



# **EBRD financing for EE in Romania**

**October 2017**

# What is the EBRD?



European Bank  
for Reconstruction and Development

- **Public financing institution established in 1991 to foster transition to market economies**
- **Owned by 65 countries from 5 continents, the EU and the EIB**
- **Operates in 35 countries, including ROMANIA**
- **The EBRD has invested over EUR 7 billion in Romania to date and has mobilized more than EUR 14 billion from other sources of financing**

## **3 key operational principles**

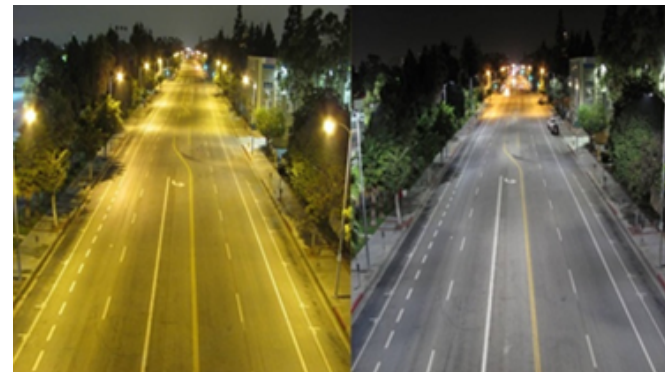
- **Sound banking**
- **Transition impact**
- **Environmental sustainability**

# Key municipal sectors covered by EBRD



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- ✓ **Water & Wastewater** – improved quality of service and environmental compliance
- ✓ **Urban Transport** – improved roads and public transport services (buses, trams, LRT, metro, ferries, etc.), efficient and safe network, e-ticketing, parking
- ✓ **Solid Waste Management** – improved efficiency and frequency of collection; adequate disposal; prevention of groundwater contamination
- ✓ **District Heating** – renewal of obsolete heating systems to promote efficiency gains
- ✓ **Street Lighting** – renewal of obsolete street lighting systems
- ✓ **Energy Efficiency**



# EBRD – EE financing facilities in Romania (currently finalized)



[www.eeff.ro](http://www.eeff.ro)

**EUR 80 mill.** credit line for industrial energy efficiency (private sector, 129 projects, June 2015)

**Partner banks**  
BCR, BRD, BT, CEC,  
Raiffeisen, OTP

+ €18.8 million EU grant funding



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SAVE ENERGY - SAVE MONEY

[www.seff.ro](http://www.seff.ro)

**EUR 75 mill.** credit line for SMEs to invest in EE and small-scale renewable energy solutions (340 projects, April 2016)

**Partner banks**  
Banca Transilvania,  
BRD, BCR, UniCredit

+ €18.8 million EU grant funding



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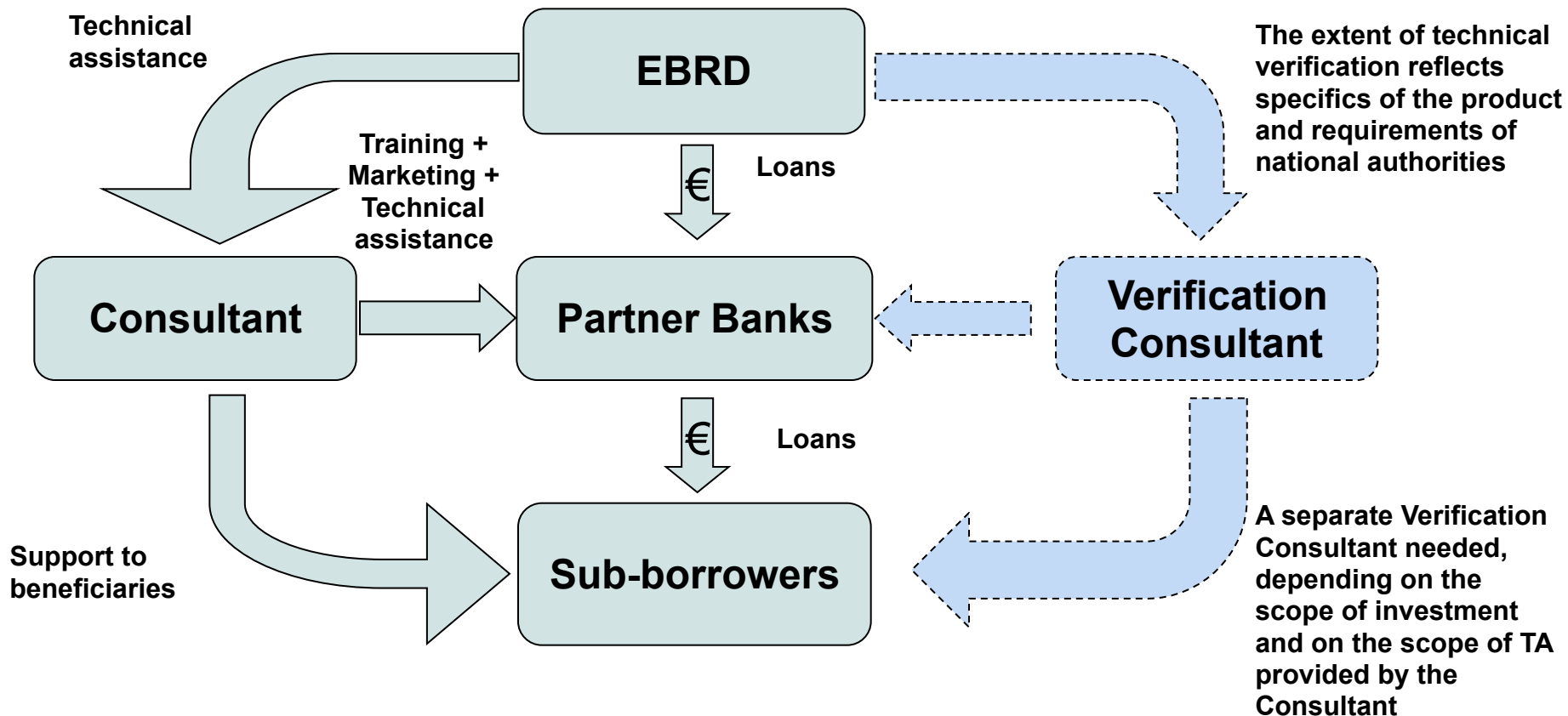
**EUR 10 mill.** credit line for municipalities and their utility companies (3 projects)

**Partner bank**  
BRD

+ €2.5 million EU grant funding



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# EBRD- RO Government MoU 2007-2013 (TA finalised)

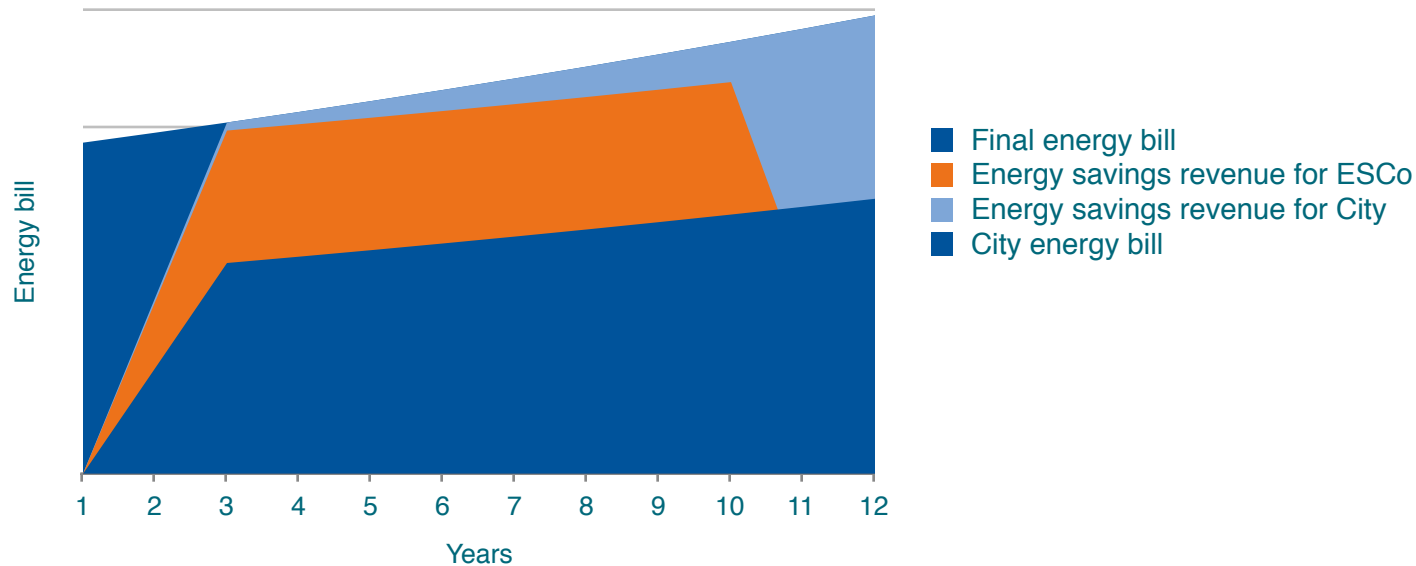
In the Context of the **Memorandum of Understanding signed between the Romanian Government and EBRD in 2012**, in order to improve the absorption capacity and prepare the strategic projects for EU 2014-2020 programmes, the EBRD support related to EE included 3 projects:

- ❑ **National action plans for energy efficiency** sector in Romania- SWOT analysis of results
- ❑ Preparation of a strategy regarding the co-financing from structural funds of energy efficiency investments in **public buildings and public lighting**, including private sector investments, for the period 2014-2020 (ROP); an *EnPC/ESCO mechanism was proposed, but not adopted.*
- ❑ Preparation of an energy efficiency financing strategy for the **residential sector**, for the period 2014-2020 (ROP)

# EBRD's pilot programme – EE public sector (ESCO market development)

The EBRD pilot programme, financed by GEF, aims at supporting cities to prepare and tender EnPCs for ESCOs

- *target* – public buildings (initially) and *public lighting (currently under implementation)*



EBRD loan facility of Euro 100 mill. total for STREET LIGHTING (forfeiting is also possible)

**Context for street lighting loans (to cities or private companies):**

1. At least 60% of the loan to finance street lighting capex, while 40% of the loan could finance other investments (*could be unrelated to street lighting*)
2. Technology: LED (or BAT), AND
3. Performance based contracting / procurement process focuses on EE, AND
4. EITHER (a) or (b):
  - a) design-install and multi-year performance guarantees under the street lighting contracts, OR
  - b) long term technical warranties [50,000 hours] to be provided by the LED suppliers

*As street lighting (under the above conditions) is a green investment, grants can be offered by EBRD donors for:*

- reducing the margin of the loans
- technical assistance, before and after loan signing.



# EBRD financing opportunities

## Green Economy Financing Facility (GEFF)



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**GEFF** - EBRD loan facility of Euro 100 mill. total for Romania, for energy and resource efficiency investments in residential buildings

**GEFF** is a flexible financing facility that allows participating financial institutions (PFIs) to set up lending products for both:

- **individual borrowers** (physical persons) who make eligible investments in their own homes; and
- **companies** (legal persons) who provide eligible goods or services to households

**Banca Transilvania** (BT) - GEFF lending products for **individual borrowers (Euro 40 mill total):**

- **BT consumer loans** to buy items that appear on the GEFF Technology Selector;
- **BT green mortgages** to buy new energy-efficient homes

<https://ebrdgeff.com/romania/eligible-projects/>

<https://www.bancatransilvania.ro/pentru-tine/credite/investitii-inteligente/credit-de-nevoi-personale-verde/>

<https://www.bancatransilvania.ro/pentru-tine/credite/investitii-inteligente/credit-imobiliar-ipotecar-verde/>

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The screenshot shows the European Bank for Reconstruction and Development (EBRD) website homepage. The header includes the EBRD logo, navigation links for Alerts, Contact, and News Feeds, a search bar, and language options (ENGLISH, Русский). The main navigation menu includes Home Page, About Us, News and Events, Working with Us, and Research and Publications. The 'About Us' page is active, featuring a large image of a city street at night with a text overlay titled 'What is the EBRD?' that states: 'We work together with the private sector financing projects in 29 countries from central Europe to central Asia.' Below this, the 'ABOUT US' section provides a detailed overview of the bank's mission and history. The 'KEY FACTS' section lists four key points: investing in private enterprises, a network of over 1,000 clients, building financial stability, and promoting sustainability. The 'CONTACT US' section provides the address (One Exchange Square, London EC2A 2JN) and phone number (+44 20 7338 6000), along with a link to 'More contacts'. The footer contains four columns: 'What we do' (investing in projects), 'Our history' (established in 1991), 'Where we are' (operating in 29 countries), and 'Governance and sustainability' (governed by standards).