



**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE  
INVESTING IN ENERGY EFFICIENCY  
AND RENEWABLE ENERGY

## Activities of the Green for Growth Fund (GGF) in South East Europe and Turkey



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**GREEN FOR GROWTH FUND**  
SOUTHEAST EUROPE

### INVESTORS / DONORS

#### Current Shareholders

**Initiating Shareholders**

Logos of KfW (Entwicklungsbank), European Investment Bank, European Investment Fund, Federal Ministry for Economic Cooperation and Development, IFC International Finance Corporation, European Bank reconstruction and Development, and SAL. OPPENHEIM.

#### TA Facility Donors

Logos of Federal Ministry for Economic Cooperation and Development, CeEB (Oesterreichische Entwicklungsbank AG), and European Investment Fund.

- Committed Fund Volume: EUR 128 mil
- Prospective Fund Volume over the next five years: EUR 400 mil.
- First closing: 17 December 2009

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## MISSION STATEMENT/NEWS

### Mission Statement

The mission of the Fund is to contribute, in the form of a public private partnership with a layered risk/return structure, to enhancing energy efficiency and fostering renewable energies in the Southeast Europe region including Turkey, predominantly through the provision of dedicated financing to businesses and households via partnering with financial institutions and direct financing (project finance).

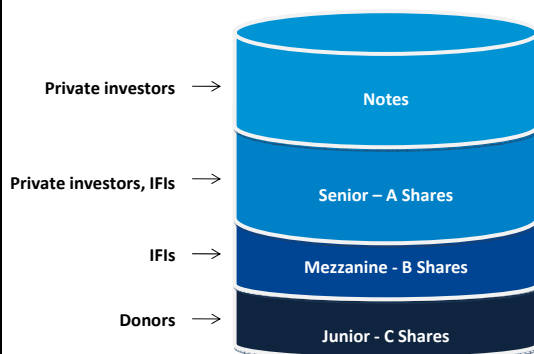
### News

- September 2010: German Development Ministry contributes EUR 8 million to the first loss piece of to the Green for Growth Fund
- June 2010: IFC, a member of the World Bank Group, invests up to EUR 25 million in the Green for Growth Fund, Southeast Europe (GGF)
- June 2010: GGF makes first investment in Turkey: A senior loan facility of EUR 25 million with the Turkish commercial bank Şekerbank

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## CAPITAL STRUCTURE



*As a public-private partnership, GGF can leverage donor funds, in the form of first-loss C shares, and IFI funds in the form of mezzanine shares, to access private capital into senior shares and notes. This increases the effectiveness of donor and IFI funding by bringing in additional capital that might not otherwise be attracted to the sector.*

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## OBJECTIVES AND INSTRUMENTS

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### Objectives

- Broadening the financing base of energy efficiency and renewable energy investments in the region
- Increasing awareness and deepening the financial sector servicing those development needs
- Harmonize and coordinate donor initiatives

### Instruments

- Medium to long-term senior loans
- Subordinated loans
- Letters of credit
- Guarantees
- Mezzanine debt instruments
- Equity<sup>1</sup>
- Local debt securities
- Technical Assistance support

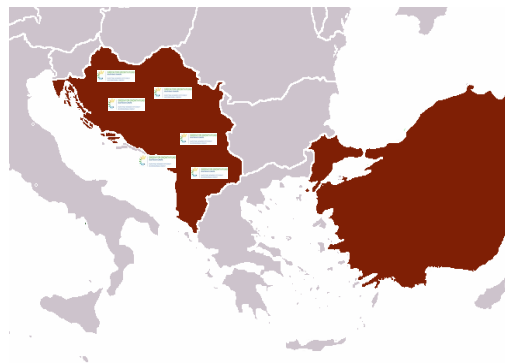
<sup>1</sup> Future instrument; not currently available



## CURRENT TARGET PARTNER

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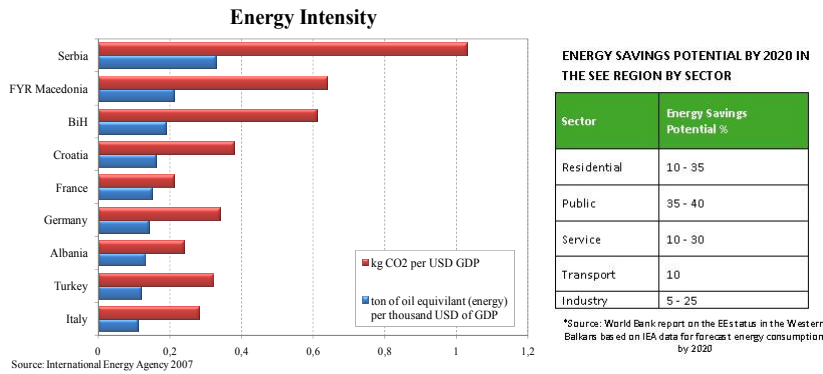
- Albania
- Bosnia and Herzegovina
- Croatia
- FYR of Macedonia
- Montenegro
- Serbia
- Kosovo<sup>1</sup>
- Turkey



<sup>1</sup> Under UNSCR 124/99



### NEED FOR ENERGY EFFICIENCY IN SOUTHEAST EUROPE

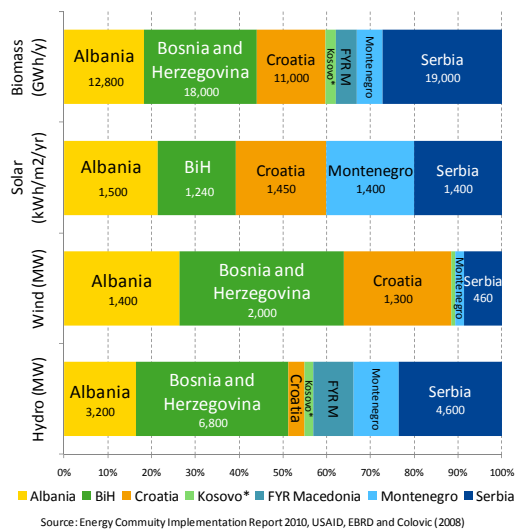


- The region is generally energy intensive/inefficient in terms of industry, with a high potential for savings
- EU pre-accession countries need to align with EU standards & norms



### POTENTIAL FOR RENEWABLE ENERGY IN SE EUROPE

- The region is rich in RE potential which is largely untapped
- Ability to serve domestic markets and to export renewable energy to Western Europe





## ELIGIBILITY CRITERIA

### Investments through Financial Institutions

	Standard	Non-standard	SME/Industrial/Muni
Recipient	Households, SME	HOA, SME	Businesses, Municipalities, Public
Min sub-loan	N/A	N/A	€500k
Max sub-loan	€500k	€500k	€10 million
Eligible Measures	Building envelope, heat source & distribution, lighting, renewable utilization, combined heat/power, (white goods* – standard only)		EE and RE projects

\*Subject to strict limitations

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## ELIGIBILITY CRITERIA

### Investments through/to Non-Financial Institutions

	To/through ESCOs	Energy service/supply	Municipalities & Corporates
Recipient	Public sector, industrial	EE/RE service or equipment companies	Public and private sector entities
Min loan	€100k	N/A	€1 million
Max loan	€10 million	€10 million	€10 million
Eligible Measures	Energy efficiency, renewable energy, energy performance contracts, energy supply contracts	EE/RE producers or vendors, service companies	Energy efficiency, renewable energy projects

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## OBJECTIVES OF THE TECHNICAL ASSISTANCE (TA) FACILITY

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The Technical Assistance is meant to foster the development activity of the GGF and to assist partner institutions and project developers in their development in the area of EE and RE towards the achievement of the Fund's mission.



## WHICH ACTIVITIES ARE ELIGIBLE FOR TA SUPPORT?

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### Capacity development for Financial Institutions

- Portfolio analysis
- Development of EE/RE loan products
- Staff training
- Marketing and supply chain development
- Impact measurements
- Monitoring and reporting
- Energy Efficiency Showcase Projects



## WHICH ACTIVITIES ARE ELIGIBLE FOR TA SUPPORT?

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### Capacity development for Non-Financial Institutions

- Help with EE and RE project implementation
- Support financial and technical feasibility studies → prepare bankable documents for potential investors, helping to attract international investors
- Training and consulting in supply chain development, product development, refining contractual arrangements (e.g. for ESCOs), defining procurement standards
- Targeted technical advice to address problem areas in an EE/RE company that is a client to the Fund



## WHICH ACTIVITIES ARE ELIGIBLE FOR TA SUPPORT?

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### Additional activities

#### Awareness Raising and Market Enabling Activities

- Build up and training a pool of Energy Auditors
- Organise sector workshops, trade shows, conferences
- Organise events featuring successful EE/RE project

#### Impact Analyses & Energy Audits

- Support the set up of a framework and monitoring systems to validate and monitor energy savings and CO<sup>2</sup> emission reductions

#### Research & Development

- Country studies
- Studies advancing the Fund's strategic direction



GREEN FOR GROWTH FUND  
SOUTHEAST EUROPE

THANK YOU FOR YOUR ATTENTION!

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Federal Ministry  
for Economic Cooperation  
and Development



SAL. OPPENHEIM

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