



JOINT PRESS RELEASE

GGF AND AUSTRIA ALLEVIATE ALBANIA'S ENERGY DEFICIT WITH JOINT RENEWABLE ENERGY PROJECT

- Austrian enso hydro GmbH erects small hydropower plant, Austrian Development Bank (OeEB) finances project jointly with Green for Growth Fund, Southeast Europe

Luxemburg and Vienna, 19 December 2013 The energy situation in Albania is set to improve with support from Austria and the GGF: enso hydro GmbH, based in Graz, Austria, is erecting a small hydropower plant in Lengarica; financing will be provided by the Development Bank of Austria (OeEB – Oesterreichische Entwicklungsbank AG) and the Green for Growth Fund, Southeast Europe (GGF).

Two decades after the end of the communist era, Albania is still one of the poorest countries in Europe. Structural problems have impeded economic growth. Foreign investors remain inhibited by a weak infrastructure and inadequate power supply. Power outages are still commonplace in everyday life in Albania.

Putting hydro energy to good use

Albania has a high hydro energy potential, of which only 35 percent is currently exploited. At the same time, the country is dependent on energy imports. enso hydro's new small hydropower plant will play a role in improving power availability in the future.

The Lengarica hydropower plant is being erected in the province of Gjirokaster, in the southeastern part of the country. With a net fall height of 148 meters, the plant will have a capacity of just over 9 megawatts. Average annual power production is projected to reach about 32 gigawatt-hours, enough to power approximately 10,000 Albanian households.

"Our main concern in setting up this diversion hydropower plant is to ensure minimum impact on the environment," says Georg Kühhas, CEO of enso hydro. In much the same way as environmental safety assessments are conducted in Austria, numerous detailed reports serve to represent the current state of the environment and the Lengarica project's impact. This ensured that key mitigation efforts were integrated in the earliest design stages of the hydropower plant.

Financing via OeEB and the GGF

Project investment costs will total EUR 23 million. The OeEB and the GGF will provide EUR 14.1 million in financing, with EUR 5 million coming from OeEB, and the GGF contributing EUR 9.1 million. “Energy is a rare commodity in many developing and emerging countries. Inadequate power supply hinders much-needed economic development, which itself is key to creating new jobs and improving living conditions. Here, the OeEB is focusing mainly on financing renewable energy to achieve these goals,” say OeEB board members Andrea Hagmann and Michael Wancata.

“The only way to achieve development and environmental goals is to, right from the start, center the economic growth of emerging countries on energy efficiency and renewable energy. In this regard, the Lengarica project is fully aligned with the GGF’s mission. In enso hydro we also have a partner who brings extensive know-how to the table in developing and operating hydropower plants, so we are delighted to work with the OeEB to secure the financing,” explains Michael Neumayr, Member of the GGF’s Board of Directors.

ABOUT THE GREEN FOR GROWTH FUND, SOUTHEAST EUROPE (GGF)

The Green for Growth Fund, Southeast Europe (GGF) is dedicated to enhancing energy efficiency and fostering the use of renewable energy sources in Southeast Europe, including Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Kosovo*, Montenegro, Serbia, and Turkey as well as in the nearby European Eastern Neighbourhood region comprised of Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The GGF provides refinancing to financial institutions for on-lending to enterprises and private households seeking to finance energy efficiency projects. The GGF also invests directly in small to medium-scale renewable energy projects. To maximize the impact of the Fund’s investment activities, the GGF’s Technical Assistance Facility offers capacity building support to local financial institutions and partners. The GGF was initiated as a public-private partnership in December 2009 by the KfW Development Bank (KfW) and the European Investment Bank (EIB) with the financial support of the European Commission, the German Federal Ministry for Economic Cooperation and Development (BMZ), and the European Bank for Reconstruction and Development (EBRD). Its growing investor base comprises donor agencies, international financial institutions and institutional private investors, and recently added the International Finance Corporation (IFC) and Netherlands Development Finance Company (FMO). The GGF, registered under Luxembourg law as a SICAV (variable capital investment company), is privately managed by Oppenheim Asset Management Services S.à r.l., Luxembourg, in concert with the fund advisor, Finance in Motion GmbH, Frankfurt/Main, Germany, and the technical advisor, MACS Management & Consulting Services GmbH, Frankfurt/Main, Germany. For more information: www.ggf.lu

* 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.

About enso hydro

enso hydro invests €80 million of equity in a portfolio of small and medium-sized hydroelectric power plants. The final portfolio will comprise about 30 power plants with approximately 150 megawatts of capacity. enso hydro's regional focus lies on countries with ideal natural conditions for producing hydropower such as Albania, Norway, Austria and Turkey.

About OeEB

Oesterreichische Entwicklungsbank AG (OeEB) has been operating as the official Development Bank of Austria since March 2008. It specializes in the provision of long-term finance for the implementation of private sector projects in developing countries which create sustainable development. Additionally, OeEB provides technical assistance, which can be used to enhance the developmental impact of projects. For more information, please visit <http://www.oe-eb.at>

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