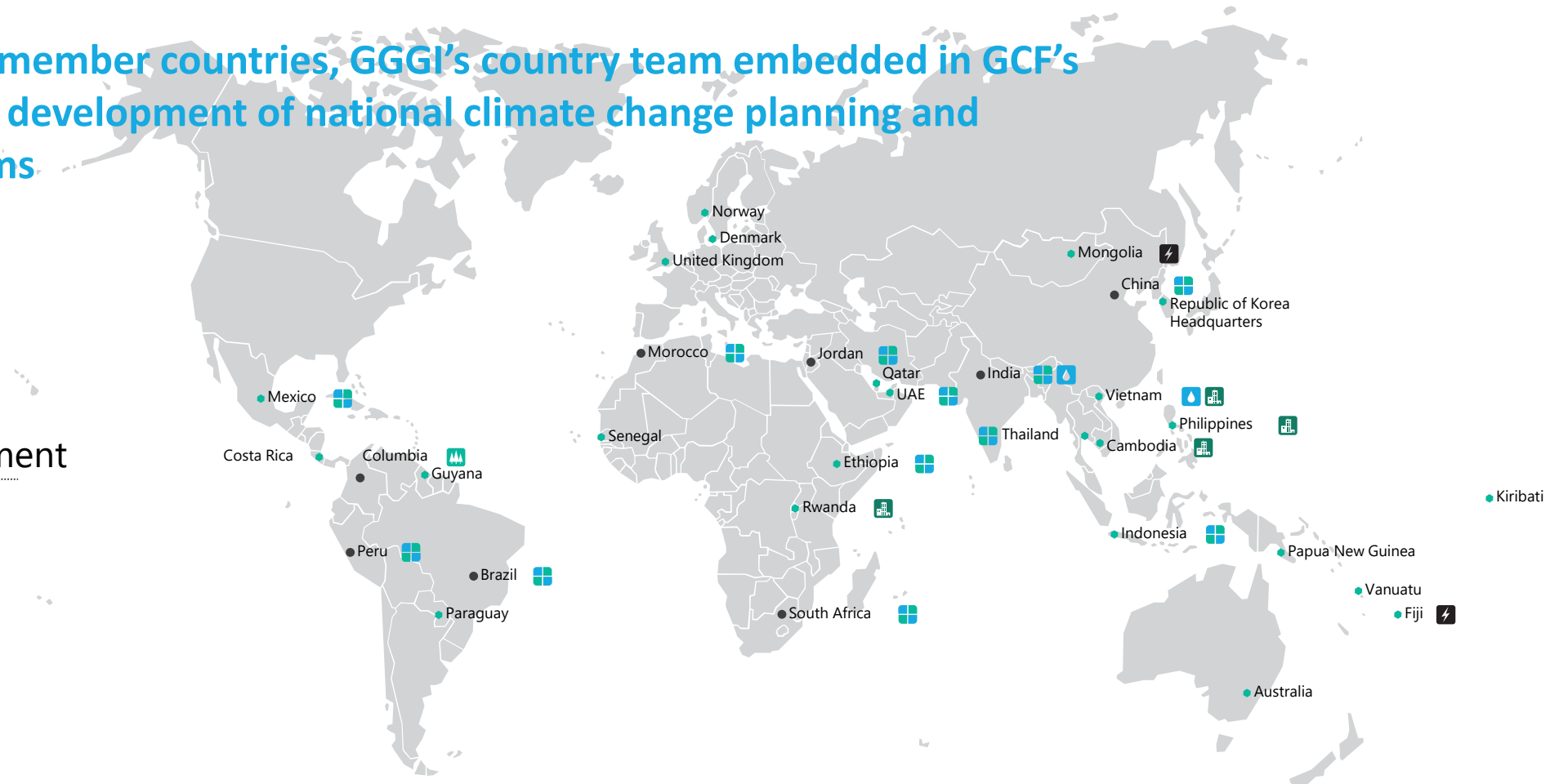
Green City Development



Multi-Sectoral



Member Countries

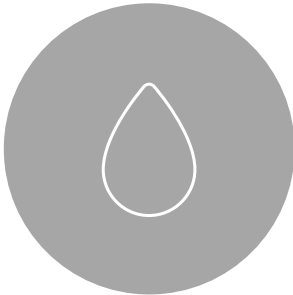


GGGI “Value Chain” service offering in 4 thematic areas

GGGI Value Chain



ENERGY



WATER



LAND-USE



GREEN CITIES

Four thematic areas

Short- and long-term cooperation to strengthen strategic partnership between GCF and GGGI



Strategic Partnership

- GCF - GGGI MOU and Framework Grant Agreement signed on April 14th
- GGGI accreditation no longer a strategic priority
- Priority: Advice/TA to member countries, supporting NDAs and project pipeline
- Country readiness support while pursuing long-term cooperation goals (e.g. joint capacity development and peer-to-peer knowledge exchange)

Readiness and Preparatory Support

- Pipeline of readiness proposals with GGGI as Delivery Partner in 12-15 countries in 2017.
 - Build capacity of direct access Accredited Entities (DAEs);
 - Support accreditation of candidate DAEs and upgrade existing DAEs to higher accreditation category;
 - Improve quality of project proposals and develop projects pipelines;
 - Support countries to develop Country Program (define country priorities, short- and long-term projects/programs and an action plan).

To fill in “finance gap” between capital providers and capital receivers

Bridging the “finance gap”
will need:

- 1. Better designed policies**

To provide the right incentives to invest, promote scale, consequent reduction in unit price, and are of appropriate duration.

- 2. Stronger institutions**

Institutions charged with climate change finance are able to monitor and manage the associated capital flows more effectively.

- 3. Better projects**

Projects must reflect the risk-reward expectations of investors, so they need to be customized and structured accordingly. To draw in larger investment houses or achieve scale, more pooled investment vehicles structures need to be created.

National Green Energy Fund (NGEF)

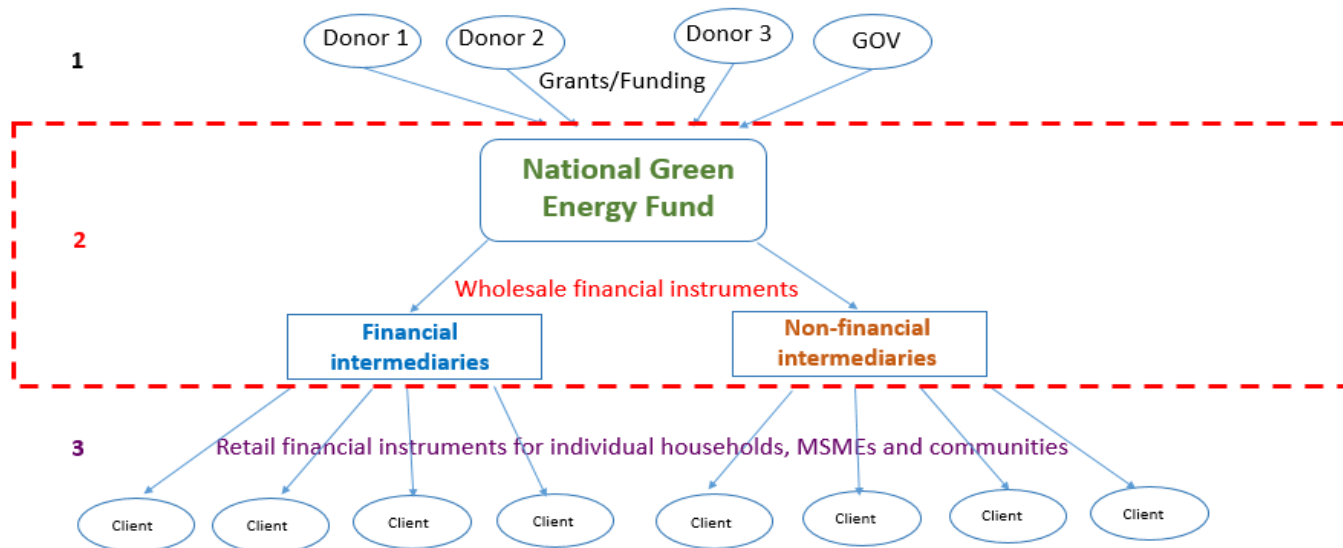
Financing rural energy access, renewable energy & energy efficiency and green growth investments

Problem

Energy access is a critical barrier to economic growth in Vanuatu. Around 90% of rural population lacks access to electricity. Vanuatu has a target to reach 100% rural electrification by 2030 while at the same time targeting 100% renewable electricity by 2030 in its National Energy Roadmap and its NDC. The National Green Energy Fund will support achievement of these targets.

Stages of NGEF Establishment Initial fundraising target within the first 3 years of existence: US\$ 15 million

Wholesale and Retail Financial Instruments Overview



Solution

The Government of Vanuatu has recently approved the establishment of the National Green Energy Fund to finance access to energy, renewable energy & energy efficiency and green growth investments.

NGEF will develop and offer financial (**grant, guarantees, loans, and equity**) and non-financial (**TA**) mechanisms to support:

- Electricity access investments, especially in rural areas (primarily through solar systems, and some grid connections), and
- Initiatives to encourage energy efficiency in electricity end-use and biomass.

Households, MSME, businesses and public institutions are the target segments.

Thank you very much

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