

## The Green Fund - UNHCR

### Introduction

UNHCR's compounds, premises and offices generate greenhouse gas emissions amounting to an estimated 97, 136 tons of CO<sub>2</sub> annually. One major source of emissions is linked to the fact that UNHCR runs diesel generators, particularly in large field compounds in 'deep field' Africa operations. The global spend is more than 35 million USD annually on diesel used to produce electricity. UNHCR also needs to pay for security, maintenance and operation costs, in addition to logistics costs for delivery and storage of diesel and spare parts. Converting these compounds to solar energy could have both positive carbon impact and a positive financial impact, since solar energy is expected to be cheaper than existing diesel/fossil fuel generation in many geographies.

However, the upfront costs, made either directly by UNHCR or by a clean energy supplier, can be significant and the returns take several years to realize. Currently, clean energy and sustainability investments must compete with other priorities and often go unfunded due to a lack of budget. The Green Fund Seeks to address these challenges.

Sida has allocated 40 MSEK in an upfront grant to capitalize The Green Fund. The agreement period is Nov 2019 – Dec 2024.

### Program content

The Green Fund is an innovative financing mechanism that has been established and capitalized as a segregated fund under UNHCR's overall financial regulations. It is designed to allow UNHCR to contract clean energy as a service via multi-year Power Purchase Agreements (PPA's) or via other comparable arrangements. The contracts will have an indicative term of 10 years. Specifically, The Green Fund has been design to provide risk mitigation and act as a guarantee mechanism to enhance the creditworthiness and attractiveness of the proposed project, in turn it is hoped leading to more competitive monthly capacity payments for the respective refugee camps.

The goals include: climate mitigation by promoting clean energy, supporting the bridge between humanitarian and development aid and creating a resilience value, for example by reducing dependence on imported fuel and by inviting independent, private renewable energy suppliers to establish their business in refugee settlements. UN has a long term goal to move towards climate neutrality. Part of this is to shift to sustainable energy solutions.

### Targeted geographical and thematical areas

The contribution is earmarked for Sub-Saharan Africa and the first phase of the program will target approximately ten refugee camps in Uganda, Kenya and Ethiopia. Beyond the initial set of sites, the goal will be to allow The Green Fund to grow further investment and reach additional operations more quickly.

### For further information

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