

EUROPEAN FUNDS Section**EU Newsletter**

Date: 21.06.2010

Subject: **Energy Efficiency Finance Facility (EEFF) with the European Bank for Reconstruction and Development (EBRD)**

1. **Subject** – investment loan financing projects related to improvement, development and management of the energy efficiency in Bulgaria¹.
2. **Credit facility amount:** EUR 15 000 000.
3. **Loan amount under the credit facility:** up to EUR 2,500,000 (two million and five hundred thousand).
4. **Eligible candidates:** private legal entities or sole proprietors operating in the Republic of Bulgaria².
5. **Requirements:**
 - ❑ investment projects have to meet certain criteria in compliance with the energy strategy of Bulgaria and to improve the rational usage of energy in the country;
 - ❑ minimum internal rate of return of the investment project: 10%;
 - ❑ minimum savings of the energy consumption: 20%;
 - ❑ investment projects have to meet the rules of EBRD for environment protection;
 - ❑ investment projects are under compliance control with the programme conditions and are evaluated and assessed by independent consulting companies, contracted by the EBRD („EnCon Services” and „MWH”);
 - ❑ investments projects shall not benefit from another EU grant aid programme.
6. **Type of projects:**
 - ❑ on-site co-generation of heat and electricity;
 - ❑ rehabilitation of boilers;
 - ❑ replacement of old gas boilers with condensing boilers;
 - ❑ switch from electricity heating to fuel based direct heating;
 - ❑ process improvements including enhanced controls;
 - ❑ rehabilitation of steam distribution systems;
 - ❑ installation of heat recovery from processes;
 - ❑ installation of absorption chillers;
 - ❑ installation of new chillers;

¹ **“Energy efficiency”** is the ratio between the output quantity of the goods/services/energy produced and the energy used;

² **Limitations:** The loans cannot be provided to companies from the following sectors: gambling, construction works aiming at subsequent sales or rental, investments in new buildings that must comply with the energy efficiency standards in accordance with the law, purchase of land, refinancing of existing debts, bank and insurance sector, financial intermediation, production and marketing of tobacco products, strong drinks, alcohol, weapons, polychlorine biphenols, wild species etc.

- ❑ installation of Variable Speed Drives on selected electric motors;
- ❑ rehabilitation of compressed air systems;
- ❑ rehabilitation of power distribution systems;
- ❑ implementation of Energy Management Systems or Building Management Systems;
- ❑ implementation of energy saving measures in the built environment – *only those buildings constructed before 2005*;

7. Grant amount – 15% of the lower amount of:

- ❑ the amount of the eligible investment costs (without VAT);
- ❑ the loan amount disbursed.

The grant aid is paid one-off by the EBRD after implementation of the investment project and after a positive assessment by the Independent energy expert.

For further information and applying:

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