



Business Opportunities From Low Carbon Economy and Green Finance Options



*NSDP target - economy which fosters sustainable
growth and development through low impact industries and
modern technologies to ensure the well-being of
future generations*




Low Carbon Economy & Business Opportunities

Sustainability



The diagram shows three overlapping circles representing the pillars of sustainability: Society (top, orange), Environment (left, brown), and Economy (right, blue). The intersection of all three circles is labeled 'Sustainability' in green. Each circle contains an icon: a group of people for Society, a globe for Environment, and a dollar sign for Economy.




Low Carbon Economy & Business Opportunities

Green Business



- It incorporates principles of sustainability into each of its [business](#) decisions and actively monitors them.
- It supplies [environmentally friendly](#) products or services that replaces demand for nongreen products and/or services.
- It has made an enduring commitment to environmental principles in its business operations.





Low Carbon Economy & Business Opportunities

Examples of Green Businesses in Vanuatu

- Sustainable agro-forestry practices such as Intercropping trees with kava, root crops and vegetables help to maintain soil fertility.
- Sustainable practices in tourism business in line with Department of Tourism Eco-Tourism criteria.
- Turn waste plastic bottles into income generating products.








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Examples of Green Businesses in Vanuatu

- Use of RE in tourism, retail, agriculture and fisheries businesses
- Electricity generation from imported fossil fuel is substituted by locally available sustainable sources of energy.
- Developing alternatives to single use plastic – such as making disposable plates from leaves, bags and baskets from organic material or alternatives to food plastic wrap from bees wax.











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Examples of Green Businesses in Vanuatu



-Recycling scrap steel, lead acid batteries, used beverage cans, machinery, used gas bottles, end of life vehicles and electronic waste and exports them offshore for reuse (eg. Azure Pure Water, Recycle Corp, Pacific Energy and Origin Gas)



-promoting sustainable marine practices in tourism businesses (eg. Nguna- Pele Marine Protected Area)






Green Finance for Business Opportunities

- Very Limited in options in Vanuatu.
- Therefore the Government has established the National Green Energy Fund (NGEF), which currently focuses mainly on energy sector.







Vanuatu
NGEF



Green Finance for Business Opportunities

National Green Energy Fund

Targets are:

- 
100% RE generation by 2030
- 
100% electrification by 2030
- 
14% savings from electricity end-use efficiency improvement
- 
65% of tourism bungalows using RE sources for electricity requirement



Green Finance for Business Opportunities

National Green Energy Fund

The National Green Energy Fund

Objective: Extend electricity access using renewable energy sources, and facilitate more efficient end-use of energy in Vanuatu (focusing primarily on rural areas)

 Consolidate existing financial resources

 Attract and channel new sources of funding

Overcome existing barriers:

- Financing
- Affordability
- Information
- Externalities
- Cultural

Promote effective and efficient use of resources through:

- Good governance and programme management
- Capacity and relationship building
- Information dissemination
- Incentives for sustainable operations and maintenance



Green Finance for Business Opportunities
National Green Energy Fund

One of the Strategic Markets for NGEF is

- Micro-, Small-, and Medium Size Enterprises
e.g. rural tourism operators, farmers and fisheries
- Funding will mainly be used to fund Renewable Energy (RE) and Energy Efficiency (EE) investments for these enterprises.



Green Finance for Business Opportunities
National Green Energy Fund

NGEF financial intermediation will focus on:

- **Lending** products for short and long term liquidity
- **Guarantee** products for risk mitigation
- **Grants** for vulnerable groups of population
- or some combination of these.



Green Finance for Business Opportunities

National Green Energy Fund

- NGEF legislation was approved in Parliament in June, 2018
- NGEF Board of Directors was appointed by Hon. Minister of Climate Change on 29 August 2018.
- The Fund has so far secured VT7.3 million from local sources, with future inflows of VT 25 million annually through government levies on electricity consumptions
- With support from our development partners, we expect to attract larger portion of NGEF capitalization funding from external sources in earmarked projects.



Thank you Tumas

