

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized



INNOVATIVE FINANCE
SOLUTIONS FOR CLIMATE-SMART
INFRASTRUCTURE

NEW PERSPECTIVES ON RESULTS-BASED BLENDED FINANCE FOR CITIES

BOX 3-2 Case Study: Off Grid Electric (OGE) in Tanzania *(continued)*

Impact^d

- 140 kg of CO₂ and 1.45 kg of black carbon avoided per household per year
- 149 percent time increase for potentially productive activities
- 40 new jobs created per month
- Goal: Provide lighting to 10 million households throughout Africa within 10 years and expand operations into Ghana, Ivory Coast, Tanzania, and Rwanda.

Note: ^a See the Huffington Post/Skoll Foundation website. "How to light the Off-Grid World in a Decade." (https://www.huffingtonpost.com/skoll-foundation/how-to-light-the-off-grid_b_7564126.html).

^b The Fletcher School (Tufts University). *Off Grid: ELECTRIC; Lighting the World One Village at a Time*, page 4.

^c Huffington Post/Skoll Foundation. "How to Light the Off-Grid World in a Decade."

^d See the Off Grid Electric website: <http://offgrid-electric.com>.

BOX 3-3 Case Study: Solid Waste Management (SWM) for Cleaner Cities in Nepal

Situation: Post-consumer waste is estimated to account for 5 percent of global GHG emissions. In addition, methane from landfills represent 12–15 percent of total global methane emissions, which has a global warming potential 21 times greater than CO₂. In Nepal, municipalities generate about 700,000 tons of waste per year, but less than 50 percent of the waste gets collected and almost all of the collected waste is dumped in a haphazard manner. As municipal spending on SWM only provides services to less than 50 percent of citizens, cost recovery is also low due to inefficiencies in the service provision and citizen's resulting "unwillingness-to-pay."

Subsidy model and revenue economics

- Provide \$4.28 million in grant-based subsidies to five Nepalese municipalities—no repayment required, but municipalities assume the performance risk
- The grant payments are contingent upon verified improvements in the service provision *and* collection of service fees, and are complemented with technical assistance
- Subsidies to municipalities are paid based on agreed multiples of verified collection of fees from customers; as the municipalities' revenue increases, the OBA subsidies will gradually (over 4 years) be lowered and finally phased out entirely
- By the end of the project, the municipalities will be able to sustain the SWM service with the tariff and same level of government subsidy.

Impact

- All the participating municipalities have established dedicated units for complaint handling along with a responsible municipal officer, who is responsible for tracking beneficiaries' comments, the recording arrangement for complaints registration, remedial action taken, and reporting to the Chief Executive Officer (CEFO) of the municipality.
- Dhankuta was named the cleanest city in Nepal.

(continued on next page)