

Green for Growth Fund (GGF)

As of October 2025

The Green for Growth Fund (GGF): a catalyst for energy efficiency and sustainable development in Ukraine

Title	Green for Growth Fund (GGF)
Description	The regional energy efficiency fund for the Western Balkans and European Neighbourhood Regions, the Green for Growth Fund (GGF), contributes to the development of a market for energy efficiency (EE) and renewable energy (RE). To achieve this, investments by micro, small and medium-sized enterprises (MSMEs) and private households are promoted through the local financial sector. The GGF is active in a total of 19 target countries, including Ukraine. In Ukraine, it makes an important contribution to reducing dependence on Russian energy imports by investing in energy savings and diversifying energy sources.
Contracting Authority	BMZ and EU
Project Volume	Total volume of the fund: EUR 1,058.5 million, of which: EUR 194 million (BMZ trust funds) EUR 186 million (EU funds) EUR 76 million (KfW own funds) Loans disbursed to final borrowers since 2009: EUR 2.1 billion
Current Portfolio Size in Ukraine	App. EUR 55 million

Background Situation

Since the start of Russia's war of aggression against Ukraine in February 2022, many Ukrainian micro, small and medium-sized enterprises (MSMEs) have faced major challenges. These include the physical destruction of production facilities, inflation, a sharp drop in sales, the exodus of labour and a lack of access to affordable and long-term financing, especially in the local currency Hryvnia. At the same time, investments are urgently needed for the transformation and continued existence of companies during the war. Businesses are the most important pillar of the Ukrainian economy, playing an important role both during the war and in reconstruction. They are responsible for 74% of all jobs and 64% of economic value added. Supporting them is therefore crucial.

Green for Growth Fund

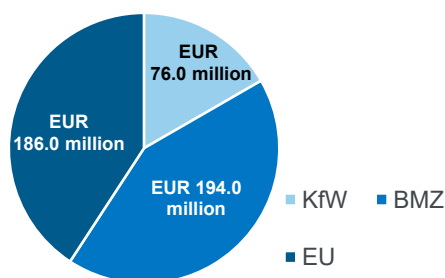
In order to counteract climate change and at the same time support sustainable development in the GGF's target region, far-reaching environmentally friendly investments are needed. The offer for sustainable and broad-based financing of investments in energy efficiency (EE) and renewable energy (RE) is not sufficiently provided by local financial markets.

The main objective of the fund is to sustainably build up and expand the range of options for broad-based financing of investments in EE/RE in the target regions. This will contribute to the reduction of energy consumption and/or greenhouse gas emissions of final borrowers in the target region.

Project partner is the regional energy efficiency fund for the Western Balkans and European neighbourhood regions, the Green for Growth Fund (GGF). It was founded in December 2009 under the patronage of KfW and EIB. Through its seat on the supervisory board, KfW influences the strategic direction of the GGF. Furthermore, on behalf of the Federal Government of Germany (through the Federal Ministry for Economic Cooperation and Development, BMZ) and the EU, KfW has contributed EUR 456 million to the fund so far.

The GGF contributes to the development of the EE and RE market by supporting investment by MSMEs and households through the local financial sector, as well as increasingly direct investment in RE project companies, which so far have achieved on average more than 60% energy savings and CO₂ emission reductions. The fund now operates in 19 countries in the Western Balkans (including Turkey) and in the EU's eastern and southern regions. GGF has been active in Ukraine since 2016 and currently has an outstanding portfolio of around EUR 55 million (approximately 5.5% of the total fund portfolio) in financial intermediaries and project financing.

KfW's commitment to GGF (total) on behalf of BMZ, the EU and KfW



The GGF's contribution to Ukraine's reconstruction

The GGF's makes an important contribution to strengthening Ukraine. With the start of the Russian war of aggression, the fund has further intensified its support and has increasingly promoted measures that strengthen economic resilience and create the basis for sustainable, green recovery. A key element is the "Stand with Ukraine" programme, which is made possible through support measures from the GGF. It aims to mobilise resources to strengthen financial and entrepreneurial resilience in Ukraine. The GGF is applying the following measures in Ukraine:

- Financing local banks and MSMEs – for example by providing funding in local currency. This enables investments in sustainable agriculture, energy efficiency and small-scale renewable projects.
- Expanding renewable energy - for example, by financing solar and wind farms that not only make an important contribution to national climate targets, but also create jobs and future prospects for local communities.
- Promoting the qualification of skilled staff - the GGF Green Academy provides Ukrainian professionals and students with access to internationally recognised training courses in sustainable financing, impact investing and renewable energy. This opens up career opportunities and at the same time strengthens the green skills for upcoming reconstruction efforts.

Since the start of the fund, a total of 16 contracts has been concluded with partner institutions/project companies in Ukraine, with a total volume of approximately EUR 160 million. The current outstanding portfolio is EUR 55 million. This enabled, for example, two project financing operations for wind and solar farms, five investments for local financial intermediaries and one business financing operation. A total of 670 individual loans were made to final borrowers.

The partners of GGF

The GGF is supported by a large number of international partners. Key partners include the European Union (EU), the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), the Dutch Development Bank (FMO), the Austrian Development Bank (OeEB) as well as private and institutional investors.

Publisher

KfW Group

KfW Development Bank
Palmengartenstrasse 5–9
60325 Frankfurt / Main, Germany

Phone +49 69 7431-3682

Horst.Zapf@kfw.de

www.kfw-entwicklungsbank.de

Further information on KfW's activities in Ukraine:

<https://www.kfw-entwicklungsbank.de/About-us/Ukraine/>

