



GREEN FOR
GROWTH FUND
TECHNICAL ASSISTANCE FACILITY

CRISIS RESPONSE PROGRAM

For Partner Institutions



Supported by



Federal Ministry
for Economic Cooperation
and Development

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For Partner Institutions

For the past two years, the world has been grappling with the effects of the coronavirus. However, the hardship and loss endured have underscored the importance of resilience and the imperative of building a more equitable and sustainable future.

For businesses and households in particular, a sudden drop in revenue can have ramifications that are no less than existential. This heralded wider problems for regions such as Southeast Europe, the EU Eastern Neighbourhood, and the Middle East and North Africa, target regions of the Green for Growth Fund (GGF), whose populations rely on the small and medium enterprise (SME) segment as a significant contributor to livelihoods, income generation and employment.

The impact of the crisis on SMEs in GGF's regions was, and continues to be, significant. More than 80% of small businesses in the Western Balkans, for example – an area where SMEs account for 99% of all firms and 73% of employment – reported heavy losses in 2020.¹ Half of enterprises were obliged to discontinue business activity entirely at some point over the course of the year.

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the SME segment as a significant contributor to livelihoods, income generation and employment.

That's why the European Union quickly stepped-in with its "TEAM EUROPE" global response to combat the immediate adverse impacts of the crisis as well as lay the groundwork for that future. The EU invested EUR 85 million in support of the GGF's vision for a green recovery, and, to date, the fund has approved over EUR 238 million in loans to local financial institutions directly related to this strategy.

Thanks to the generous support of the EU and the GGF's swift action to mobilize, the GGF TAF established a **Crisis Response Program** to help partner institutions (PI) overcome challenges caused by the pandemic. The aim of the program was to protect institutions' ongoing and future green lending activities and facilitate remote and in-the-field support against request from the fund's PIs in eligible areas of support.

This comprehensive TA program is assisting the management of PIs and their staff in steering their institutions to confront the pressures from the economic fallout created by the COVID-19 pandemic, and prepare them for the anticipated effects on green lending operations.

Below recounts the interventions implemented in selected partner institutions.

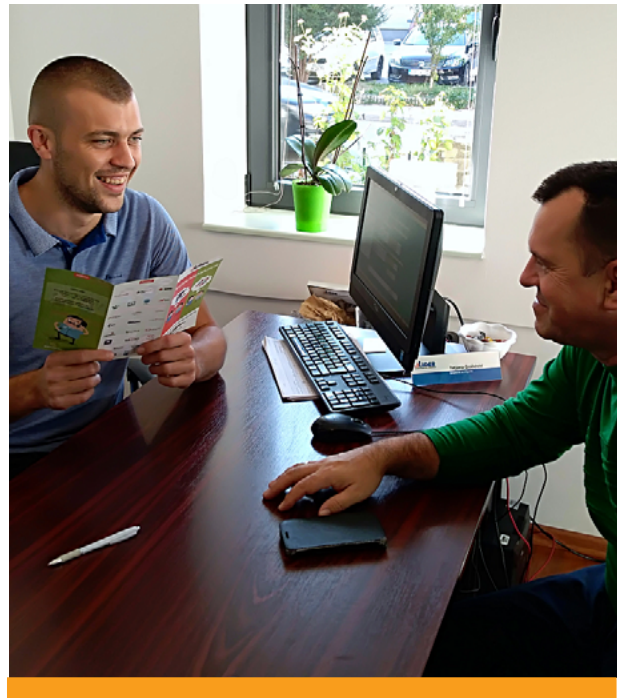
¹ OECD (2020), Covid-19 Crisis Response in South East European Economies

MKF Lider

The GGF first partnered with Microcredit Foundation LIDER (LIDER) in 2019 to promote energy efficiency and use of small renewable energy equipment among households and farmers in Bosnia and Herzegovina through a loan of EUR 1 million.

Through the Crisis Response Program, LIDER created and implemented their “Real leaders” project intended to increase capacity, knowledge, and business development skills of their clients, namely entrepreneurs and farmers. The project consisted of three components: educational webinars for clients, development and launch of an online business platform; and press relations activities to inform clients and partners of LIDER’s activities and product offerings.

In addition, as personal interactions were reduced as lockdown measures to contain the spread of the coronavirus were put in place, MKF LIDER needed to upgrade their digital systems that would enable them to continue communicating with their clients. The GGF supported LIDER in creating and implementing a new module within their existing Management Information System which enabled the institution to continue providing support to their clients during the COVID-19 period in an efficient manner.



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The GGF provided us with much needed financial support for a required Management Information System upgrade. This enabled us to adequately respond to need of clients affected by the pandemic, so that they have the resources they need to adapt to new market conditions.

DZAVID SEJFOVIC, DIRECTOR

Partner MKF



Partner is a non-profit microcredit institution based in Tuzla, Bosnia and Herzegovina. They provide financial services to the economically active population that has difficulties or does not have access to commercial financial resources intended to start and improve business, supports micro-entrepreneurs, promotes women's participation in businesses and offers easier access to financial services in rural areas.

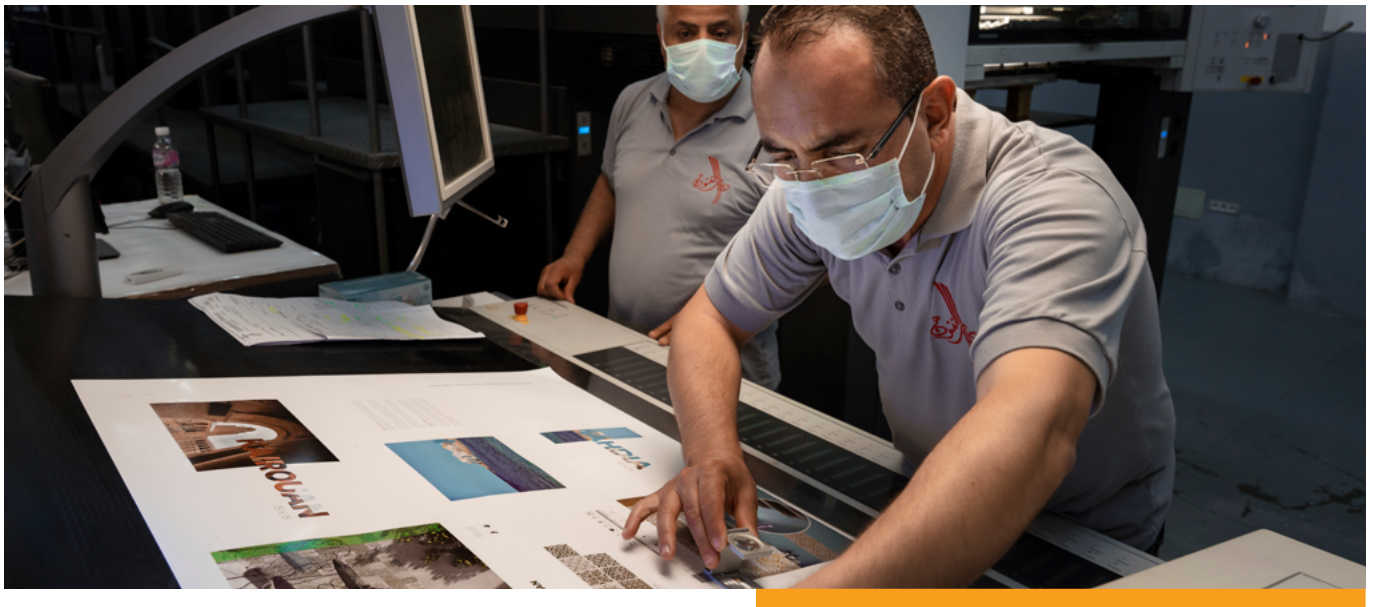
The overall objective of the Crisis Response Program was to support Partner in creating a press relations strategy to manage crisis situations, so that they could provide targeted finance to their clients to help them ride the wave of the crisis and sustain business operations.

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The crisis hit our institution hard as our clients are all micro enterprises who were severely affected by lockdown measures. So, to reassure the market, we needed support creating a new PR strategy so we could communicate to our clients in a new, more targeted manner so that they get the support they need.

SELMA JAHIC, DIRECTOR OF SUPPORT

Tunisia Leasing et Factoring



GGF and Tunisie Leasing et Factoring (TLF) have been partners since 2016. TLF has a 35-year track record and is the leading leasing institution in the country with a strong focus on asset and equipment leasing.

The leasing institution has historically made use of GGF finance for energy efficiency measures such as replacement of light-duty vehicles for transportation and industrial equipment, olive oil refinery refurbishment, and irrigation system renewals.

When the global pandemic hit, the institution needed support in developing a digitalization solution for their Environmental and Social due diligences processes, which are part of their Environmental and Social Management System (ESMS). This solution enabled the institution to study the environmental and social impacts of their financing and react appropriately to mitigate risks and maximise on generating positive impact.

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Thanks to the support of GGF through its “GGF Response Crisis” programme we were able to create an IT solution that not only advanced our capabilities for an effective ESMS, but it also enabled us to reduce physical contact between employees and the handling of paper documents- which was crucial given the global pandemic.

HICHEM ZGHAL, GENERAL MANAGER

Alter Modus



Alter Modus is the leading microfinance institution in Montenegro, serving more than 22,000 clients through a network of 15 branches covering all regions of the country. The institution has a strong focus on low-income entrepreneurs and micro and small enterprises in urban and semi-urban areas of the country that are not catered by commercial banks.

Alter Modus has successfully provided highly impactful EE finance in semi-urban and less developed areas of the country with the goal to spur sustainable economic growth.

Through the GGF support via the Crisis Response Program, Alter Modus was able to strengthen their internal credit risk management capacities, institutional resilience, and provide agile crisis response to their clients.

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“GGF’s supported us specifically in domain of decision-making on loans, reprograms, and restructuring of loans and monitoring and collection. In this way we have been able to have a complete overview of our operations, and this has enabled our support to clients to be sustainable and long-term.

ANA KENTERA, CEO



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