

WOMEN GOING GREENER

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Reducing the environmental footprint
of Female Entrepreneurship

MODULE 5: Funding Green Dreams



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Table of Contents

1. Introduction	4
2. Green financing	4
3. Women and green entrepreneurship	6
3.1 Why women in business is good business?	7
3.2 Financial Tools “at the service” of green entrepreneurship	7
3.3 The EU’s Sustainable Finance Strategy	8
3.4 How can women access grants, loans, and investors?	8
4. Funding opportunities for SMEs for going greener.....	11
4.1. LIFE Program: EU’s funding instrument for the environment and climate action.	12
4.2. European Investment Bank.....	14
4.3 European Bank for Reconstruction and Development.....	15
4.4. Green Economy Investments	16
4.4.1 Green Investment Fund	16
4.4.2 Benefits of Green Investment Funds	17
4.4.3 Creating and Managing a Green Investment Fund.....	18
5. Crowdfunding for Green Dreams	19
Bibliography	21

1. Introduction

Green entrepreneurship, or sustainable business practices that prioritize environmental protection, has become a cornerstone of modern economic strategy in the examined countries and the European Union (EU). The importance of this approach lies in its dual ability to address pressing environmental challenges while simultaneously fostering economic growth. As the global community confronts climate change, pollution, and resource depletion, green entrepreneurship presents a viable path to a sustainable future. In Greece, a country with abundant natural resources and a vibrant entrepreneurial spirit, the integration of green business practices is particularly crucial. However, the transition to greener models often requires significant investment and innovation, which is where subsidies and financial incentives play a pivotal role. The EU's commitment to green initiatives, evidenced by substantial funding and policy frameworks, provides essential support for businesses. These subsidies not only alleviate the financial burden of adopting sustainable practices but also stimulate innovation and competitiveness. By leveraging these opportunities, businesses have the opportunity to lead the charge to create a resilient, eco-friendly economy that sets a benchmark for sustainable development across the region.

2. Green financing

As the global economy adapts to climate change, businesses and investors are developing green finance. The latter includes any structured financial activity that focuses to ensure a better environmental footprint and a more resilient future. More precisely, green financing (iisdvideo, 2015) has emerged as a term and strategy worldwide over the last few years. Initiatives related to renewable energy and energy efficiency, pollution prevention and control, biodiversity conservation, circular economy projects, and the sustainable use of land and natural resources are typical examples of the kinds of projects that refer to green finance (Frankfurt School of Finance & Management, 2019).

Thus, through green financing, there is an attempt to increase the level of financial flows (from banking, micro-credit, insurance, and investment) from the public, private and not-for-profit sectors to increase and enhance sustainable development priorities. In accordance with the UN, the main purpose is to better manage environmental and social risks, exploit opportunities, for both return and environmental benefit, and achieve higher accountability.

Some of the elements that could promote green financing are an alteration of countries' regulatory framework, the harmonization of public financial incentives, the increase in financing from different sectors, the alignment of public sector financing decision-making with the environmental dimension of the Sustainable Development Goals, the increase in

investment in clean and green technologies, financing for sustainable natural resource-based green economies and climate-smart blue economy and increase use of green bonds (UN, Green Financing).

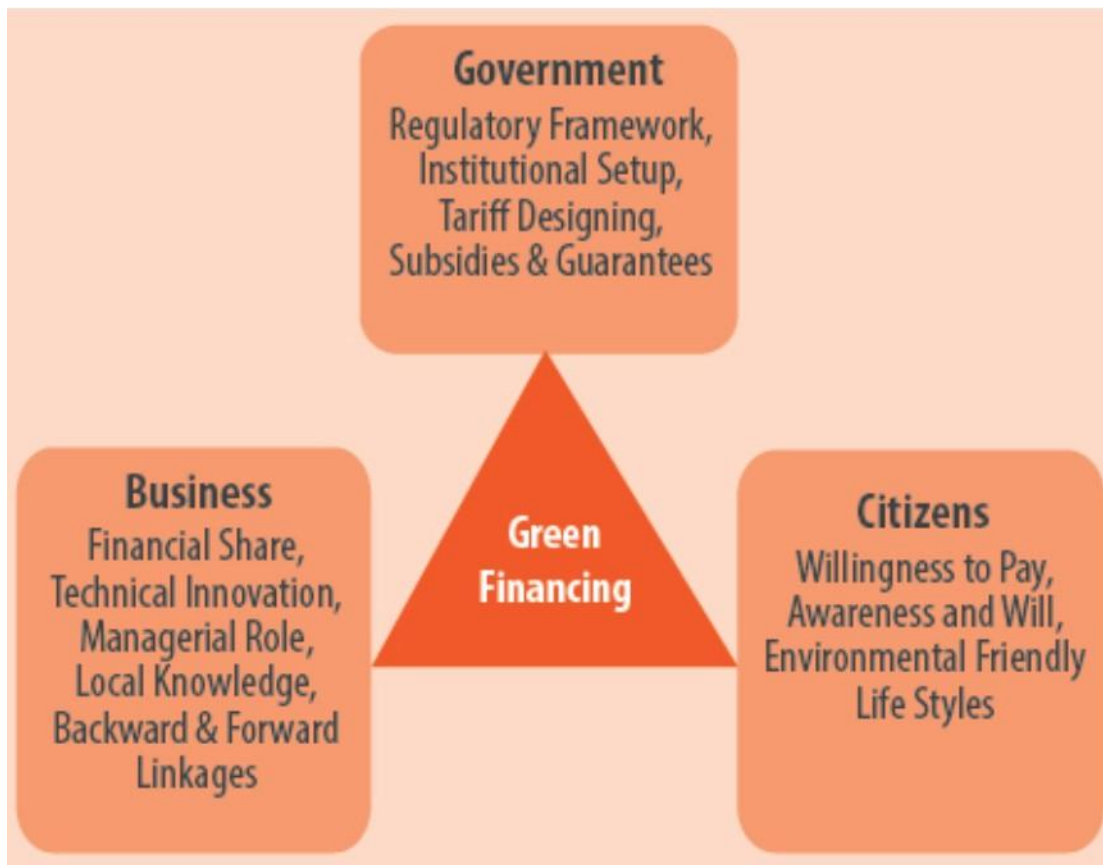
The main areas for the current work on green financing are:

- Supporting the public sector in creating enabling environment
- Promoting public-private partnerships on financing mechanisms such as green bonds
- Capacity building of community enterprises on micro-credit



Sustainable Development Goals (SDGs) and Green Financing

Moreover, green financing could increase partnerships between governments, businesses, and citizens by including major actors, such as financial markets, banks, investors, micro-credit entities, insurance companies along with public sector.



3. Women and green entrepreneurship

Green entrepreneurship as well as female entrepreneurship are really connected because they both focus on innovation, sustainability, and society's well-being. Aim is to promote positive changes and create inclusive and resilient economies.

Women entrepreneurs often bring unique perspectives and innovative solutions. In the context of green entrepreneurship, this can lead to the development of novel, sustainable products and services that address environmental challenges more effectively.

Women-led businesses frequently prioritize community and social impact, which aligns with the goals of green entrepreneurship. Sustainable business practices often involve considering the well-being of local communities and ecosystems, areas where women entrepreneurs tend to focus.

There is growing recognition of the need to support both women and green entrepreneurs through policy and funding. Programs that offer subsidies and incentives for green business initiatives can simultaneously promote gender equality by ensuring women entrepreneurs have access to these resources.

Also, supporting women in green entrepreneurship can lead to significant economic growth and job creation. Women-led green businesses can tap into emerging markets for sustainable products, contributing to broader economic development and diversification.

Women leaders in green entrepreneurship often serve as role models and advocates for sustainable practices, inspiring other women to enter the field and promote environmental stewardship.

3.1 Why women in business is good business?

Supporting women in environmentally and climate-related businesses has the potential to increase profits and have a more long-lasting effect for several reasons.

- ✓ Women are typically more affected by climate change and its associated issues, which gives them a unique perspective and the capacity to come up with innovative business solutions for community resilience, adaptation, and mitigation.
- ✓ Women outperform on environmental, social, and governance metrics when compared to men, including in the realm of entrepreneurship.
- ✓ Women perform better in leadership, problem-solving, and innovation, which can contribute to advancing green technologies and climate solutions.
- ✓ Women have comparative advantages in developing climate technologies and green solutions that benefit women consumers, and they influence up to 80 percent of buying decisions (Tsifti, 2023).

3.2 Financial Tools “at the service” of green entrepreneurship

Firstly, let's focus on Greece. National Bank provides:

1. Green Loans: provide businesses and consumers the necessary capital to implement green initiatives, such as the installation of renewable energy systems or innovative and energy-efficient equipment for a new and sustainable production process.
2. Green Bonds: securities issued by governments, companies, or financial institutions to finance environmentally friendly projects, for instance, renewable energy or sustainable transport.
3. Green Funds: investments funds that raise money from multiple investors to invest in a diversified portfolio of green assets, such as renewable energy companies and sustainable infrastructure projects.
4. Green Exchange Traded Funds: investment funds that are admitted to trading on the stock exchange and track special stocks, bonds, or indices that focus on green investments.
5. Green Private Equity and Venture Funds: investment firms that provide capital to start-ups or established companies engaged in environmentally sustainable projects or technologies (National Bank, 2023).

3.3 The EU's Sustainable Finance Strategy

Both academic research and the financial sector are paying increased attention to sustainable finance because of the financial sector's crucial role in delivering adequate capital. ESG financial solutions, according to top asset managers and investment firms, consider sustainability issues at every stage of the investment process. Even though the terms sustainable finance, green finance, and climate finance are frequently used synonymously, it is important to distinguish between them specifically. The practice of accounting for environmental, social, and governance factors (ESG) in financial sector investment choices is known as sustainable finance. Environmental factors may include pollution avoidance, biodiversity preservation, the circular economy, and mitigation and adaptation to climate change (European Commission, 2021e; Berrou et al., 2019). There are numerous approaches to define green money in relation to sustainability (European Commission, 2017). In this paper, green finance is defined as the funding of initiatives that have a positive impact on the environment, such as lowering emissions of greenhouse gases, improving energy efficiency, and reducing pollution of the air, water, and land. Given that we view green finance as a subset of sustainable finance, this definition aligns with the Taxonomy Regulation, the goals of the European Green Deal, and the G20 Green Finance Study Group's (2016) definition (Bruhl, 2021). Accordingly, climate finance can be seen of as a subset of green finance, since it refers to the funding of both governmental and private initiatives that aim to assist climate change adaptation and mitigation (Hong et al., 2020).

3.4 How can women access grants, loans, and investors?

The most difficult challenge for all new entrepreneurs to launch green start uppers is to secure adequate funding and financing. This aspect becomes more crucial when the “green” entrepreneurs are women. They face significant challenges in accessing the capital they need to grow their businesses and implement green practices. In developing countries, the financing gap is 1.5\$ trillion. In addition, women entrepreneurs are less likely to receive funding from “angel investors and venture capitalists” who tend to favor male-led ventures. Some of the possible options for women are to overcome these obstacles and achieve their goals are now mentioned:

- A. **Grants:** The governments, foundations, corporations, organizations etc. provide these non-repayable funds. The women entrepreneurs should promote themselves and their green enterprise by submitting proposals that demonstrate the feasibility, impact and sustainability of their ideas because these grants seem to be competitive. They often have strict eligibility criteria, reporting requirements, and timelines and they do not entail any debt or equity obligations. Some of these grants are:

↗ **Horizon Europe (EIC Accelerator)**

Horizon Europe, through the EIC Accelerator, offers a powerful opportunity for women entrepreneurs in green startups. This program is designed to support high-risk, high-potential innovations that could disrupt existing markets or create entirely new ones. Women-led ventures with a strong focus on sustainability can benefit from this grant, which provides up to €2.5 million in funding, along with potential equity investments. The application process is competitive, requiring detailed proposals that demonstrate the innovation's feasibility and impact. Successful applicants not only receive financial support but also gain access to a network of investors and business development services, making it a significant boost for women striving to advance green initiatives.

↗ **European Social Fund Plus (ESF+)**

The European Social Fund Plus (ESF+) is another essential resource for women entrepreneurs in green startups, particularly those focused on social inclusion and employment within the environmental sector. ESF+ aims to enhance job opportunities and social integration across the EU, with a strong emphasis on supporting vulnerable groups, including women. By targeting green jobs and sustainable business practices, women-led enterprises can access significant funding to support their growth. The fund can cover up to 85% of eligible project costs, offering a robust financial base for women entrepreneurs to implement and expand their green initiatives while also contributing to social and environmental betterment.

↗ **Female Founders Fund**

The Female Founders Fund is a venture capital firm that focuses on early-stage investments in women-led startups, including those in Europe. While not a traditional grant, it serves as an important source of capital for women entrepreneurs, particularly those launching or scaling green and sustainable businesses. The fund is dedicated to supporting female founders who are breaking new ground in various industries, including those focused on environmental impact and sustainability. By providing investment rather than grants, the Female Founders Fund offers not just financial backing but also strategic support, mentorship, and access to a network of successful women entrepreneurs and investors. This combination of resources makes it an invaluable asset for women striving to grow their green ventures in a competitive market.

- B. **Loans**: Loans are borrowed funds that have to be repaid with interest over a specific period of time. Banks, microfinance institutions, online platforms, or other lenders provide women with these loans so as to start or expand their businesses, to buy the equipment, to cover the operational costs and hire staff. Some examples of loans that cater to women green entrepreneurs are:

↪ **EBRD Women in Business Programme**

The European Bank for Reconstruction and Development (EBRD) offers the Women in Business Programme, which provides tailored financing solutions for women entrepreneurs across multiple sectors, including green businesses. This program includes loans provided through partner banks, along with additional support like business advisory services and mentoring. Women-led green startups can use these loans to invest in sustainable practices, purchase eco-friendly equipment, or expand their operations. The program also offers risk-sharing facilities that can reduce the collateral required, making it easier for women entrepreneurs to access the capital they need.

↪ **SME Go Green (EBRD)**

The SME Go Green initiative, also supported by the EBRD, is another excellent option for women entrepreneurs focusing on sustainability. This program offers loans specifically designed to help small and medium-sized enterprises (SMEs) invest in green technologies and practices. Women entrepreneurs can use these loans to upgrade to energy-efficient machinery, reduce their carbon footprint, or implement other green innovations. In addition to financing, the program often includes technical assistance to help businesses effectively implement their green projects.

↪ **Women's World Banking Microfinance Loans**

Women's World Banking is a global nonprofit that partners with microfinance institutions to provide financial services tailored to the needs of women entrepreneurs. For green entrepreneurs, these microfinance loans can be used to start or grow a sustainable business, purchase eco-friendly materials, or cover operational costs. These loans are designed to be accessible, with flexible terms that accommodate the unique challenges women face in the business world, particularly in developing regions where access to traditional bank loans might be limited. The focus on small, manageable loans makes them ideal for women running green startups who need funding to scale their operations incrementally.

- C. **Investors:** Investors are people or organizations that provide money in return for a profit-sharing or ownership stake in a company. There are various categories of investors, including impact investors, venture capitalists, angel investors, and crowdsourcing platforms. In addition to financial resources, investors can provide women eco-entrepreneurs with market access, networking opportunities, and strategic advice. On the other hand, because they seek accountability, influence, and large returns from the entrepreneurs they support, investors can also be picky. Investors who prioritize female green entrepreneurs include, for instance:

➤ **SheEO**

SheEO is a global community of women who support, finance, and celebrate female entrepreneurs working on the world's "World's To-Do List," which includes sustainability and environmental challenges. SheEO provides interest-free loans to women-led ventures with a focus on social impact, including green entrepreneurship. Beyond funding, SheEO offers a powerful network of women who act as mentors, advisors, and customers, providing a strong support system for female green entrepreneurs to scale their businesses and increase their impact.

➤ **Pipeline Angels**

Pipeline Angels is an angel investing network that focuses on changing the face of angel investing by creating capital for women and non-binary femme social entrepreneurs, including those in the green and sustainability sectors. Pipeline Angels' members are impact investors who are dedicated to supporting companies that create social and environmental impact. For women eco-entrepreneurs, this network provides not only the necessary capital but also mentorship and access to a diverse network of influential investors committed to fostering sustainable and inclusive growth.

➤ **Chrysalis Capital**

Chrysalis Capital is a venture capital firm that invests in women-led startups with a strong emphasis on sustainable and environmentally friendly businesses. Chrysalis Capital focuses on early-stage investments, providing the financial backing and strategic support needed for green startups to thrive. Their investment approach is holistic, looking at not just financial returns but also the environmental and social impact of the ventures they support. This makes Chrysalis Capital an ideal partner for women entrepreneurs aiming to scale innovative green businesses while maintaining a strong commitment to sustainability.

4. Funding opportunities for SMEs for going greener

The necessity for behaviour changes regarding climate change and the businesses' need to deal with ever-pressing global challenges have led to the so-called **eco-preneurs**, who combine business acumen with a strong commitment to environmental sustainability. The main characteristic of these businesses is that they operate in an environmentally conscious manner and aim to minimize their negative impact while maximizing their positive contribution to sustainability.

Financially speaking, eco-preneurs gain more and more attention. Governments and international organizations are constantly recognizing the need to support and invest in eco-friendly businesses. What is more, technological advancements and the growing awareness of consumers are leading to more sustainable solutions, which make a positive impact and

achieve financial advantages (Top Financing Options for Green Businesses: grants and Subsidies: Government Support for Green Initiatives, n.d.).

Grant and subsidy opportunities can be acquired from various sources. First of all, the number of government incentives for green businesses is steadily increasing. Depending on the country, governments provide state grants, energy efficiency grants, R&D grants, and subsidies for renewable energy projects. By identifying these opportunities and taking advantage of these funds, green businesses can not only make a positive impact on the environment but also thrive in the competitive market.

On a second level, incubators and accelerators are a great chance to access funding opportunities. In this vein, incubators and accelerators have emerged as key players in providing startups with the necessary support to flourish.

Last but not least, one of the most effective ways to grow your green business is by creating strategic partnerships, with well-known eco-friendly brands. This partnership can grow your reach, open doors to new markets, and foster knowledge sharing. To achieve a successful partnership take time to evaluate their sustainability incentives, find common goals and values that align with your actions, and at the latest stage collaborate on marketing campaigns and knowledge and resource sharing.

Another funding opportunity comes from the European Commission is the European Climate, Infrastructure and Environment Executive Agency (CINEA), which manages various European funding programs and initiatives dedicated to advancing sustainability, climate resilience and infrastructure excellence. CINEA serves as a catalyst for channeling financial resources and expertise to projects that have a lasting impact on the environment and society. The detailed opportunities are:

4.1. LIFE Program: EU's funding instrument for the environment and climate action.

Sub-programs:

1. Nature and Biodiversity: The Nature and Biodiversity sub-program will aim at the protection and restoration of Europe's nature and halting and reversing biodiversity loss. Thus, the LIFE Nature and Biodiversity sub-program will continue to fund nature conservation projects, particular in the areas of biodiversity, habitats, and species. It will support projects that contribute to the implementation of the EU Birds and Habitats directives, and in particular the development and management of the Natura 2000 network, and the IAS Regulation, and will support achieving the objectives of the EU's biodiversity strategy for 2030, part of the EU Green Deal.

2. Circular economy and quality of life sub-program: The circular economy and quality of life sub-program intends to protect, restore, and improve the quality of the environment

through direct interventions or by supporting the integration of those goals in other policies. It also seeks to ease the transition toward a sustainable, circular, toxic-free, energy-efficient, and climate-resilient economy. Therefore, LIFE will keep co-financing environmental initiatives, especially those related to the circular economy. These projects seek to address environmental governance, soil, water, air, noise, and waste recovery, as well as chemical management and soil recovery. Through so-called Standard Action Projects (SAP), the sub-program primarily awards action grants to projects implementing creative and best-practice solutions in various fields. It also addresses how EU environmental law and policy are implemented, monitored, and evaluated through what are known as Strategic Integrated Projects (SIPs). Throughout the project's lifespan, the European Commission is searching for solutions that are prepared for close-to-market implementation at an industrial or commercial scale.

3.Climate Change Mitigation and Adaptation sub-program: The Climate Change Mitigation and Adaptation sub-program will contribute to the shift towards a sustainable, energy-efficient, renewable energy-based, climate-neutral and resilient economy, thereby contributing to sustainable development.

-Climate change mitigation: The climate sub-program backs initiatives related to farming, land use, managing peatlands, renewable energy, and energy efficiency. In order to reduce greenhouse gas emissions, implement and improve EU policy and legislation, and develop best practices and solutions, it offers support for pilot, demonstration, and best practice projects. Additionally, the sub-program encourages the use of integrated methods in the regional or national implementation of action plans and mitigation measures for climate change.

-Climate change adaptation: Urban adaptation and land-use planning, infrastructure resilience, sustainable water management in drought-prone areas, flood and coastal management, resilience of the agricultural, forestry, and tourism sectors, and/or support to the EU's outermost regions: preparedness for extreme weather events, particularly in coastal areas are among the areas in which the LIFE program co-finances projects. It offers action funding for pilot, demonstration, and best practice initiatives that help build climate change resilience. Additionally, integrated initiatives that carry out EU policy and strategy on climate change adaptation are supported by the climate sub-program.

4.LIFE Clean Energy Transition sub-program: The LIFE Clean Energy Transition sub-program builds on the achievements of the Intelligent Energy Europe (2003–2013) and Horizon 2020 Energy Efficiency (2014–2020) programs. It supports the implementation of EU policies related to sustainable energy, including the European Green Deal, the Energy Union (2030 energy and climate targets), and the European Union's long-term decarbonization strategy for 2050. With a budget of almost EUR 1 billion for the years 2021–2027, the LIFE Clean Energy Transition sub-program seeks to finance coordination and support initiatives (Other Action Grants) throughout Europe in order to ease the shift towards energy-efficient, renewable energy-based, climate-neutral, and resilient economy. These are high-value EU initiatives that aim to remove market barriers impeding the socio-economic shift to sustainable energy. They usually involve a number of small and medium-

sized stakeholders, as well as a number of actors, such as local and regional public authorities, non-profit organizations, and consumers.

Projects are co-financed under the LIFE Clean Energy Transition sub-program in the following five areas of intervention:

- Building a national, regional, and local policy framework supporting the clean energy transition.
- Accelerating technology roll-out, digitalization, new services and business models, and enhancement of the related professional skills on the market.
- Attracting private finance for sustainable energy.
- Supporting the development of local and regional investment projects
- Involving and empowering citizens in the clean energy transition (EC, LIFE program).

The LIFE Program aims to:

-assist in the transition to a resilient, climate-neutral, energy-efficient, renewable energy-based, sustainable, and circular economy

-safeguard, replenish, and enhance the environment's quality, encompassing the air, water, and soil

-stop and reverse the loss of biodiversity

-tackle the degradation of ecosystems

The financial envelope of the LIFE Program is implemented via four sub-programs:

- Nature and Biodiversity
- Circular Economy and Quality of Life
- Climate Change Mitigation and Adaptation
- Clean Energy Transition

4.2. European Investment Bank

The EIB supports sustainable projects and has specific programs for women entrepreneurs through various mechanisms and initiatives.

•EIB Group Gender Strategy: The EIB Group has a dedicated gender strategy aimed at promoting gender equality and women's economic empowerment. This includes providing financial and technical support to women-led businesses.

•European Fund for Strategic Investments (EFSI) and InnovFin: Under these initiatives, the EIB offers financing solutions tailored to the needs of women entrepreneurs, particularly in innovative and sustainable sectors (European Fund for Strategic Investments (EFSI): Boosting Jobs and Growth, n.d.).

•EIB's SheInvest Initiative: Launched to boost both gender equality and economic empowerment of women in Africa. SheInvest mobilizes funds to support female entrepreneurs and gender equality projects, particularly in sustainable development sectors. In less than three years, the initiative has supported 2 billion euros of gender smart investments across the continent. The investments include credit lines with local banks to improve the access to finance of women-owned and led enterprises, as well as microfinance credit lines to unlock financing for female entrepreneurs. The EIB supports businesses owned or run by women in cooperation with institutions such as Uganda Development Bank and Ecobank Malawi (Boosting Gender Equality around the World: EIB Expands SheInvest Initiative and Strengthens Cooperation with Development Bank of Rwanda, 2022).

The EIB collaborates with various partners to amplify its impact and reach more women entrepreneurs:

- Microfinance Institutions: The EIB works with microfinance institutions that specifically target women entrepreneurs, providing them with small loans and financial services.
- Partnerships with Local Banks: Through partnerships with local and regional banks, the EIB ensures that women entrepreneurs have better access to credit facilities and financial services tailored to their needs.
- Collaborations with International Organizations: The EIB collaborates with organizations such as the European Commission, the United Nations, and various NGOs to support gender-focused and sustainable development projects.

4.3 European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) is implementing the Western Balkans Women in Business Financing Programme with the general objective of promoting women's participation in business by assisting women-led small and medium-sized enterprises (MSMEs) to access finance and know-how, which is compatible with the Bank's Strategic Initiative (SGI) and the Small Business Initiative (SBI) (EBRD, WB Women in Business Programme). The TC grant component is funded by the governments of Sweden and Luxemburg and the Non-TC grant component is funded by the EBRD Shareholder's Special Fund. The total amount of the grant is EUR 6.5 million. Therefore, financing opportunities for Serbian women-led businesses

Under this initiative, the EBRD has signed a €72 million financing package with Banca Intesa Beograd to enhance the competitiveness and trade potential of businesses in Serbia, advance the country's green transition, and promote financial inclusion. This package comprises three financing facilities: a new risk-sharing framework, a loan under the SME Go Green Programme co-funded by the European Union, and a senior loan under the Western Balkans Women in Business programme.

Therefore, Banca Intesa will be the first Serbian bank to benefit from a new risk-sharing framework of up to €50 million, which allows the EBRD to share partner banks' exposure to local SMEs through unfunded risk participation. The EBRD will guarantee up to 65 percent of each sub-loan that Banca Intesa extends to eligible clients, with the Bank's commitment potentially reaching up to €50 million.

Moreover, the €15 million loan under the SME Go Green Programme will provide sub-loans to eligible SMEs in Serbia, enabling them to invest in sustainability practices, adopt internationally recognized quality standards, scale up green economy investments (particularly greening agribusiness supply chains), and promote more equitable access to climate finance and other funding for women-led SMEs. Banca Intesa aims to allocate 70 percent of these funds to projects eligible under the Green Economy Transition (GET) initiative (Pavlova, 2024).

The senior loan of up to €7 million will be on-lent to eligible women-led SMEs according to the criteria of the second phase of the Western Balkans Women in Business programme. This is the seventh consecutive loan to Banca Intesa under this programme, following the success of previous facilities. The loan will support women's economic inclusion by facilitating access to finance and business advisory services for women-led SMEs (Pajic, 2024).

Admittedly, EBRD exceeds its cooperation with the UniCredit Bank Serbia for the SME Go Green Programme, by contributing the amount of up to €10 million. The sub-loans will be given to Serbian businesses that agree with the eligible criteria and focus on Green Economy Investments. UCB will aim to deliver 70 percent of the proceeds to Green Economy Transition (GET) eligible projects (EBRD, FIF - SME Go Green - UniCredit Bank Serbia).

4.4. Green Economy Investments

4.4.1 Green Investment Fund

Definition: A Green Investment Fund is a financing vehicle designed to mobilize capital for projects and companies that focus on climate change, which is really connecting with the companies' sustainability. That means that it promotes sustainable development. These funds aim to provide financial support to initiatives that align with environmental, social, and governance criteria while generating competitive financial returns.

Objectives:

The basic objectives of GIF are related, firstly, to the increase of investments in environmentally friendly projects and technologies. Also, GIF facilitates the transition to a

low-carbon and sustainable economy. The most important is that it generates positive environmental, social and financial outcomes for investors and stakeholders.

There are three categories of Green Investment Funds:

1. Public funds: These are set up by governmental bodies or other public organizations to aid in homegrown green ideas and projects. In addition to concentrating on vital industries like sustainable transportation, energy efficiency, and renewable energy, public monies can be used to leverage private investment.

2. Private funds: Private investors, including asset managers, banks, and insurance providers, set these up. Private green funds often focus on possibilities that are driven by the market and strive to produce competitive returns while having a good environmental impact.

3. Public-private partnerships: In order to share risks, resources, and experience, public and private groups collaborate on these funds. They can promote sustainable growth by utilizing the advantages of both industries, and they frequently concentrate on major infrastructure initiatives.

4.4.2 Benefits of Green Investment Funds

The benefits of green economy investments can be identified in various sectors.

Environmental benefits

-Reducing greenhouse gas emissions and promoting clean energy can be achieved through supporting businesses and initiatives that do this.

-Supporting programs to save endangered species, habitats, and ecosystems is known as biodiversity conservation.

-Investing in sustainable forestry, agricultural, and water management techniques that protect natural resources is known as natural resource management.

Economic benefits

- ❖ Creating jobs: Promoting employment prospects in environmentally friendly industries including sustainable agriculture, energy efficiency, and renewable energy.
- ❖ Innovation and technology development: Promoting the study and creation of fresh, environmentally friendly products and methods.
- ❖ Encouraging long-term economic growth while respecting social justice and environmental constraints is known as sustainable growth.
- ❖ Increased Market Demand: As businesses seek to comply with sustainability goals and reduce their environmental footprint, the demand for green technologies and high-performing equipment rises. In this vein, vendors and producers who offer these solutions can tap into a growing market segment.

- ❖ Community building: By choosing new high-performing technologies, businesses become greener and join the community of responsible companies that reduce their impact on environment (GEFF, 2024).

Social benefits

- ❖ Poverty reduction: Supporting projects that improve livelihoods and create income-generating opportunities for marginalized communities.
- ❖ Community development: Financing local infrastructure and services that enhance the quality of life for residents.
- ❖ Health improvements: Investing in projects that reduce pollution, improve access to clean water, and promote healthier living conditions.

4.4.3 Creating and Managing a Green Investment Fund

Setting up a Green Investment Fund involves:

1. Legal and regulatory framework: Ensuring compliance with relevant laws, regulations, and industry standards.
2. Fund governance and management structure: Establishing a transparent and accountable governance structure, including the roles and responsibilities of the board, management team, and investment committee.
3. Investment strategy and objectives: Defining the fund's investment focus, target sectors, risk tolerance, and expected financial and impact returns.

Effective management of a Green Investment Fund includes:

1. Sourcing and evaluating investment opportunities: Identifying and assessing potential investments that align with the fund's strategy and objectives.
2. Portfolio management: Monitoring and managing the fund's portfolio of investments to optimize financial performance and impact.
3. Stakeholder engagement and communication: Maintaining open and transparent communication with investors, investees, and other stakeholders to share information, address concerns, and demonstrate the fund's commitment to sustainability and responsible investing (Stein, 2024).

In detail, green investments are not only environmentally beneficial but also make good business sense, helping companies gain leverage in the market. Leasing is a viable option for businesses to adopt green technologies without incurring debt, while at the same time, high-performing technologies can significantly reduce energy, water, and resource

consumption, leading to cost savings. Therefore, by investing in green initiatives, businesses can enhance their competitiveness and profitability.

On the other hand, ventures and producers benefit from green investments in several significant ways. Initially, as businesses seek to comply with sustainability goals and reduce their environmental footprint, there is an increasing demand for vendors' and producers' solutions. Furthermore, initiatives like GEF and its Green Technology Selector provide vendors and producers with new avenues to market and sell their products. These platforms give visibility to their green technologies and help reach a broader audience.

For the environment, green economy investments help mitigate the negative impacts of business activities. Implementing green and renewable energy sources reduces pollution and conserves natural resources. By cutting down greenhouse gas emissions and pollutants, businesses contribute to a healthier environment.

5. Crowdfunding for Green Dreams

Crowdfunding campaigns have become an essential component of contemporary society, where individuals can contribute to requests for funds connected to specific purposes and goals and in this way democratize access to capital. Notably, researchers recognize two types of crowdfunding models: the intermediary investment, encompassing crowd-lending and equity crowdfunding and the non-investment, including reward and donation crowdfunding (Shneor & Vik 2020).

“Crowdfunding” can be broadly defined as “efforts by entrepreneurial individuals and groups—cultural, social, and for-profit—to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the Internet, without standard financial intermediaries” (Mollick, 2014, p. 2). It involves “an open call, mostly through the internet, for the provision of financial resources either in the form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes” (Belleflamme et al., 2014, p. 588).

Recently, crowdfunding, inspired by microfinance and crowdsourcing, has become a new way for start-ups to obtain funds. The source of funds is no longer limited to venture capital and other companies but can be the public interested in crowdfunding projects. There are various crowdfunding models such as donation-based, lending-based, equity-based, and reward-based; the most popular one is reward crowdfunding, in which sponsors receive non-monetary returns. Additionally, there are several factors that may affect the success of the crowdfunding campaign. This has to do with the quality of projects, the presentation to possible funders, the team quality and trust, and the amount of investor support that impacts funding outcomes (Wang, et.al. (2022). For that reason, crowdfunding has become a way for enterprises to raise funds for green production.

Before the launch of crowdfunding projects, it is necessary to set a funding goal. The way that someone frames the message of the campaign should come after consideration and

research. To achieve their funding goals, entrepreneurs leading crowdfunding campaigns can choose what information to disclose, how to disclose it and which tools to adopt to improve the information's credibility. For example, a project's category moderates the relationship between the message frame and the odds of campaign success. Specifically, agri-food campaigns benefit from positively framed messages, while negatively framed messages are more effective for climate preservation and clean energy campaigns (Rossolini, et.al. 2021).

Regarding investor motivation, studies have demonstrated that factors such as altruism, personal satisfaction, enthusiasm of contribution and participation and a personal interest in the project's objectives can play a vital role in the outcomes of a crowdfunding (Bagheri et. al. 2019 & Chen, et.al 2021).

Discover Green Crowdfunding Platforms

It is essential to increase the awareness of green finance issues amongst key players, which, in turn, constitutes a crucial element for the implementation of the European Fund for Strategic Investments (EFSI).

- 1.Kickstarter for Sustainability
- 2.Seedrs: equity Crowdfunding with a green Twist
- 3.Indiegogo's Flexible Funding Approach
- 4.GoFundMe for Environmental Causes
- 5.Patreon: Sustainable Support for Creators

Funding Models:

- All-or-Nothing (AON): In this model, projects must meet their funding target within a specified timeframe. If the target isn't reached, all contributions are refunded, ensuring that only fully funded projects proceed.

- Keep-It-All (KIA): Here, projects receive the funds raised regardless of whether they meet the target. While riskier, KIA allows partial funding to support project development.

- Hybrid Models: Some platforms combine AON and KIA elements, offering flexibility to project creators.

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