

## EIB Group support for projects in Romania amounted to EUR 865m in 2019



- EIB provided EUR 766m of financing and EIF equity, guarantee and microfinance commitments totalling EUR 416m
- EIB Group financing in Romania worth 0.4% of Romanian GDP
- In total 10,200 businesses supported by EIB Group operations in Romania sustaining some 107,000 jobs
- **Today's event:** support to Bucharest Municipalities 4 and 6 for Energy Efficiency investments and signature of intermediated loan to ProCredit Romania to support SMEs, Midcaps and climate action projects

The European Investment Bank Group (EIB Group), comprising the European Investment Bank (EIB) and its subsidiary, the European Investment Fund (EIF), provided EUR 865m of loans, guarantees, equity and microfinance operations in Romania in 2019.

Support to public and private sectors in the areas of industry, energy, education and services, facilitating investments of smaller companies, represented in total some 0.4% of Romania's GDP in 2019.

Today's event marked the financial closing of the following operations:

- EUR 14m loan to finance energy efficiency upgrade of 475 buildings in Bucharest Sector 4,
- EUR 31.3m loan to support the deep retrofit of twelve existing public educational facilities, the thermal rehabilitation of eight residential buildings and the construction of seven new schools as Near Zero Energy Buildings in Bucharest's Sector 6. This project is supported by European Local Energy Assistance facility ELENA,
- EUR 15m intermediated loan to ProCredit Romania, to provide access to long term, affordable financing to SMEs with fewer than 250 employees and Mid-Caps companies with less than 3,000 employees. 20% of the loan targets Climate Action-related projects in areas such as renewable energy, energy efficiency, low carbon transportation and waste management.

**EIB Vice-President Andrew McDowell** commented: *"We are pleased to start 2020 with three good new operations, following a positive 2019 for the EIB Group in Romania. Last year, the EU bank provided well-balanced support to the Romanian economy of €865m in total to projects implemented by the public and private sectors, and to SMEs in partnership with commercial banks. Thanks to innovative financing under the EFSI guarantee, which is a core part of the Investment Plan for Europe, we financed projects targeting the development of education, water and energy infrastructure as well as investments improving food production and management. In 2019, 10 200 businesses benefited from EIB operations, sustaining some 107 000 jobs. In advisory services, among others, our cooperation with local authorities resulted in the approval of a European Commission grant co-financing Romanian projects worth €2.5bn in 2019."*

**Minister of Finance of Romania Florin Cîțu** stated: *"We acknowledge the important role of the EIB Group in supporting investment projects in Romania, from advisory to financing, for a wide range of beneficiaries. The European Green Deal offers opportunities while also raising challenges for all EU Member states and all relevant stakeholders. For Romania, the latter are driven in particular by the social costs related to European Commission proposals and their mitigation. In this context, we shall work with the EIB, the EU Climate Bank, to ensure a just transition."*

### **Financing under Investment Plan for Europe in Romania**

Since the launch of EFSI, and up to the end of 2019, EUR 735m of EFSI backed projects were approved in Romania, which are expected to mobilise EUR 3.1bn of investments.

### **In 2019 the EIB financed the following EFSI backed operations:**

A EUR 25m loan to a leading university in Romania – **Polytechnic University of Bucharest (UPB)** to **increase the quality, efficiency and effectiveness of teaching, learning and research**. The aim is to regroup the faculties located at Polizu on the Nouă Local Campus and to upgrade the facilities to a standard with which they can best support the teaching, learning and research activities of the university. More than 5 000 students and 273 employees will benefit from the redevelopment of the main University campus.

A EUR 12m loan to the Alba County Regional Water Company to finance the **rehabilitation and extension of regional water supply and sanitation services in Alba County** in conjunction with Cohesion Policy funds. This project upgrades drinking water supply and sanitation services for some 332,000 people and benefitted from JASPERS support until EC grant approval was achieved.

A EUR 27.5m loan to support **the expansion, upgrade and modernisation of Maspex Group's food and drinks production and storage facilities** in Giurgiu, Valenii de Munte and Vatra Dornei. The Polish group Maspex is one of the biggest players in the food and beverages market in Central and South East Europe.

A EUR 7.5m loan to the UK-founded **food waste management** company Winnow to develop and introduce software and hardware solutions to help staff in professional kitchens track the amounts and types of food wasted. The ultimate aim is to provide users with data to manage and prevent food waste. This project will result in food savings of EUR 900m by 2025 and will support 69 jobs.

A EUR 100m loan to Transgaz for financing the construction of an **on-shore gas transmission pipeline that will link Romania's natural gas resources in the Black Sea with both the national gas transmission network and the BRUA gas transmission corridor**. Transgaz is the national gas transmission operator of Romania. This loan complements an EUR 50m loan signed in 2018.

A EUR 13m investment in the **ride hailing company Bolt to boost R&D and develop new products**. The project facilitates the use of modern technology towards improving the safety, reliability and sustainability of services while maintaining the high efficiency of the company's operations. This includes investments in existing services like ride-hailing as well as personalized mobility services like food delivery.

### **Fostering urban development**

The Bank provided loans totalling EUR 66.4m in 2019 (out of an approved to be signed EUR 161m) to finance the energy efficiency investment programmes of Bucharest Sector 2, 4 and 6. In total, 883 residential buildings and 19 public buildings will benefit from upgraded energy efficiency under these investments. The improved thermal insulation of buildings leads to 50% savings in the heating energy consumption of the houses concerned. EIB funds are financing up to 75% of the costs of these significant energy saving projects, helping to implement both the Romanian Government's National Energy Efficiency Action Plan and the EU Resource Efficiency Initiative.

### **Support for SMEs and mid-caps**

Following the successful implementation of the **SME Initiative Romania**, the Romanian Authorities have allocated a further EUR 150m from the European Structural and Investment Funds (ESIF), bringing the total ESIF contribution to the programme to up to EUR 250m. This increase, together with additional resources from the EIB Group and the European Commission, will result in EUR

1.38bn of total financing available to Romanian SMEs under the SMEi Romania. The SMEI will be managed by seven Romanian banking groups and improve access of some 5,000 Romanian SMEs to finance at advantageous terms.

In addition to the SMEI the Bank concluded **EUR 185m worth of intermediated lending with five EIB partner financing institutions, further improving the access of Romanian small and medium-sized enterprises (SMEs) and municipalities to EIB financing.** These credit lines will support local infrastructure, environmental protection, energy, R&D and innovation, and services, including tourism.

Some 2,000 SME and mid-cap projects are estimated to benefit from EIB loans in Romania, supporting about 53,300 jobs.

The EIF committed totally EUR 416m in 24 operations, aimed at raising EUR 1.034bn. Some 8,200 businesses benefited from EIF operations in Romania in 2019 that supported about 53,600 jobs.

### **Joint Assistance to Support Projects in European Regions (JASPERS)**

With 27 staff, the Bucharest Regional Office is the largest JASPERS Office and is a regional hub of expertise for Southeast Europe. Sector Specialists from other JASPERS offices provide additional expertise for assignments in the region.

In 2019 JASPERS delivered some 20 Romanian assignments during 2019. The underlying investment volume amounts to some EUR 6.23bn. 2019 highlights for assignment completions are 3 Romanian hospital projects worth EUR 1.64bn, 5 transport projects worth 2.58bn, 5 water projects worth EUR 1.91bn and 1 waste treatment project worth EUR 104m. Further, 7 JASPERS supported projects (3 transport and 4 water) worth EUR 3.9bn achieved EC grant approval in 2019. The EC grant volume approved for Romanian projects during 2019 is EUR 2.5bn (65% of project cost). Within the framework of the 2014-2020 financial perspective, JASPERS has delivered by December 31st 2019 some 100 assignments to Romanian Authorities. The underlying investment value of completed assignments is EUR 14.3bn.

### **Background information:**

**European Local Energy Assistance (ELENA)** is a joint initiative by the EIB and the European Commission under the Horizon 2020 programme. ELENA provides grants for technical assistance focused on the implementation of energy efficiency, building integrated renewable [energy](#) and urban [transport](#) programmes.

**Nearly zero-energy buildings (NZEBs)** have very high energy performance. The low amount of energy that these buildings require comes mostly from renewable sources. The Energy Performance of Buildings Directive requires all new buildings to be nearly zero-energy by the end of 2020.