Early Warning System

GCF-FP028

Business loan programme for GHG emissions reduction

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Quick Facts

Countries	Mongolia
Financial Institutions	Green Climate Fund (GCF)
Status	Approved
Bank Risk Rating	U
Voting Date	2016-12-01
Borrower	XacBank LLC
Sectors	Climate and Environment, Energy
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 19.50 million
Grant Amount (USD)	$ 0.50 million
Project Cost (USD)	$ 60.00 million

Project Description

According to GCF website, ninety percent of Mongolian businesses are run by Micro, Small and Medium-Sized Enterprises (MSMEs). The majority of these enterprises use outdated and inefficient equipment, processes and buildings - resulting in relatively large emissions of greenhouse gases. One of the main barriers to low-carbon innovation is financial. The lack of accessible commercial finance by local banks impedes the ability of Mongolian enterprises to invest in energy efficiency and renewable energy. This programme will provide XacBank, one of Mongolia’s leading banks, with an enhanced ability to support loans to Mongolian enterprises investing in energy efficiency and renewable energy projects. GCF’s USD 20 million contribution will be blended with other financial sources to fund low-carbon projects. This will help Mongolian enterprises adopt enduring, low-carbon business models - and help alleviate the current prevalence of high financing costs and relatively short-term loan periods.

In accordance with GCF’s gender focus, at least half of the financial support will go towards women-led MSMEs. For this program, the E&S Risk Category is I2.

Investment Description

- Green Climate Fund (GCF)

Contact Information

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ACCESS TO INFORMATION

Requests for project information may be submitted using the IDP Request for Information by email to: disclosure@gcfund.org.

You can also submit an information request using this online form: https://www.greenclimate.fund/about/disclosure/form. Additionally, if information requested is denied, an appeal can be filed to the Information Appeals Panel: iap@gcfund.org. You can learn more about the Information Appeals Panel at: https://www.greenclimate.fund/about/disclosure/appeals.

ACCOUNTABILITY MECHANISM OF GREEN CLIMATE FUND

The Independent Redress Mechanism (IRM) addresses complaints by people who believe they are negatively affected or may be affected by projects or programmes funded by the Green Climate Fund (GCF). The complainant can raise issues related to any of GCF's policies and procedures, including those relating to social and environmental issues, indigenous peoples, gender, and information disclosure, among others. If you submit a complaint to the IRM, it may seek to address the issues raised by facilitating problem solving or conducting a compliance process. You can learn more about the Independent Redress Mechanism and how to file a complaint at https://irm.greenclimate.fund/.

You can access a video about the IRM (English) at: https://youtu.be/1LanbriVhfs.

A brochure about the IRM can be accessed in English, French, Spanish, Portuguese, Arabic, Mandarin, Mongolian, Vietnamese, Russian, Ukrainian, Korean, German, and Kiswahili at: https://irm.greenclimate.fund/.

Bank Documents

- ESS report [Original Source]
- Funding proposal [Original Source]
- Gender action plan [Original Source]
- Gender assessment [Original Source]