

The European Investment Bank in **Romania**





Signatures
in 2017

€ 1.3 billion

Total
signed

€ 13 billion

Overview

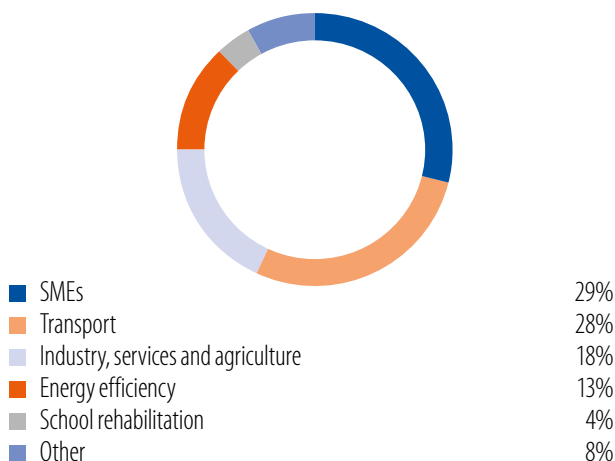
by EIB Vice-President Andrew McDowell

For 25 years, the European Investment Bank has travelled with Romania on the country's journey into economic prosperity. Even before Romania joined the EU in 2007, the Bank provided it with long-term financing at an affordable cost. The results have been remarkable for Romania. The economy is modernising and growing successfully. The EIB is proud of its part in that—and inspired by the prospects for the future.

The job, of course, is not finished. The need for long-term financing remains. Romania's public administrations and private companies will continue to benefit from expert advice on how to plan projects and get the most out of them. The European Investment Bank specialises in these fields, and that's why it is such a vital partner for Romania.

Since it started operations in Romania, the EIB has signed EUR 13 billion in financing for the country's economic and financial development. About 130 projects have been financed directly by the EIB and more than 70 by the European Investment Fund, the EIB Group's specialist in finance for small and medium-sized enterprises (SMEs). In the last five years alone, the EIB signed **over EUR 3.6 billion** of loans to Romania.

EIB total lending in Romania
by sector (2013-2017)



Behind the numbers, you will find an improved standard of living and quality of life for Romanian citizens. The EIB has played a big role in investments that integrate Romania into trans-European and national networks. The Bank also invests prominently in projects that improve the environment in Romania. The Bank's first involvement during the mid-1990s targeted the modernisation of national roads, cutting pollution from power plants, improving the efficiency of Bucharest's heating system, completing unfinished work on the capital's metro and renewing the fleet of the national airline TAROM.

Since 2013, the EIB has provided more than EUR 1 billion of financing for over 10,000 projects with Romania's small and medium-sized enterprises and mid-caps in cooperation with local financial institutions. The impact of the Bank's activity in this field is twofold: it encourages investments that help develop the knowledge economy, and it creates much-needed new employment.

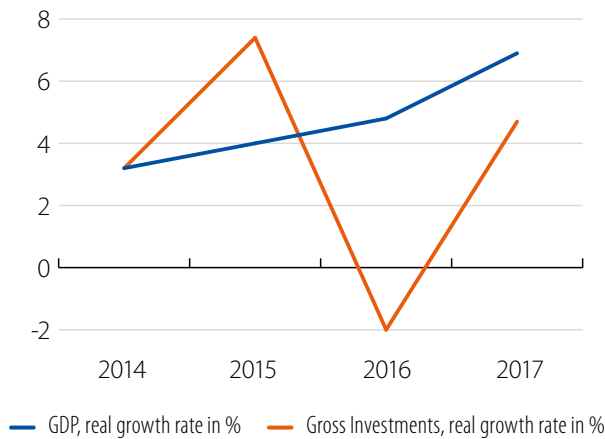
Beyond lending

The EIB does not simply wait for good projects to come to us. We help to make them happen. The Bank provides the advisory services to public administrations and project promoters that allow them to plan their projects together in the most beneficial way and to improve implementation standards. The Bank is actively involved in projects from an early stage through JASPERS, the European Advisory Hub, FI-Compass and other specialised advisory instruments. Crucially, this means EIB Advisory plays an important role in improving the use of EU grant funds by Romania.

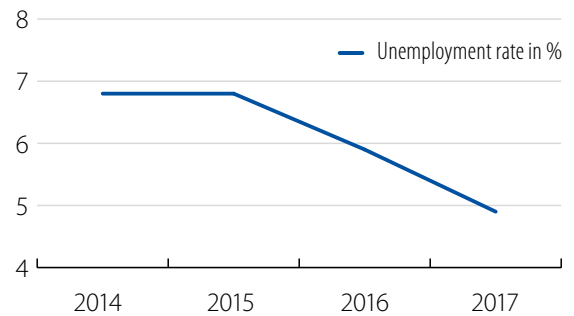
We also recognise the risks faced by small businesses in Romania and by the country's innovators. The Investment Plan for Europe has strengthened the EIB's capacity to share risks with project promoters, mainly through the European Fund for Strategic Investments and InnovFin. It is the latest in a suite of offerings that, I am sure, will play a vital role in taking Romania to the next stage of economic growth.

Country snapshot

**GDP and investment growth:
Strong economic growth but volatile investment trends**



**Improving
labour market conditions**



Improving structural conditions

To ensure sustainable economic growth, Romania needs to prioritise the development of its transport infrastructure and complete connections between its main urban and industrial centres. Improving skill levels and reducing skill mismatches will play an important role in increasing productivity. It is also important to ensure that higher education and vocational training meet the labour market's needs better. In addition, the healthcare system faces structural and financial challenges in areas such as the efficient use of resources and accessibility, particularly in rural locations. Finally, further efforts are required to improve the competitiveness of the Romanian economy through innovation.

Fast-changing needs

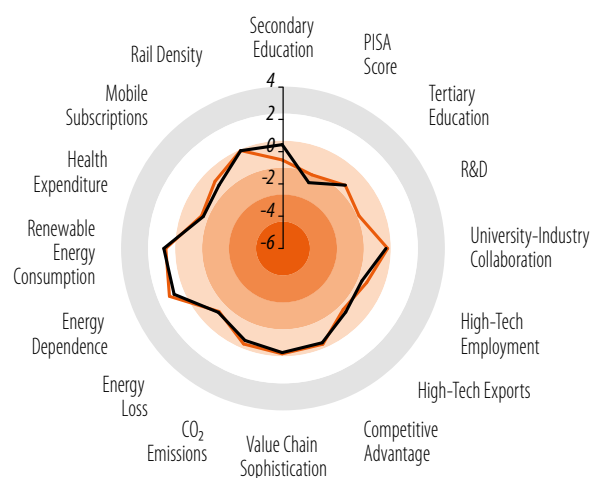
Labour market conditions have improved since 2013 in line with the economic expansion, but some challenges still need to be addressed. These include ensuring more equal access to the labour market and making certain that labour supply keeps up with the fast-changing needs of the economy.

The Romanian economy faces other challenges. Investment as a share of GDP remains below pre-crisis levels and there is still room to improve the quality of public investment. For this reason, businesses see public investment in transport infrastructure as well as higher education and professional training as the main priorities¹.

Public investment could significantly benefit from better use of EU funds. This is why the EIB has been active in building Romania's capacity to start and complete projects – through JASPERS and most recently through the work of the European Advisory Hub.

Structural strengths and weaknesses

Distance from EU average in standard deviations



¹ See EIB Investment Survey – Romania Overview 2017.

They all start small

In Romania and across the EU, over 99% of businesses are SMEs. These small businesses provide two out of every three jobs in Romania. This is why it is crucial to support such firms, which are instrumental in achieving economic growth, innovation and job creation.

Although access to finance has improved significantly, it is still the most important concern for 9% of Romanian SMEs (compared to 7% at EU level). In 2017, only 15% of SMEs in Romania applied for a bank loan (EU: 25%); however, 28% of the applicants did not get the full bank loan they had planned for (EU: 17%).



Corporate lending

In the corporate sector the Bank offers financing solutions which can be adapted to the specific needs and objectives of companies. It can provide traditional loans or guarantees, but also structured financing solutions, either on a secured or unsecured basis. Key advantages of EIB financing include attractive lending terms and loan durations, which meet the promoters' need to secure longer term funding for their projects.

Our corporate lending is available in most sectors and areas of activity, including industry, agriculture and services. We also support foreign direct investments.

The Bank normally finances projects with up to 50% of the investment needed, but can go beyond – for example in the case of projects contributing to the improvement of energy efficiency, the development of renewable energy or the fight against climate change. Thanks to the European Fund for Strategic Investments (EFSI), the EIB can support projects that involve higher than normal risks. In other words, with the support of EFSI, the Bank can finance projects that are inherently more risky (such as research or innovation), accept counterparts with a lower credit standing, or provide unsecured lending.

The EIB can directly finance projects with a minimum investment cost of EUR 15 million and above. Smaller projects are financed through credit lines that the EIB makes available to its partner intermediaries, typically commercial banks operating in Romania.



Project story

European Fund for Strategic Investments

The European Fund for Strategic Investments (EFSI) was set up to overcome the investment gap in the EU and revive investment in strategic projects around Europe. With a EUR 26 billion guarantee from the EU plus a 7.5 billion allocation from the EIB, it is expected to unlock at least EUR 500 billion of additional investment by 2020. Thanks to EFSI, the EIB Group can provide financing for projects that have a higher risk profile than it usually takes on.

Key EFSI figures for Romania (as of January 2018)

Number of transactions

12

Approved EFSI financing

EUR **327** million

Expected investment related to EFSI

EUR **1.1** billion

All corporate projects signed in Romania since 2015 have benefited from the EFSI guarantee. These projects cover sectors ranging from the circular economy and energy to industry and healthcare.

Royal treatment in private healthcare

Construction and renovation of **two hospitals** and **15 outpatient centres** leading to the creation of **2,000 jobs**

Even though quite a few European queens have been called Mary, in Romania there is only one Regina Maria. Known in her country as the “Mother of the Wounded”, she is remembered for her war-time activities when she worked as a nurse in military hospitals. Images of her dressed as a nurse during World War I still stand as a symbol of patriotism.

Today, Romania’s second largest private medical services provider carries the name of the country’s caring queen. “Regina Maria” owns and operates a network of private multi-specialty healthcare clinics and hospitals in Romania, such as an obstetrics-gynaecology and paediatrics hospital and two maternity hospitals.

Under the Private Medical Network Expansion in Romania project, the EIB is helping Regina Maria to upgrade and expand its network of outpatient and inpatient facilities, mainly outside Bucharest. The project involves the extension and modernisation of the network through the construction and renovation of two hospitals and 15 outpatient centres, including polyclinics, laboratories and imaging centres. In addition to increasing healthcare capacity and improving the quality of medical services, this project will lead to the creation of about 2,000 jobs during its operation.

The EUR 15 million loan is backed by EFSI.



Romanian energy finds its way to the heart of Europe

An old tradition breathes new life into the Romanian economy

The petroleum industry in Romania dates back to ancient times, when the Romans found oil in the province of Dacia. In 1857, Romania became the first country in the world to officially record oil production of 275 tonnes.

At the start of the 20th century the country was one of the first in the world to produce natural gas. “We have more than 100 years of experience in natural gas production,” said Dan Niculaie, advisor to the chief executive of Transgaz, Romania’s state-owned natural gas transmission company. “Never before have we been able to share it with the rest of Europe, but that’s about to change.”

Even though Romania started exporting gas to Hungary in the late 1950s, the infrastructure needed to export it further than neighbouring countries has until now been almost non-existent. “Romania produces close to 11 billion cubic metres of natural gas per year, but with new offshore discoveries in the Black Sea, we expect to increase our output,” Niculaie said.

Independent gas production

Romania is almost completely energy independent, meaning that it produces nearly as much gas as it consumes. With the expected increase in gas output, it will be able to export gas to the rest of the EU. However, to do that, an infrastructure upgrade is needed.

In 2016, the EIB approved a EUR 100 million loan to Transgaz. The loan will finance the first phase of the Romanian section of the 478 km BRUA (Bulgaria, Romania, Hungary and Austria) gas transmission pipeline. “The pipeline will reduce Europe’s dependence on Russian gas,” said Matei Anghelescu, the EIB loan officer working on the project. The long tenor of the loan (15 years, with a three-year grace period) meant that the EIB’s involvement was only possible with the support of EFSI, making this a good example of how EU grants can be blended with EFSI financing. The EIB signed the loan under two contracts. One can be disbursed in euros and the other in the local Romanian currency, the first such loan to a Romanian company.

Potential new sources

The project received a EUR 179 million grant from the European Commission under the Connecting Europe Facility. “At an estimated cost of EUR 503 million, this is one of the biggest projects in Romania in the last 25 years,” Anghelescu says.

“The pipeline will reduce Europe’s dependence on Russian gas”

The BRUA gas pipeline will improve the security of gas supply to the four countries and other EU Member States by enabling access to potential new gas sources, such as the Caspian region. By increasing exports, “the construction of the pipeline will benefit all Romanians through its taxes and royalties,” Niculaie says. “Local communities on the pipeline route will also benefit as employment will increase during the construction phase.” 3,400 temporary jobs are expected to be created.

Small and medium-sized enterprises

The EIB lends to local banks and other financial intermediaries, which in turn provide loans to local companies. Small businesses can apply for such loans in amounts as small as EUR 25,000. Since 1992, the EIB has provided EUR 2.1 billion of financing to intermediaries in Romania.

Additionally, the European Investment Fund (EIF) specialises in risk finance for smaller businesses. It provides guarantees to credit intermediaries, enabling them to support riskier projects, and commits financial resources to private equity funds focusing on SME investment. The EIF has been present in the Romanian market since 2008.

The SME Initiative

The current SME Initiative for Romania, signed in October 2016, is a joint financial instrument of the European Commission and the EIB Group. It was designed as a fast and effective instrument to increase lending to the real economy, create jobs and stimulate growth. In less than two years, all the available funding has been committed to the banks. Following the successful implementation of the mandate so far, the European Commission, the EIB Group and the Romanian Government are together discussing an increase in the initiative. This would bring the equivalent of EUR 900 million of additional funding for SMEs.

The EIF also works in Romania via various other EU-funded programmes such as JEREMIE, Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME), InnovFin, and Employment and Social Innovation (EaSI), which provide money for risky, innovative and micro-SMEs. The EIF also recently started deploying a fund focusing on agricultural financing. A core part of the EIF's activities in Romania consists of the programmes funded from the structural funds allocated to Romania, including new agreements under the operational programmes – Competitiveness, Regional Development and Agriculture.

Since the EIF first became operational in the country, over EUR 1 billion has been committed through financial instruments, thus mobilising a total of EUR 2.57 billion in financing for SMEs. To date over 18,000 SMEs have received financing via the EIF.

Since 2008, the EIF has committed

EUR **1** billion

for a total of

EUR **2.57** billion

mobilised in financing for

18,801

SMEs supported to date





Project story

Even flowers need technology

Catalin Dumitrache was a vegetable gardener for 20 years, but his real interest was in flowers – geraniums, petunias, hyacinths and many others. Catalin originally planned to grow the flowers for himself as a hobby, but decided to take it a step further and turn his passion into a real business.

Located in the Prahova district, between Bucharest and Ploiesti, Small Flower Garden Dumitrache produces flowers for wholesale and in pots across 2,200 m² of modern greenhouses equipped with automated heating and conveyor systems.

“The company currently has four employees,” explained Catalin. “We buy the seeds and bulbs from Germany and the Netherlands, grow the flowers, and sell them to flower shops or directly to customers. It’s a business that generates profits, but it requires a big investment. This is not easy in Romania – a lot of farms and producers are going bankrupt, but we want to be successful.”

In the process of expanding operations, Catalin secured a loan from Good.Bee Credit, backed by an EIF guarantee under the EU’s Employment and Social Innovation programme. “It’s very difficult for small enterprises to go directly to the bank for financing,” Catalin explained, “and because of the yearly flower production cycle, it is difficult for companies in this sector to show a profit on paper, which makes it harder to get a loan with lower interest. It’s also a slow process with a lot of paperwork involved. With the EU guarantee, it was much easier to obtain the funds; the process was faster and required less paperwork, which was a big advantage.”

The loan enabled the company to expand the greenhouses and purchase new automated equipment such as heating stations that can be controlled from a mobile application and don’t require a physical presence.

“Quality requires technology,” Catalin concluded. Small Flower Garden Dumitrache is preparing to build a new greenhouse in the near future and to continue improving its production methods.

Project story

Getting closer to Romanian SMEs by supporting lending in Romanian Leu

In 2017, the EIB signed a first loan denominated in RON (Romanian Leu) with ProCredit Bank SA, amounting to approximately RON 90 million (EUR 20 million), mainly dedicated to investments by SMEs and mid-caps, marking an important milestone for the EIB Group in supporting the Romanian economy through its local banking sector partners. More than 250 SMEs and mid-caps are expected to be reached through this long-term RON-denominated lending.

“This sends a strong positive signal to the business community in Romania, as loans in local currency will support the long-term planning of investments. This will allow small and medium-sized enterprises to upgrade and expand their operations. The signing of today’s contract also reflects the shared principles and goals of both institutions, as well as our joint commitment to promoting growth and employment by supporting small and medium-sized enterprises,” said Mariyana Dimitrova Petkova, member of the Management Board of ProCredit Bank SA.





Public sector lending






EIB financing is valued by public sector investors as an attractive source of funding due to its affordable interest rates, long loan tenors and capital repayment grace periods.

For public sector projects, the EIB offers a wide range of financing solutions with flexible terms based on borrowers' specific needs and objectives. In addition to traditional loans and guarantees, the Bank can offer structured financing solutions. EIB lending can be provided on either a secured or unsecured basis.

The EIB can directly finance public sector projects with an investment size of EUR 15 million and above. Recognising that public promoters often need to fund investment programmes implemented over several years and comprising many small-sized investments, the EIB has launched Framework Loans. These very flexible credit lines – available for investment programmes in areas such as urban development, public transport and energy efficiency – can be drawn down by municipalities and public companies over several years, thus providing attractive “stand-by” finance.

What sets the EIB apart is the wide range of advisory services, capacity building, project preparation and implementation support that it provides. In addition, the EIB has extensive experience in co-financing and blending with EU structural funds and improving the use of EU grants. Additionally, the EIB's “stamp of approval” helps attract further financing from co-financiers.

The EIB supports projects that make a significant contribution to growth, employment and the everyday life of citizens in Europe. Our activities in Romania focus on five sectors.

- 
Energy efficiency
- 
Environment
(water and wastewater)
- 
Urban infrastructure
- 
Education and health
(universities, hospitals, etc.)
- 
Co-financing of priority public infrastructure
with other EU funds

Regional and local authorities

Since 1992, the EIB has provided EUR 650 million to Romania's regional and local authorities for investments in urban and environmental infrastructure as well as energy efficiency.

Energy efficiency

The greatest potential for energy savings in the EU is in buildings. Heating, cooling and appliances account for nearly 40% of EU final energy consumption, two thirds of which in the housing sector.

The Bank provides support for energy efficiency investments in urban centres. Projects typically include the upgrading and expansion of existing social and urban infrastructure and services. This involves the improvement of district heating and cooling, rehabilitation and modernisation of buildings, and raising of the energy values of urban transport. These projects contribute to reducing emissions and pollution, with benefits for the environment and the living standards of citizens.

Romania is on track to achieve by 2020 the required cumulative energy savings set by the EU's Energy Efficiency Directive. It was one of five EU Member States with higher GDP growth that succeeded in keeping their energy consumption in check between 2005 and 2015, with over 20% GDP growth and primary energy consumption down by more than 10%². To help Romania achieve these goals, the EIB has provided more than EUR 480 million to finance energy efficiency measures in residential buildings in different neighbourhoods of Bucharest.

² 2017 assessment of the progress made by EU Member States towards the national energy efficiency targets for 2020 and towards the implementation of the Energy Efficiency Directive as required by Article 24(3) of the Energy Efficiency Directive 2012/27/EU.



Project story

Renovating old buildings and saving energy

By the early 2000s, many Romanian buildings from the Communist era were no longer fit for daily use. Due to inadequate insulation, the summers became unbearably hot and the winters extremely cold for residents. An unnecessary amount of energy was wasted every year for cooling and heating. Confronted with the choice of demolishing or renovating, Bucharest decided to rehabilitate its old residential buildings. The EIB stepped in.

Since 2009, the Bank has approved more than EUR 600 million worth of financing aimed at reducing the energy consumption of various neighbourhoods in Bucharest. "The pessimists said it could not be done, but less than 10 years later we have such amazing results," said senior EIB energy efficiency engineer Filip Vandeputte. "The projects are expected to result in energy savings totalling more than 1,000 GWh per year. Just take into consideration that 1 GWh can power approximately 700,000 homes. We extended the 'lives' of these buildings by 20 years," Vandeputte said.

"The pessimists said it could not be done, but less than 10 years later we have amazing results"

In total, more than 2,200 buildings will be refurbished, a process that will also sustain 21,000 jobs. "The effect of these projects has been threefold. The buildings' residents' quality of life has increased, as has the value of their properties – by up to 30%. Lastly, their neighbourhoods have changed, becoming safer and more liveable," Vandeputte said. "I think that these projects provide us with data and experience to steer other projects. Nowadays, whenever somebody tells me that it cannot be done, I tell them: 'Go to Bucharest and see for yourself!'"

Environment

For the EIB, environmental protection matters. Our funding supports sustainable projects in over 160 countries and is a catalyst for others to match our long-term investments.

Our environmental operations focus on sustainable transport, environmental protection, depollution, water supply and wastewater, the circular economy, waste management and production and the use of clean, efficient energy.

While Romania has improved its environmental performance since joining the EU in 2007, further investments are required – in particular in the areas of waste management and wastewater treatment – for it to achieve full compliance with EU regulations³. The EIB is helping the country to make better use of available EU funds to address these challenges.

In 2016, the Bank approved a EUR 100 million Romania Regional Water Programme Loan, backed by EFSI. The loan will help regional water companies invest in projects that target the efficient and sustainable use of water resources. To reduce the risk of groundwater pollution, the rehabilitation of sewers is also planned.

³ The EU Environmental Implementation Review.

Project story

Cleaning up the Dambovită River

During the 20th century, Bucharest's population rose from less than 300,000 to almost 2 million. As the city grew, the water quality of its river, the Dambovită, deteriorated.

Plans to build a wastewater treatment plant were made in the 1970s and construction started in 1985, although with little progress. Eventually, in 2006, the construction of the first phase of the plant truly began, supported by an EIB loan.

In 2017, the Bank and Bucharest signed a EUR 75 million loan to complete the Glina wastewater treatment plant and rehabilitate the main sewer collectors. When it is finished, it will be one of the largest wastewater treatment plants in Europe. As one of the biggest environmental projects in Romania, it will improve water quality in the Dambovită River and, subsequently, in the Danube, of which Dambovită is an indirect tributary.





Urban infrastructure

The EIB's total investment in urban infrastructure in Romania amounts to EUR 3.96 billion. These investments improve living conditions in urban areas and address the economic, environmental, climate, demographic and social challenges faced by Romanian cities.

How a city can benefit from EU funds

The EIB helps Oradea put itself back on the map to become Romania's tourist hot spot

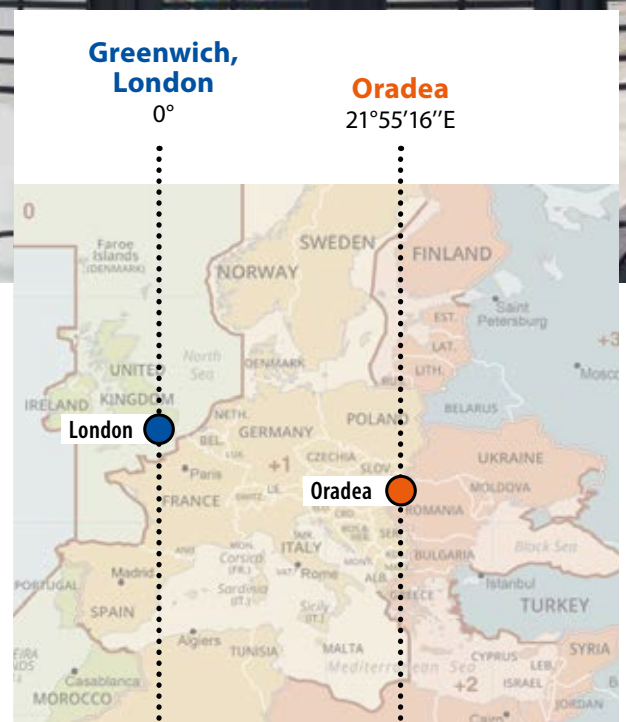
The prime meridian is a geographical line that divides the Earth into the eastern and western hemispheres. Today this line is agreed to be the Greenwich meridian, which passes through London. But for 203 years, from the 15th to 17th century, a small Romanian city served mapmakers as the location of the prime meridian. Now the people of Oradea want to put their city back on the map.

Throughout its 1,000-year history, the city was a bridge between the West and the East and was influenced by both cultures. But during the 20th century Oradea declined. Young people were leaving and the city's golden age was far behind. Something had to change. "As the country was preparing to join the EU, city officials started working out how to benefit from EU funds," said Nadia Has, the city's deputy treasurer. "In the last 10 years, the city has absorbed more than EUR 150 million of EU funds."

"The main goal for Oradea is to become a more connected, competitive, smarter city with a well performing educational system, public services and quality tourism," Has said. The EIB has been helping the city to achieve these goals since 2008.

Helping residents and businesses

Since 2015, the Bank has supported Oradea with loans worth EUR 57.6 million aimed at transport infrastructure and urban development, with projects such as the improvement of local roads and amenities to increase the city's tourism attractiveness and quality of life. The upgrading of the urban infrastructure of Oradea, an important regional economic hub, will have significant socio-economic benefits for the residents and businesses of the city and surrounding areas.



The city has experienced an average 17% increase in the number of visitors per year since 2015. “The Bank financed important roads in the city, as well as a public garden and an aqua park, which led to an increase in tourism,” Has said. In 2017, more than 225,000 people visited the city. “Most of our visitors are Romanian,” said Mihai Jurcă, the municipal official overseeing the city’s marketing, “but gradually we are being rediscovered by Germans, Italians and Austrians.”

The aqua park has been a massive success. In its first year, it attracted over 300,000 visitors.

The city took advantage of EU funds to rehabilitate its historical centre, bringing it back to its former glory. “This is what people appreciate the most. The city feels rejuvenated and its image in Romania has changed thanks to these improvements,” Jurcă said.

“Today, everybody looks to Oradea for advice. We have become a great example to other cities in Romania”

Young people return home

The EIB and Oradea signed their first agreement in 2008. This was the EIB’s first loan granted directly to a Romanian municipality or county. The EIB funds contributed to the purchase of ten trams, thereby stimulating further investments and fostering Oradea’s economic development.

“My city has changed dramatically,” Jurcă said. “I see young people coming back or staying in the city because we worked hard to transform Oradea into a prosperous and a dynamic city.” The next step is to invest in education. “We need to attract more people here, which is why we are working with the local university to turn it into a leading school in Romania so we can keep Oradea’s progress on an upward path.”

Sovereign lending

The first EIB sovereign loans to Romania in the mid-1990s helped modernise national roads and the energy supply. Over the years, the EIB has supported all major sectors of the country's economy, including transport, communications, energy, health, education, rural development and environmental protection.

Co-financing of priority public infrastructure with other EU funds

Throughout this period, the Bank has financed strategic investments and co-financed EU-funded projects. Romania has benefited from three such Structural Programme Loans under the current 2014-2020 EU programming period, amounting to EUR 1.66 billion and covering the environment, growth (including innovation, education, agriculture and urban development) and transport. These loans will serve to improve Romania's use of EU grants.

Co-financed Structural Programme Loans

Environment

2014-2020

Amount co-financed

EUR **300** million

Total project value

EUR **4.5** billion

This operation will support the water and municipal solid waste management sectors. It will deliver on climate action and environmental protection objectives, while contributing to sustainable development.

The EIB loan will co-finance priority projects with a total value of some EUR 4.5 billion.

Growth

2014-2020

Amount co-financed

EUR **360** million

Total project value

EUR **7.7** billion

This loan focuses on energy, environmental improvement, research, development and innovation, information and communication technology, employment, education and social amenities.

This EIB loan will co-finance priority public infrastructure projects with a total value of some EUR 7.7 billion.

Transport

2014-2020

Amount co-financed

EUR **1** billion

Total project value

EUR **6.8** billion

The EIB is lending EUR 1 billion to co-finance with European Structural and Investment Funds priority transport infrastructure projects totalling EUR 6.8 billion.

The projects will be located mostly in less developed regions and on TEN-T (Trans-European Transport Networks) priority axes. They will focus on promoting sustainable transport, removing bottlenecks in key network infrastructures and reducing the environmental impacts of transport.



The EIB is lending

EUR **1** billion

to co-finance priority
transport infrastructure
projects in Romania



Romania is
the largest
beneficiary
of EIB Advisory
Services

Advisory support

European Investment Advisory Hub

Romania is the largest beneficiary of the EIB's advisory services. The advisory support offered by the EIB ranges from assistance with investment projects in the transport, energy, environment and health sectors to advice to SMEs and the development of financial instruments and investment platforms combining EU structural funds with other sources of funds.

The **European Investment Advisory Hub (EIAH)** is a partnership between the EIB and the European Commission as part of the Investment Plan for Europe. The Advisory Hub is a one-stop gateway to all the technical and financial expertise that the EIB and its partners can offer to EU project promoters. Since its launch in 2015, the Hub has received more than 600 requests for assistance from all European Union members. It has processed 30 advisory requests from Romania (data: April 2018) ranging from information inquiries to requests for technical assistance, funding, or both.

Tailor-made packages

The Hub works to identify, prepare and develop investment projects. Our advisors have played a big role in supporting projects all across Europe involving education, agriculture, health, environment, research and innovation, telecommunications and energy. The Hub's experts work directly with companies and government officials to prepare tailor-made advisory packages that help projects obtain financing, making sure they get off the ground. Throughout all phases of the project cycle, the Hub's advisers accompany our clients with capacity building and other tools to demonstrate the best practices needed to implement projects.

The Hub also cooperates with national promotional institutions to promote knowledge and best practice sharing. In Romania, the Hub currently supports regional healthcare infrastructure. It also co-finances a programme run by the EBRD to provide advisory support to small businesses. Over 100 local businesses in Romania are benefiting directly from this advisory programme, which makes available expertise across a wide range of areas including strategy, trade promotion, financial management, energy efficiency and marketing.

JASPERS

The **Joint Assistance to Support Projects in European Regions (JASPERS)** initiative helps cities and regions absorb European funds through top-quality projects. Its aim is to improve the use of EUR 350 billion of European Structural and Investment Funds (ESIF) intended to achieve greater cohesion in Europe, through projects which are planned, prepared, procured and run to the highest technical, social and environmental standards possible. JASPERS assistance is free of charge for local authorities and promoters.

Since 2007, Romania has been a key beneficiary of JASPERS support in project development, resolving of horizontal sector issues and capacity strengthening. The 2018 JASPERS Action Plan includes some 125 assignments. A significant number of assignments concern the water and transport sectors, and further support is delivered to numerous smart development projects and to the energy and waste management sectors.

With 33 staff, the Bucharest regional office is the largest of all JASPERS offices. It is a regional hub of expertise for South Eastern Europe. Sector specialists from other JASPERS offices provide additional expertise for assignments in the region.

JASPERS aims to strengthen the capacity of public authorities in Romania and neighbouring countries to independently prepare projects with well-targeted sector-specific support in line with the requirements of managing authorities and final beneficiaries.

By 30 June 2018 JASPERS had delivered some 53 assignments to Romanian authorities. The underlying investment value of completed assignments is approximately EUR 4.7 billion. Projects worth more than EUR 4.2 billion have received ESIF (European Structural and Investment Funds) grant approval. Approved projects supported fall broadly into the following categories:

Major projects with European Commission grant approval (total 4 050 million)



Transport (2 900m)

- Rehabilitation of Simeria rail line
- Targu Mures-Campia Turzii Motorway
- Sebes Turda Motorway



Water (975m)

- Alba County
- Bucharest Wastewater
- Galati County
- Jiu Valley County
- Vrancea County



Smart (175m)

- ELI Second Phase

Other projects with national grant approval (total 190 million)

- Babadag Flood Risk Management
- Contaminated Land Targu Mures
- Efficient Response Saves Lives Programme
- ELI Magurele
- RoNET (Rehabilitation of contaminated sites)
- Modernisation of 112 services
- Multi-Risk Disaster Management Programme



Project story

Project Advisory Support for Romania

During 2017, the **Project Advisory Support Unit (PASU)** provided assistance to the Romanian authorities with meeting various preconditions to ensure the effective and efficient use of European Structural and Investment Funds. These conditionalities had to be met in 2017 to avoid the suspension of ESIF funds for the Large Infrastructure Operational Programme. PASU provided support for a number of major deliverables including:

- contracts for all public major infrastructure projects: new balanced, unequivocal contract conditions will create a more conducive environment for the implementation of infrastructure projects and for addressing problems and disputes in the construction process;
- modernisation of the ex ante control system for public procurement to ensure efficient use of resources in the public sector through more effective and smarter control, generating potential savings for taxpayers through centralised purchasing;
- contracts establishing expected performance levels for road and rail operators to ensure a clear relationship between the operators and the Ministry of Transport. In addition, these performance contracts allow the operators to plan infrastructure investments and maintenance expenditure in a multi-annual financial framework.

The EIB has launched an extensive training programme for the Romanian authorities and promoters managing EU-funded infrastructure projects. Our experts provide on-the-job training, advice and direct support for the preparation of instructions, production of guidelines and development of IT tools for monitoring project preparation and implementation.

Railway rehabilitation

The Simeria-km614 railway section is part of the Rhine-Danube TEN-T corridor. It is a double electrified railway line that is used for both passenger and freight traffic. The project will fully rehabilitate the section, including the improvement of design parameters – with a maximum design speed of 160 km/h and a modernised signalling system. One of the objectives of the rehabilitation is to achieve compliance with the European Railway Agency’s specifications ensuring the interoperability of the trans-European rail system.

EIB experts supported the update of key elements of the application form in order to confirm the ESIF funding for this EUR 4.2 billion project. The assignment performed by the third party under the supervision of EIB experts involved:

- **update of cost benefit analysis**
- **traffic study**
- **assessment of institutional capacity of the beneficiary**
- **climate risk and vulnerability assessment of the project**

EPEC

The support provided by the **European PPP Expertise Centre (EPEC)** to the Romanian Ministry of Public Finance dates back to 2013. This primarily involved the provision of advice on the legal framework and institutional arrangements for public-private partnerships (PPPs) to support the design and management of PPP programmes.

EPEC Membership

EPEC is a unique, membership-based PPP expertise network with a mission to help the public sector deliver sound PPPs. EPEC's network activities comprise the provision of PPP information and analytical work and sharing of good PPP practice developed with and across its members (EU Member States and Candidate Countries). EPEC also works bilaterally with its members (on request) to provide advice on PPP policy and institutional strengthening, and strategic level support for the preparation, procurement and management of PPP projects. Romania participates in EPEC's network activities and is a member of EPEC through the Ministry of Public Finance (MoPF).

EPEC Advisory Support

Recent advisory support includes reviewing and advising on the changes to the PPP law and helping the MoPF with the development of PPP methodological norms to be adopted once the terms of the new law are finalised. Alongside changes to the PPP legislation, the government recently approved the establishment of a new unit for the preparation and procurement of strategic PPP projects. It has also announced two phases of potential PPP projects that might subsequently benefit from EPEC advisory and EIB lending support. At a total value of EUR 20 billion, the first will include two new hospitals, the redevelopment and operation of an existing hospital and three motorways. The second is expected to comprise two new hospitals, an airport, a blood, plasma and stem-cell bank, a ski complex, an electric vehicle manufacturing facility, a new navigation canal and infrastructure for navigation of two rivers.

ELENA

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

A grant can be used to finance costs related to feasibility and market studies, programme structuring, business plans, energy audits and financial structuring, as well as to the preparation of tendering procedures, contractual arrangements and project implementation units.



Project story

Energy efficiency for buildings

After the success of the thermal rehabilitation of its residential buildings, Bucharest Sector 6 is refurbishing its public buildings. The Project Development Services financed by ELENA will provide support to Sector 6 for i) acceleration of the implementation of the energy efficiency investment programme involving the deep energy retrofit of 11 existing buildings, such as schools; and ii) the construction of eight nearly zero-energy buildings, designed for kindergartens and after-school programmes, in existing school courtyards.

The ELENA technical assistance will contribute substantially to the implementation of the investment programme by bringing in missing resources and external expertise. It will supply the know-how and manpower that will accelerate investments and make it possible to reach a high level of energy efficiency improvements and renewable energy installations. Annual total savings in energy consumption of 5.3 GWh are expected.



About the European Investment Bank

The EIB is the European Union's bank. We are owned by the EU Member States. We are the world's largest multilateral borrower and lender. In 2017, the EIB Group provided nearly EUR 80 billion for long-term investments across Europe and the world, with over 90% of lending supporting projects in the European Union and accession countries.



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