



Green Financing Institution

CATALYTIC CLIMATE FINANCING VEHICLE TO EMPOWER A MORE
ADAPTIVE AND RESILIENT CAMBODIA



MEKONG
strategic partners

mekongstrategic.com

> Summary

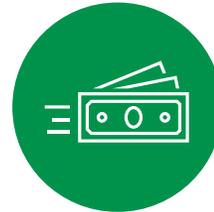
- > Mekong Strategic Partners (MSP) together with Green Climate Fund (GCF) and USAID are leading an initiative to launch a Green Financing Institution to catalyze green investment in Cambodia.
- > The Green Financing Institution will support and enable Cambodia's shift towards a greener economy and society, boosting its resilience to the impacts of climate change.
- > MSP is seeking to develop partnerships with interested parties to pioneer green financing in Cambodia and create an innovative and scalable model for green investment across South East Asia.

> Key Outcomes



Green Impact

50 million tons in greenhouse gas (GHG) reduction within the first 10 years; verifiable evaluation criteria for enduring green impact



Additionality

\$800 million in green investments within the first 10 years; objective to crowd in commercial capital



Addressing Market Failures

Overcome major market impediments to green financing by taking a transformative approach to drive change and shift financing behaviors



Diversified Green Portfolio

Climate-smart investments diversified across the capital stack and sectors to enable a green economy

> Vehicle Characteristics

> To successfully address market failures the vehicle structure will have the following characteristics:



Appropriate Risk Appetite

Aligned with green project needs



Extended Tenors

Long-term investment horizon



Strategic Investments

Investing across the capital stack and sectors



Green Impact

Transparent environmental return

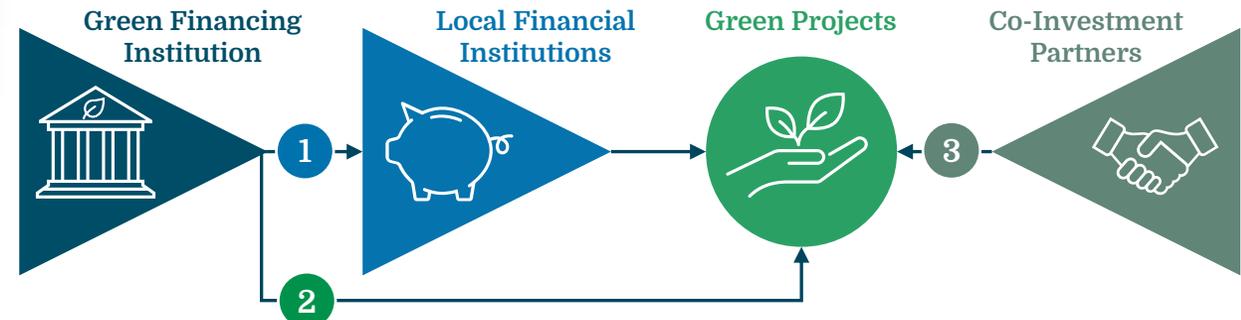


Lean & Efficient

Tactical operations with strong governance

> Investment Strategy

- > The catalytic Green Financing Institution will use a range of innovative products and structures to reduce risk and crowd in commercial capital to support the development of a greener economy.
- > Funding strategy is designed to unlock the value of green investments.



1 Sustainability-Linked Lending to Financial Institutions and Companies
 Long-term concessional rate funding to assist in unlocking bank appetite to fund green projects

Credit Guarantees to Financial Institutions
 Credit guarantees further reduce credit risk and enhance security for existing banks in order to provide additional comfort and enhance green project financing

2 Direct Financing of Green Projects
 Long-term sustainability linked debt, mezzanine & equity funding can fill the financing gap left by local financial institutions, either due to their risk appetite, institutional capacity, or time horizon

3 Crowding In Commercial Capital
 Mobilizing capital by de-risking green projects to facilitate co-investments by commercial investors at the project level



Investment Themes

- > An investable pipeline of green projects has been identified and developed, primarily focused on debt.
- > Portfolio of investments diversified across sectors to support and facilitate the sustainable growth of a green economy in Cambodia.



Key Partners

- > MSP has designed and conceptualized the Green Financing Institution and is the approved delivery partner for GCF's initiative to raise and launch the Green Financing Institution for Cambodia.
- > MSP is collaborating with USAID Green Invest Asia to deliver and implement the Green Financing Institution with technical assistance supported by Wildlife Conservation Society and United Nations Development Programme.



For more information, please contact:

John McGinley
 Managing Partner
 jm@mekongstrategic.com

Mark Selby
 Senior Investment Analyst
 ms@mekongstrategic.com

Jolyda Sou
 Investment Analyst
 js@mekongstrategic.com

