

Social risks and opportunities in financing the transition: Mongolia's experience

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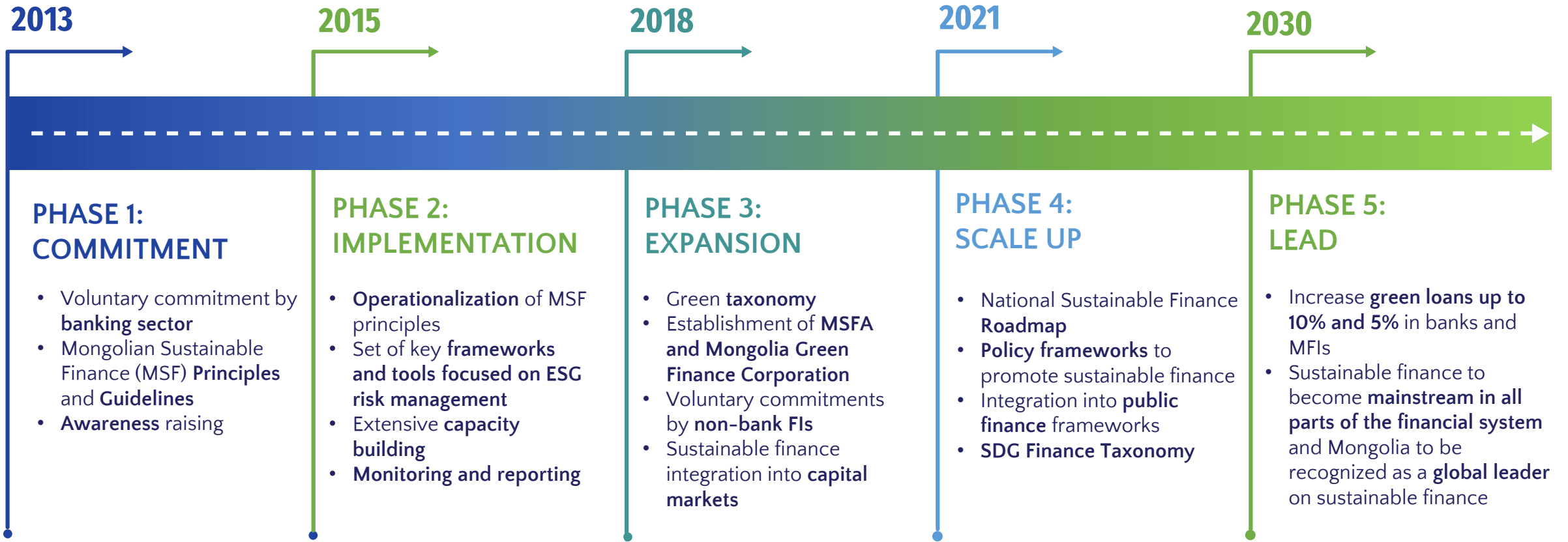


2013 – Mongolian Sustainable Finance Initiative

2017 – Mongolian Sustainable Finance Association (MSFA)



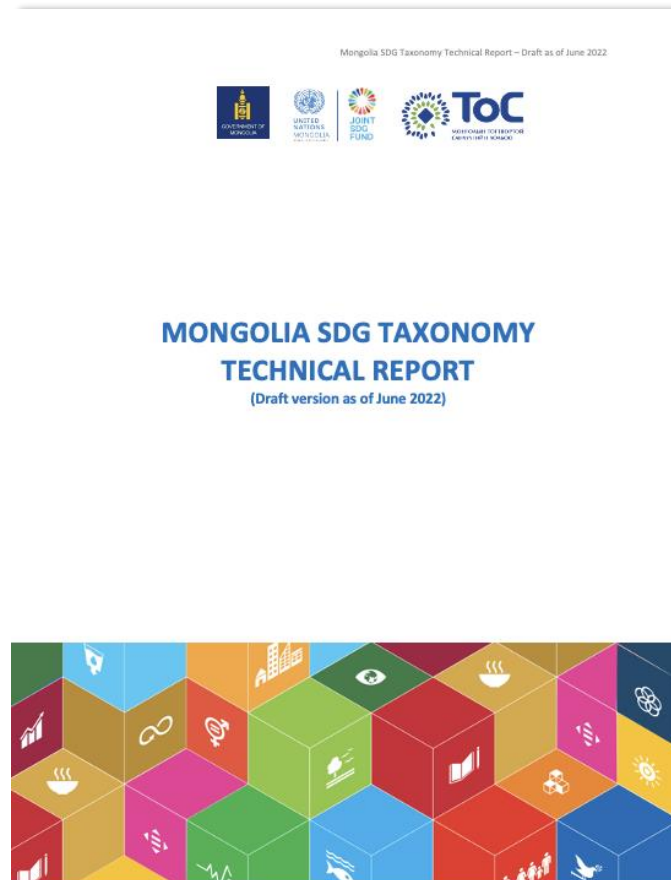
Our Journey



Mongolia Green Taxonomy vs. SDG Taxonomy

INTRODUCTION	RENEWABLE ENERGY	LOW POLLUTION ENERGY
3	9	11
ENERGY EFFICIENCY	GREEN BUILDINGS	POLLUTION PREVENTION & CONTROL
12	13	14
SUSTAINABLE WATER AND WASTE USE	SUSTAINABLE AGRICULTURE, LAND USE, FORESTRY & ECO TOURISM	CLEAN TRANSPORT
15	16	18

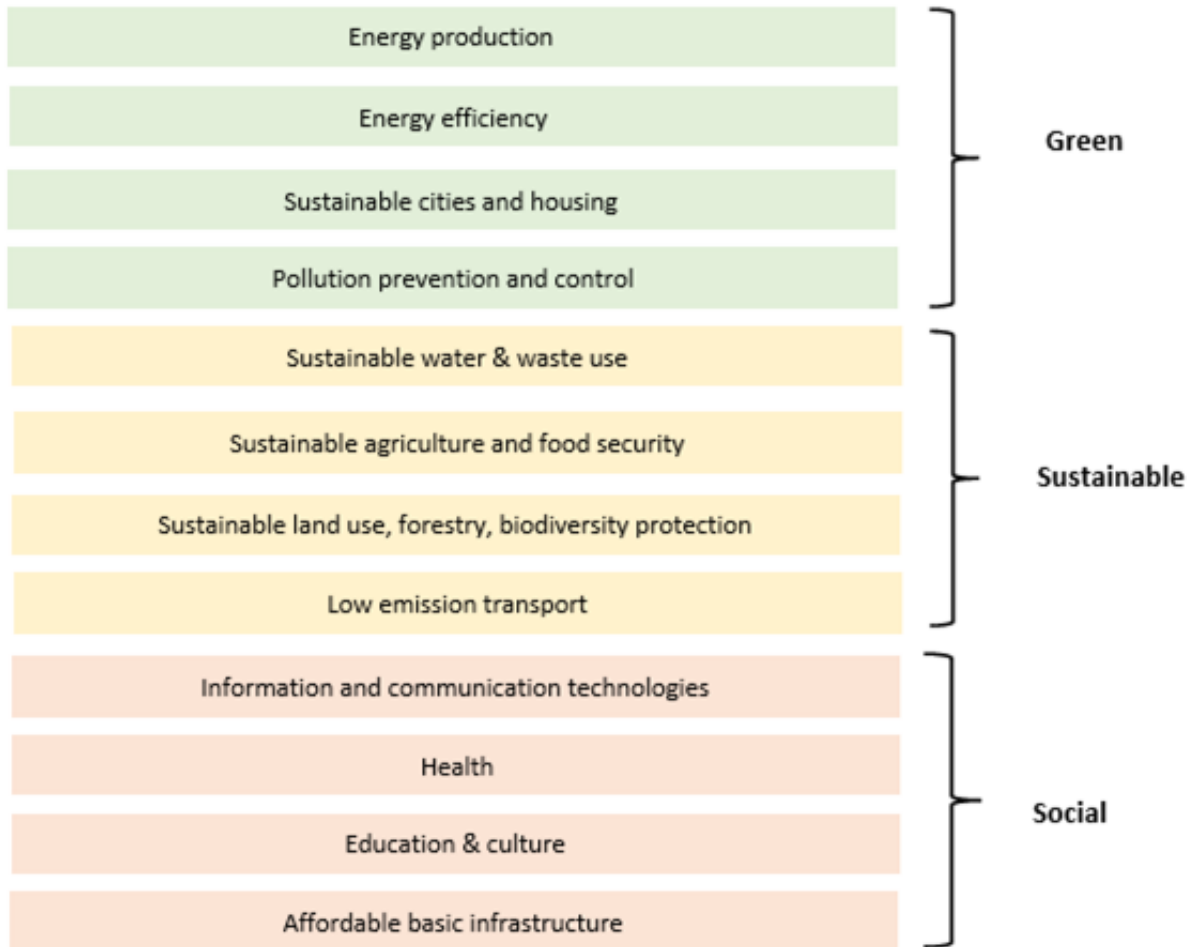
2019
Approved by the Financial Stability Council



2023
Approved by the Financial Stability Council
To be implemented starting **2025**

Categories of the draft Mongolia SDG Taxonomy

Overall scope of the SDG Finance Taxonomy



Mongolia SDG Finance Taxonomy

Example: Education / Inclusive and equitable primary education

Category	Sub-category	Activities	Example activities	SDG	Impact indicators	Threshold/Criteria	Means of verification	National standards/policies	Intl standards
Education	11.1	11.1.1	Construction, expansion and reconstruction of equitable pre-school, primary school education, new educational and teaching equipment, staffing, playgrounds, green space, children's activity rooms, service rooms; culturally, linguistically, and developmentally appropriate programs, teaching materials, required technology, furniture, musical instruments, toys and information equipment, afterschool activities and services, accessible school bus services	1.2 1.4 4.1 4.2 4.5 4.6 5.1 10.2 11.1 13.3 16.6	<ol style="list-style-type: none"> Safety standard qualification Qualification/ professional grade of teachers Low student-to-teacher ratio Number/amount of financial aid, scholarship, child support services (low income and vulnerable) Implementation of accessible campus practices Curriculum for early childhood development including SDG education Area of classroom space per student during the reporting period. Area of classroom space built, converted, or expanded for use within educational facilities during the reporting period. Report only space completed during the reporting period. # of textbooks or digital educational resources per student provided by the organization during the reporting period. # of complaints registered by parents/students of the educational institution during the reporting period. Percentage of students receiving free and subsidized school meals as of the end of the reporting period. # of students residing in peri-urban areas enrolled as of the end of the reporting period, both full- and part-time. # of low-income students enrolled as of the end of the reporting period, both full- and part-time. Average school fees per student per month during the reporting period. Provision of transportation to students that needed or requested it during the reporting period. Number of teachers at the organizations as of the end of the reporting period who have obtained training or have qualifications that meet or exceed the minimum requirements of the local area. Number/amount of financial aid, scholarship, child support services (low income and vulnerable) 	The building materials and facilities that meet the applicable standards on health requirements and space per children are eligible; Existence of credible license to operate from a relevant authority	Ex-ante: Plan and description of activities with target impact; gender disaggregated data, certificate of inclusive practices, other available proof documents Ex-post: Reporting and site visit to confirm compliance; Users'(parents) questionnaire Assessment standard/tool: Pedagogical certificates; professional grades; qualifications metrics; MSFA risk assessment tool; Approved Curriculum; other means of proofs to showcase claimed impacts	Law of Mongolia on Education; Law on preschool education (2008); Law on Children's right; Law on Child Protection; Law against Domestic Violence; Child Protection Policy of Kindergarten; Policy and Guideline for Child Protection (2018); Homeschooling program for children (2018); National Program for Education for Sustainability (2018); MNS 6558:2015. Training environment for preschool organizations; MNS 6799: 2019. Hygiene specifications for educational environment;	ISO 21001:2018. Educational organizations — Management systems for educational organizations; NAEYC standards for early child development

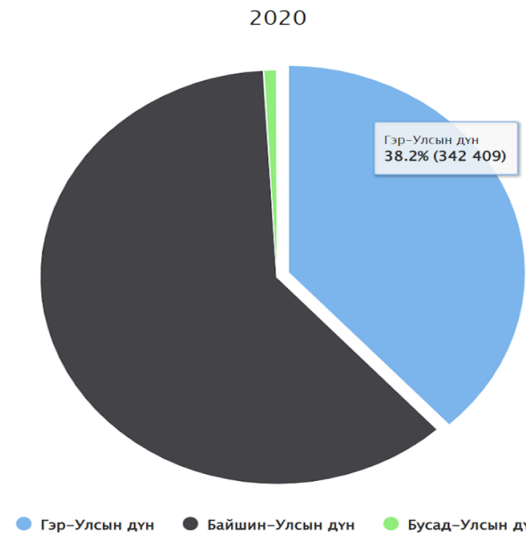
CHIP – Cooking Heating Insulation Package



① ЦАХИЛГААНААР ХАЛДАГ МОНГОЛ ГЭР



CHIP is a **clean, coal free** product that replaces the function of coal stove used for traditional Mongolian ger (yurt). It has a **ventilation pipe** instead of a chimney, an **air filter** on the door, an **electric heater** instead of a traditional coal stove and extra layers of **insulation around and under** the ger. CHIP is designed to improve energy efficiency and **indoor air quality** as well as reduce outdoor air pollution.



38.2% of Mongolian households (HHs) are living in a Ger, and make fire with raw coal, later briquette or refined coal.

Impact and Advantages of CHIP loan



Social benefit

- Target groups
- Health benefits (airborne disease decreased by 19% among the children from CHIP user families.
- Reduces burn incidences
- Gender (Labor-intensive task of heating the home, mostly handled by women saving 41 minutes daily)
- Cost effective (save 44,000mnt annually)
- Reduced indoor air pollution

Green product

- CHIP insulation products decreases heat loss by 30-40% (BEEC,2021)
- Reduction of CO2 emissions (838 kgCO2e)

Inclusive financing

- Revolving fund with NBFIs
- Eased conditional interest rate
- Prolonged loan term
- Cost effective (Average cost spent on heating decreased by 77,000 MNT in winter)
- Potential to support CHIP producers with loan from the revolving fund

Impact & Benefits for CHIP users



Better Health

Airborne disease decreased by 19% among the children from CHIP user families. (Agency of public health, 2021)

Cleaner home

Free from coal dust, smoke, ash waste

Cost effective

Average cost spent on heating decreased by 77,000 MNT in winter (SICA, 2020)

Energy efficient

CHIP insulation products decreases heat loss by 30-40% (BEEC,2021)

41 min a day

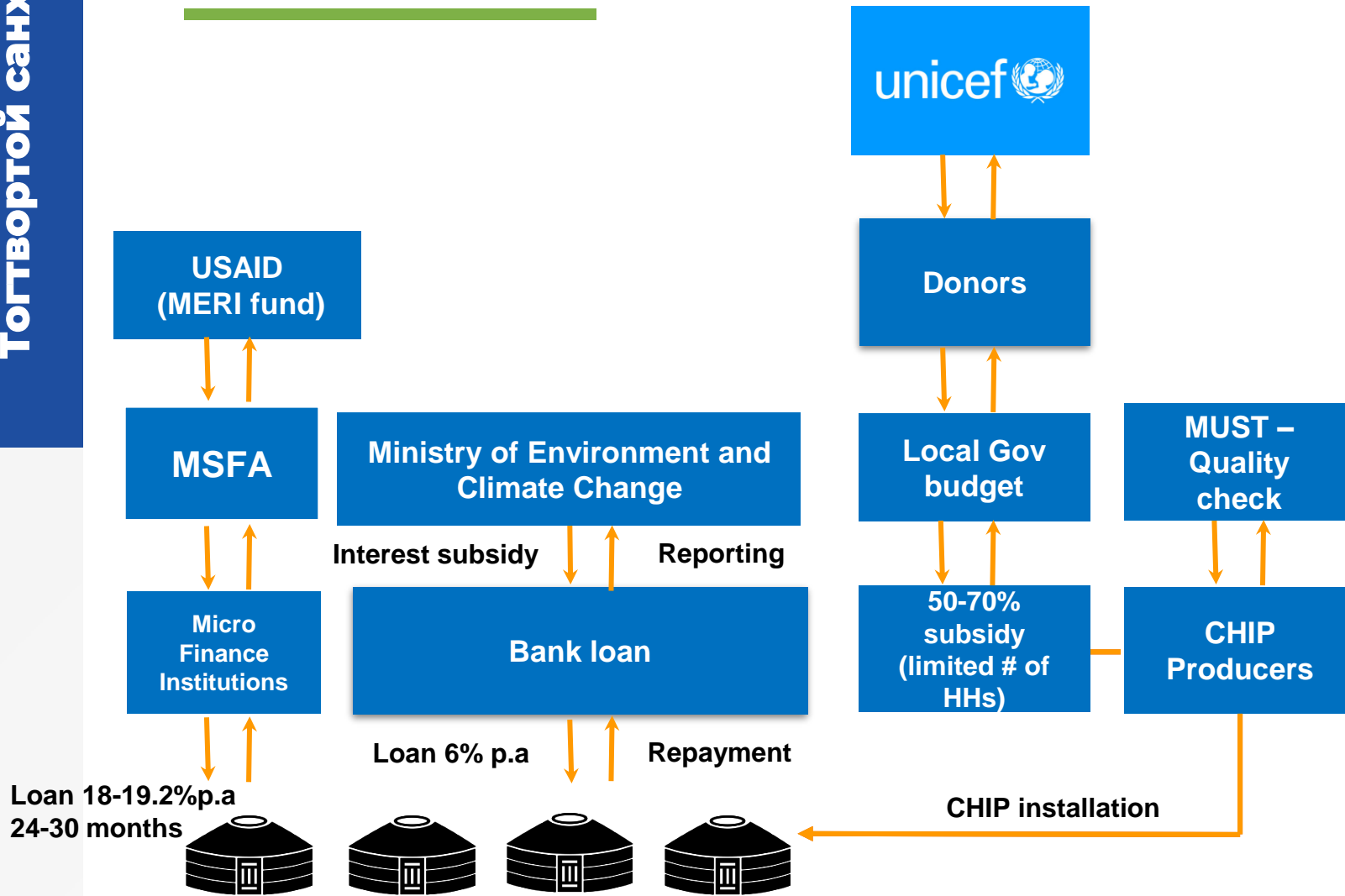
Labor-intensive task of heating the home, mostly handled by women saving 41 minutes daily (SICA, 2020)

Safe

Reduces:

- Incidence of children to burn to stove and cooker
- Incidence of pregnancy risks related to air pollution, air-borne infections

Financing scheme



Requirement for the HHs to obtain subsidy (at least one of 5 to comply):

- To have a child under the age of 5
- To have a pregnant women in the HH
- To have a family member with disabilities
- To have an elder in the family
- To be a single mom/dad



Thank you for your attention!

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