



GREEN FOR
GROWTH FUND

IMPACT REPORT

20 22

Contents

02 CONTENTS

03 KEY FIGURES

04 GREETINGS

09 MEETING ENERGY
SECURITY &
ECONOMIC RESILIENCE
IMPERATIVES

13 STAND WITH
UKRAINE

17 HARNESSING
AUTOMATION TO
GROW STRAWBERRIES
IN GEORGIA

20 CLIM@ SCALER
PROGRAM 2022

26 IMPACT &
SUSTAINABILITY

31 OPERATING
RESULTS

36 ABOUT
THE GGF

Key Figures

Funding



€742mn
Assets under management



19
Number of investors



6
Number of donors

Investments



€731mn
Outstanding
Investment Portfolio



€1.5bn
Cumulative volume invested
in partner institutions



19
Active countries

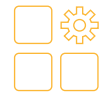


64
Number of active
partner institutions

Technical Assistance



488
Number of technical assistance
projects managed to date



19
Number of countries to date with technical
assistance projects



€24.2mn
Volume of technical assistance
projects managed



8,800
People benefiting from
capacity building

Environmental Impact



1.1mn tCO₂
/yr
CO₂ emissions reduction



4.3mn MWh
/yr
Energy savings



1,200 MW
Renewable energy capacity supported



427,000 tons
/yr
Waste avoided or treated



115,500 m³
/yr
Water saved or treated



16,240 tons
/yr
Materials saved

* Figures are modeled by the Green for Growth Fund based on primary reporting and third-party data.

Greetings from the Chairperson

Over the last year, we have witnessed a remarkable display of resilience in societies and economies.

Russia's war of aggression against Ukraine has had a knock-on effect on energy, food, and inflation across the globe, including in many of the GGF's markets. However, these challenges have served as a catalyst for unity and collaboration, and further cemented the GGF's commitment to positive impact with its partners and in its regions.

The war has affected the fund's operations, but despite these headwinds, we have succeeded in maintaining our leading role in financing the green transition. Working with 64 active partners, we achieved a year-end portfolio of EUR 760 million and channeled green finance to more than 52,000 end-borrowers. This has resulted in 4.3 million megawatt hours of energy savings, 1.1 million tons of CO₂ savings, and over 427,000 tons of waste, and resource savings on an annualized basis.



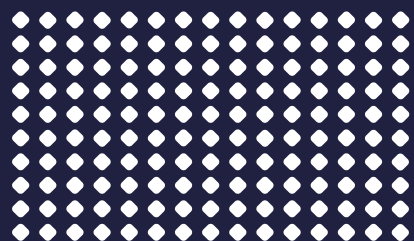
Growth Trajectory

€760mn



YEAR-END PORTFOLIO

€1.5bn



OVERALL FACILITATION OF
IMPACT FINANCE

IMPACT REPORT 2022

The ongoing energy crisis enveloping the GGF's markets continues to underscore the importance and urgency of the fund's decade-plus mission of delivering upon the green transition. The lead article of this year's report highlights the essential imperative of boosting energy efficiency and clean energy to not only address the challenges of climate change, but also safeguard our societies and livelihoods.

We remain steadfast in our support to Ukraine, both in terms of managing relationships with our partners, and of significantly expanding our technical assistance activities. Through our crisis support package, similar efforts have been extended to our markets neighboring Ukraine. The GGF's solidarity summit held in Moldova jointly with the European Fund for Southeast Europe (EFSE) further underscored our commitment to the region.

I welcome you to dive deeper into our support to Ukraine over the past year through our Stand with Ukraine program, which is covered

in this report.

Despite these challenges, the year under review has also seen notable progress, particularly in sustainable finance, which is fast entering the mainstream, and where the GGF, as an Article 9 fund, has a leading role to play. We remain firmly committed to greening financial ecosystems in the EU neighbourhoods through the fund's flagship Deep Greening initiative. The fund furthermore participated in its first green bond transaction, a key step in the development of sustainable capital markets in Turkey and in scaling finance for the green transition.

Looking forward, the fund aims to build on the past year, which was defined by successful capital consolidation and continuity of operations. Awareness of and demand for green investments has never been higher, cementing the vital role that the GGF has to play at this time. The fund is actively engaging with public investors for additional support to grow the fund's risk absorption capacity

and technical assistance facility in order to support our partners and investment pipeline.

Furthermore, the fund continues to focus efforts on aligning its structure and practices to industry standards for greater conformity with investors, regulators, and the broader asset management sector. These efforts ensure that our operations will continue to become more efficient and attract further private sector interest and investment.

I'd like to conclude with one final figure – 1.5 billion. That is the cumulative amount of green finance the GGF has facilitated since it began operations. This figure stands for a wealth of impact and stories, a number of which are detailed in this year's report. On behalf of the board of directors, I'd like to thank you for your continued support and interest and invite you to find out more about the fund's achievements over the past year.

CHRISTOPHER KNOWLES

- 02 Contents
- 03 Key Figures

| Greetings

- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results
- 36 About GGF

Greetings from the Advisor

As we enter the second year of Russia's war of aggression against Ukraine, we remain steadfastly committed to the people of Ukraine and abhor the tragic losses inflicted on them. The GGF has been working in Ukraine since 2012, supporting the country's green transition from the beginning, and despite the terrible consequences of the war we have maintained our local office and expanded our investments and technical assistance support. The fund is and remains a committed and long-term partner of the country, today and for the years to come.

The war has brought to surface the interconnected challenges of energy security, economic resilience, and climate action – not only in Ukraine but across all of our regions of activity. Strategic energy security is now a driver of the broader green transition, as societies better understand that cheap and abundant sustainable energy can provide independence from external coercion.



NORTH MACEDONIA, BOGOSLOVEC WIND FARM



Resilience and adaptability continue to be the prevailing themes for our partners, our markets, and for the fund as we navigate the crises of recent years. We applaud the courage and perseverance of our partners in these trying times as well as their commitment to our shared vision. Our achievements this past year have only been possible through the desire of our partners to work hand-in-hand with us in pursuit of a greener, more sustainable future.

The past year has also served to demonstrate the resilience and intent of GGF's blended finance model alongside the unwavering support of our key stakeholders. Early in the year, like many investors, we were forced to take stock of our portfolio, both in terms of how we could best support our partners in Ukraine and also map a clear path forward for delivering on its mission. These efforts saw the fund surpass its portfolio target for the year and, just as importantly, remain an active and catalytic champion for the market at a time of heightened need, while continuing to deliver on our impact ambitions.

The work of the fund and its partners led to a highly impactful year and despite a challenging operating environment, the fund exceeded its environmental targets for energy savings and greenhouse gas reduction, with significant contributions from renewable energy projects in Southeast Europe and industrial efficiency measures in the Middle East and North Africa. This achievement led to 4.2 million megawatt hours of energy savings per year and 1.1 million tons of CO₂ savings annually, alongside the fund's investments annually generating more than 427,000 tons of waste, and resource savings.

GGF Technical Assistance Facility (TAF) responded boldly and quickly to the fallout from Russia's war of aggression against Ukraine by stepping up its efforts to meet the needs of the fund's partners and greatly expanding its activities in support of Ukraine. The TAF's crisis response delivered timely and crucial support to new and existing partners, from backup data centers and IT infrastructure during the initial months of the war to business continuity support for green businesses.

More broadly, the TAF approved 54 new projects in 2022, of which a highlight was the third biennial Clim@Scaler initiative that provided seven innovative green ventures access to a four-month acceleration program to scale their business and impact, culminating in a successful investor event where the ventures pitched their business models and needs to investors, industry experts, and corporates.

The TAF built upon its flagship Deep Greening initiative in 2022, approving an additional 5 projects to green the operations of fund partners and mainstream climate finance in financial sectors. It complemented these long-term engagements by expanding on other sustainable finance activities, including hosting a series of online workshops with the United Nations Environment Programme Finance Initiative (UNEP FI) on climate risk management, promoting women in green finance through a panel discussion at COP27 on Gender Day, and growing the capacity building offering of the GGF Green Academy

GGF IMPACT REPORT 2022

02 Contents

03 Key Figures

| Greetings

09 Meeting Energy Security &
Economic Resilience Imperatives

13 Stand with Ukraine

17 Harnessing Automation to
Grow Strawberries in Georgia

20 Clim@ Scaler Program 2022

26 Impact & Sustainability

31 Operating Results

36 About GGF

for the fund's partners, and in-person study tours in Berlin.

Despite the challenges we will continue to face in the coming year, the GGF and its partners remain steadfast and optimistic in our mission. We are proud to serve as a vehicle for positive change, leveraging our expertise, track record, and partnerships to create a lasting impact for people and the planet.



Borislav Kostadinov
Finance in Motion



Borislav
Kostadinov
FUND DIRECTOR
FINANCE IN MOTION



Lachlan
Cameron
DIRECTOR
INVESTMENT MANAGEMENT
FINANCE IN MOTION



Mejra
Juzbasic
DIRECTOR
INVESTMENT MANAGEMENT
FINANCE IN MOTION



Milena
Bertram
DIRECTOR
IMPACT & SUSTAINABILITY
FINANCE IN MOTION



Maja
Gizdic
DIRECTOR
INVESTMENT MANAGEMENT
FINANCE IN MOTION



Sebastian
Wörle
MANAGER
FUND MANAGEMENT
FINANCE IN MOTION



Chad
Canfield
DIRECTOR
PROJECT FINANCE
FINANCE IN MOTION



Serge
Mayaka
DIRECTOR
INVESTMENT MANAGEMENT
FINANCE IN MOTION

Advised by:  **financeinmotion**

Meeting Energy Security and Economic Resilience Imperatives



Meeting Energy Security and Economic Resilience Imperatives

The GGF had to contend with a vastly different geopolitical and operational environment in 2022, primarily brought on by Russia's invasion of Ukraine at the beginning of the year.

Russian military and energy aggression abruptly exposed our collective dependence on the country's fossil fuels at the same time as catastrophic weather events were a keen reminder of the urgency of the climate crisis. Yet, each of these challenges shares a common solution.

Every megawatt of renewable energy and “negawatt” of energy efficiency achieved by investing in affordable and sustainable energy solutions reduces dependence on on expensive fossil fuels and, more importantly, exposure to market volatility. Every country has access to its own sun and wind, while energy efficiency investments remain the fastest and most affordable solution for reducing energy consumption and costs.

Only by addressing these disparate challenges simultaneously can we deliver on energy security, economic resilience, and climate

Every megawatt of renewable energy and “negawatt” of energy efficiency achieved by **investing in affordable and sustainable energy solutions reduces dependence** on volatile and expensive fossil fuels.

Enhancing Energy Security and Resilience



19

FUND-OPERATED MARKETS



That's where GGF has a key role to play. The fund has an established, decade-plus track record of building green investment cases and channelling green finance into renewable energy and energy efficiency investments with households, businesses, and large-scale projects. As these climate mitigation measures have become intertwined with goals of strategic energy security and resilience, it places GGF in a unique position of being able to address two crises with **immediacy, scale, and integrity.**

The 19 markets in which the fund operates are diverse and heterogeneous. However, all countries are striving to accelerate their deployment of renewable energy and promoting energy conservation, while still having to meet tremendous needs and opportunities. The GGF is particularly proud of its active role in developing early-stage markets for green investments into more mature, business-case-driven markets. Markets where our partners are delivering green lending at scale, where green investment activity is flourishing to various degrees, and where the GGF is leading the way for other investors to come in and support.

In Turkey, the fund has been an early supporter and financier of solar PV through its local partner financial institutions, helping to demonstrate viability and develop a mature business case. Building on this track record and experience, our partners are increasingly tapping capital markets to finance these projects, achieving greater scale and pushing impactful investments into the mainstream.

The GGF champions sustainable capital markets development with these same partners by supporting the issuance of high-quality sustainability bonds aligned to leading international practices. The GGF's recent investment in Akbank's inaugural green bond demonstrates well the fund's theory of change at both the product and institutional level – creating a virtuous cycle of increasing impact.

The GGF also facilitates similar lighthouse projects directly, most recently with our first equity investment in North Macedonia last in 2022. With inflation negatively affecting project development costs, the fund's investment was essential for unlocking debt finance to build the first private wind farm in the country, doubling the nation's installed wind generation capacity. Local banks participated in the syndication and gained valuable exposure and greater confidence to participate in larger, more complex transactions just as North Macedonia is embarking upon an ambitious renewables roll-out.

GGF IMPACT REPORT 2022

02 Contents

03 Key Figures

04 Greetings

Meeting Energy Security & Economic Resilience Imperatives

13 Stand with Ukraine

17 Harnessing Automation to
Grow Strawberries in Georgia

20 Clim@ Scaler Program 2022

26 Impact & Sustainability

31 Operating Results

36 About GGF

There's No Time to Lose

A crucial role we play as an impact investor is in equipping our partners to overcome the global economy's many headwinds. War, still-high inflation, rising interest rates, slowing growth and new variants of COVID continue to contribute to ongoing uncertainty and volatility in financial markets.

At the same time, the need, urgency and awareness has never been higher to deliver on the promise of a safer, more sustainable future. Crisis creates opportunity, and given the right push we believe that this tragic year can also be remembered as a turning point in addressing the challenges of climate change and energy security.



Stand with Ukraine





GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives

| Stand with Ukraine

- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results
- 36 About the GGF

Stand with Ukraine

The Green for Growth Fund (GGF) and the European Fund for Southeast Europe (EFSE), together with the funds' advisor Finance in Motion, launched the "Stand with Ukraine Program" to mobilize resources to support the resilience of Ukraine's financial and entrepreneurial ecosystems following Russia's invasion in February 2022.

The program, which consisted of 15 projects over the course of 2022, provided various means of support, such as enhancing the resilience of the IT infrastructure for partner institutions, ensuring business continuity, and supporting the integration of Ukrainians into the European tech labour market. In order to effect change across the board, the program was set up on three pillars: addressing the immediate needs of partners; providing employment and career opportunities; and bolstering the business continuity of Ukrainian small and medium enterprises, including, greentechs.

The Stand with Ukraine program was built on **three pillars:**

- ◆ Addressing the **immediate needs** of partners
- ◆ **Providing** employment and career opportunities
- ◆ **Bolstering the business continuity** of Ukrainian small and medium enterprises, including, greentechs

GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- Stand with Ukraine**
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results
- 36 About the GGF

Stand with Ukraine

Supporting Operational Continuity and IT Resilience

In the immediate aftermath of the Russian invasion of Ukraine in February 2022, the GGF set out to support its Ukrainian partners to reinforce their digital infrastructure and ensure smooth continuity of operations.

One such partner is Bank Lviv. The bank was able to upgrade its backup cloud services, set up a backup operation centre, relocate the staff of critical departments and train them on relevant safety and security aspects.

A similar project was set up for Ukgrasbank where a reliable engineering infrastructure of the backup data processing center was established. This allowed the bank to strengthen its digital resilience, particularly its data storage and recovery capacities.

The GGF also supported its corporate partner Novus in enhancing the resilience of its IT infrastructure and establishing backup operations for its cloud data storage system to ensure overall business continuity.

Online Education and Certification Courses for Ukrainian Professionals and Students

The GGF TAF teamed up with some of the leading providers of online education and certification courses - the Frankfurt School of Finance and Management, the Renewables Academy (RENAC) and the UNEP Finance Initiative (UNEP FI) - to launch a new scholarship program for professionals and students from Ukraine to become certified experts in the fields of green and sustainable finance, environmental and social (E&S) risk



GERMANY - GREEN FINANCE EXPERT STUDY TOUR

GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives

| Stand with Ukraine

- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results
- 36 About the GGF

analysis, and climate risk management in the financial sector.

These online courses provide opportunities for Ukrainian participants to deepen their technical expertise and practical skills, thereby contributing to the green economic reconstruction and sustainable development of Ukraine. The program is offered under the GGF Green Academy initiative.

Bolstering Ukrainian Greentechs

The war has taken a massive toll on the Ukrainian economy and private sector, leaving the country's thriving greentech scene of earlier-stage ventures more vulnerable to this shock. The GGF Technical Assistance Facility committed EUR 200,000 in capital grant support to ensure business continuity for promising greentechs, whose solutions can either support Ukraine's rebuilding efforts or the country's longer-term green transition.

The supported greentechs bring together a wide range of innovative ideas and business models that aim to boost uptake of renewable energy and energy efficiency appliances in households and businesses, accelerate the e-mobility transition, innovate new products and business models around circularity, and increase efficiency and automation in agriculture.

Funding from the GGF Technical Assistance Facility ensures ongoing business continuity, provides needed productive investments, and strengthens resilience and growth.

Stand with Ukraine

IMPACT
REPORT
2022

15

PROJECTS

- ENHANCED THE RESILIENCE OF IT INFRASTRUCTURE FOR PARTNER INSTITUTIONS
- ENSURED BUSINESS CONTINUITY
- SUPPORTED THE INTEGRATION OF UKRAINIANS INTO THE EUROPEAN TECH LABOUR MARKET

€200,000

CAPITAL GRANT SUPPORT

COMMITTED BY THE GGF
TECHNICAL ASSISTANCE FACILITY

Harnessing Automation to Grow Strawberries in Georgia





GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine

Harnessing Automation to Grow Strawberries in Georgia

- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results
- 36 About the GGF

Harnessing Automation to Grow Strawberries in Georgia

Strawberries are commonly known as an easy crop to grow, but a difficult crop to grow well. In subtropical climates such as Georgia's they only bear fruit during the summer months. Modern greenhouses with consistent temperature control are the international gold standard for growing strawberries and this approach is crucial to growing the sweetest berries.

Georgia remains largely dependent on foreign food imports, estimated at 70% of its total consumption, due in part to a lack of investment in the sector. Yet when given the opportunity, Georgian farmers have shown a keen interest in adopting innovation. With the help of the Green for Growth Fund (GGF), a small farming business in the heart of Georgia is harnessing the power of automation to grow strawberries with higher efficiency and better yields.

Supported financially by the GGF, in partnership with TBC bank, 'New Product Ltd' has built a modern greenhouse to grow strawberries



GEORGIA, STRAWBERRY FARM AT NEW PRODUCT LTD.



MIKHEIL ZONENASHVILI, CEO, NEW PRODUCT LTD.

efficiently and well - and it operates year-round. The GGF Technical Assistance's Green Advisory Program advised and oversaw the development of the automation systems that now run the equipment. The solution creates the best conditions for plant growth and harvest, saves energy and water, and helps the company reduce human error across various greenhouse processes.

The location of the greenhouse is strategically situated above a natural geothermal spring. Benefits include lower power consumption and natural water pressure for irrigation. The combination of automation and this location means the company's operations consume significantly less energy and water compared to traditional methods, while being able to operate during the winter months. This is good for business, the environment, and Georgia's berry enthusiasts.

Mikheil Zonenashvili, CEO of New Product Ltd. said, "We are excited to be innovation leaders in our region. We can keep human error at a minimum and increase our yields, all while using less power and water."

GGF's commitment to supporting sustainable economic development is demonstrated through partnerships like this one, which promote environmentally friendly practices to the benefit of business viability and profitability. Investing in companies like 'New Product Ltd' is crucial to developing sustainable industry in under-served regions where funding and advice are scarce.



We are excited to be **innovation leaders** in our region.



We can keep human error at a minimum and increase our yields, **all while using less power and water.**

— MIKHEIL ZONENASHVILI
CEO OF NEW PRODUCT LTD.

Clim@ Scaler Program 2022





GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia

| Clim@ Scaler Program 2022

- 26 Impact & Sustainability
- 31 Operating Results
- 36 About the GGF

Clim@ Scaler Program 2022

At the beginning of 2022, the GGF and Rockstart joined forces and launched Clim@ Scaler 2022, a program to support early-stage, innovative green ventures from Southern & Eastern Europe, Turkey, the Middle East and Northern Africa. The program focused on scaling each venture's impactful business model for delivering products and services that address key challenges related to climate and environmental sustainability.

Previous editions of Clim@ focused on innovative business concepts and provided a platform for participants to kickstart the practical implementation of their ideas, turning them into real-life results. This year, the GGF sought to raise the program's sights and work with established ventures showing signs of promise that needed just a bit of extra know-how and support to take their business to the next level. The seven program finalists may have varied by geography and business model, but they shared a common foundation of committed teams and founders developing an impactful approach to their business that resonated with clients. They are Effa, Faza Gida, Fusebox, Loggma, Plug'n'Grow, Tagaddod and Wattnow.



NETHERLANDS, CLIM@ SCALER EVENT



NETHERLANDS, CLIM@ SCALER EVENT

Fusebox, Loggma, and Wattnow focus on developing emerging innovations in the field of energy efficiency. Fusebox offers a trading platform for energy system balancing that can reduce energy use and monetize its benefits. Wattnow similarly targets energy savings through its energy management system software and hardware solutions for industrial and residential clients. Loggma enhances the efficiency and output of solar power plants using its AI-based performance monitoring system.

Effa, Fazlagida, Plug'n'Grow, and Tagaddod offer inventive and sustainable approaches towards a more circular future. Effa creates 100% recyclable and renewable hygienic products to reduce global plastic pollution, while Fazlagida screens and sorts food products approaching expiration for discounted re-sale or alternative end-uses. Plug'n'Grow is pioneering hydroponic agricultural technology to combat food insecurity and water scarcity in its native Egypt, while Tagaddod aggregates used



NETHERLANDS, CLIM@ SCALER EVENT

cooking oils and fats as feedstock for the next generation of sustainable fuels.

Through Clim@ Scaler, each of the finalists gained access to a four-month program designed by Rockstart – a leading European VC accelerator – and specifically for scale-ups with a mission driven focus. The program offered a combination of personalized mentorship, in-depth training, and meaningful connections with investors and relevant corporate partners. These elements were tailored to the profile and goals of each venture, with the program culminating in an in-person finals event in Amsterdam,

allowing the finalists to engage with investors and industry experts.

Remarking on the experience, the team from Fusebox praised the program: “Thanks to the Clim@ Scaler program, we have been able to connect with a diverse group of mentors, whose valuable knowledge and experience have been pivotal in our growth. As we actively seek investment or partnership to sustain our company's expansion, the interest generated by potential investors is crucial.”

Fusebox achieved this goal shortly after the finals event with a seed+ round of EUR 2.5M from an event attendee, the Dutch venture capital firm Eneco.



Thanks to the **Clim@ Scaler program**, we have been able to connect with a diverse group of mentors, whose

valuable knowledge and experience
have been **pivotal in our growth.**

As we actively seek investment or partnership to sustain our company's expansion, the interest generated by potential investors is crucial.

— FUSEBOX



The **Clim@ Scaler Program** has shown us that by bringing partners together and providing the right expertise and exposure, we can

**collaboratively support
and scale solutions that
revolutionize the way we
combat climate change.**

— KLAUS-PETER PISCHKE
CHAIRPERSON OF THE TECHNICAL ASSISTANCE FACILITY COMMITTEE



Effa similarly achieved an immediate positive outcome from the program: the start-up was selected to join the prestigious accelerator program of 500 Global – a leading venture capital firm globally.

Klaus-Peter Pischke, Chairperson of the Technical Assistance Facility Committee, stated: “The Clim@ Scaler Program has shown us that by bringing partners together and providing the right expertise and exposure, we can collaboratively support and scale solutions that revolutionize the way we combat climate change.”

Finalists of Clim@ Scaler Program



Success post Clim@ Scaler Program

Fusebox

was able to secure a
seed+ round of EUR
2.5mn from the Dutch VC

Effa

was selected by 500 Global,
a venture capital firm with
over \$2.7bn in Assets
under Management

Impact & Sustainability



GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022

| Impact & Sustainability

- 31 Operating Results
- 36 About the GGF

Our Approach to Impact and Sustainability

The GGF's work is guided by a clear impact agenda, geared towards achieving its environmental objectives of mitigating climate change and promoting sustainable economic growth – by increasing financing for green economic activities and building the investment environment in its regions of operation. With a strong track record of investing for impact and its integrated approach to impact and sustainability, the GGF is actively contributing to building the market for a greener economy – including setting standards for measuring and managing environmental impact.



FOUNDER, PLUG-N-GROW - CLIM@ SCALER FINALIST

GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022

| Impact & Sustainability

- 31 Operating Results
- 36 About the GGF

The GGF's work towards its environmental objectives is guided by a holistic impact management system that combines managing and mitigating potential negative outcomes with enhancing and measuring positive impacts. These principles are mainstreamed into the fund's investment cycle, starting with the core strategy and policy documents, followed by the thorough screening of potential investees, their alignment with fund objectives and capacities to deliver impact, followed by continuous monitoring and management once capital has been deployed.

In line with its target to sustainably strengthen green finance capacities, the GGF engages in long-term partnerships with its investees. Continuous engagement is therefore core to its comprehensive impact management approach.

These close partnerships are facilitated through the fund advisor's local presence in GGF target markets, regular reporting requirements, and the fund's networking and platform building efforts, which contribute

to knowledge sharing and scaling up of best practices among partner institutions.

In its approach to managing impact and sustainability, the GGF works towards the Sustainable Development Goals and the Paris Agreement and aligns with international standards and good practices. These include the Operating Principles for Impact Management, the IFC Performance Standards, the eight core conventions of the International Labour Organization, the International Bill of Human Rights, and key sustainable finance initiatives and regulations.

The GGF is classified as an Article 9 fund in accordance with the Sustainable Finance Disclosure Regulation (SFDR). The fund's overall sustainability-related impact of the fund is demonstrated by relevant sustainability indicators (see pp. 30). In pursuing its sustainable investment objective, the GGF contributes to the EU Taxonomy objective of climate change mitigation by also targeting investments in EU Taxonomy-eligible economic activities.

Positive impact management

The GGF facilitates positive impact through specific eligibility criteria to ensure that financing is contributing to the fund's environmental impact objectives. The criteria stipulate both eligible investment types and minimum performance standards in terms of CO₂ emission reductions or primary energy savings with reference to stringent benchmarks. Accurately monitoring the fund's impact is important to keep track of how well the fund is progressing towards its goals. It also provides insights and learnings which inform the GGF's strategy. To monitor its environmental impact, the fund employs an online tool, eSave, specifically designed for financial institutions. Depending on the scale and nature of the project, specialized consultants are also engaged to assess environmental benefits and eligibility. The fund aligns with recognized methodologies in reporting its primary environmental indicators relating to annualized primary energy and CO₂

¹[Regulation \(EU\) 2019/2088 on sustainability-related disclosures in the financial services sector.](#)

In 2022, Finance in Motion, GGF's Advisor, has been designated as a "Practice Leader" by BlueMark, a provider of independent impact verification services for investors and companies. Finance in Motion was one of only five to be awarded the title out of a total of 60 impact investors verified – recognizing the firm's rigorous impact management and advancement of best practices in the industry.



Read Finance in Motion's Disclosure Statement on alignment with the Operating Principles for Impact management



Find Finance in Motion in BlueMark's Practice Leaderboard



More information on the fund's approach to impact and sustainability, including the fund's sustainability-related disclosures in line with SFDR requirements

emission savings for the measures financed; calculations are aligned with the GHG Protocol and the International Financial Institution (IFI) Framework for a Harmonized Approach to GHG Accounting.

Managing environmental & social risks The GGF places a high priority on the effective management of potentially negative environmental and social (E&S) risks and impacts associated with its investments. To this end, the GGF maintains and continuously improves a comprehensive Environmental and Social Management System (ESMS), including an E&S Policy and Exclusion List, complemented by applied E&S procedures and tools to support implementation. The GGF ESMS guides the Fund's approach to assessing, mitigating, and monitoring potential adverse impacts at every stage of the investment process, taking into account the IFC Performance Standards, the ILO Fundamental conventions, the principles set by the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and where

eligible, the DNSH criteria of the EU taxonomy. The fund has also integrated the Principle Adverse Impact (PAI) indicators of the SFDR regulatory technical standards, into its E&S assessment and monitoring approach.

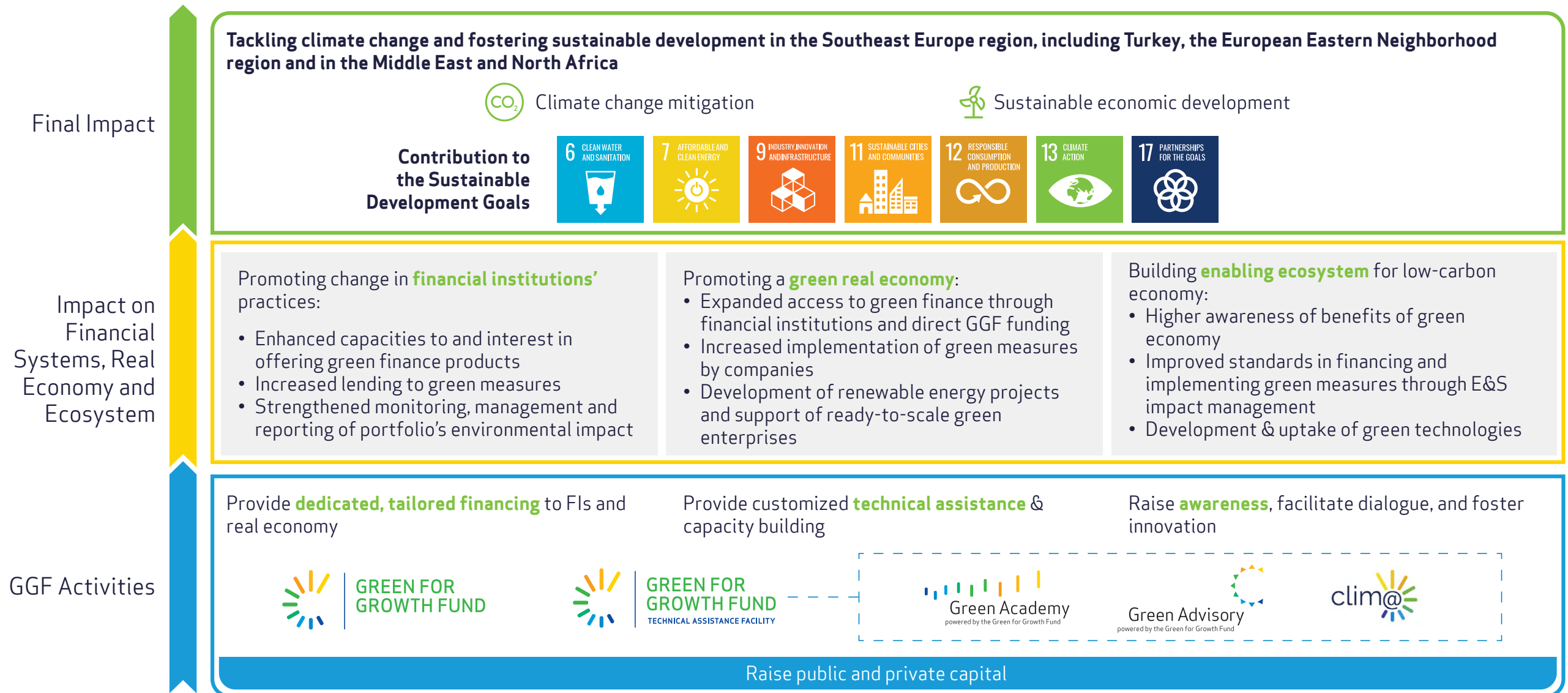
The GGF Exclusion List is an integral part of the E&S Policy and prohibits the use of GGF funding for activities with elevated E&S or sustainability risks, such as those related to the coal, oil and gas sectors, large hydropower dams, and those involving the destruction of high conservation value areas, among others.

Within the investment process, comprehensive E&S due diligence processes are a key tool for identifying potentially significant adverse sustainability impacts and assessing the GGF's partner institutions' capacity and commitment to address and mitigate against these impacts. The scope of the due diligence is customized depending on the initial E&S risk categorization of the investment. Once capital is deployed, the GGF regularly monitors the E&S performance of its partner institutions.








In addition, as part of the GGF's E&S risk management approach, the fund engages with partner institutions, through tailored technical assistance, to support in strengthening the partner institutions environmental and social risk management.


GGF's Pathway to Impact



FIs = Financial Institutions

The GGF's activities have been mapped toward the Sustainable Development Goals (SDGs) at an SDG target level. Based on this, seven have been selected as core SDGs:

	2021	2022
 6 CLEAN WATER AND SANITATION The GGF finances and promotes practices that increase efficient water use across all sectors.		
m ³ of water saved/treated annually**	115,100	115,500
 7 AFFORDABLE AND CLEAN ENERGY The GGF finances and promotes energy savings measures and renewable energy across all sectors.		
MW of renewable energy capacity supported*	1,140	1,200
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE The GGF focuses on making industrial enterprises more energy and resource efficient as well as increasing the uptake of renewable energy.		
Active borrowers	10,700	9,500
Tons of materials saved annually**	16,200	16,240
Share of outstanding portfolio in local currencies	9%	10.1%
GGF partner institutions*	88	93
 11 SUSTAINABLE CITIES AND COMMUNITIES The GGF finances and promotes energy efficient buildings, as well as supporting municipalities and cities to enhance sustainable transport and waste management systems.		
MWh of energy saved annually**	4mn	4.27mn
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION The GGF contributes to the sustainable management of resources and reduced waste generation, and raises awareness for energy and resource efficiency.		
Tons of waste avoided/treated annually**	412,000	427,000

	2021	2022
 13 CLIMATE ACTION The GGF contributes to climate change mitigation through its financing and technical assistance activities to build capacity and awareness.		
Tons of CO ₂ emissions reduced annually**	1M	1.11M
People benefited from technical assistance*	7,200	8,800
Investment countries*	17	19
Partner institutions that received capacity building in developing green strategies and products and improving ESG management practices*	44	53
 17 PARTNERSHIPS FOR THE GOALS The GGF provides a platform to pool capital for sustainable development and bring together regulators, industries, and policy-makers for systemic change.		
Committed capital	845mn	810mn
Investors	20	19
Share of private capital committed to the GGF	23%	20%
Technical assistance projects in research & analyses*	60	52
Volume of technical assistance projects*	19M	24mn

* Cumulative figure since inception.

** Figure draws on Partner Institutions' reporting and estimations by the fund

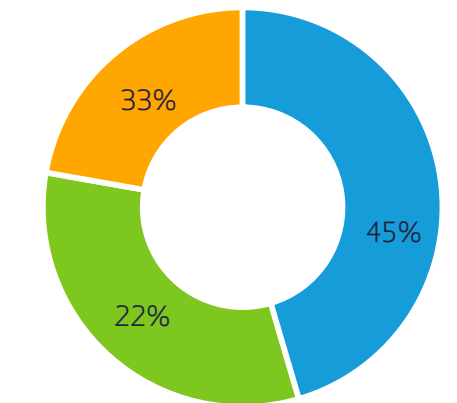
Operating Results

GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- Operating Results**
- 36 About the GGF

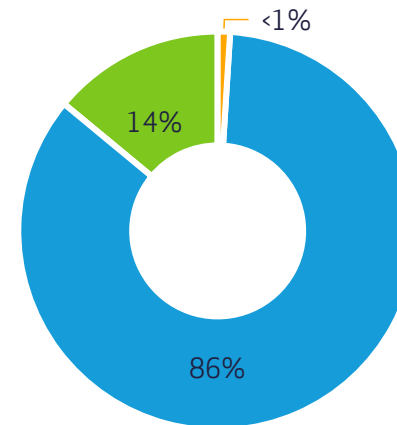
Funding

Available Funding by Investor Class



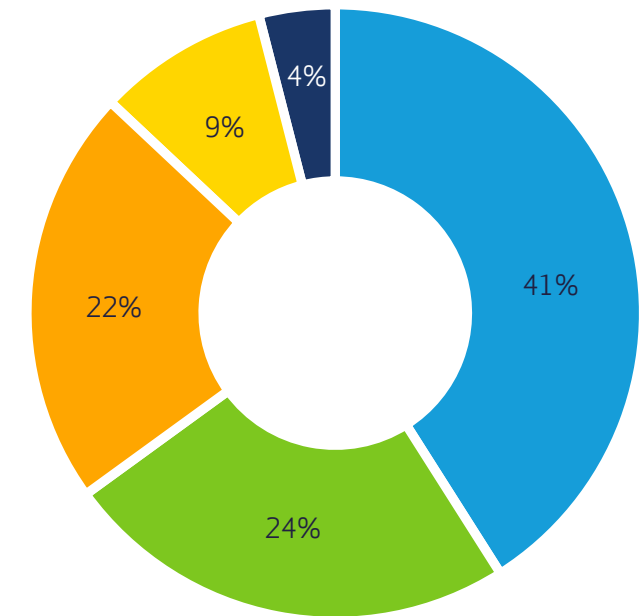
- International Finance Institutions
- Private Investors
- Public Investors

Outstanding Investment Portfolio by Financial Instrument



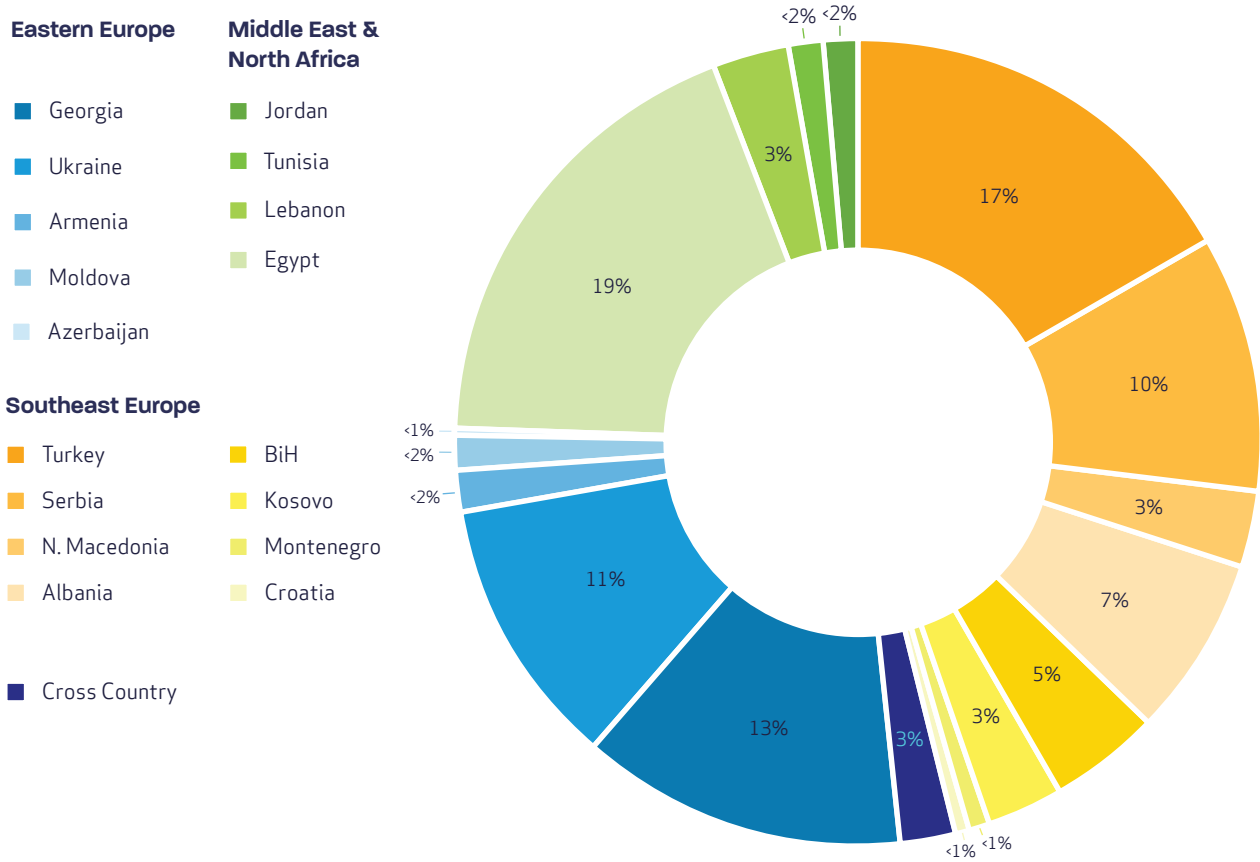
- Senior Debt
- Subordinated Debt
- Equity

Available Funding by Share Class



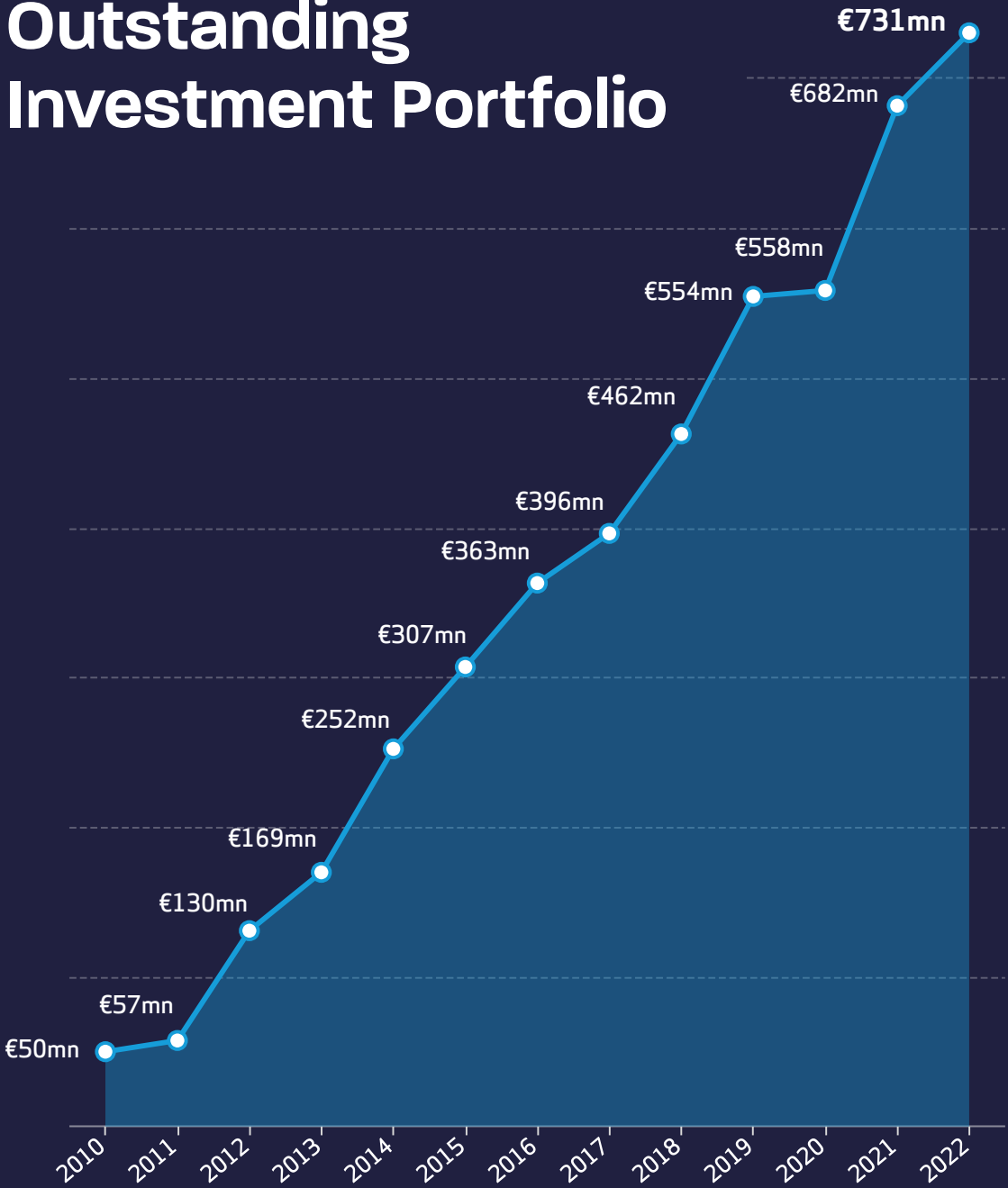
- A-Shares
- C-Shares
- Notes
- L-Shares
- B-Shares

Outstanding Investment Portfolio by Country



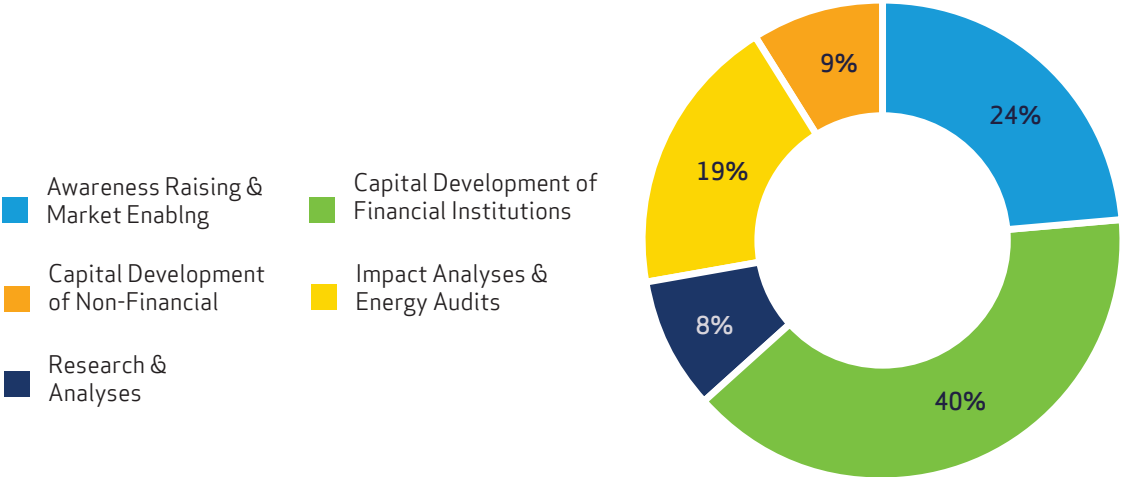
All figures as at 31 December 2022

Outstanding Investment Portfolio



Technical Assistance

Total Scope of Activities (topics)*



* Excluding cancelled, pipeline, rejected projects



Technical Assistance Project Distribution by Country

Eastern Europe

- Georgia (10%)
- Armenia (6%)
- Ukraine (16%)
- Moldova (3%)
- Azerbaijan (2%)

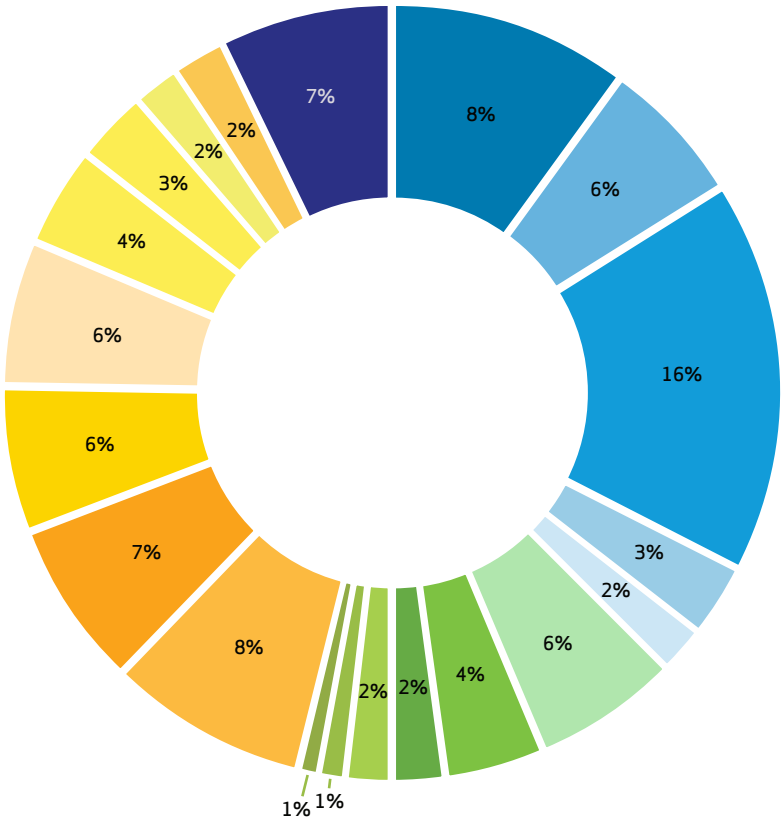
Middle East & North Africa

- Egypt (6%)
- Tunisia (4%)
- Jordan (2%)
- Lebanon (2%)
- Palestine (1%)
- Morocco (1%)

Southeast Europe

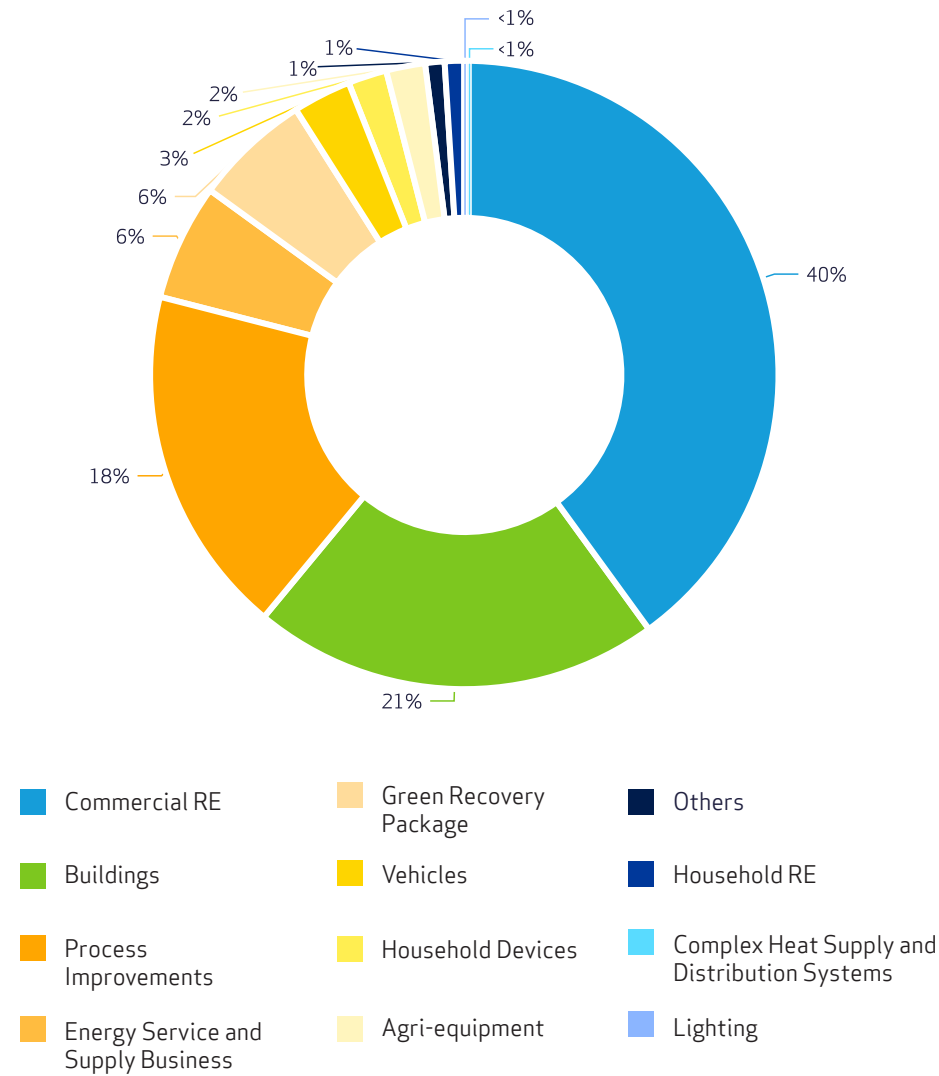
- Serbia (8%)
- Turkey (7%)
- Bosnia & Herzegovina (6%)
- Albania (6%)
- N. Macedonia (4%)
- Kosovo (3%)
- Montenegro (2%)
- Croatia (2%)

■ Cross Country

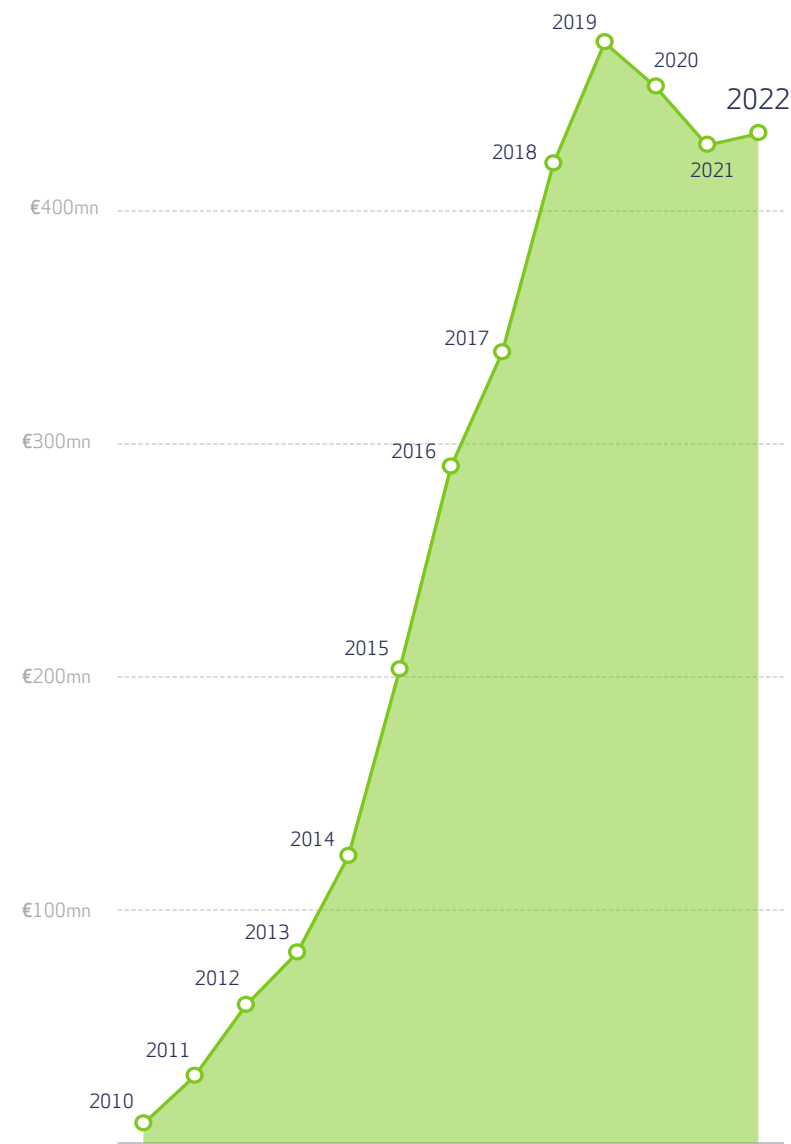


Development Performance

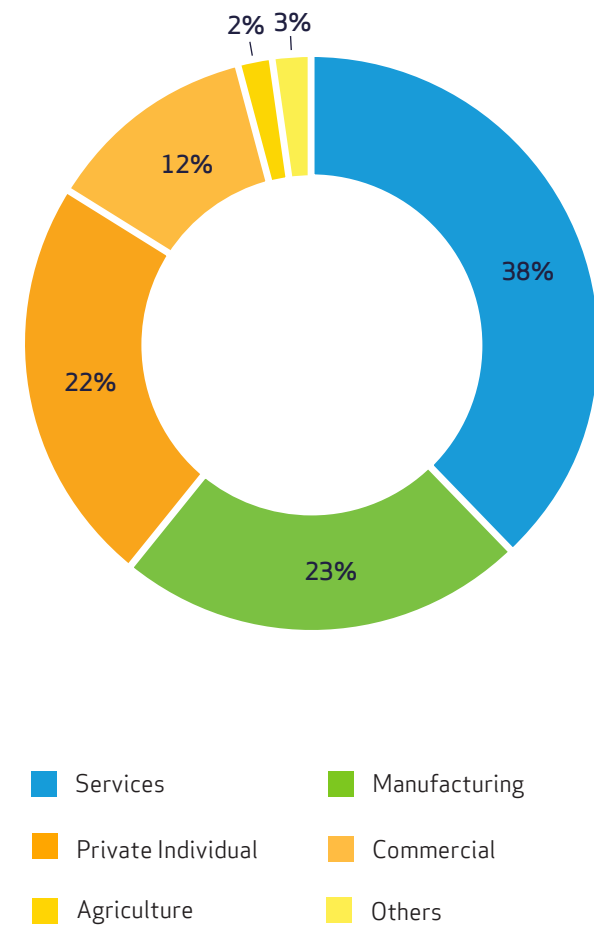
Outstanding Sub-loan Portfolio by Product



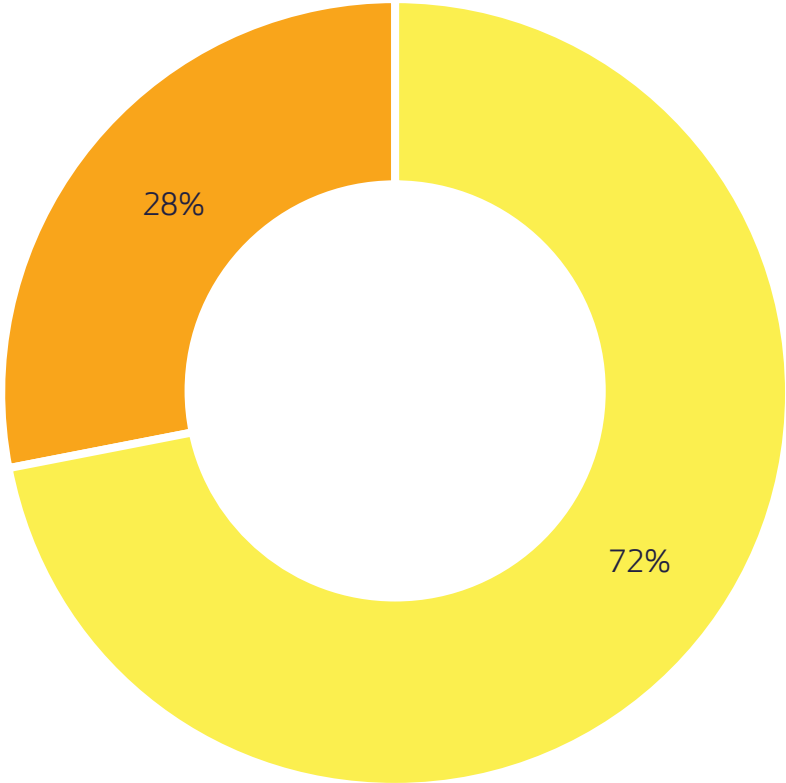
Outstanding Sub-loan



Outstanding Sub-loan Portfolio by Economic Sector

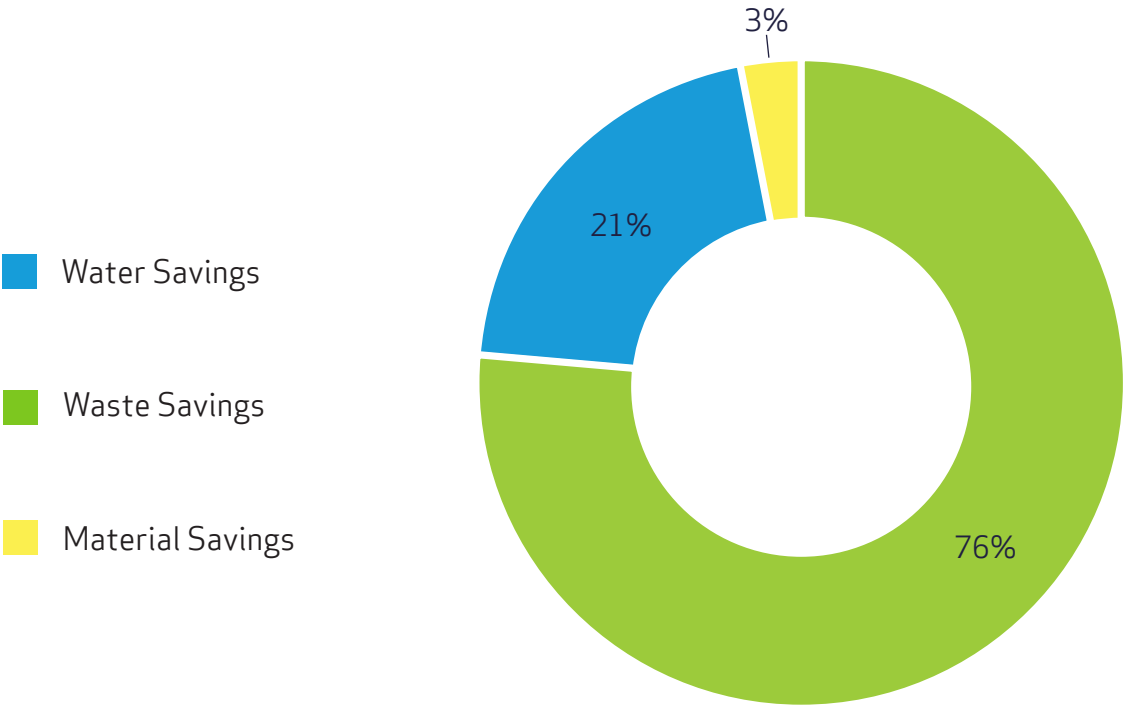


Sub-loan Disbursements by Purpose



Renewable Energy Energy Efficiency

Nexus* Impact by Type



Water Savings
Waste Savings
Material Savings

Based on cumulative figures since the fund's inception in 2009.
* [United Nation's Water-Energy-Food Nexus approach, adopted by the European Union](#)

GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operating Results

About the GGF

ABOUT

The Green for Growth Fund

The Green for Growth Fund (GGF) is an impact investment fund working to mitigate climate change and promote sustainable economic growth, primarily by investing in measures that reduce energy consumption, resource use, and CO₂ emissions.

The fund, a blended finance structure, is a public-private partnership that leverages risk-capital provided by public institutions with additional private capital to substantially increase investment volumes to regions and sectors that do not normally attract such flow. As such it is an early and successful example of blended finance in action. The fund channels this dedicated financing to businesses and households through local financial institutions, and through direct investments to eligible projects and companies.

A dedicated technical assistance facility provides know-how and technical expertise to ensure that these investments are successfully implemented and to a high international standard.

The GGF operates in 19 countries across Southeast Europe, including Turkey, the European Eastern Neighbourhood Region, and the Middle East and North Africa.



Where the GGF Invests

The GGF invests in 19 countries

INITIATED 2009: SOUTHEAST EUROPE

Albania, Bosnia and Herzegovina,
Croatia, Kosovo*, North Macedonia,
Montenegro, Serbia, Turkey

* This designation is without prejudice
to positions on status and is in line with
UNSC1244 and the ICJ Opinion on the
Kosovo Declaration of Independence.

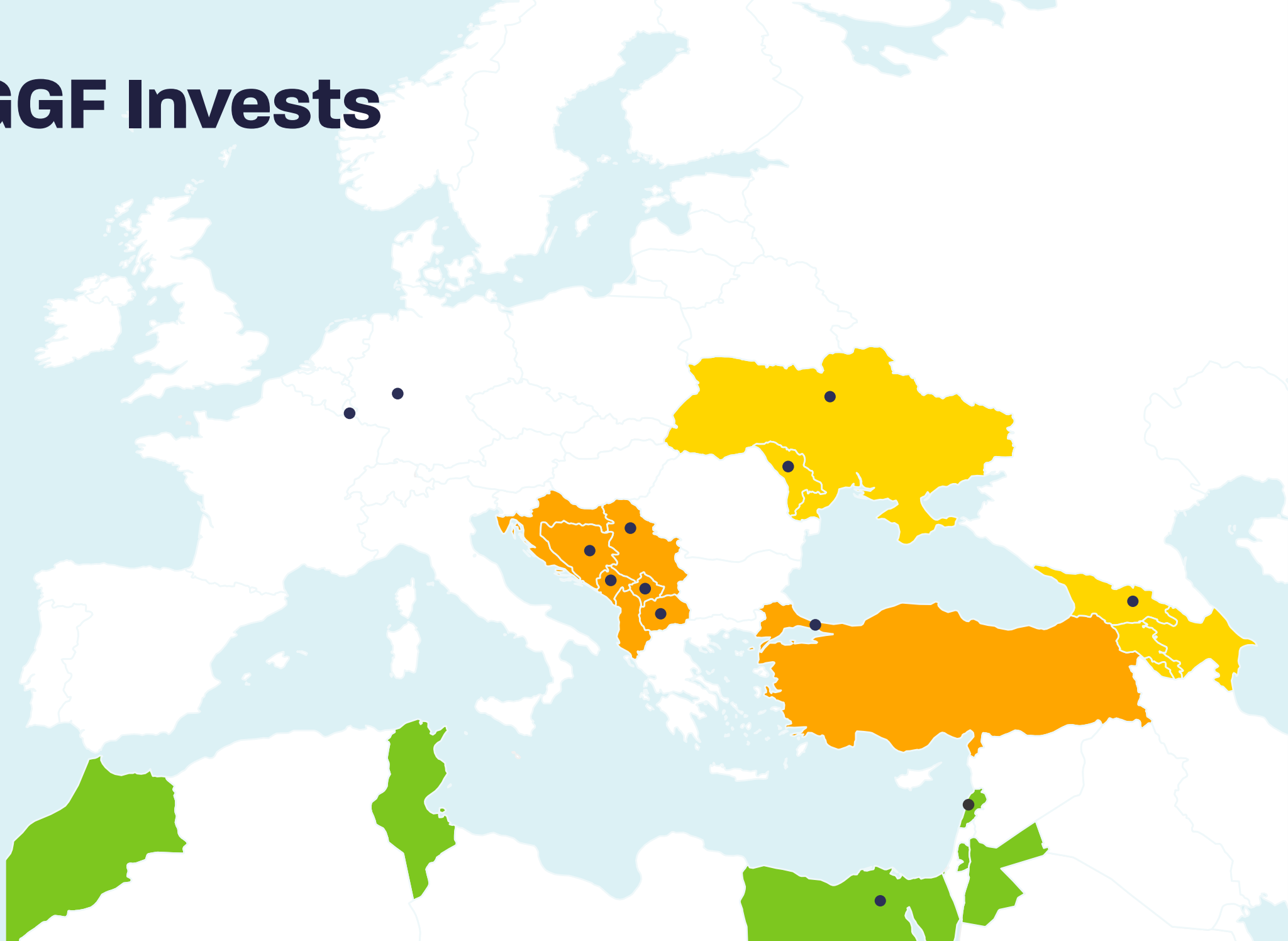
EXPANSION 2012: EUROPEAN NEIGHBOURHOOD - EAST

Armenia, Azerbaijan, Georgia,
Moldova, Ukraine

EXPANSION 2016: MIDDLE EAST AND NORTH AFRICA

Egypt, Jordan, Lebanon, Morocco,
Palestinian Territories, Tunisia

- Offices of the Advisor
Finance in Motion



GGF IMPACT REPORT 2022

- 02 Contents
- 03 Key Figures
- 04 Greetings
- 09 Meeting Energy Security & Economic Resilience Imperatives
- 13 Stand with Ukraine
- 17 Harnessing Automation to Grow Strawberries in Georgia
- 20 Clim@ Scaler Program 2022
- 26 Impact & Sustainability
- 31 Operational Results

About the GGF

DISCLAIMER

The Fund is registered in the Grand Duchy of Luxembourg as an investment company with variable capital subject to the Law of 13 February 2007 and is reserved for institutional, professional or other well-informed investors as defined by Luxembourg law. The issue document or the assets held in the Fund have, however, not been approved or disapproved by any authority. The information given herein does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so nor does it constitute a commitment of the Fund to offer its shares, notes, and/or other instruments to any investor. No guarantee is given as to the completeness, timeliness, or adequacy of the information provided herein. No investment may be made except upon the basis of the current issue document of the Fund.

Not for distribution, offer, sale, transfer or resale in or into the United States of America, Canada, Japan or Australia or to any U.S. person or in any other jurisdiction in which such distribution, offer, sale, transfer or resale would be prohibited by applicable law. This document does not necessarily deal with every important topic or cover every aspect of the topics it deals with. The information in this document does not constitute investment, legal, tax or any other advice. It has been prepared without regard to the individual financial and other circumstances of persons who receive it.

Neither the Green for Growth Fund, Southeast Europe SA, SICAV-SIF/ GGF Technical Assistance Facility nor Finance in Motion nor any of its shareholders, directors, officers, employees, service providers, advisors, or agents makes any representation or warranty or gives any undertaking of any kind, express or implied, or, to the extent permitted by applicable law, assumes any liability of any kind whatsoever, as to the timeliness, adequacy, correctness, completeness or suitability for any investor of any opinions, forecasts, projections, assumptions and any other information contained in, or otherwise in relation to, this document or assumes any undertaking to supplement any such information as further information becomes available or in light of changing circumstances. The content of this information is subject to change without prior notice.

© Green for Growth Fund, Southeast Europe SA, SICAV-SIF, 2023.

All rights reserved.

Translation, reprinting, transmission, distribution, presentation, use of illustrations and tables or reproduction or use in any other way is subject to permission of the copyright owner acknowledging the source.

PHOTO CREDITS

Sasho Dokovski, Arjen Hooij, Dirk Beichert, JSC TBC Bank, Heidi Scherm, Finance in Motion, and Ulf Bueschleb.





Find out more online at www.ggf.lu



Follow Green for Growth Fund



Contact for General Inquiries

Finance in Motion GmbH

(Fund Advisor)

Borislav Kostadinov

Carl-von-Noorden-Platz 5

60596 Frankfurt am Main

T: +49 (0)69 271 035-659

E: b.kostadinov@finance-inmotion.com

Produced by:  **financeinmotion**