



Sustainable
Energy
Communities



Tool No: 4.3.4 Energy Efficiency Financing in Romania

SEC-TOOLBOX

Tool Category no. 4.3 Guidelines on Project Development and External Requirements

Overview	
ID-number	4.3.4
Name	Energy Efficiency Financing in Romania
Date	October 2006
Type	Training and Best Practice Manual
Language	English / Romanian
Developer	UNDP/GEF/Romanian Agency for Energy Conversation
Contact Data	www.energie.undp.ro

Description

In 2003, UNDP/GEF set up an Energy Efficiency Financing Team in Romania, comprising experts in energy efficiency policy, engineering, banking, finance, communications and administration. The Team’s mission was to persuade companies and municipalities to lower greenhouse gas emissions by investing in energy efficiency, and to build local capacity for this type of greenhouse-friendly investment to continue in the future.

By the time the project closed in 2006, 34 investment projects with a combined value of almost 70 million USD were taking place, meaning that:

- a works contract or financing contract had been signed; or
- an investment was in progress; or
- an investment was in place and working.

The manual aims to capture, and pass on, the experience of this UNDP/GEF Team.

It covers:

Chapter 1, describes the *background* to the UNDP/GEF Energy Efficiency Financing Project in Romania, describing its objectives, stakeholders, approach and results.

Chapter 2, which contains '*lessons learned*' by the UNDP/GEF Team while carrying out the Project, aims to provide the international community and governments with considerations for the design of future development projects that seek to leverage energy efficiency investment.

Chapter 3, outlines *how to hire the right experts*, at reasonable cost, to prepare studies to support appropriate energy efficiency investments. Or, rather, how to avoid hiring the wrong experts, at high cost, to prepare studies to support inappropriate energy efficiency investments.

Chapter 4, contains special considerations for *public sector* energy efficiency investment proposals.



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Chapter 5, is designed to brief would-be investors on the *technical basics* of energy efficiency investments, helping an investor, who may have no technical knowledge, to understand of what kind of studies to order and to know what kind of economic results to expect from various categories of energy efficiency investment.

Chapter 6 introduces *essential banking and credit issues* – explaining what all investors should know in order to persuade a bank to finance their investment proposal.

Chapter 7, entitled *essential finance and economics*, continues the financial theme, considering issues for simple energy efficiency investments that are likely to involve balance-sheet financing, as well as outlining how to approach more complex investments that may require structured financing.

Chapter 8 contains *case studies* with real examples of successful energy efficiency investments that received technical assistance or equipment grants from UNDP/GEF, in the fields of public lighting, buildings, community heating, water utilities, apartment blocks, industries, renewable energy and combined heat and power.