



GREEN FOR
GROWTH FUND

IMPACT REPORT 2020



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

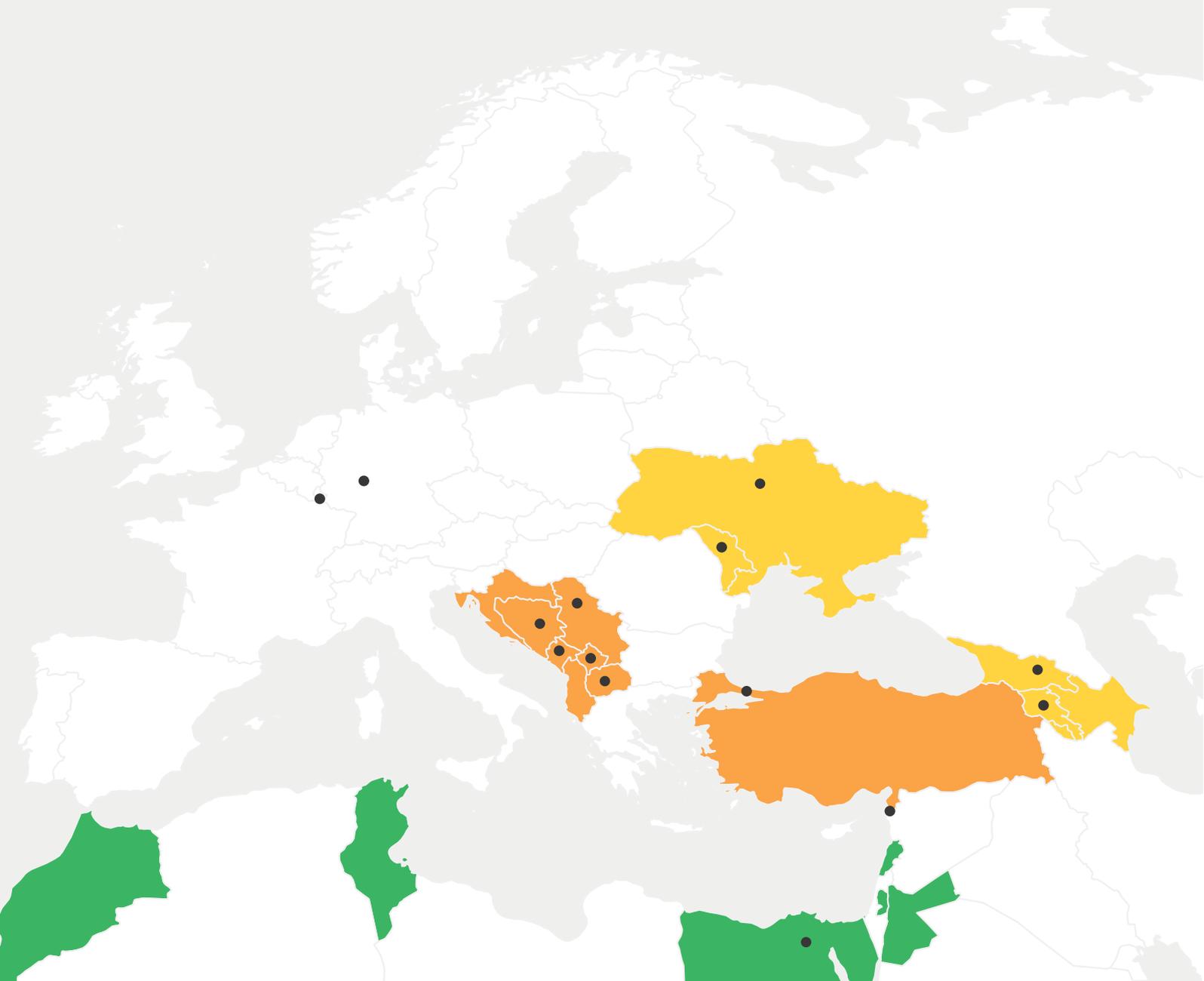


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OUR INVESTORS



GREETINGS FROM THE CHAIR

2020 was undoubtedly a tumultuous year for all of us. When we celebrated the start of a new decade for the fund in late 2019, little did we know just how much flexibility and new orientation would be required in the year ahead.

When much of the world went into lockdown in March 2020, and the economic implications became clear, the GGF immediately took actions to craft a Green Recovery Strategy to support its partners and markets. This meant adapting our business-as-usual approach and giving partner financial institutions the necessary tools to be better prepared to deliver green investments and to help their clients weather the crisis. This way, we could enable our partners to continue providing dedicated financing to support their country's economy, while simultaneously promoting a green recovery. Despite the monumental challenges COVID-19 poses, we remain resolute that this is the best way to foster the long-term resilience of local economies.

The EU invested an additional EUR 85 million in support of our vision for a green recovery, which is a testament to our solid track record to deliver results. To this end, I am proud to say that, to date, we have approved over EUR 238 million in loans to local financial institutions directly related to this strategy. Overall, since the fund's inception in 2009, we have facilitated over EUR 1.1 billion in subloans to over 40,000 end-borrowers.

These figures tell an important story but that is just one part of showcasing our efforts to expand innovative offerings and meet our partners' needs as they evolve. Another part is, for example, the introduction of a new share class – the so-called L shares – into the fund structure, which was generously funded by the EU and the German Federal Ministry for Economic Cooperation and Development. This will allow partner institutions to offer financing to businesses and households in local currency – enabling them to invest in green measures while protecting themselves and their clients from direct exposure to foreign exchange risks. This is even more crucial now given the volatile global economy.

Our hard work and the 10-year journey were recognized by the U.N.-initiated [Principles for Responsible Investment \(PRI\)](#) as we were declared the winner of “Real-world impact initiative of the year” at the PRI Award 2020.

Not only is this a great honor, but it also emphasizes the role the fund has played to continuously improve how it delivers green finance to businesses and households in the regions of its operation. The unwavering support by our investors and fierce determination of our on-the-ground partners to promote a greener economy, and thus increase climate resilience post COVID-19 is vital for sustainable economic growth – and something we do not take for granted.

On that note, it is with pride that I present the GGF Impact Report for 2020 on behalf of the Board of Directors. This year showed what resilience looks like in practice, and we aim to continue driving a green transformation action across the GGF's regions of operation.



Olaf Zymelka



LETTER FROM THE ADVISORS

When reflecting the past year, a theme that has repeatedly shown itself is “resilience.”

Whether it be adapting to new market conditions, providing flexible work settings, or pivoting to meet the changing needs of diverse stakeholders, the GGF has exemplified resilience in all spheres. The GGF has remained true to its pioneering spirit in continuing to champion green finance despite these trying times. As advisor to the GGF, Finance in Motion is honored to serve a fund that has taken such bold and decisive measures during this challenging year.

The GGF exceeded EUR 550 million in its outstanding portfolio - a remarkable feat given the high levels of uncertainty and volatility in the market. These investments are saving 3.8 million megawatt hours of energy annually, reducing CO₂ emissions by nearly 1 million tons and sustainably managing more than 500,000 tons of water, waste, and resources each year.

Working alongside the fund’s efforts to enable partner institutions to continue serving their communities during the global pandemic, the

GGF Technical Assistance Facility promptly established several initiatives to serve the fund’s stakeholders. For example, the Crisis Response Program is aimed to protect partners’ green lending endeavors by providing support for activities such as loan restructuring, credit risk management, and revision of business strategies. In addition to this, a Green Innovation Support Initiative was launched to assist green entrepreneurs in the GGF markets severely impacted by the global pandemic, by providing financial support for activities that would enable them to adapt to new market conditions and continue their business operations.

Another example of the fund’s ability to overcome obstacles and maintain course in these challenging times was the clim@ 2020 competition. What was originally planned as an in-person event with 15 selected entrepreneurs presenting their innovative solutions to tackle climate change to a jury of experts, became the GGF’s first digital event on a large scale. Hosted as a virtual event it was a major success, with over 300 participants - from climate finance

experts and investors to thought leaders and innovators committed to a sustainable future – tuning in to get inspired.

Further highlights from 2020 included welcoming a new Fund Director for the GGF, Borislav Kostadinov, who brings 20 years' experience in the financial industry with a focus on green finance, with new insights to help the team prepare the fund for the future.

2020 has shown us that we need to be consistently innovating and adapting, to remain resilient, if we are to provide the best tools to make the future a greener one. We firmly believe the perseverance and solidarity of our international team with key insights into local markets has been crucial in our ability to recognize, support, and address the current challenges. The coronavirus has changed the world, but the shape the world will take in response is up to all of us going forward.

We believe in the vision of a green recovery, and with over a decade of experience providing green finance to its regions, the GGF is in an ideal position to fulfill this. We look forward to journeying onwards together with the GGF.



Elvira Lefting
Finance in Motion



Borislav Kostadinov
Finance in Motion



Dr. Thomas Schiller
MACS Energy & Water



Elvira
Lefting

MANAGING DIRECTOR,
FINANCE IN MOTION



Borislav
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Chad
Canfield

DIRECTOR,
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Cameron

DIRECTOR,
FINANCE IN MOTION



Michael
Hartwig

SENIOR OFFICER,
FINANCE IN MOTION



Dr. Thomas
Schiller

MANAGING DIRECTOR AT
MACS ENERGY & WATER



OUR APPROACH TO MANAGING IMPACT & 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 for over 10 years 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.

The GGF is actively working towards these objectives through a targeted investment approach, which focuses primarily on providing debt financing to businesses and households through local financial institutions, and through direct investments to eligible projects and companies. Investments of the fund are accompanied by tailored technical assistance to build capacities and strengthen the green finance ecosystem where the fund operates. The approach is supported by a comprehensive impact management system that combines managing and mitigating potential negative outcomes as well as enhancing and measuring positive impacts. These principles are mainstreamed into the fund's investment cycle, starting with the core strategy and policy documents, to the thorough screening of potential investees, their alignment with fund

objectives and capacities to deliver impact, to the 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 the GGF's markets, regular reporting requirements, and the fund's networking and platform building efforts, which contribute to knowledge sharing and scaling up of good 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 to align 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, such as the EU Taxonomy and the EU Sustainable Finance Disclosure Regulation (SFDR).

In pursuing its explicit sustainable (environmental) investment objective, the GGF falls within the scope of Article 9 of the SFDR.

Positive impact management. The GGF uses several tools to enhance the positive impact of its activities. These include specific eligibility criteria to ensure that financing is contributing to the fund's environmental impact objectives by stipulating 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 CO₂ emissions reductions (according to the IFI Framework for a Harmonised Approach to GHG Accounting) and primary energy savings (in accordance with EU Directive 2012/27/EU).

Managing environmental & social risks. The GGF places a priority on effective management – i.e., avoiding, minimizing and mitigating – of potential environmental and social (E&S) risks and impacts associated with its investments. To this end, the GGF maintains, implements, and

continuously improves an Environmental and Social Management System (ESMS) taking into account the IFC Performance Standards. In addition, the GGF Technical Assistance Facility has initiated several projects with partner institutions to implement and improve on ESMS that is tailored to the bank's own credit and investment operations.

The key document summarizing the Fund's ESMS is the GGF E&S Policy, complemented by applied E&S procedures and tools to support implementation. In terms of exclusions, the GGF 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.

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.

For more information on the fund's approach to impact and sustainability, including the fund's sustainability-related disclosures in line with SFDR requirements, please refer to www.ggf.lu/impact.

Sustainable Development Goals to which the GGF contributes





RECOVERING THE GREEN WAY

2020 was a unique year filled with loss and hardship, but one that also underscored the urgent and unwavering need for the everyday work of the GGF. Despite the economic damage of the COVID-19 pandemic, global greenhouse gas emissions have rebounded quickly and have already surpassed pre-pandemic levels. Against this backdrop there is a clear and growing need for a green recovery, including in the regions where the GGF operates.

“

2020 HAS LEFT US
ONLY MORE RESOLUTE
IN TACKLING THE
CHALLENGES IN FRONT
OF US TO CONTRIBUTE
TO A GREENER FUTURE
FOR ALL.



The GGF's 19 target markets are expected to have contracted by roughly 6.5% in 2020 in terms of economic activity. In response, the fund and its partners have been diligently working to soften this shock and position the fund at the forefront of a necessary wave of green investments in the years ahead.

Crises create opportunities, and on the eve of 2020, the European Commission launched Europe's Green New Deal with the bold ambition to decouple economic growth from environmental damage. The GGF shares this ambition, and we believe that we can help deliver a green recovery by supporting households, businesses, and projects in our markets, while continuing to decarbonize them.

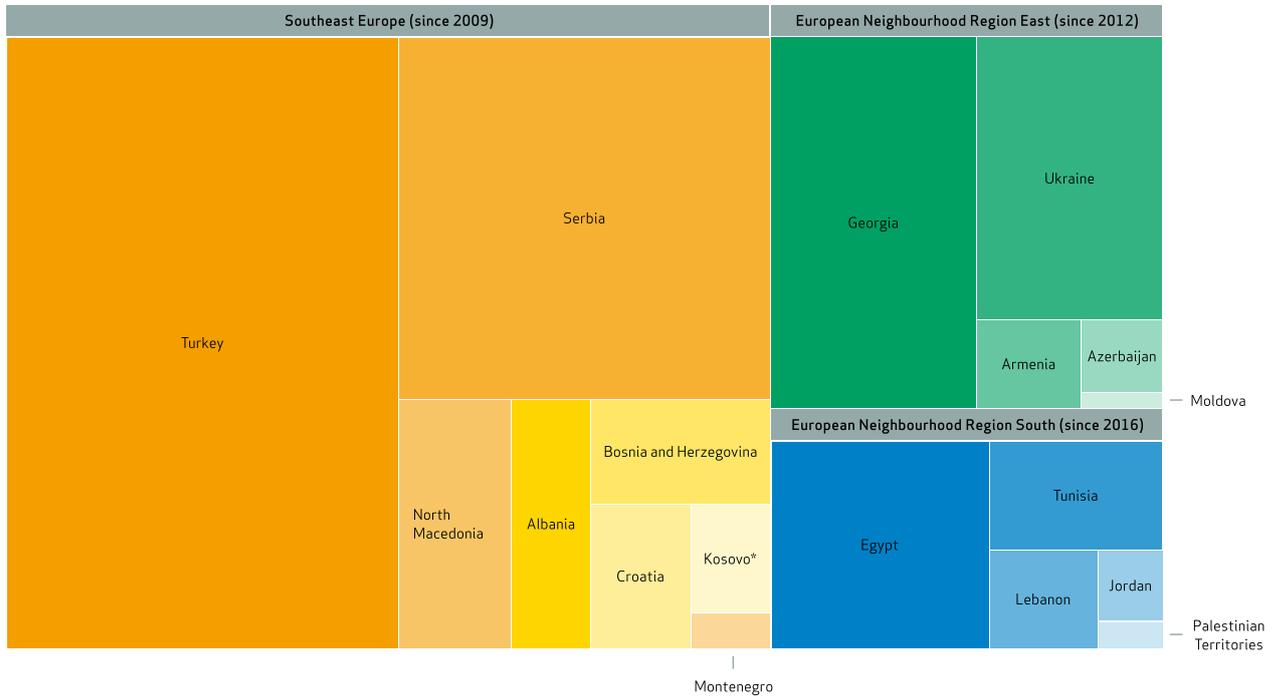
Responding to the pandemic, the GGF rapidly unveiled a wide-ranging Green Recovery Package, which provided critical short-term liquidity for businesses alongside new flexibility to finance eligible green investments and support the resilience of essential sectors. The fund's Technical Assistance Facility was also fast to act, delivering crisis response services to partners to ensure that they weathered the storm and emerged in its wake, ready to continue. The GGF's role in delivering a green recovery has been enabled by the trust and support of the fund's shareholders and investors. With over EUR 135 million in additional investments and technical assistance commitments swiftly mobilized in 2020, the European Union has made clear the responsibility the GGF has to its regions and partners.

Despite operational and market challenges, the GGF has continued to support critical investments in its target countries at different scales; whether it is the resilience of local households via investments in energy efficiency – delivering financial savings at a time when every cost counts – or the ongoing growth of commercial renewable energy projects – a sector that has continued to hit important new highs in investment levels, competing toe-to-toe

with conventional generation and winning. In Serbia, we are supporting the real estate sector take its next step, aligning it closer to the EU, with our green mortgage program. Building on our work of the past decade and improvements in regulation, we believe such projects will play a key role in several of our markets going forward.

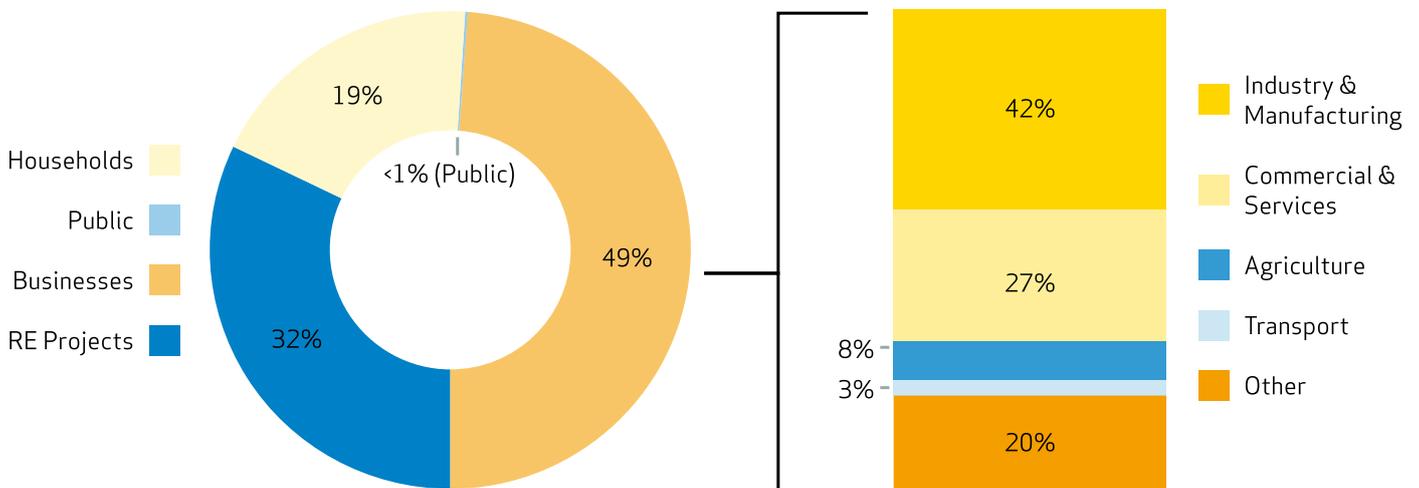
Lastly, two of the finalists from our business innovation competition, clim@, are featured in this report with stories of the assistance they received from the GGF's Green Innovation Support initiative last year. They represent the ambition and ingenuity of a more sustainable future but also, in the case of Live Love Recycle in Lebanon, the dogged determination required in the face of overwhelming challenge. 2020 has left us only more resolute in tackling the challenges in front of us and brought into focus the vital work that the GGF is doing in delivering greener outcomes and futures.

Green Finance Delivered by Region (Cumulative)



* 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.

Total Disbursements by Beneficiary Type



Based on cumulative figures since the fund's inception in 2009



PERFORMANCE FIGURES

€647.4M  TOTAL AVAILABLE FUNDING

€572.5M  COMMITTED INVESTMENT PORTFOLIO

€1.15B  VOLUME OF SUBLOANS GENERATED TO DATE

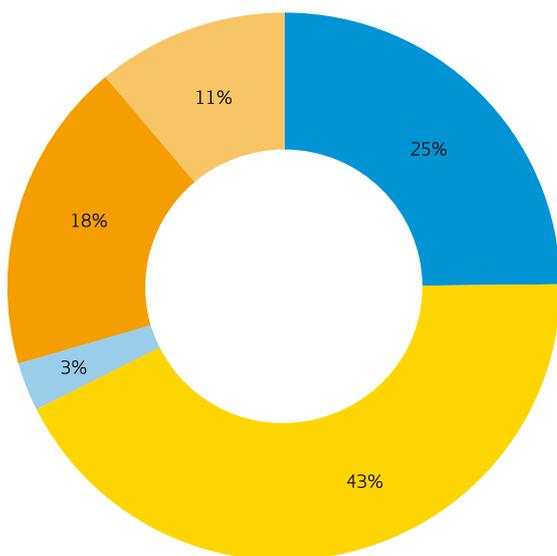
79  PARTNER INSTITUTIONS THE GGF HAS INVESTED IN TO DATE

24  INVESTORS AND DONORS WHO HAVE COMMITTED FUNDS TO THE GGF TO DATE

386  GGF TECHNICAL ASSISTANCE FACILITY PROJECTS TO DATE

6,861  PERSONS TRAINED TO DATE THROUGH THE GGF TECHNICAL ASSISTANCE FACILITY

Technical Assistance by Type



- Impact Analyses & Energy Audits
 - Research & Analyses
 - Awareness Raising & Market Enabling
 - Capacity Development of Financial Institutions
 - Capacity Development of Non-Financial Institutions
- Based on cumulative figures since the fund's inception in 2009

*Impact of measures is annualized over the estimated technical lifetime of the specific measure and represents the financed sub-loan portfolio as of 31 Dec 2020



ENVIRONMENTAL IMPACT



CO₂ EMISSIONS REDUCTION

970,802 tons/yr



ENERGY SAVINGS

3,823 GWh/yr



RENEWABLE ENERGY CAPACITY SUPPORTED

1.095 MW



WASTE AVOIDED / TREATED

396,831 tons/yr



WATER SAVED / TREATED

113,534 m³/yr

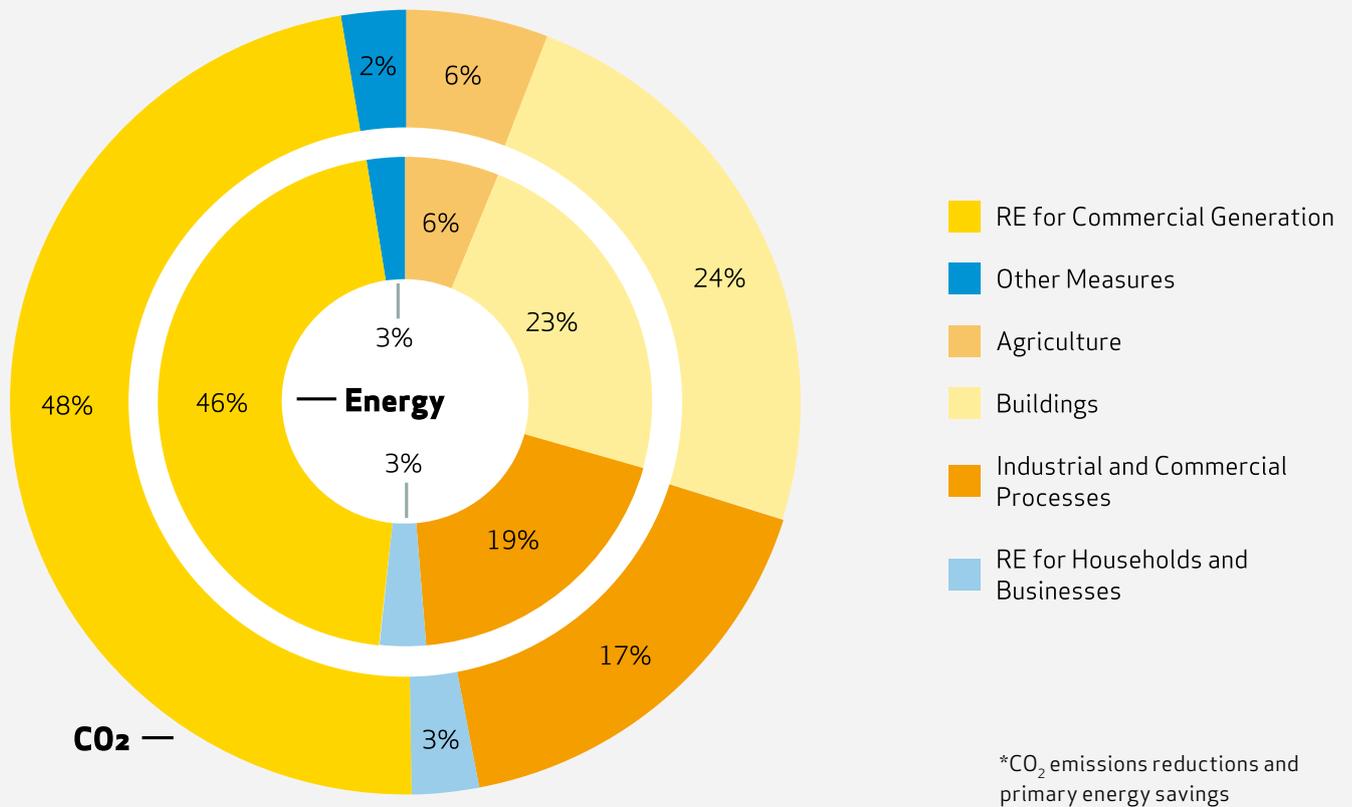


MATERIAL INPUTS SAVED

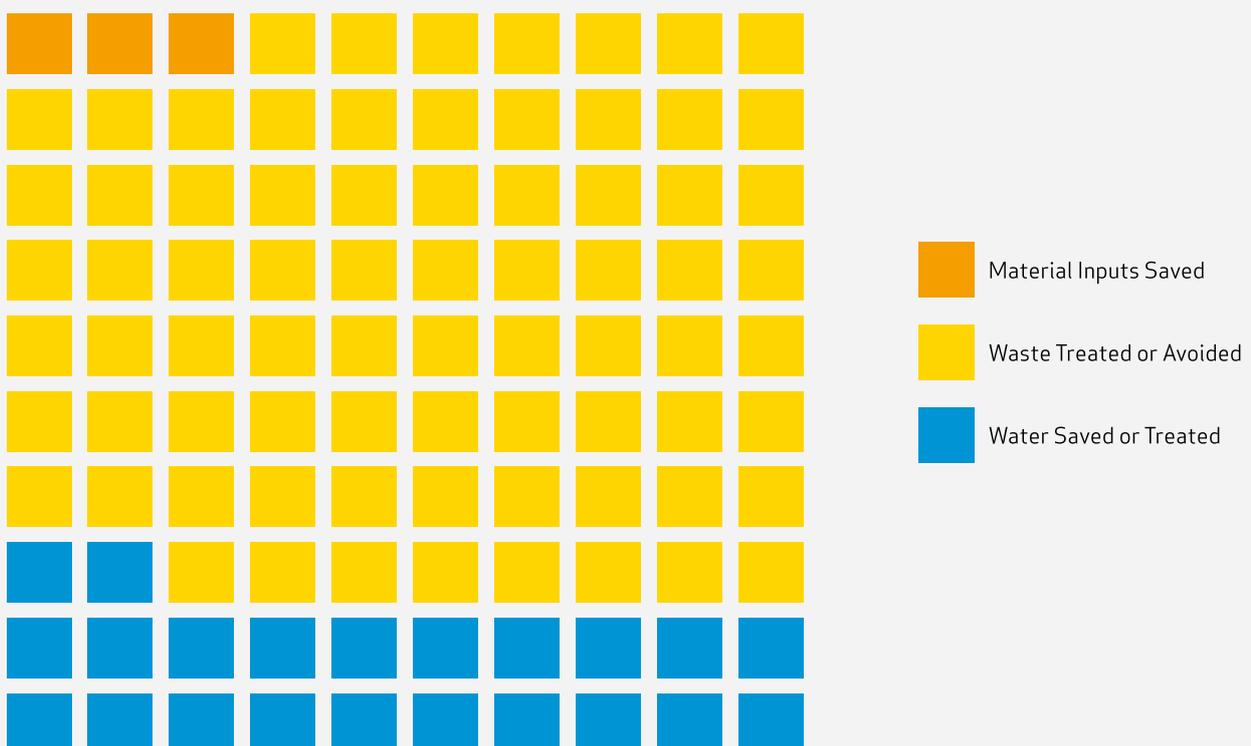
16,224 tons/yr

Impact of measures is annualized over the estimated technical lifetime of the specific measure and represents the financed sub-loan portfolio as of 31 Dec 2020

CO₂ and Energy* Impact by Measure Group



Nexus Impact by Type



Based on cumulative figures since the fund's inception in 2009



IMPACT STORY

SMALL-SCALE DEEP GREENING INITIATIVE: PROMOTING PV SYSTEMS IN GEORGIA

There exists tremendous untapped potential for the renewable energy market in Georgia, particularly around solar power, but to date, this promise is yet to be fully realized. Delivering this technology to customers at scale requires commercial products, such as dedicated PV loans or leasing products, that are currently scarce in the Georgian market.

To address this gap, the GGF Technical Assistance Facility established the “Small-Scale Deep Greening Initiative” which supports GGF partner institutions in identifying economically feasible small-scale green technologies that require a push to take off in the market - such as PV systems for households and small businesses. The initiative includes activities such as developing dedicated loan products, establishing partnerships with technology suppliers, or raising awareness of end-borrowers on the benefits of these green technologies.

“One of the challenges hindering investments in PV systems in Georgia is high initial investment cost of the technology. Through our Small-Scale Deep Greening Initiative, we hope to increase attractiveness of the technology for end-borrowers of GGF partner institutions by providing tailored financing and awareness about the long-term benefits of such a system,” explains Lachlan Cameron, Director of the Energy and Resource Efficiency Finance team at GGF’s Advisor, Finance in Motion.

TBC Leasing, one of the GGF’s longstanding partners in Georgia, was an early believer in the technology and a participant in the initiative, and is committed to expanding their PV business. Support through the “Small-Scale Deep Greening Initiative” will enable TBC Leasing to begin building a dedicated leasing product for PV systems, building on its strong partnerships with suppliers of such systems, and as such help developing the PV market in Georgia.

One of its partners is the only solar panel production factory in Georgia, AE Solar. By leasing integral production equipment from TBC Leasing it has increased its annual production of solar panels to 500 MW. To ensure this capacity translates into installations, TBC Leasing has also setup partnerships with installation companies and intends to continue strengthening and expanding these partnerships to other suppliers of PV systems.



“Georgia has a well-developed transmission grid infrastructure. It also has regulations in place for a net-metering scheme, enabling the installation of PV projects for private consumption, and the transfer of excess electricity back to the utility. That means that this will drive small business and household investments in distributed rooftop PV systems as conventional electricity prices start to increase,” states Cameron.

This partnership is just one example of the GGF’s commitment to support Georgia’s efforts to transition to renewable energy sources. In order to combat climate change and promote sustainable economic growth, the GGF is proud to work with likeminded institutions, such as TBC Leasing, to create tangible and positive impact in Georgia, and serve as an example for others in the region to join in the green transformation.



IMPACT STORY

SERVING UP A GREEN ENERGY MIX IN ARMENIA

When Tufenkian Hospitality LLC, a leading hospitality organisation in Armenia, installed solar panels for their hotels in 2017, they realized how beneficial green energy could be, not just for their business, but for the surrounding local community in the Gegharquniq region as well.

That's why in 2020, they decided to construct a 5MW solar power plant to contribute to the energy mix in the country, as Armenia is highly reliant on energy imports, with over 75% of imported oil and gas needed to fulfil its energy needs. This makes the development of alternative energy resources so strategically important for the country.

"This project was one of the first solar plants ever built in the country," explains Mr. Albert Antonyan, Financial Director of Tufenkian Hospitality.

"We wanted to build a solar plant that would feed energy back into the grid, thereby contributing to a greener Armenia. But the problem was we didn't have enough capital to do this on our own," states Antonyan.

That's where the GGF stepped in. By reaching out to the fund's partner financial institutions such as ACBA Bank and ACBA Leasing, Tufenkian Hospitality was able to get the support and financing needed to construct the solar park. Completed over the course of 2020, the project is expected to produce more than 12,000 MWh of green energy per year and prevent over 3,800 tons of CO₂ emissions.

But production of green energy was not their only goal – ensuring the environment surrounding the plant was not harmed in anyway, was equally important. In this endeavor, the company undertook an environmental and social assessment of the plant to ensure the project was in line with the highest international standards. "This study was important to us as we want to set an example for other businesses of fostering green energy in the country in a responsible manner," says Antonyan.

There were more than just ecological advantages tied to the realization of the solar park. The project also brought social benefits for the surrounding community such as increased employment opportunities. In fact, post construction of the solar park, 10 residents are now highly qualified technicians who are permanently employed to carry out maintenance activities on the plant.

Businesses like Tufenkian Hospitality are trailblazing the uptake of renewable energy sources in Armenia and are supporting the country's energy independence. By providing businesses with the finance needed to construct solar power plants and other renewable energy sites, the GGF remains unwavering in its mission to mitigate climate change and promote sustainable economic growth throughout the region.



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IMPACT STORY

ECO-FRIENDLY HOUSING ON THE RISE IN SERBIA

Whether it be in houses, offices, or schools, the average city dweller spends 80% of their time indoors. Buildings make up an essential part of everyday urban life, but their energy consumption and carbon footprint also make them a driver of climate change. Nearly 40% of global GHG emissions can be attributed to the building and construction sector alone. This makes the drive to promote green cities with energy-efficient buildings a vital aspect of achieving the Paris Agreement and global temperature goals.

The GGF firmly believes that investing in local financial institutions that expand access to financing for green measures will go a long way in reducing energy consumption in the housing sector. This is in alignment with EU goals to expand the “EU Renovation Wave” to the Western Balkans to decarbonize public and private building stock. One country in the region making great strides toward promoting sustainable development in this sector is Serbia.

In recent years, important achievements have been made in the country to start to decarbonize the building sector and transition to greener energy sources. Construction is one of the main pillars of economic growth in Serbia, contributing a large share to the GDP. The country’s efforts to green the sector can be seen in various regulations adopted over the past few years, such as the amended law on Planning and Construction which introduced energy passports, and the Act on Housing and Maintenance of Buildings. “An energy passport of a building contains information about its energy class and indicates the final annual consumption of thermal energy,” explains Mejra Juzbašić Bajgorić, Director for Southeast Europe at GGF Advisor, Finance in Motion. “The introduction of these energy passports was critical for the GGF. Not only do they signal to buyers when they are buying a more

efficient property, but they also enable the fund to identify and provide green financing for housing in the country.”

Mortgages for energy-efficient properties offer an opportunity to promote improved building standards and lock-in reduced energy demand for the next decades. “Despite the instability over the past year due to the global pandemic, there was about a 12% increase for housing loans in 2020 in comparison to 2019. This is encouraging but also makes clear the need to green the market,” notes Juzbašić Bajgorić.

Serbia, with its thriving local construction sector, is just one example of an important entry point for the fund to work towards its goal of protecting the climate. With buildings being the single largest energy consumer in Europe, adopting new regulations is just the start to fully realize the benefits of energy efficient buildings. But looking at all of the GGF’s target countries and the roles cities play, there is a huge potential to replicate efforts in other target markets and work towards making these cities greener and more sustainable.



The GGF firmly believes that investing in local financial institutions that expand access to financing for green measures will go a long way in reducing energy consumption in the housing sector.



IMPACT STORY



A SUSTAINABLE SHIFT IN THE FASHION INDUSTRY

The GGF launched the second edition of the clim@ innovation competition this year following the resounding success of the inaugural event in 2018. clim@ was established to showcase and support entrepreneurial ideas for protecting the climate and environment, and in 2020 it attracted over 200 applications from 60 countries, with strong representation from the GGF's regions of operation focusing on renewable energy, circular economy solutions, energy and resource efficiency solutions. This year, fifteen finalists were given the chance to pitch their ventures to a panel of climate and technology experts on a digital platform where over 300 participants viewed the event.

The top award of EUR 15,000 went to Beyond Leather Materials (now Leap™) from Denmark for their novel approach to producing a vegan and eco-friendly leather alternative made from apple waste. The company uses just five kilograms of apple pulp to make a square meter of its leather substitute.

With the tagline, “Making Waste Beautiful,” the final product aspires to combine durability with style. So much so, that in 2022 they are planning to enter the leather industry to provide material to the fashion world.

“The fashion industry is one of the world’s biggest polluters, contributing to one-tenth of all greenhouse gas emissions,” says Mikael Eydt, Chief Executive Officer and Cofounder of Beyond Leather. Paired with a chemical-intensive leather production, Beyond Leather saw the need to create a greener, more sustainable alternative.

“Artificial leather is now mostly polyvinyl chloride and polyurethane. It doesn’t make sense to make more plastic in this world. Just because it is vegan, it doesn’t mean it is sustainable,” adds Eydt.

The company spotted a gap in the market and has created a product that epitomizes a circular economy: creating a virtually zero-waste product by upcycling. The demand for artificial leather is on the rise globally, especially as more governments support animal welfare causes.



Beyond Leather’s outstanding solution and market potential has gained traction with international investors. So much so, that post clim@, the company received seed investments of €1.1 million from Rockstart and Vaekstfonden, led by Jensengroup Investment Fund.

Beyond Leather is just one example of an entrepreneur driving the green transformation. Events like clim@ showcase how innovative businesses that are transforming traditional approaches tackling climate change have flourished across the globe. Championing a competition like this not only complements the work the GGF is doing, it paves the way towards a more sustainable future.

SUPPORTED BY





IMPACT STORY

RECYCLING FOR A BRIGHTER FUTURE

The tragic blast that swept through Beirut's port on August 4, 2020 was the culmination of a series of serious challenges facing Lebanon that also left many businesses in a precarious position.

One of these was Live Love Recycle (LLR), an innovative venture in Beirut, that had been tackling the city's trash crisis which had been a pressing issue for several years. In 2015, one of the biggest landfills in Beirut closed and, with disposal options becoming scarce, rubbish was soon being dumped in the sea or piling up in the streets.

LLR knew that a key issue in combating the waste problem was a lack of information about options. "We could see that there wasn't much awareness in the city of how to sort out waste, and what to do with it," explains Georges Bitar the CEO. So, in 2019, the company created the world's first crowdsourced recycling platform based on a mobile application that links together all the stakeholders of the recycling process.

Over 20,000 Beirut residents are now making use of LLR's efficient and reliable app. Through it, users can order on-demand pick-up of their trash to then have it sorted and recycled, as well as receive advice on how to reduce, reuse, recycle.

By mid-2020, LLR was gaining real traction. The company was a finalist in the 2020 clim@ competition held by the GGF and was also awarded by various international organizations for their environmental and entrepreneurial efforts.



And then came a shock. The explosion in August destroyed lives and property, including severely damaging LLR's base. "Our warehouse was 100 meters from the epicenter of the blast. Everything was destroyed. I was in hospital for two weeks. It was a really difficult time for us as we had to stop all services," says Bitar.

But the tragedy left LLR's commitment to their community stronger than ever. Within a week, the team picked up from where they left off and continued with their operations. "There was glass everywhere. So, we decided to start collecting it, cleaning the streets and recycling the glass."

Since that summer, LLR has expanded their recyclables to include glass, clothes, and electronics.

Of course, 2020 also had other challenges in store. The lockdown measures to contain COVID-19 proved to be another hurdle for the company, and their business almost came

to a complete halt. This is where the GGF Technical Assistance Facility (TAF) stepped in to provide assistance. “The need to support green entrepreneurs is why we launched the Green Innovation Support Initiative,” says Borislav Kostadinov, Director at Finance in Motion, which manages the GGF TAF. “For LLR, for example, the GGF TAF supported new developments of their app as well as a marketing campaign. By providing targeted support, entrepreneurs like Bitar have the chance to adapt and continue business operations during and post the pandemic.”



By providing a product that is cost effective and efficient, and with people becoming more knowledgeable about how to recycle, we are getting closer to creating a better and greener future for the city.



“Although we couldn’t go to pick up recyclables, our warehouse remained open for drop-offs,” says Bitar. In fact, the situation inspired LLR to adapt their operations and improve their waste collection app to match the changes in consumption patterns to adhere to health and safety regulations that private pickups, and cash payments prohibited. This included novel features, such as the introduction of contactless payment and collection methods with improved tracking.

Now with nearly 30 full-time employees, the company remains steadfast in their mission to make a difference for their community and the environment. “We want to be part of a green solution to the city’s waste management problem,” says Bitar. “By providing a product that is cost effective and efficient, and with people becoming more knowledgeable about how to recycle, we are getting closer to creating a better and greener future for the city.”



IMPACT STORY

POWERING ON: UPDATE ON PROJECT FINANCE

Lockdown measures to contain the spread of COVID-19 have severely disrupted industries across the world, and the construction and operations of renewable energy projects are no exception. Whether in terms of reduced personnel on sites, supply chain disruptions, or process delays, project teams are grappling with unexpected challenges. Consequently, project risks are often perceived to have increased and many project participants, such as contractors, have even declared a “force majeure,” which, for example, can lead to a delay in the completion of projects or temporary reductions in cash flow.

But the GGF project finance portfolio, demonstrated resilience throughout the on-going crisis with all existing projects serving their obligations. “In 2020, we saw the new 54MW solar power plant near the city of Boguslav in Ukraine become fully operational. This project will provide clean energy for up to 27,000 households,” says Chad Canfield, Director of Project Finance at

GGF’s advisor Finance in Motion.

“Moreover, the fund’s catalytic role was highlighted this year when one of our Georgian projects was successfully refinanced with the country’s first ever green bond issuance,” adds Canfield. “The successful bond placement underscores the credit quality of our assets, and frees up capital for continued growth.”

The GGF is no stranger when it comes to navigating complex environments. Whether it be expanding frontiers into new territories or promoting green innovators, the fund thrives on its pioneering spirit and solid track record to generate positive impact. “We have always relied on robust risk management expertise to assess the best next steps while piloting the fund into new territory. I believe this has made the GGF specially equipped to handle the turbulence of the COVID-19 crisis and hold a steady course through choppy waters,” states Canfield.

Project finance contributes to a reduction in CO₂ emissions of approximately 197,000 tons and 729,800 MWh of primary energy savings per year, which equals to about 20% of the savings generated by the total GGF portfolio. Opening markets for commercial renewable energy development is a key aspect of the GGF’s strategy to pursue its impact mission. “Renewable energy provides a remarkable growth opportunity while being an important part of the solution to protect the climate,” says Canfield.

The strong pipeline growth in project finance over the past year has laid a concrete foundation for 2021 uptake. With the increased appetite for investments into low-carbon power generation, renewable energy will play a critical role in achieving a robust green recovery post COVID-19.



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