



## GREEN FOR GROWTH FUND SOUTHEAST EUROPE

INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

**Initiated by**



Vienna, March 2010



## Key Features

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### Mission Statement

The mission of the Fund is to contribute, in the form of a public private partnership with a layered risk/return structure, to enhancing energy efficiency and fostering renewable energies in the Southeast Europe region including Turkey, predominantly through the provision of dedicated financing to businesses and households via partnering with financial institutions and direct financing.

- **Initiators:** European Investment Bank and KfW Entwicklungsbank, supported by the European Commission
- **Domicile:** Luxembourg SICAV-SIF
- **First closing:** December 17 2009

# Investors and Donors



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

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## Current Shareholders

**Initiating Shareholders**

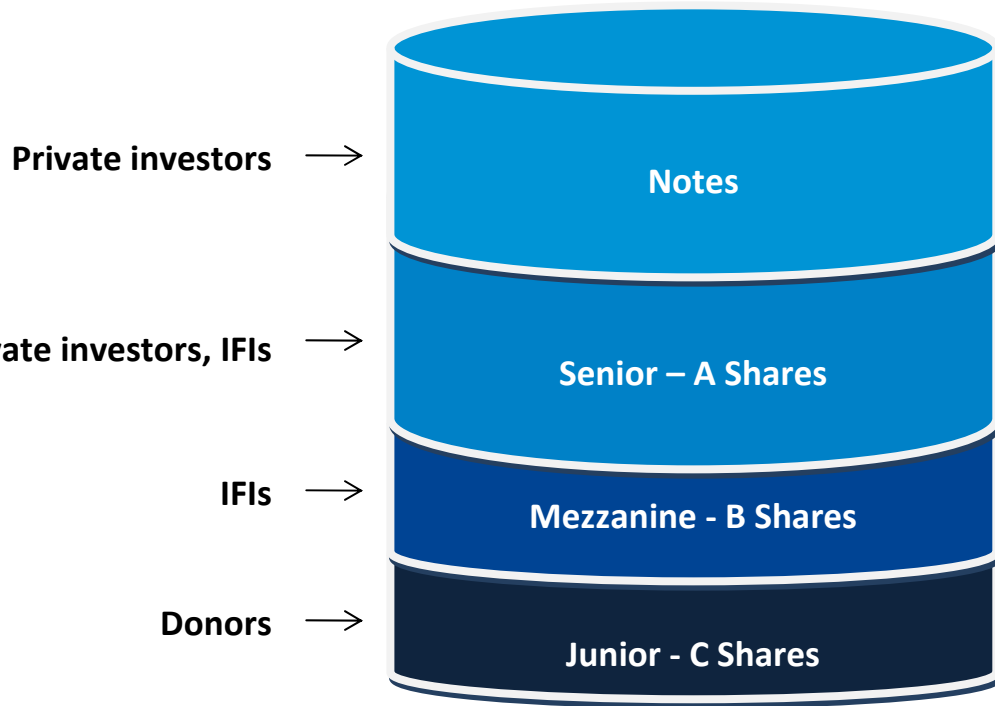


## TA Facility Donors





# Capital Structure

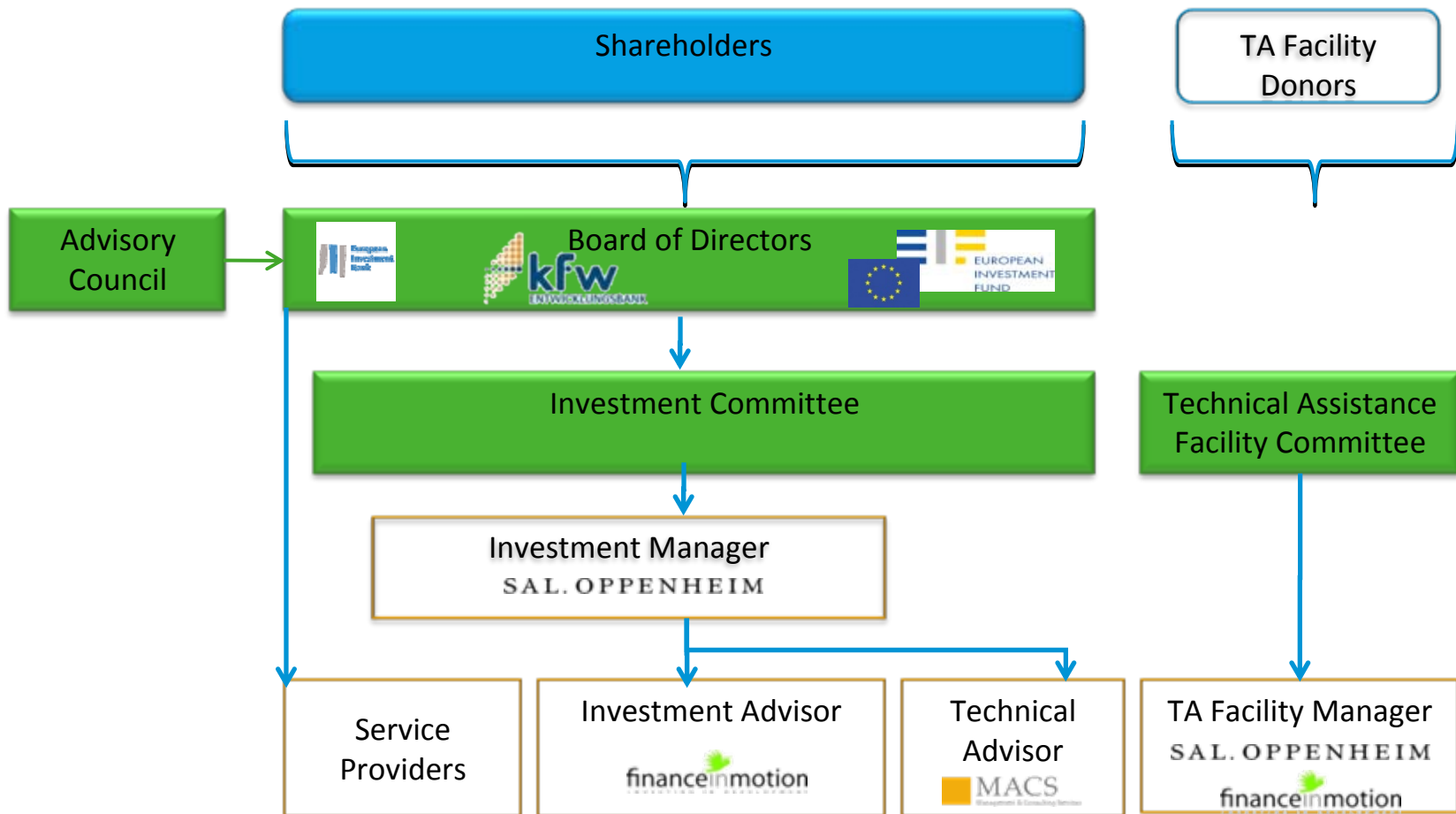


Current committed capital  
approx EUR 100 million

*As a public-private partnership, GGF can leverage donor funds, in the form of first-loss C shares, and IFI funds in the form of mezzanine shares, to access private capital into senior shares and notes. This increases the effectiveness of donor and IFI funding by bringing in additional capital that might not otherwise be attracted to the sector.*



# Governance Structure





## Objectives and Instruments

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### Objectives

- Broadening the financing base of energy efficiency and renewable energy investments in the region
- Increasing awareness and deepening the financial sector servicing those development needs
- Harmonize and coordinate donor initiatives

### Instruments

- Medium to long-term senior loans
- Subordinated loans
- Letters of credit
- Guarantees
- Mezzanine debt instruments
- Local debt securities
- Equity
- Technical Assistance support



## Current Target Partners

Albania

Bosnia and Herzegovina

Croatia

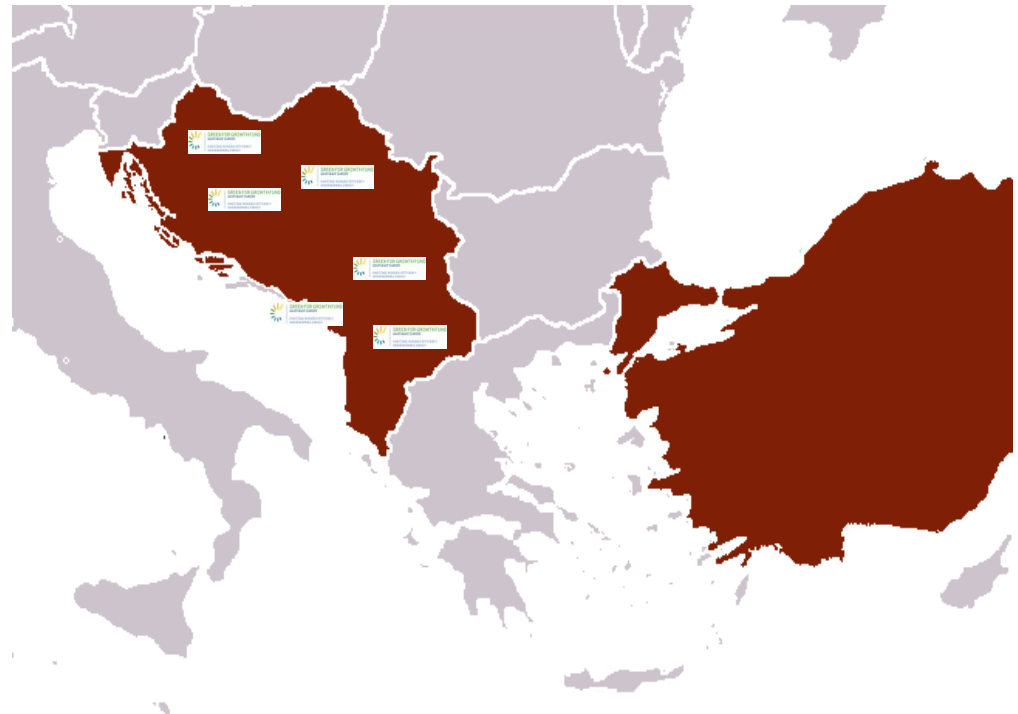
FYR of Macedonia

Montenegro

Serbia

Kosovo<sup>1</sup>

Turkey



<sup>1</sup>under UNSCR 124/99



# Investment Objectives

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## What?

- Minimum 20% reduction in energy consumption
- Minimum 20% reduction in CO2 emissions

## Where?

- Target Partners

## To Whom?

- Financial Institutions
- Non-Financial Institutions

- ✓ Households
- ✓ Homeowner Associations
- ✓ Companies, including ESCOs and RE companies
- ✓ Municipal & public entities

## How?

- Loans & guarantees
- Mezzanine financing
- Equity



## Eligibility Criteria

### Investments through Financial Institutions

	<b>Standard</b>	<b>Non-standard</b>	<b>SME/Industrial/Muni</b>
Recipient	Households, SME	HOA, SME	Businesses, Municipalities, Public Sector
Min sub-loan	N/A	N/A	€100k
Max sub-loan	€500k	€500k	€10 million
Eligible Measures	Building envelope, heat source & distribution, lighting, renewable utilization, combined heat/power, (white goods* – standard only)		EE and RE projects

\*Subject to strict limitations



## Eligibility Criteria

### Investments through Non-Financial Institutions

	<b>To/through ESCOs</b>	<b>Energy service/supply</b>
Recipient	Public sector, industrial	EE/RE service or equipment companies
Min loan	€100k	N/A
Max loan	€10 million	€10 million
Eligible Measures	Energy efficiency, renewable energy, energy performance contracts, energy supply contracts	EE/RE producers or vendors, service companies



## Eligible Criteria

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### Renewable Energy Projects

#### Eligible Projects

- Solar (thermal and photovoltaic)
- Small hydro
- Biomass
- Geothermal
- Methane recovery
- Small wind
- Biogas

#### Technical Aspects

- Specific to project type
- Transparent procurement
- Coordination among Initiators (sharing of information)



## Non-Financial Services

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### Technical Assistance Facility

- Availability of well tailored technical assistance for capacity building of partner institutions
- Assistance in setting up energy efficiency and renewable energy lending operations
- Support in the form of energy audits
- Help with EE and RE project implementation



## Objectives of the Technical Assistance Facility

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The TAF is meant to foster the development activity of the GGF and – inter alia – to assist partner institutions (PIs) in their development in the area of EE and RE toward the achievement of the Fund's mission.



## Which activities are eligible for TA support?

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### Capacity development of PIs

- Portfolio analysis
- Development of EE/RE loan products
- Staff training
- Marketing and supply chain development
- Impact measurements
- Monitoring and reporting



## Which activities are eligible for TA support?

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### Capacity development for Non-Financial Institutions

- Support financial and technical feasibility studies → prepare bankable documents for potential investors
- Training and consulting in supply chain development, product development, refining contractual arrangements (e.g. for ESCOs), defining procurement standards
- Targeted technical advice to address problem areas in an EE/RE company that is a client to the Fund



## Which activities are eligible for TA support?

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### Awareness Raising and Market Enabling Activities

- Build up and training a pool of Energy Auditors
- Organise sector workshops, trade shows, conferences
- Organise events featuring successful EE/RE project

### Impact Analyses & Energy Audits

- Support the set up of a framework and monitoring systems to validate and monitor energy savings and CO<sup>2</sup> emission reductions

### Research & Development

- Country studies
- Studies advancing the Fund's strategic direction



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**Thank you for your attention.**



**SAL. OPPENHEIM**

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