



**IMPACT
REPORT
2019**

TEN YEARS
OF SUCCESS



**GREEN FOR
GROWTH FUND**



OLAF ZYMELKA
Chairperson of the Board of Directors



FUND ADVISOR TEAM

Letter from the Chair

When the Green for Growth Fund was established in December 2009, we could only imagine the type of impact we were about to create and the milestones we would achieve. The GGF was the first public-private partnership structure dedicated to promoting energy efficiency and renewable energy finance; and the first to specialize exclusively in this type of investment in Southeast Europe and Turkey—so it was impossible to envision what it would become.

Fast forward 10 years and we have now expanded to new regions in Eastern Europe, the Caucasus, the Middle East, and North Africa, and unleashed EUR 1 billion in green finance to more than 36,000 clients to reduce energy and resource consumption, and expand the use of renewables. The GGF has also expanded beyond energy into the interlinked areas of waste and water management.

The call for climate action is growing stronger by the day. The appetite for investment opportunities that foster the use of renewables and allow for targeted financing for climate protection measures is not quenched. But with more than a decade of success behind us, the commitment of our investors, the partnerships we have forged, and the passion to continue creating a lasting impact for the future of our environment herald promising growth for the future.

So, it is with great pleasure that I, on behalf of the Board of Directors, present the 2019 Impact Report on the tenth anniversary of the GGF. I look forward to more groundbreaking feats as we enter a new decade together.

Olaf Zymelka

Letter from the Advisors

Over the past decade, the GGF has achieved outstanding success, considerable milestones, and generated long-lasting impact. Finance in Motion is proud to serve as advisor to this pioneering fund.

In 2019 the fund surpassed the EUR 550 million mark in its portfolio, working together now with over 60 partner financial institutions and projects. These investments are now saving over 3 thousand GWh of energy, preventing the emission of over 850,000 tons of CO₂, and sustainably managing more than 450,000 tons of water, waste, and resources each year. The year also saw the GGF extending its green footprint to new frontiers and projects, such as the largest wind park in Serbia.

The fund has additionally achieved impact through on-the-ground

support and capacity-building activities from the fund's Technical Assistance Facility. A highlight in 2019 was the launch of the "Green for All" forum—a dialogue series bringing together representatives from across the microfinance ecosystem to collaboratively work with the GGF to expand access to green finance to households and local enterprises.

These accomplishments reveal the fruit of a decade of efforts to identify likeminded partner institutions and assist them in further building their internal capacities, while building a sound ecosystem for green finance to thrive. The urgency and gravity of climate change cannot be underestimated, and as the GGF continues to pursue its mission to create meaningful green impact, Finance in Motion remains resolute to support the fund in this effort.

Elvira Lefting
Finance in Motion

Lloyd Stevens
Finance in Motion

Dr. Thomas Schiller
MACS Energy & Water

KEY FIGURES



€ **546.3** million
Total available funding



€ **581.8** million
Committed investment portfolio



€ **1** billion
Volume of sub-loans generated to date



77
Partner institutions the GGF has invested in to date



332
GGF Technical Assistance Facility projects to date



6,103
Persons trained to date



22
Investors and donors who have committed funds to the GGF to date

All figures as of December 31, 2019



CO₂ EMISSION REDUCTION

870,674 metric tons

This equals the emissions generated if the entire Frankfurt area population of 2.4 million people were to drive to Istanbul and back.



Paving the Way to a Sustainable Future

For ten years the GGF has been investing in measures that reduce energy consumption, resource use and CO₂ emissions – with an impressive EUR 1 billion in green finance provided to over 36,000 final recipients. These measures contribute to 7 of the UN Sustainable Development Goals – supporting responsible growth across 19 target markets. What’s behind these activities and how has this been delivered?

The GGF has achieved such tremendous scale by leveraging the network and outreach of financial sectors where it operates. Channelling dedicated financing through local partner financial institutions allows us to support businesses and households while building catalytic green finance capacities within the financial system.

The GGF also directly finances renewable energy and energy efficiency projects to provide an important signalling effect and support climate technology deployment in new markets. To date, the fund has directly financed 9 flagship renewable energy projects, often the first or most prominent in their respective countries, as well as market-leading energy efficient residential buildings.

The success of the GGF should not obscure the fact that each of the 36,000+ investments it has financed is an individual and valuable story. Whether this is a small enterprise modernising its facilities, an individual improving the insulation of their home, or a wind-park providing affordable clean energy to a national grid, the green finance provided by the GGF leaves a lasting and personal impact for beneficiaries on the ground, while at the same time delivering important climate benefits.

E&S Management

Part of delivering green impact involves incorporating environmental and social (E&S) considerations in all decisions and operations, for which the GGF maintains, implements and continuously improves a formal Environmental and Social Management System (ESMS). What does an ESMS consist of? An E&S Policy which outlines the fund’s E&S commitments, requirements and responsibilities; the E&S exclusion list; and detailed procedures that support the implementation of the E&S Policy commitments throughout the investment cycle. It is this holistic approach that allows the GGF to create long-lasting impact—leading the way into a more sustainable future.

Clean Water & Sanitation



Affordable & Clean Energy



Industry, Innovation & Infrastructure



Sustainable Cities & Communities



Responsible Consumption & Production



Climate Action



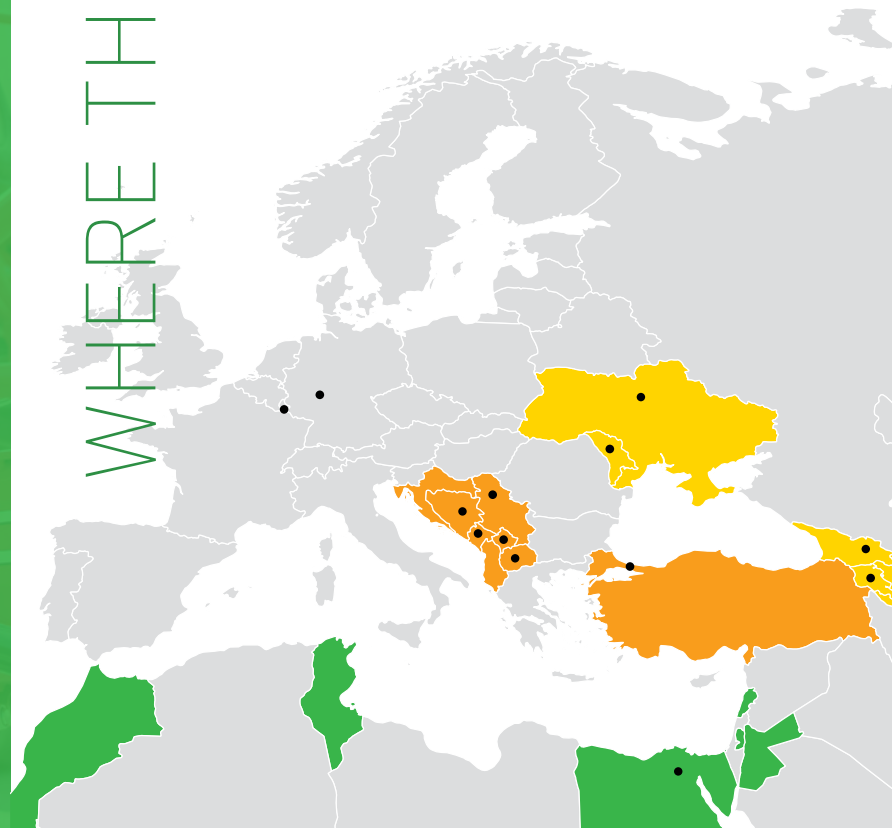
Partnerships for the Goals



THE GGF INVESTS IN 19 COUNTRIES

- Offices of the Advisor Finance in Motion
- Initiated 2009: Southeast Europe
ALBANIA, BOSNIA AND HERZEGOVINA, CROATIA, KOSOVO*, NORTH MACEDONIA, MONTENEGRO, SERBIA, TURKEY
- Expansion 2012: European Neighborhood - East
ARMENIA, AZERBAIJAN, GEORGIA, MOLDOVA, UKRAINE
- Expansion 2016: Middle East and North Africa
EGYPT, JORDAN, LEBANON, MOROCCO, PALESTINIAN TERRITORIES, TUNISIA

*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.





RENEWABLE ENERGY

1 GW

A solar park of this capacity would have the size of 940 soccer fields.

IMPACT STORY

Transitioning to Clean Energy in Ukraine

As Ukraine transitions to clean energy, the GGF is supporting the country by financing two renewable energy projects, including a 45 MW solar power plant located close to the city of Boguslav developed by Scatec Solar of Norway. The plant is expected to produce more than 56,000 MWh of energy annually and provide clean energy for up to 27,000 households. Currently, Ukraine is reliant on nuclear and coal for the bulk of its power generation—with its renewable energy potential largely untapped.

This project, together with GGF's investment in the Syvash Wind Project, marks the second investment in Ukraine's renewable energy sector in 2019 and brings the fund's current investments in the country to nearly EUR 63 million. The GGF was pleased to work with the Dutch Development Bank FMO and the Norwegian Export Credit Guarantee Agency, GIEK, on this transaction.

“Such projects have a very big CO₂ reduction impact with a reduction of more than 38,500 tons annually.”

Early-stage investors like the GGF play a vital role in kickstarting the market for similar renewable energy developments in the region. Given the fossil fuel-based systems currently in place in Ukraine and in the region, such projects have a very big CO₂ reduction impact with a reduction of more than 38,500 tons annually.



ENERGY SAVINGS

3,420 GWh

This equals the energy consumption of 12.4 million A+ labelled refrigerators.

IMPACT STORY

Breaking Boundaries for Inclusive Finance



Green finance needs to be delivered across the full breadth of financial instruments and investments, to all types of final recipients, to most effectively tackle climate change. The GGF, in collaboration with partner microfinance institutions (MFIs) and other financial service providers focused on micro and small sized enterprises (MSE), are exploring diverse ways to support households' and small businesses' access to green finance through a dialogue series called "Green for All," alongside complementary technical assistance to build these capacities.

The inaugural event in Belgrade, Serbia, in September 2019, brought together representatives from across the microfinance ecosystem to focus on the importance of delivering green small-scale finance to the private and business sectors. The GGF now plans to host similar events throughout the region to promote green investments for microenterprises and households and help financial institutions integrate green lending principles into day-to-day practices.

“Research shows that well-delivered microfinance can facilitate the creation and growth of businesses, generate self-employment, improve livelihoods, and extend education, in addition to having environmental benefits.”

MFIs and MSE-focused financial institutions have been a vital focus for the GGF since its inception, with GGF funding providing more than 25,000 sub-loans through more than EUR 250 million in disbursements for energy efficiency measures or small-scale renewable energy projects. Over 60% of the GGF portfolio is dedicated to financing for households and small businesses, highlighting the importance of green investments to this specific target group in bringing about environmental benefits.



Find out more online at
www.ggf.lu



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