



ANNUAL REPORT

2017

Taveuni, Fiji

Mobilizing Green Investments

Key messages

The 2017 Annual Report demonstrates the critical role that GGGI is playing to help developing countries and emerging economies transition toward environmentally sustainable and socially inclusive green growth. Embedded within 27 partner country governments around the world, GGGI provides a range of development services, including green impact assessments, mainstreaming national and sectoral strategies, and designing and structuring the financing of bankable projects for implementation.

Building on previous policy work designed to enable green growth investment, in 2017 GGGI shifted its strategic focus toward preparing and de-risking projects to help mobilize green investment finance.

In 2017, GGGI raised the bar for green finance significantly by supporting the mobilization of over half a billion USD. This is a record achievement for GGGI, representing over 11 times the organization's actual budget in 2017.

Set up in 2012, GGGI is still a young and small organization of 260 staff. The 2017 results achieved by GGGI Member and partner countries clearly demonstrate the validity of GGGI's role, impact and ability to mobilize large and increasing amounts of finance for bankable green growth projects.

The green and climate finance that was mobilized with GGGI's support increased dramatically in 2017 to USD 524.6 million, up from USD 105 million in 2016.

Of the finance mobilized in 2017, especially encouraging was that well over half (78.5%) came from the private sector. **Mobilizing USD 412 million in private sector green and climate finance was a significant milestone for GGGI**, which demonstrates the organization's growing capacity to help structure projects to be financed by private entities.

- GGGI helped **Ethiopia** to secure a total of **USD 397 million** for green projects. GGGI produced a pipeline of projects for the Mekelle City Water Project, attracting **USD 337 million** from the international **private sector**.
- In **Rwanda**, as part of the secondary cities program, GGGI helped catalyze a **USD 60 million** investment from the **private sector** for a Cactus Green Park Development Project in Kigali. The project serves as a model for the implementation of the national green urbanization policy for green cities.

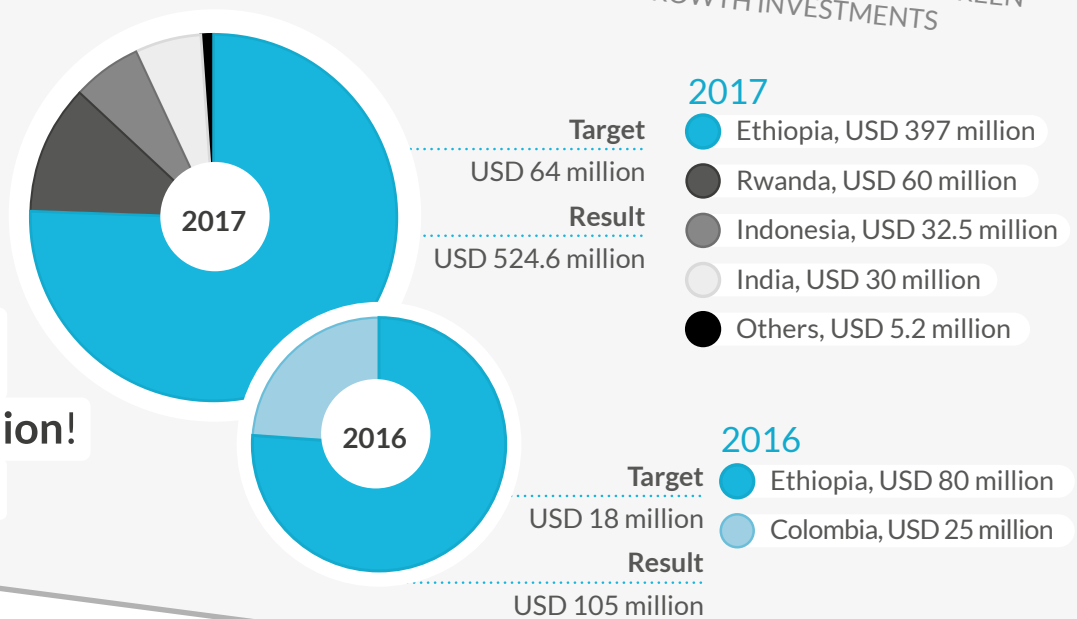
- In **Indonesia**, GGGI supported the development of photovoltaic solar power projects in fragmented small island communities in the southernmost Provinces of Mandalika and Nusa Tenggara Timur. The project, with an estimated value of **USD 32.5 million**, demonstrates the commercial viability of bundled solar power energy projects on remote islands, promising electricity for 32% of households that do not yet have access to electricity.
- In **India**, the Chief Minister of the State of Karnataka, committed **USD 30 million** to a project to introduce **150 electric buses** in Bangalore, based on the State's Green Growth Strategy developed by GGGI.

In 2017, GGGI also supported green and climate finance mobilization by helping to develop **National Financing Vehicles** in Costa Rica, Mongolia, Rwanda and Vanuatu.

- GGGI provided inputs to help operationalize the Environmental Bank Foundation (FUNBAM) for **Costa Rica**. A specialized financing vehicle for ecosystem management and sustainable development, the government of Costa Rica has contributed **USD 1 million** of seed funds to help FUNBAM become a fully independent and sustainable financing entity.

- In **Mongolia**, GGGI led the design of the Mongolian Green Credit Fund, the country's first and only dedicated financial vehicle for climate finance. The fund aims to address air pollution in Ulaanbaatar, which was among the world's worst during the 2017 winter.
- **Rwanda's** National Green Fund for Environment and Climate Change, FONERWA, is a national investment fund established to fund public and private sector projects that align with Rwanda's commitment to a green growth economy. In 2017, GGGI supported FONERWA's restructure through the development of its business plan and revision of its legal framework which has scaled up FONERWA's operation to include GGGI's projects in Green City Pilots. With a seed capital of USD 54 million, FONERWA has to date supported 33 projects.
- To assist **Vanuatu** to meet its energy and sustainability targets, GGGI has provided support for the operationalization of a National Green Energy Fund. In 2017 GGGI produced a gender assessment, which feeds into the NGEF operations manual, incorporating gender policy into the NGEF design. The government has since contributed USD 0.07 million as seed capital to the NGEF and has committed an additional USD 0.6 million for the Fund in 2018.

ADVISORY OUTPUTS THAT INFORM DECISIONS ON GREEN GROWTH INVESTMENTS

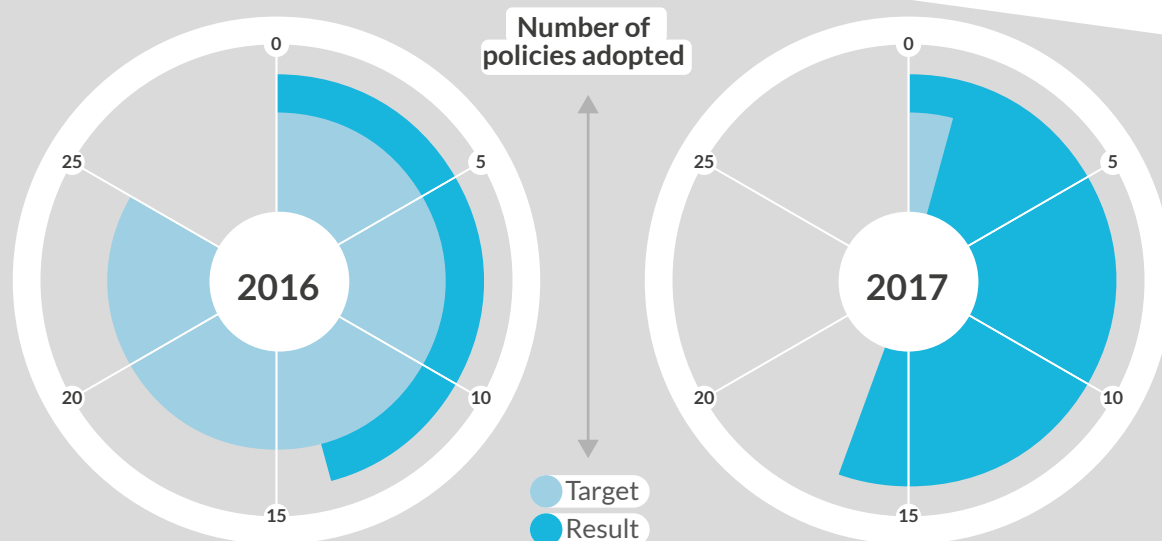


The total amount of investment was a historic record of

USD 524.6 million!

78.5% mobilized from the Private Sector

GREEN GROWTH POLICIES ADOPTED BY GOVERNMENTS



Sound enabling policies, planning and institutional frameworks continue to be critical to mobilizing green investment and essential for partner countries transformational change toward green growth.

In 2017, GGGI supported the adoption of 17 green growth policies by partner governments in 11 countries.

Working closely with partner governments, GGGI is well placed to affect far reaching policy change. The adopted policies included green growth strategies and plans in the following countries:

- GGGI assisted **Fiji** to promote a transformational change in its economy through the preparation and adoption of a National Development Plan (NDP). The NDP, officially launched at COP23 in Bonn in November 2017, provides an integrated national green growth framework.
- The National Climate Change Plan for **United Arab Emirates** that outlines an overarching strategy to tackle climate change. It includes climate change mitigation, adaptation and private sector-led diversification strategies.

- GGGI supported **Uganda** adopt the Uganda Green Growth Development Strategy and the Green Growth Implementation Roadmap, which guide the reconfiguration of Uganda's economy to better combine and balance economic growth and low-carbon development.

In 2017, GGGI began focusing on sectoral policies and regulations and subnational policies helping governments to better implement targeted policies and lift barriers to green growth investments.

- Through an MoU with the Energy Regulatory Commission of **Mongolia**, GGGI supported Mongolia to adopt the National Energy Efficiency Programme 2017-2020, which implements the law on energy conservation and state policy on energy as well as energy standards and labelling regulations for appliances.

- GGGI produced a scoping report for the State of Sonora in **Mexico**, identifying key opportunities for the implementation of the Green Growth Strategy of Sonora State at the sub-national level. The report was adopted and includes a workplan identifying priority areas, including the reduction of the gender wage gap and establishing minimum gender representation quotas in the workplace.
- In **Rwanda**, as part of knowledge sharing for district development strategies, case studies were shared from Cambodia, Uganda, Lao PDR, Senegal, Mexico and Mongolia.
- GGGI forged **new partnerships**, signing an MoU with Green Climate Fund and joining the NDC Partnership to build on shared goals and synergies to deliver the greatest amount of impact.

GGGI leveraged its partner countries' experiences in transitioning toward a green growth model by building institutional relationships, partnerships and knowledge networks to share best practices and learn from each other's strategies, successes and failures:

- At Global Green Growth Week 2017, in Addis Ababa, **Ethiopia**, GGGI delivered an inclusive, partner-driven green growth knowledge sharing and networking platform. The conference brought together over 500 global leaders, senior policymakers and experts from the public and private sectors to progress green finance, project development and green technology solutions.
- GGGI partnered with the Government of **China** to coordinate 10 knowledge sharing events, enabling 56 officials from 13 GGGI member countries to gain insights into Chinese experiences in green growth development, with a focus on best-practices in climate change mitigation, renewable energy, energy efficiency and sustainable cities.
- In 2017, **GGGI refreshed its Strategic Plan 2015-2020, adopting 6 new Strategic Outcomes.** The new Strategic Outcomes allow GGGI to align the high-level impacts of its programmatic activities with partner governments commitments to the Nationally Determined Contributions for the Paris Climate Agreement and UN Sustainable Development Goals.
- **The iGROW business reform was launched in November 2017** to improve GGGI's core business processes including streamlining the project cycle management and enhancing GGGI's resource mobilization capacity.

To continue increasing the amount of green and climate finance mobilized, developing transformational green growth policies, and leveraging strategic partnerships, **in 2017 GGGI took concrete steps to clearly align its work to the 2030 Agenda, and enhance its business processes to better facilitate on the ground action and deliver greater impact:**

Headquartered in Seoul, Republic of Korea, GGGI has 28 Members with operations in 27 countries.

Member countries*

Australia, Cambodia, Costa Rica, Denmark, Ethiopia, Fiji, Guyana, Hungary, Indonesia, Jordan, Kiribati, Republic of Korea, Lao PDR, Mexico, Mongolia, Norway, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Rwanda, Senegal, Thailand, United Arab Emirates, United Kingdom, Vanuatu, Viet Nam

* Includes signatories to the Establishment Agreement

Operations

Cambodia, China, Colombia, Costa Rica, Ethiopia, Fiji, Hungary, India, Indonesia, Jordan, Kiribati, Lao PDR, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Nepal, Peru, Philippines, Rwanda, Senegal, Thailand, Uganda, United Arab Emirates, Vanuatu, Viet Nam