

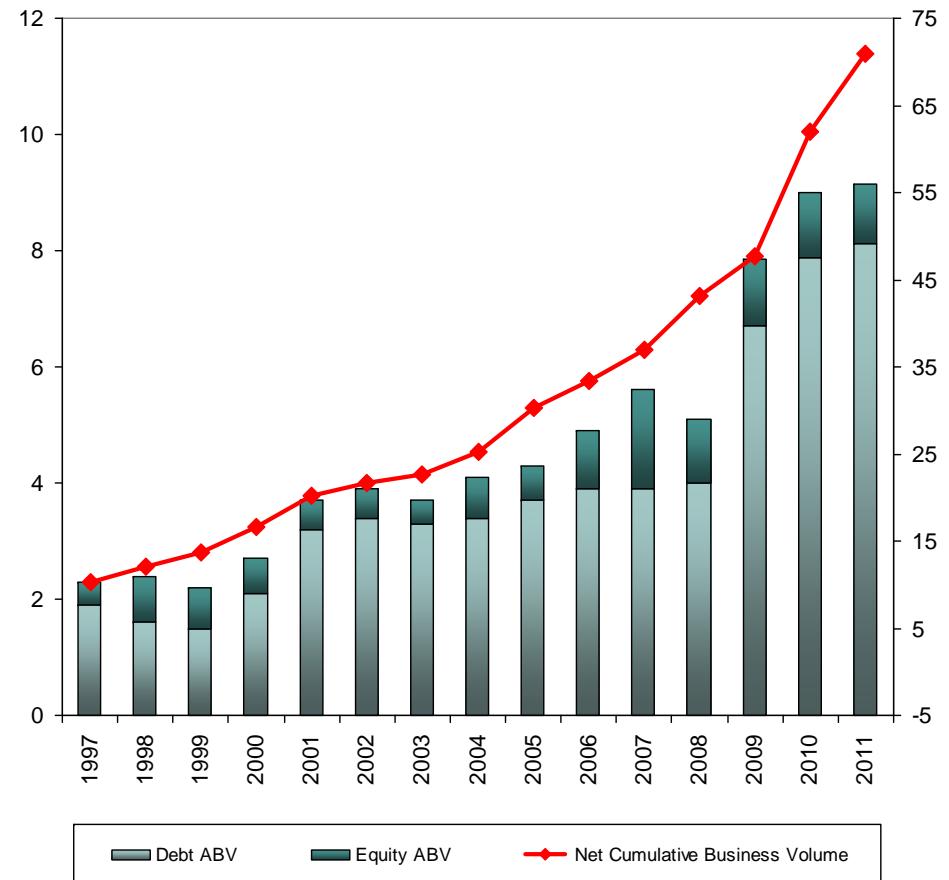
# European Bank for Reconstruction and Development

Experience in Romania  
&  
Financing Opportunities

**28 May 2013**

# What is the EBRD?

- International financial institution, promoting transition to market economies
- Owned by 63 countries and two inter-governmental institutions
- Invested over €71 billion in more than 3,500 projects since 1991
- €9 billion invested in 2011 alone



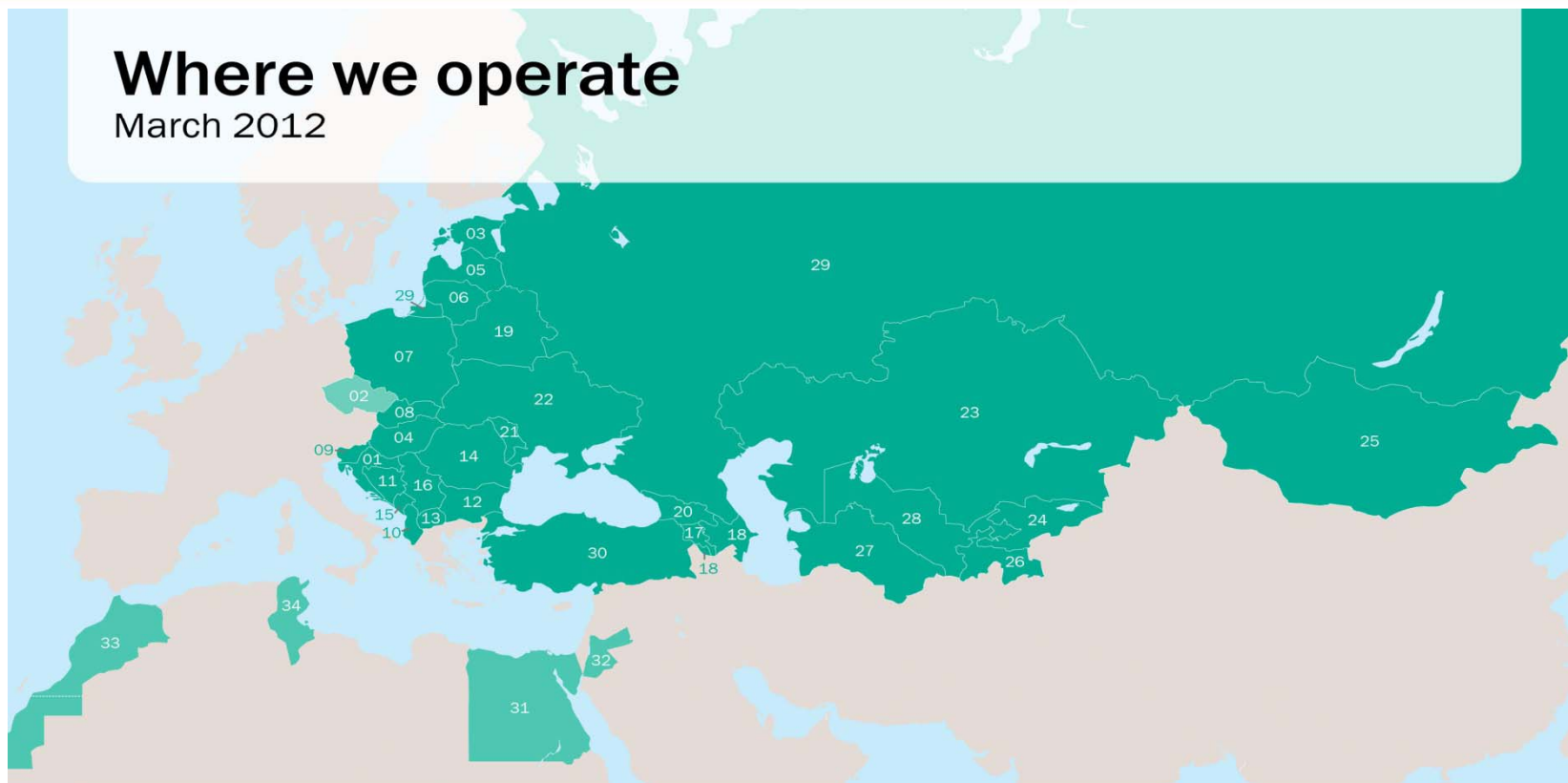
# 36 offices in 30 countries



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## Where we operate

March 2012



### Countries of prospective EBRD operations

#### Southern and eastern Mediterranean

- 31 Egypt
- 32 Jordan
- 33 Morocco
- 34 Tunisia

In 2011 the EBRD launched donor-funded activities in the southern and eastern Mediterranean (SEMED) region, in support of the countries which are undergoing important political and economic reforms.

### EBRD countries of operations

#### Central Europe and the Baltic states

- 01 Croatia
- 02 Czech Republic\*
- 03 Estonia
- 04 Hungary
- 05 Latvia
- 06 Lithuania
- 07 Poland
- 08 Slovak Republic
- 09 Slovenia

#### South-eastern Europe

- 10 Albania
- 11 Bosnia and Herzegovina
- 12 Bulgaria
- 13 FYR Macedonia
- 14 Romania
- 15 Montenegro
- 16 Serbia

#### Eastern Europe and the Caucasus

- 17 Armenia
- 18 Azerbaijan
- 19 Belarus
- 20 Georgia
- 21 Moldova
- 22 Ukraine

#### Central Asia

- 23 Kazakhstan
- 24 Kyrgyz Republic
- 25 Mongolia
- 26 Tajikistan
- 27 Turkmenistan
- 28 Uzbekistan

- 29 Russia
- 30 Turkey

\*as of the end of 2007, the EBRD no longer makes investments in the Czech Republic.

# EBRD - investment priorities and objectives in Romania



- **Over €6.1 billion invested in Romania in 333 projects, by February 2013**
- **Over €1.6 billion invested in the past 3 years in 87 projects**
- **Most of the EBRD's investments in Romania are in the private sector**
- **The EBRD's focus is on:**
  - corporate sector (manufacturing, agribusiness and telecoms),
  - financial institutions (SME and energy efficiency loans),
  - energy and energy efficiency,
  - infrastructure (including co-financing with EU structural funds)
- **The EBRD is keen to support and mobilize foreign direct investments and to invest both debt and equity in local companies to improve competitiveness, corporate governance and help meet EU standards**

# Advantages of EBRD involvement



- **Good relationship with the government at all levels - Minister of Finance is Governor of EBRD**
- **Strong local presence – extensive knowledge of local economy, business environment and practices**
- **Experienced investor in the region for 20 years with a solid and successful track record**
- **Financing is tailored to customer needs, not based on standardized products**

# EBRD – Potential clients



- **Equity and debt to assist international companies to fulfill their investment plans**
- **Local companies with strong fundamentals seeking equity or debt financing (e.g. for refurbishment, relocation, expansion, etc.)**
- **Corporates/SMEs via lines of credit to the commercial banks**
- **Working capital loans to support existing clients**
- **Local currency financing available to clients with revenues in RON to reduce foreign currency risk**

# EBRD – Foundations of operations



- Apply **sound banking** principles to all projects
  - We do not subsidise
- Advance the **transition** to a full market economy
  - Priority to promote private sector involvements and market expansion
- Support, but not replace, private investment: **additionally**
- - Act as a catalyst for higher and riskier involvement of financiers
- Achieve **environmentally sound and sustainable development**
- Promote **foreign direct** investment and mobilisation of **domestic capital**
- To support restructuring and **better municipal services** to improve people's lives

# EBRD's role in the municipal sector



- Structuring the financing of municipal infrastructure, equipment and services
- Promoting commercialization and corporatization of services
- Supporting the development of regulatory structures and public services contracts
- Supporting private sector investment
- improving environmental, social, health and safety
- Facilitating donor grant and commercial loan co-financing

## **EBRD helps municipalities meet their infrastructure needs**

- 3 MEI dedicated staff in Bucharest



# Key areas in the municipal sector



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



## EE Investment Programmes

- EU/EBRD Municipal Financing Facility
- EU/EBRD Romanian SME EE Financing Facility

## EE TC Programmes

1. Support to the municipalities for EE in Public Buildings
2. Support to the MRDPA for EE in the *Public Sector*
3. Support to the MRDPA for EE in the *Residential Buildings*

# Municipal financing guidelines

- Minimum size EUR 8-10 million
- Maturities between 10 to 15/18 years
- Flexibility on commitment amounts
  - Up to 100% for small public sector projects
  - Limit of 50% for infrastructure PPPs
- EBRD procurement rules for public sector
- Competitive selection for private partners in PPPs
- Market pricing and security ( guarantee or assets or contract)
- Local currency, where possible
- Equity investments, where appropriate

# How to contact us



## Thank you for your attention !

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