

Reviewing the environmental and social aspects of a portfolio of investments

Client's objectives

Our client, the owner of a public-private partnership investment Fund, was aiming to promote energy efficiency and renewable energies in South East Europe and neighboring European regions outside the EU.

The client had invested in a number of renewable energy projects, and wanted to ensure their Partner Institutions were operating both in accordance with the Fund's internal environmental and social procedures, and the requirements of external financial institutions investing in renewable energy, based on international best practices like those of the International Finance Corporation and the European Bank for Reconstruction and Development.

The project

Anthesis undertook a high-level environmental and social review of three Partner Institutions of the Fund. This included two financial institutions located in Croatia and Turkey responsible for the Fund's investments in their respective regions, and one direct investment project (hydropower generation) in Albania.

Key services delivered

- High-level analysis of the environmental and social risks of the current portfolio of the Fund.
- Assessment of the level of conformance of the Partner Institutions to the Fund's environmental and social standards.

- Identification of potential areas for further environmental and social improvement – both those applicable to the three Partner Institutions, and more generally for the Fund itself.

Key project outputs

Anthesis produced a full report summarizing a high-level risk assessment of the investment portfolio, as well as the environmental and social compliance status of the individual Partner Institutions. We also produced a summary report for the Fund's Board of Directors.

Our analysis showed that the investments were concentrated in energy efficiency and renewable energy measures in the residential, commercial, industrial and agricultural sectors. Given the nature of such projects, the overall portfolio was rated as low-risk and appeared to be well managed.

The three Partner Institutions we reviewed were also compliant with the applicable environmental and social requirements of the Fund at a satisfactory level.

Project impacts

The high-level environmental and social risk assessment allowed the Fund to identify potential risks and implement preventive measures where deemed necessary. The specific review of the three Partner Institutions also reassured our client that they were complying with the internal requirements of the Fund.

For further information

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