INVESTING IN ENERGY & RESOURCE EFFICIENCY AND RENEWABLE ENERGY

Green for Growth Fund (GGF) – Year in Review and Outlook

March 2022
THE GREEN FOR GROWTH FUND (GGF)

- an impact investment fund that mitigates climate change by investing in measures that reduce energy consumption, resource use and GHG emissions
- active in 19 markets in Southeast Europe, ENR East and in Middle East and North Africa
- provides funding to financial institutions to mainstream climate investments and deep-green their activities
- makes direct investments in renewable energy projects (debt and equity), corporates, and other energy service providers

GGF APPROACH AND IMPACT

- Green use-of-proceeds fund, focused on financing eligible CAPEX investments
- Regulated under Article 9 of the Sustainable Finance Disclosure Regulation (SFDR) against environmental objectives
- Robust environmental impact management – dedicated impact tool and network of 20+ engineering firms to assess technical characteristics and impact of each sub-loan

All figures as of Q3 2021
This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of independence.
GGF 2021 HIGHLIGHTS

Continued growth driven by positive policy signals and diversification

- Financial institutions (commercial banks, leasing companies & MFIs),
  - Corporates
- Renewable energy projects

Green investments in 2021 across BiH, Kosovo*, Montenegro, North Macedonia, Serbia, Georgia, Moldova, Ukraine, Egypt, Turkey totalling almost EUR 200 million.

Full subscription of EU supported Green Recovery Package: 25 partners and with EUR 335m (see top right)

Two investments in syndication with EBRD in 2021:
  - Electric vehicle production facility, Turkey
  - Energy efficient retail expansion, Ukraine

First equity participation:
  - Bogoslovec wind project, North Macedonia (see lower right)

Over EUR 4 million in TA approved in 2021 to support capacity building, market development and impact assessment
DEEP-GREENING THE FINANCIAL SECTOR

Comprehensive support for a green transformation of financial sectors – 2021 activity in Serbia, BiH, Armenia, Georgia

Mainstreaming
- **Objective:** Enhancing green lending and supporting credible green banks
- **Target institutions:** medium to large-size banks
- **Key areas of support:**
  - Sustainability strategy, product & process development
  - ESG risk management practices
  - Communication, reporting & outreach enhancement

Sustainable Finance Frameworks
- **Objective:** Building regulatory ecosystems for sustainable finance
- **Target institutions:** Central banks, financial regulators
- **Key areas of support:**
  - Sustainable Finance Framework development
  - Trainings for regulators
  - Regulation mapping

Scaling
- **Objective:** building markets to scale-up the modern green technologies
- **Target institutions:** MFIs, leasing firms, small banks
- **Key areas of support:**
  - Identify core barriers via market & portfolio analysis
  - Developing green products & marketing
  - Digital solutions, capacity building
  - Direct support to clients to catalyse green investments
Green finance is an investment into your institution’s future, as well as the planet’s.
GREEN JOURNEY CAMPAIGN

Showcasing green finance success stories and creating momentum for financial sector transformations

- Partner financial institutions spearheading green finance
- Exemplary investments and case studies across sectors
- Strong outreach to local/national press and via social media
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