

CONTRIBUTION AGREEMENT

BETWEEN

ROMANIA AND

THE EUROPEAN UNION

IN RESPECT OF

**THE MEMBER STATE COMPARTMENT UNDER
THE INVESTEU PROGRAMME**

This Agreement is entered into

between:

- (1) The European Union, represented by the European Commission, 200, rue de la Loi, B-1049 Bruxelles, Belgium, (the “**Commission**”) which is represented for the purpose of the signature of this Agreement by Maarten Verwey;

hereinafter referred to as the “**Union**”

on the one part,

and

- (2) Romania, which is represented for the purpose of the signature of this Agreement by the Minister of Investments and European Projects;

hereinafter referred to as “**Romania**”

on the other part,

hereinafter separately referred to as a “**Party**” and collectively as the “**Parties**”.

WHEREAS

- (1) Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU programme and amending Regulation (EU) 2015/2017 (OJ L 107, 26.3.2021, p. 30) (the “InvestEU Regulation”) has set up a programme (the “InvestEU Programme”) providing for an EU guarantee supporting Financing and Investment Operations in key targeted Union policy areas (the “EU Guarantee”), for advisory support in particular for the development of investable projects and in the access to financing (the “InvestEU Advisory Hub”) and for a database granting visibility to projects and bringing together investors and project promoters (the “InvestEU Portal”).
- (2) The InvestEU Fund aims at supporting Financing and Investment Operations contributing to achieving the policy objectives of the Union as defined in Article 3 of the InvestEU Regulation under the policy windows.
- (3) The InvestEU Advisory Hub shall provide advisory support for the identification, preparation, development, structuring, procuring and implementation of investment projects, and for enhancing the capacity of project promoters and financial intermediaries to implement Financing and Investment Operations in accordance with Article 25 of the InvestEU Regulation.
- (4) Each policy window of the InvestEU Fund shall contain an EU Compartment. It may also contain a Member State compartment (the “Member State Compartment”) with optional contributions from a Member State. Through the Member State Compartment,

a Member State may allocate to the provisioning of the EU Guarantee under the Member State Compartment a share of their resources under the European Regional Development Fund (ERDF) and the the Cohesion Fund established by the Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund¹; the European Social Fund+ (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013²; the European Maritime, Fisheries and Aquaculture Fund (EMFAF) established by Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, the Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004³; and the European Agriculture Fund for Rural Development (EAFRD) established by the Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and No 1307/2013⁴, (together the “Funds under Shared Management”). A cash contribution to the provisioning of the EU Guarantee under the Member State Compartment can also be made by the Member State from its own budget, to implement investments set out in the Council Implementing Decision on the adoption of the Recovery and Resilience Plan (the “RRP) established under the Recovery and Resilience Facility, established by the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility⁵ (the “RRF Regulation”), for the purposes of the Member State Compartment. An additional amount of the EU guarantee under the Member State Compartment may also be provided in the form of cash or guarantee by a Member State. The Member State guarantee (“the Back-to-Back Guarantee”) issued in favour of the Union shall assume losses above the losses provisioned.

- (5) A Member State may also allocate amounts to the InvestEU Advisory Hub, in accordance with Article 10(1) of the InvestEU Regulation and with Article 14(1) of the CPR and with Article 81(1) of the CAP Strategic Plans Regulation.
- (6) The Member State Compartment should address specific market failures or suboptimal investment situations in the contributing Member State or in one or several of its regions, including in vulnerable and remote areas such as the outermost regions of the Union.
- (7) Romania shall contribute EUR 738 255 000 to the EU guarantee under the Member State Compartment.
- (8) On 31 May 2021, Romania submitted the RRP to the Commission and requested a loan support pursuant to Article 14(2) of the RRF Regulation. The Commission’s positive

¹ OJ L 231, 30.6.2021, p. 60–93

² OJ L 231, 30.6.2021, p. 21–59

³ OJ L 247, 13.7.2021, p. 1–49

⁴ OJ L 435, 6.12.2021, p. 1–186

⁵ OJ L 57, 18.2.2021, p. 17–75

assessment of the RRP was approved in accordance with Article 20 of the RRF Regulation, by Council Implementing Decision of 3 November 2021 on the approval of the assessment of the recovery and resilience plan for Romania⁶ (Council Implementing Decision on the RRP), establishes a loan support amounting to a maximum of EUR 14 942 153 000. Romania shall provide a cash contribution of EUR 539 000 000 to the provisioning of EU Guarantee under the Member State Compartment (the “Contribution Stemming from RRF”) and EUR 11 000 000 to the InvestEU Advisory Hub (the “Contribution Stemming from RRF to the InvestEU Advisory Hub”), with the aim of contributing to the achievement of the specific investments from the RRP through the Member State Compartment and the InvestEU Advisory Hub. The Loan Agreement, covering these specific investments was signed between the Commission and Romania under Article 3 of the Council Implementing Decision on the RRP on 15 December 2021.

- (9) Romania also intends to provide for a back-to-back guarantee (the “Back-to-Back Guarantee”) in the amount of EUR 184 976 000 to cover up to the full amount of the contingent financial liability (the “Contingent Liability”) corresponding to the part of the EU Guarantee under the Member State Compartment not covered by the provisioning that is provided by the Contribution Stemming from RRF.
- (10) Romania has identified the policy objectives and specific market failures or suboptimal investment situations in the Member State that it intends to address through the Member State Compartment.
- (11) Romania has suggested the European Investment Fund (“EIF”) and the European Bank for Restructuring and Development (“EBRD”) as the Implementing Partners for the purposes of implementing the contribution to the EU Guarantee under the Member State Compartment envisaged in this Contribution Agreement; and the EIF and the EBRD have expressed its interest in the implementation of the EU Guarantee.
- (12) In the light of the above, the Parties have decided to enter into an agreement in order to establish a contribution to the EU Guarantee under the Member State Compartment and to lay down the terms and conditions for the use of the Member State Compartment.

NOW THEREFORE, the Parties have agreed as follows:

1. DEFINITIONS

For the purposes of this Contribution Agreement, the following definitions apply:

“Additional Contribution” means an amount in cash provided by a Member State from its own budget for the purposes of the provisioning of the EU Guarantee;

“Advisory Agreement” means the advisory agreement, as amended from time to time, as defined in Article 2(15) of the InvestEU Regulation. For the avoidance of doubt, if the Commission already has an Advisory Agreement in place with the relevant Advisory Partner,

⁶ ST 12319/21; ST 12319/21 ADD 1

the Advisory Initiative(s) that are supported through the Contribution to the InvestEU Advisory Hub, may be added to such Advisory Agreement; or the amounts of existing Advisory Initiatives may be increased as appropriate, by way of an amendment of this Contribution Agreement, as applicable;

“Advisory Initiative(s)” means the advisory initiative(s) as defined in Article 2(16) of the InvestEU covered by the Contribution to the InvestEU Advisory Hub;

“Advisory Partner” means the advisory partner that is a party to the Advisory Agreement;

“Contribution Agreement” means this contribution agreement (and its Annex) as amended, supplemented or modified from time to time;

“Back-to-Back Guarantee” means the guarantee in the amount of EUR 184 976 000 provided by Romania to cover up to the full amount of the Contingent Liability corresponding to the EU Guarantee as set out in Clause 5 of this Contribution Agreement. The maximum amount that shall be covered by the Back-to-Back Guarantee at any given time shall be calculated by deducting the total amount of Romania’s former payments to the Commission further to the calls under this Back-to-Back Guarantee, as well as the replenishments of the provisioning that are made once the amount of provisioning referred to in Clause 5.1 second sub-paragraph a) has been fully paid by the Romania to the Commission;

“Common Provisioning Fund” means the common provisioning fund set up under Article 212(1) of the Financial Regulation;

“Constitution Phase” means the period of time when the provisioning to the Member State Compartment under the relevant Guarantee Agreement is paid by the Commission to the Common Provisioning Fund taking into account the payment schedule of Romania in Annex 1. The end of the Constitution Phase shall be aligned to the deadline for signing new Financing and Investment Operations by the Implementing Partners under the Member State Compartment;

“Contingent Liability” means the financial liability that corresponds to the amount of the EU Guarantee for the Member State Compartment beyond the amount of the provisioning referred to in Clause 5.1 second sub-paragraph a) that shall be paid into the Common Provisioning Fund and shall be covered by i) calls under the “Back-to-Back Guarantee” provided by the Member State for the purposes of assuming losses above the losses provisioned for the Member State Compartment, in accordance with Article 4(1) third-subparagraph of the InvestEU Regulation; and ii) replenishments that are made once the amount of provisioning referred to in Clause 5.1 second sub-paragraph a) has been fully paid by the Romania to the Commission in order to restore the provisioning of the Common Provisioning Fund up to 15% of the initial provisioning;

“Contribution Stemming from RRF” means the amount in cash set out in the RRP contributing to the provisioning of the EU Guarantee;

“Contribution to the InvestEU Advisory Hub” means Contribution from the Funds under Shared Management to the InvestEU Advisory Hub, Contribution Stemming from RRF to the InvestEU Advisory Hub or the Additional Contribution to the InvestEU Advisory Hub, as applicable, or all of them together;

“EU Compartment” means the EU compartment set out in Article 9(1) (a) of the InvestEU Regulation;

“EU Guarantee” means the EU guarantee as defined in Article 2(2) and Article 4(1) third-subparagraph of the InvestEU Regulation;

“Financial Product” means a financial product defined in Article 2(9) of the InvestEU Regulation, as applicable in accordance with the Guarantee Agreement;

“Financial Regulation” means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L, 30.7.2018, p. 1);

“Loan Agreement” means the agreement between the European Union represented by the Commission and Romania concluded in accordance with Article 15(2) of the RRF Regulation, constituting an individual legal commitment within the meaning of the Financial Regulation;

“Financing and/or Investment Operations” means financing and/or investment operations defined in Article 2(10) of the InvestEU Regulation;

“Guarantee Agreement” means the guarantee agreement as defined in Article 2(12) of the InvestEU Regulation; in this Contribution Agreement, it refers to the either of the Guarantee Agreements entered into between the European Union and the Implementing Partners for the purposes of implementing a Member State Compartment. For the avoidance of doubt, if the Commission already has a guarantee agreement in place with one of the relevant Implementing Partner, the Member State Compartment may be added to that agreement, by way of amendment, if applicable.

“Implementing Partner” means the implementing partner defined in the Guarantee Agreement;

“InvestEU Advisory Hub” means the InvestEU Advisory Hub defined in Article 25 of the InvestEU Regulation;

“InvestEU Regulation” means Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30);

“Investment Guidelines” means the investment guidelines established by Commission Delegated Regulation (EU) 2021/1078 of 14 April 2021 supplementing Regulation (EU) 2021/523 of the European Parliament and of the Council by setting out the investment guidelines for the InvestEU Fund (OJ L 234, 2.7.2021, p. 18);

“Member State Compartment” means the Member State compartment relating to Romania, in accordance with Article 9(1)(b) of the InvestEU Regulation and this Contribution Agreement;

“Policy Window” means a policy window as set out in Article 8(1) of the InvestEU Regulation;

“Provisioning Rate” means the provisioning rate set out in Clause 5.2;

“Related Costs and Fees” means the eligible administrative cost and fees in accordance with Article 18.(3) and the costs referred to under Article 19.2 a) ii) and iii) of the InvestEU Regulation.

“RRP” means Romania’s Recovery and Resilience Plan that sets out the reform and investment agenda comprising measures for the implementation of reforms and public investment through a comprehensive and coherent package, which may also include public schemes that aim to incentivise private investment, as set out in Article 17(1) of the RRF Regulation;

“RRF Regulation” means Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17);

“Signature Date” means the date the last of the Parties signs this Contribution Agreement;

“Working Day” means days when the Commission offices are open in Luxembourg and Bucharest.

2. INTERPRETATION

2.1 Headings are for convenience only and do not affect the construction or the interpretation of any provisions of this Contribution Agreement.

2.2 Words importing the singular include the plural and vice versa.

2.3 A reference to an Annex or Clause is a reference to an annex or a clause in this Contribution Agreement.

3. PURPOSE AND SCOPE

3.1 This Contribution Agreement lays down the rules, in accordance with Article 10 of the InvestEU Regulation, applying to the EU Guarantee under the Member State Compartment of Romania and the Contribution to the InvestEU Advisory Hub.

3.2 The Member State Compartment of Romania is based on the Contribution Stemming from RRF and the Back-to-Back Guarantee covering up to the full amount of the Contingent Liability, as specified in Clause 5.1, Clause 6 and Clause 10.2.

3.3 This Contribution Agreement sets out the terms and conditions under which the Contribution Stemming from RRF shall be used for the provisioning of the EU Guarantee under the Member State Compartment covering Financing and Investment Operations in Romania under the Member State Compartment; and the use of the Back-to-Back Guarantee covering up to the full amount of the Contingent Liability, as specified in Clause 5.1, Clause 6 and Clause 10.2, and the payment of replenishments as specified in Clause 9.2 and Clause 9.4.

3.4 This Contribution Agreement also sets out the terms and conditions under which the Contribution to the InvestEU Advisory Hub shall be used for Advisory Initiatives.

3.5 Romania notes that contributions for the financial products under this agreement are subject to EU State aid control. However, they are exempted from the notification

requirement for State aid measures laid down in Article 108(3) TFEU if they meet the requirements, as laid down in the General Block Exemption Regulation⁷, in particular the InvestEU specific section thereof⁸, or in another block exemption regulation. Any State aid that does not meet the requirements laid down in one of the block exemption regulations shall be notified to the Commission pursuant to Article 108 TFEU. The Guarantee Agreement between the Commission and the selected Implementing Partners shall include the necessary provisions to ensure compliance of the financial products with State aid rules.

4. THE COMMISSION'S OBLIGATIONS

- 4.1 The Commission shall inform Romania of the Implementing Partners selected and shall negotiate and conclude with the Implementing Partners the Guarantee Agreements pursuant to Article 17 of the InvestEU Regulation, which shall set out the details of the implementation of the EU Guarantee under the Member State Compartment in accordance with this Contribution Agreement and the InvestEU Regulation.
- 4.2 The Commission shall negotiate and conclude the Advisory Agreement to be signed with an Advisory Partner pursuant to Article 25(1), second subparagraph, of the InvestEU Regulation, which shall specify the conditions for the implementation of the Contribution to the InvestEU Advisory Hub.
- 4.3 The Commission shall establish a monitoring framework to track progress towards the objectives set out in the InvestEU Regulation and in this Contribution Agreement, to ensure that the Member State Compartment, including the Contribution Stemming from RRF, is used in accordance with the conditions laid down in the relevant Guarantee Agreement and Advisory Agreement, as well as in the InvestEU Regulation and in the Financial Regulation.
- 4.4 To such end, the Commission monitors the implementation of the Guarantee Agreements entered into with the Implementing Partners and the implementation of the Advisory Agreement entered into with the Advisory Partner, and requires proportionate reporting from them according to the terms agreed in the Guarantee Agreements and the Advisory Agreement. The reporting shall be aligned to the extent possible to the terms agreed for the EU Compartment while ensuring that it adequately covers specific objectives of the Member State Compartment. The content of such reports shall enable the Commission to fulfil its reporting obligations towards Romania pursuant to and subject to the terms of Clause 16.
- 4.5 The Commission shall ensure that the Guarantee Agreements include provisions on the participation of representatives of Romania, with respect to the monitoring of the implementation of the Guarantee Agreements as per Article 17(5) of the InvestEU Regulation.
- 4.6 The participation of representatives of the Member State, with respect to monitoring of the implementation of the Member State Compartment shall take the form of a semi-annual dialogue that shall discuss the implementation of the Contribution Agreement

⁷ Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

⁸ Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 279, 29.7.2021, p. 39-75)

and the Guarantee Agreements between the Commission, Romania and the Implementing Partners, based on the annual financial and operational reports, submitted by the Commission to the Member State in accordance with Clause 16.

- 4.7 The Guarantee Agreements shall include provisions requiring that the investments respect the requirements of the RRF Regulation and provisions to protect the financial interests of the Union, taking into account the requirements of Article 22 of the RRF Regulation, in particular to : i) collect and ensure access to data on final recipients of funds and beneficial owners to the Commission and Romania ii) expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of the Financial Regulation and to impose similar obligations on all final recipients of funds disbursed; iii) to keep records in accordance with Article 132 of the Financial Regulation; as well as provisions to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) of supported transactions through the use of sustainability proofing and an exclusion list in line with the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Romania (COM(2021) 608 final) which excludes for the products included in this agreement the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use⁹ and (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks.¹⁰

5. THE EU GUARANTEE UNDER THE MEMBER STATE COMPARTMENT AND ITS PROVISIONING

5.1 Amount of the EU Guarantee contributed under this Contribution Agreement

The overall amount of the EU Guarantee related to the Member State Compartment is EUR 723 976 000.

The financial liabilities arising from that amount of the EU Guarantee under the Member State Compartment shall be covered as follows:

- a) EUR 539 000 000 shall be provisioned from the Contribution Stemming from RRF as specified in Clause 5.2; and
- b) EUR 184 976 000 corresponds to the Contingent Liability and shall be covered by the Back-to-Back Guarantee as specified in Clause 6.1 and Clause 10.2, and replenishments as specified in Clause 9.2 and Clause 9.4.

5.2 Provisioning Rate

Based on the amount and the nature of the envisaged Financial Products, their underlying Financing and Investment Operations and the resulting expected and unexpected losses covered by it, the Provisioning Rate is set at 74,45% of the total amount of the EU Guarantee under the Member State Compartment.

⁹ Except projects in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01).

¹⁰ Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

5.3 Payment of provisioning

Romania shall transfer the Contribution Stemming from RRF to a bank account provided by the Commission following the instructions as indicated in the respective debit note issued by the Commission, in accordance with the payment schedule laid down in Annex 1, Clause 1.

The Commission shall transfer Romania's Contribution Stemming from RRF referred to in Clause 5.3 first sub-paragraph to the Common Provisioning Fund within 30 calendar days of receipt.

Romania shall accelerate the payment schedule laid down in Annex 1, Clause 1 in the event of the need to repay the exceeding amount of the call in accordance with Clause 8.3 or to replenish the provisioning as referred to in Clause 9.3. The accelerated payments shall be executed to a bank account provided in the relevant notice of the Commission as laid down in Annex 3.

The amount of the provisioning shall be identified in the Commission accounting system.

5.4 Member State Compartment Policy Window

The EU Guarantee under the Member State Compartment shall be allocated to the SME and Sustainable Infrastructure Policy Windows.

6. BACK-TO-BACK GUARANTEE FOR THE CONTINGENT LIABILITY

6.1 Romania shall provide an irrevocable, unconditional and on first demand Back-to-Back Guarantee covering up to the full amount of the Contingent Liability referred to in Clause 5.1, second sub-paragraph b), and calculated based on Clause 10.2 and 9.4, after the Signature Date of this Contribution Agreement.

6.2 The Commission shall not enter into Guarantee Agreements if Romania has not provided the Back-to-Back Guarantee.

7. GUARANTEE CALLS BY IMPLEMENTING PARTNERS

The Commission shall pay the full amount of the guarantee calls relating to the Financing and Investment Operations covered by the Guarantee Agreements and Related Costs and Fees covered by the EU Guarantee under the Member State Compartment. It shall use for such payments the provisioning available in the compartment of Romania in the Common Provisioning Fund and, if not sufficient, it shall advance the remainder which Romania is liable to reimburse to the Commission in accordance with the terms of the Contribution Agreement and the Back-to-Back Guarantee.

8. CALLS ON THE BACK-TO-BACK GUARANTEE

8.1 Should the cumulative amount of the guarantee calls and Related Costs and Fees covered by the EU guarantee under the Member State Compartment exceed the provisioning amount available under the compartment of Romania in the Common Provisioning Fund, the Commission shall inform Romania without delay of the

guarantee call made by the Implementing Partners which exceeds the amount available in the compartment of Romania in the Common Provisioning Fund.

- 8.2 Romania shall pay the exceeding amount referred to in Clause 8.1 at the latest within 15 Working Days from the reception of the notice from the Commission substantially in the form of the template in Annex 1 to the Back-to-Back Guarantee. The payment shall be executed on the bank account specified in the notice.
- 8.3 During the Constitution Phase, Romania shall pay the exceeding amount referred to in Clause 8.1 by accelerating the payment of provisions scheduled in Annex 1, Clause 1. The accelerated payments shall be executed within the deadline as defined in Article 9.2 to a bank account provided in the relevant notice, as per the template in Annex 3. Shall the payment not be received or only a partial payment is received, the Commission shall settle the outstanding due amount, and shall set off the payment against any amounts due to Romania.

9. REPLENISHMENT OF THE PROVISIONING IN THE COMMON PROVISIONING FUND

- 9.1 Where, as a result of guarantee calls, the provisioning in the Common Provisioning Fund falls below EUR 107 800 000, the Commission shall inform Romania within 10 Working Days.
- 9.2 In the event the provisioning in the compartment of Romania in the Common Provisioning Fund reaches or falls below EUR 53 900 000, including as applicable in the case referred to in Clause 8.1, Romania shall replenish the provisioning in the Common Provisioning Fund to EUR 80 850 000 by paying the relevant amount upon request by the Commission in accordance with the template in Annex 2, within 20 Working Days of receipt of such request. The payment shall be executed on the bank account specified in the notice.
- 9.3 During the Constitution Phase, in the event referred to in Clause 9.2 Romania shall pay the replenishment of the provisioning in the Common Provisioning Fund to EUR 80 850 000 by accelerating the payment of provisions scheduled in Annex 1, Clause 1. The accelerated payments shall be executed within the deadline as defined in Clause 9.2 to a bank account provided in the relevant notice, as per the template in Annex 3. Shall the payment not be received or only a partial payment is received, the Commission shall settle the outstanding due amount, and shall set off the payment against any amounts due to Romania.
- 9.4 Replenishments other than those under Clause 9.3, made once the amount of the provisioning referred to in Clause 5.1 second sub-paragraph a) has been fully paid by Romania to the Commission shall be made from amounts referred to in Clause 5.1 second sub-paragraph b).

10. PAYMENTS AFTER THE INITIAL PROVISIONING HAS BEEN FULLY PAID BY ROMANIA

- 10.1 Once the amount of provisioning referred to in Clause 5.1 second sub-paragraph a) has been fully paid by the Romania to the Commission, the Commission may send the notices referred to in Clauses 8.2 and 9.2, using the templates in Annex 1 of the Back-

to-Back Guarantee and Annex 2 of the Contribution Agreement, respectively, in the same notice letter.

- 10.2 The payments of Romania, made under the Back-to-Back Guarantee as set out in Clauses 8.1 and 8.2 and those to replenish the provisioning of the Common Provisioning Fund, as set out in Clause 9.1, 9.2. and 9.4 shall cumulatively not exceed the total amount of the Contingent Liability, as defined in Clause 5.1, second sub-paragraph b). For the avoidance of doubt, accelerated payments referred to in Clause 8.3 and Clause 9.3 are not payments made under the Back-to-Back Guarantee.

11. POLICY OBJECTIVES

- 11.1 The policy objectives of the Contribution Stemming from RRF as reflected in the RRP are, in particular addressing: i) financial hurdles faced by Romanian enterprises in accessing finance, namely: increased cost of finance, lack of collateral and impaired credit channels through the Portfolio Guarantee for Resilience; ii) delivering finance and investments to SMEs, small mid-caps with up to 499 employees, and natural persons / housing associations through working capital, credit lines, investment loans, or leasing, aimed at investments and finance for energy efficiency improvements in enterprises and the residential and buildings sector through the Climate Action Portfolio Guarantee; and iii) delivering finance and investments for energy efficiency and renewable energy in the residential and buildings sector through the Energy efficiency investment in the residential and buildings Sector. The approach of the Implementing Partners to achieve these policy objectives and/or specific objectives shall be explained in the Financial Products set out in the Guarantee Agreement.
- 11.2 The EU Guarantee under the Member State Compartment shall be used to cover Financing and Investment Operations, as well as the Related Costs and Fees, under the following Financial Products to be set out in the Guarantee Agreements. The Financial Products are further defined in Annex 4.

- Portfolio Guarantee for Resilience

The amount of Contribution Stemming from RRF for this Financial Product is EUR 300 000 000. The geographic coverage is the territory of Romania.

The Financial Product shall be a portfolio guarantee focused on improving access to finance for SMEs and revitalising blocked lending channels during and in the aftermath of the COVID-19 crisis by supporting investments and working capital needs of local enterprises.

Indicative eligible financial intermediaries should include any entity (including financial, guarantee or credit institutions) duly authorized to carry out financing and/or to issue guarantees to the benefit of final recipients according to the applicable legislation and operating in Romania. The final eligible financial intermediaries shall be established in the Guarantee Agreement.

The contribution may be combined with the Guarantee available under the EU Compartment related to the “SME Competitiveness Guarantee” to be implemented by the EIF.

The final structure and features of the Financial Product shall be established in the Guarantee Agreement.

The InvestEU timeline for deployment shall be applicable.

The indicative minimum leverage of the Financial Product is four and shall be further defined in the Guarantee Agreement.

- **Climate Action Portfolio Guarantee**

The amount of Contribution Stemming from RRF for this Financial Product is EUR 200 000 000. The geographic coverage is the territory of Romania.

The Financial Product shall contribute to green and sustainable transformation of the local economy by supporting access to debt financing for eligible final recipients (e.g. SMEs; small mid-cap companies; natural persons/housing associations).

The contribution may be combined with the Guarantee available under the EU Compartment related to the “Sustainable Guarantee” to be implemented by the EIF.

The final structure and features of the product shall be established in the Guarantee Agreement.

The InvestEU timeline for deployment shall be applicable.

The indicative minimum leverage of the Financial Product is four and shall be further defined in the Guarantee Agreement.

- **Energy efficiency investment in the residential and buildings sector**

The amount of Contribution Stemming from RRF for this Financial Product is EUR 39 000 000. The geographic coverage is the territory of Romania.

The policy objective of this product is to improve the sustainability and minimise the climate and environmental footprint of Romania by facilitating the access to and the availability of finance for energy efficiency and renewable energy investments in the residential and building sector.

Indicative final recipients for energy efficiency and renewable energy investments in the residential and building sector shall be private and public enterprises, public authorities, housing associations and similar organisations, and individuals (“beneficiaries”).

Support to final recipients shall be provided in the form of debt and shall include for example senior loans, leases and working capital facilities in the domain of pre-defined scope of energy efficiency and renewable energy in the residential and buildings sector. Types of projects supported include, for instance, support of energy efficiency related projects like for example energy efficiency projects in the residential sector, in the buildings sector, district heating, measures to improve smart buildings, etc.

The final structure and features of the product shall be established in the Guarantee Agreement between the EU and the EBRD.

The InvestEU timeline for deployment shall be applicable.

The indicative minimum leverage of the Financial Product is two and shall be further defined in the Guarantee Agreement.

- 11.3 In the light of the characteristics and risk profile of the Financing and Investment Operations under the Financial Products, as well as the Related Costs and Fees, as further detailed in the Guarantee Agreements, the remuneration of the EU Guarantee under the Member State Compartment shall be as set out in the Guarantee Agreements. The remuneration of the EU Guarantee under the EU compartment and the Member State Compartment shall be consistent the portfolio characteristics and risk profile between the Member State and EU Compartments, and the risk borne by the EU Guarantee for Financing and investment Operations with respect to said compartments.

12. CONTRIBUTION TO THE INVESTEU ADVISORY HUB

- 12.1 Romania's Contribution to the InvestEU Advisory Hub is EUR 11 000 000. This Contribution shall be used to achieve the policy/specific objectives set out in Clause 11.
- 12.2 In particular, the Contribution to the InvestEU Advisory Hub shall cover the new tailor-made Advisory Initiative Energy Efficiency and Renewable Energy Investments in the Residential and Building Sectors under the Sustainable Infrastructure Window. The main objective of this initiative is to support the implementation of the corresponding Financial Product detailed in Annex 4. III and proposed in the Romanian RRP. Details of the Advisory Initiative are to be further specified in the Advisory Agreement. The Advisory Initiative is further defined in Annex 4 IV.
- 12.3 The Contribution to the InvestEU Advisory Hub shall be carried out according to the schedule laid down in Annex 1, Clause 2.

13. IMPLEMENTING PARTNERS

- 13.1 The Commission shall select the Implementing Partners in accordance with the procedure and criteria laid down in Article 15 of the InvestEU Regulation.
- 13.2 In accordance with Article 15(1) of the InvestEU Regulation, Romania proposes as Implementing Partners:

- a) the European Investment Fund (EIF) as Implementing Partner for the Portfolio Guarantee for Resilience and Climate Action Portfolio Guarantee

European Investment Fund (EIF) - 37B, avenue J.F. Kennedy,
L-2968 Luxembourg

- b) the European Bank for Restructuring and Development (EBRD) as Implementing Partner for Energy Efficiency Investment in the Residential and Buildings Sector

EBRD, One Exchange Square, London EC2A 2JN, UK

13.3 The Commission shall provide Romania with the Guarantee Agreements signed with the Implementing Partners. The Implementing Partners shall be consulted prior to that with a view to define commercially sensitive content that shall not be shared.

14. **ADVISORY PARTNER(S)**

14.1 The Commission shall conclude Advisory Agreement(s) with the Advisory Partner(s) in accordance with Article 25 of the InvestEU Regulation.

14.2 Under the Advisory Agreement concluded with the Commission, the Advisory Partner shall provide support for the identification, preparation, development, structuring, procuring and implementation of investment projects, and for enhancing the capacity of project promoters and financial intermediaries to Financing and Investment Operations and/or develop the existing market for Financial Products. Such support may cover any stage of the life-cycle of a project or financing of a supported entity.

14.3 The Advisory Hub services shall be available to public and private project promoters, including SMEs and start-ups, to public authorities, to National Promotional Banks and Institutions and to financial and non-financial intermediaries.

14.4 At the Signature Date, Romania proposes as the Advisory Partner:

European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2JN, UK

14.5 The Commission shall notify Romania of the signing of the Advisory Agreement with the Advisory Partner and it shall share only the relevant content with the Member State. The Advisory Partner shall be consulted prior to that with a view to define commercially sensitive content that shall not be shared.

15. **RESOURCES GENERATED BY OR ATTRIBUTABLE TO THE PART OF THE EU GUARANTEE CORRESPONDING TO THE MEMBER STATE CONTRIBUTION**

15.1 Revenues generated from the management of assets and allocated to the compartment of Romania in the Common Provisioning Fund (treasury gains), remuneration of the EU Guarantee under the Member State Compartment, amounts recovered and any other payments received in relation to the Financing and Investment Operations implemented under the Guarantee Agreements shall increase the provisioning referred to in Clause 5.1, second sub-paragraph a). Losses generated from the management of assets and allocated to the compartment of Romania in the Common Provisioning Fund (treasury losses) shall decrease the provisioning referred to in Clause 5.1, second sub-paragraph a).

15.2 After both the Constitution Phase and the deadline for signature of the Financing and Investment Operations by the Implementing Partners have expired, an annual surplus of provisions based on the outstanding guarantee shall be calculated.

15.3 The annual surplus of the provisions referred to in Clause 15.2 shall be calculated by the Commission every year by end-September year n+1 after the lapse of the periods referred to in Clause 15.2 and the corresponding amount shall be notified to Romania.

- 15.4 Annual surplus shall be kept in the Member State Compartment in the Common Provisioning Fund as part of its provisioning. The annual surplus calculated at the termination of the Contribution Agreement shall be paid to Romania within 30 Working Days from the relevant notice to Romania on a bank account notified by Romania to the Commission.

16. **REPORTING**

- 16.1 The Commission shall annually submit a financial report¹¹ to Romania in relation to the Guarantee Agreements.

The Commission shall provide the financial report by 30 June every year, based on the latest information received from the Implementing Partners, to Romania.

- 16.2 The financial report shall include:

- i. based on the reports submitted by the Implementing Partners under the relevant Guarantee Agreements, financial data on Financing and Investment Operations, including information on:
 - a. guarantee calls made on the EU Guarantee under the Member State Compartment,
 - b. other expenses covered by the EU Guarantee under the Member State Compartment,
 - c. remuneration of the EU Guarantee under the Member State Compartment,
 - d. amounts recovered and any other payments received
- ii. treasury gains and losses;
- iii. level of actual provisioning under the Member State Compartment and the outstanding guarantee covered by the Member State contribution.

- 16.3 In addition to the financial report, the Commission shall annually, by 30 June, submit to the Member State an operational report based on the latest information received from the Implementing Partners. The operational report shall include:

Information on the implementation of the Contribution Agreement, namely information on the signature of the Guarantee Agreements with the Implementing Partners and the corresponding amounts;

Based on the reports submitted by the Implementing Partners under the relevant Guarantee Agreements, information on:

- i. the level of achievement of the relevant investments from the RRP by reporting on the state of the indicators used to measure the achievement of the relevant targets as specified in the Council Implementing Decision on the RRP, in particular the amount of the EU Guarantee under the Member State

¹¹ The template used for the financial report should be the same as those used for Financial Products under the EU Compartment of InvestEU.

Compartment, excluding Related Costs and Fees, approved by the InvestEU Investment Committee, in order to measure the achievement of the following targets: i) financing or investment operations amounting to at least 50% of the EU Guarantee under the Member State Compartment, excluding Related Costs and Fees, approved by the InvestEU Investment Committee, and ii) financing or investment operations amounting to 100% of the EU Guarantee under the Member State Compartment, excluding Related Costs and Fees approved by the InvestEU Investment Committee; for each of the three Financial Products, the Portfolio Guarantee for Resilience, the Climate Action Portfolio Guarantee; and the Energy efficiency investment in the residential and buildings sector.

- ii. this reporting shall be without prejudice to the reporting obligations of Romania under the RRF Regulation.

16.4 As regards the Advisory Agreement, the Commission shall annually, by 30 April, based on the reports submitted by the Advisory Partner under the relevant Advisory Agreement submit a report to Romania with the:

- i. information on the general status of implementation of the Contribution Agreement with regard to the the Contribution to the InvestEU Advisory Hub, including information on signature of the Advisory Agreement with the Advisory Partner and the contributing amounts,
- ii. data on each supported Advisory Initiative based on the reports provided by the Advisory Partner.

17. GENERAL CLAUSES RELATING TO AMENDMENTS

17.1 Amendments to this Contribution Agreement shall be made in writing, with each Party representing that all prior authorisations necessary for such amendments have been obtained or performed at the time when the written consent is given. Amendments shall become effective upon signature by both Parties of the document under which the amendments are agreed and upon completion of other procedures, if required by law.

17.2 The Parties shall negotiate and execute in good faith any amendment to the terms of this Contribution Agreement which may become necessary or desirable.

18. SPECIFIC CLAUSES RELATING TO AMENDMENTS

18.1 In the event that the amount of the Contribution Agreement is not fully committed through the Guarantee Agreements within nine months from the Signature Date, or within a longer period agreed in accordance with Clause 19.2, the Parties shall amend the Contribution Agreement as appropriate.

18.2 In the event that the Guarantee Agreements have not been duly implemented as defined therein, the Contribution Agreement shall be amended by the Parties.

19. IMPLEMENTATION, PROLONGATION, TERMINATION

19.1 This Contribution Agreement shall enter into force and be effective upon the Signature Date. The Commission shall conclude at least one Guarantee Agreements with an

Implementing Partner within nine months from the Signature Date, provided that such a conclusion of the Guarantee Agreements is possible according to the condition set forth in Clause 6.2.

19.2 Where no Guarantee Agreement has been concluded within nine months from the Signature Date, this Contribution Agreement shall:

- i. be terminated, in the absence of mutual agreement by the Parties or if so agreed;
- ii. not be terminated, if agreed by the Parties and provided that the Guarantee Agreement is signed within 3 months. Such an extension of the deadline for the signature of the Guarantee Agreement shall be made in writing by the Parties before the expiry of the initial nine-month period following the Signature Date and shall take effect as from the signature of such agreement by both Parties. Where no Guarantee Agreement has been concluded within the extended deadline this Contribution Agreement shall be terminated.

19.3 This Contribution Agreement shall expire upon agreement by the Parties once all the underlying obligations have been terminated and no amounts are outstanding under the Back-to-Back Guarantee.

20. IMPLEMENTATION, PROLONGATION, TERMINATION AND AMENDMENTS OF ADVISORY AGREEMENT

20.1 Clause 18.1 of the Contribution Agreement shall apply also to the Advisory Agreement. The Commission shall implement the Contribution Agreement by concluding the Advisory Agreement with the Advisory Partner within nine months from the Signature Date.

20.2 Where no Advisory Agreement has been concluded within nine months from the Signature Date, this Contribution Agreement shall:

- i. be terminated, in the absence of mutual agreement by the Parties or if so agreed; or
- ii. be prolonged by mutual agreement of the Parties for a maximum of 3 months. Such extension shall be made in writing by the Parties before the expiry of the initial nine-month period following the Signature Date and shall take effect as from the signature by both Parties of such agreement. Where no Advisory Agreement has been concluded within the extended deadline and there is no Guarantee Agreement concluded, this contribution Agreement shall be terminated; or amended to reflect the void of the Contribution to the InvestEU Advisory Hub in case the Contribution Agreement is to remain in force for the implementation of the Guarantee Agreement(s).

21. RETURN OF THE UNUSED RESOURCES

21.1 In the event no Guarantee Agreement has been concluded by the Commission with the Implementing Partners within nine months from the Signature Date, or within the longer period agreed in accordance with Clause 19.2, and the Contribution Agreement is terminated pursuant to Clause 19.2(a) and 19.2(b), or in the event the amount of the Contribution Agreement is not fully committed through a Guarantee Agreement, or

within the longer period agreed in accordance with Clause 19.2ii, the following provisions shall apply:

The outstanding amount of provisioning coming from the Contribution Stemming from RRF and paid to the Commission shall be either paid back to Romania by the Commission within 30 calendar days from the date of the amending or the termination, or, in the case of the Contribution Agreement amendment, may give rise to the adjustment of the payment schedule in Annex 1, Clause 1.

Where the amount of the Contribution Agreement is not fully committed through Guarantee Agreements, the amount of the Contingent Liability shall be adjusted accordingly by amending this Agreement and the Back-to-Back Guarantee.

22. GOVERNING LAW AND JURISDICTION

22.1 This agreement shall be governed by and shall be construed in accordance with European Union law, supplemented if necessary by the Luxembourgish law.

22.2 Any and all disputes arising between the Parties in relation to the validity, interpretation or execution of this Contribution Agreement or howsoever connected to it shall be exclusively referred to the jurisdiction of the Court of Justice of the European Union.

23. NOTICES AND COMMUNICATION

All notices and communications between the Parties shall be made in writing, in electronic form, and shall be deemed as validly made upon receipt of the same and if addressed as follow:

For the Commission:

Address: European Commission, Directorate-General Economic and Financial Affairs, Directorate L, L-2920 Luxembourg

E-mail: ECFIN-L3@ec.europa.eu, antongiulio.marin@ec.europa.eu

Attention: Antongiulio Marin

For Romania:

Address Ministerul Investițiilor și Proiectelor Europene, Șos. Bucuresti-Ploiesti, nr. 1 – 1B, Victoria Office Intrarea str. Menuetului, nr. 7, Sector 1, București, Romania

E-mail: cabinet.ministru@mfe.gov.ro, george.carpusor@mfe.gov.ro,

Attention: George Carpusor

24. MISCELLANEOUS

Annexes 1, 2, 3 and 4 to this Contribution Agreement form an integral part thereof.

IN WITNESS WHEREOF, each of the Parties has caused this Contribution Agreement to be executed in two originals in the English language, each one taking one copy/copies, as of the day and the year specified below:

Signed for and on behalf of

EUROPEAN UNION

Maarten Verwey, Director-General

Date

Signed for and on behalf of

ROMANIA

Minister of Investments and
European Projects

Date

ANNEX 1

Details of the payments of the provisioning and the Contribution to the InvestEU Advisory Hub

1. Payments of the provisioning from the Contribution Stemming from RRF

The payments of the Contribution Stemming from RRF from Romania to the Commission for the Common Provisioning Fund are as follows:

2022: EUR 82 500 000 (eighty two million five hundred thousand)

2023: EUR 55 000 000 (fifty five million)

2024: EUR 55 000 000 (fifty five million)

2025: EUR 55 000 000 (fifty five million)

2026: EUR 82 500 000 (eighty two million five hundred thousand)

2027: EUR 99 000 000 (ninety nine million)

2028: EUR 110 000 000 (one hundred and ten million)

TOTAL CONTRIBUTIONS:

Contributing Fund	Amount (EUR) per annual year						
Contribution stemming from RRF	2022	2023	2024	2025	2026	2027	2028
	82,5 million	55 million	55 million	55 million	82,5 million	99 million	110 million

2. Payments to the InvestEU Advisory Hub Stemming from RRF

The payments of the Contribution to the InvestEU Advisory Hub to the InvestEU Advisory are as follows:

TOTAL CONTRIBUTIONS Contributing Fund	Amount (EUR) per annual year				
	2022	2023	2024	2025	2026
Contribution Stemming from RRF to the InvestEU Advisory Hub	5 million	2 million	2 million	2 million	n/a

ANNEX 2

Template for notice of a decrease in the provisioning to 10% or below and request for additional payment

From: The European Union, represented by the European Commission (the "Commission") Directorate-General for Economic and Financial Affairs

To: Romania and [administration/Unit with e-mail address to which claims shall be sent]

Date: [•]

Contribution Agreement dated [•] signed between the Commission and Romania

Pursuant to Clause 8 of the Contribution Agreement dated [•] between the Commission and Romania, we hereby:

- inform you that the level of provisioning in the Common Provisioning Fund relating to the Member State Compartment has reached EUR [•] i.e. [•] % of the initial provisioning,
- request that you pay the Commission the following sum: EUR [•] within twenty (20) Working Days from the reception of this notice,
- inform you that this request is made in order to restore the provisioning up to EUR 80 850 000 .

2. The payment should be made into the following euro-denominated account:

[Euro account details]

Executed by

The Commission

acting by:

Directorate-General for Economic and Financial Affairs

Name: [•]

Title: [•]

ANNEX 3

Template for acceleration of payments of provisioning

From: The European Union, represented by the European Commission (the "Commission");

To: Romania and [administration/Unit with e-mail address to which claims shall be sent]

Date: [•]

The Contribution Agreement dated [•] between the Commission and [Member State]

1. Pursuant to [Clauses 8.3] [and/or] [Clause 9.3] of the Contribution Agreement dated [•] **between Romania and the Commission**, we hereby request that Romania accelerates the payments of the provision as defined in Annex 1 of the Contribution Agreement and:
 - *[if applicable]* request that you pay **the Commission** EUR *[amount of exceeding the provisions in the Member State Compartment in the Common Provisioning Fund but limited to the total amount of the Contingent Liability]* within 15 Working Days from the reception of this claim in order to reimburse the amounts prepaid by the Commission.
 - *[if applicable]* inform you that the level of provisioning in the Common Provisioning Fund relating to the Member State Compartment has reached EUR [•] i.e. [•] % of the initial provisioning, and request that you pay **the Commission** EUR *[amount needed to restore the provisioning up to an amount corresponding to 15 % of the initial provisioning]* within 20 Working Days from the reception of this claim in order to restore the provisioning up to an amount of EUR 80 850 000.
 -
2. The payment shall be made into the following euro-denominated account:

[Euro account details]
3. Shall the payment not be received, or only a partial payment is received; the Commission shall settle the outstanding due amount, and shall set off the payment against any amounts due to Romania.
4. The remaining payments of provisioning shall proceed accordingly as defined in Annex 1 of the Contribution Agreement, unless an event triggering the acceleration of payments of provisioning, pursuant to Clauses 8.3 and/or Clause 9.3 reoccurs.

Executed by

The Commission

acting by:

Directorate-General for Economic and Financial Affairs

Name: [•]

Title:

ANNEX 4

Financial Products to be covered by the EU Guarantee under the Member State Compartment and supported Advisory Initiatives

I. Portfolio Guarantee for Resilience

1.	Product name	<p><i>Portfolio Guarantee for Resilience</i></p> <p><i>The contribution may be combined with the Guarantee available under the EU Compartment related to the SME Competitiveness Guarantee to be implemented by the EIF.</i></p> <p><i>The final implementation modality shall be established in the Guarantee Agreement.</i></p>
2.	Policy Window(s)	<input type="checkbox"/> Sustainable Infrastructure Policy Window <input type="checkbox"/> Research, Innovation and Digitisation Policy Window <input checked="" type="checkbox"/> SME Policy Window <input type="checkbox"/> Social Investment and Skills Policy Window
3.	Policy objective(s)	<p>The Financial Product shall be deployed in support of Romanian companies, in particular improving access to finance in the aftermath of the COVID19 crisis. The envisaged guarantee shall aim to improve small businesses' resilience and competitiveness.</p>
4.	Rationale, objectives and expected impact	<p>The Financial Product shall address the current hurdles faced by Romanian enterprises in accessing finance, namely: increased cost of finance, lack of collateral and impaired credit channels. The guarantee shall target liquidity and solvency challenges faced by local enterprises due to their inability to meet financial obligations resulting from the significant reduction of revenues and supply chain disruptions as a result of the COVID-19 crisis.</p> <p>In this context, the Financial Product shall aim to improve access to finance and stimulate conventional lending channels during and in the aftermath of the COVID-19 crisis by supporting investments and/or working capital needs of enterprises.</p>
5.	New /existing product	<input checked="" type="checkbox"/> New financial product <input type="checkbox"/> Continuation of existing financial support mechanisms

5.a	Additionality of the proposed Financial Product	<p>The proposed Financial Product shall be designed to address the existing debt financing gap in Romania, of EUR 2.48bn (representing 1.2% of Romania's Gross Domestic Product "GDP")¹².</p> <p>The additionality of the Portfolio Guarantee Instrument may consist of any of the below:</p> <ul style="list-style-type: none"> • Reduced collateral requirements; • Reduced standard credit risk premium on the guaranteed portion of the loan; • Extended maturities; <p>The structure of the Financial Product shall also enable to leverage private funds.</p>
6.	Targeted eligible areas	<p>An indicative targeted eligibility area may include: financial support to SMEs as defined in the Annex to Commission Recommendation 2003/361/EC.¹³</p> <p>The final targeted eligible areas shall be established in the Guarantee Agreement.</p>
6a	Policy prioritisation	The InvestEU framework shall be applicable
7.	Targeted final recipients	<p>Indicative final recipients: SMEs</p> <p>Final eligibility criteria shall be established in the Guarantee Agreement</p>
8.	Targeted geography	Romania
9.	Implementation period	InvestEU timeline shall be applicable
10.	Type of financing	<p><input type="checkbox"/> Direct financing</p> <p><input checked="" type="checkbox"/> Intermediated financing through Financial Intermediaries</p> <p><input type="checkbox"/> Facility, programme or structure which has underlying sub-projects</p>
10.a	Eligible financial intermediaries	<p>Indicative eligible financial intermediaries: Any entity (including financial, guarantee or credit institutions) duly authorized to carry out financing and/or to issue guarantees to the benefit of final recipients according to the applicable legislation and operating in Romania.</p> <p>Final eligible intermediaries shall be established in the Guarantee Agreement.</p>

¹² 2019 FI-Compass - Gap analysis for small and medium-sized enterprises financing in the European Union

¹³ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36)

10.b	Financial intermediaries' financial needs	N/A
10.c	Type of product provided by the Implementing Partner to the financial intermediary	Capped and/or uncapped (counter-) guarantee To be established in the Guarantee Agreement
10.d	Type of product provided by the financial intermediary to the final recipient	Eligible final recipient transactions may be in the form of senior financing including loans, financial leasing, revolving credit lines (including overdrafts), documentary finance (including bank guarantees, letters of credit, bid bonds), Supply Chain finance (including reverse factoring (confirming) and with recourse factoring); subordinated financing; quasi-equity financing. To be established in the Guarantee Agreement
12.	Amounts / maturity per final recipients	The scheduled minimum maturity of the Guarantee Final Recipient Transactions shall be 12 months The final amounts and maturity per final recipient shall be established in the Guarantee Agreement.
13.	Size of the product	The indicative minimum leverage of the Financial Product is four. The expected mobilised amounts shall be defined in the Guarantee Agreement.
14.	Pricing charged to financial intermediaries or final recipients, as applicable (only relevant for debt/guarantee products)	<input type="checkbox"/> Free of charge <input checked="" type="checkbox"/> Partially priced <input type="checkbox"/> Fully priced <u>Rationale for the pricing: InvestEU Pricing shall be applicable</u> <u>Final pricing shall be established in the Guarantee Agreement</u>
15.	Exit strategy	<i>If applicable</i> (only for equity investments)
16.	Guaranteed amounts	The final guaranteed amounts shall depend on the final structure of the Financial Product and shall be established in the Guarantee Agreement.
17.	EU Guarantee coverage provided to the Implementing Partner	<input checked="" type="checkbox"/> First Loss Contribution <input type="checkbox"/> Pari-passu <input type="checkbox"/> Other arrangements (<i>please specify</i>):

		The final EU coverage shall be defined in the Guarantee Agreement
18.	Structure / Features	Final product structure and features shall be defined in the Guarantee Agreement
19.	Currency	EUR and RON
20.	Reporting	Reporting obligations as defined in this contribution agreement and in the InvestEU framework.
21.	Link to Advisory Initiatives (including InvestEU Advisory Hub)	<i>N/A</i>
22.	Other	<i>N/A</i>

II. Climate Action Portfolio Guarantee

1.	Product name	<p><i>Climate Action Portfolio Guarantee</i></p> <p><i>The contribution may be combined with the Guarantee available under the EU Compartment related to the “Sustainable Guarantee” to be implemented by the EIF.</i></p> <p><i>The final implementation modality shall be established in the Guarantee Agreement.</i></p>
2.	Policy Window(s)	<p><input checked="" type="checkbox"/> Sustainable Infrastructure Policy Window</p> <p><input type="checkbox"/> Research, Innovation and Digitisation Policy Window</p> <p><input checked="" type="checkbox"/> SME Policy Window</p> <p><input type="checkbox"/> Social Investment and Skills Policy Window</p>
3.	Policy objective(s)	The Financial Product shall contribute to green and sustainable transformation of the local economy by supporting access to debt financing for eligible final recipients (to be defined under the Guarantee Agreement).
4.	Rationale, objectives and expected impact	The purpose of the Financial Product shall be to address Romania’s current challenges in supporting investments in green transitioning, energy efficiency and renewable energy production.
5.	New /existing product	<p><input checked="" type="checkbox"/> New financial product</p> <p><input type="checkbox"/> Continuation of existing financial support mechanisms</p>
5.a	Additionality of the proposed Financial Product	<p>The Financial Product shall contribute to addressing the existing debt financing gap in Romania, of EUR 2.48bn (representing 1.2% of Romania’s Gross Domestic Product “GDP”)¹⁴.</p> <p>The additionality of the Portfolio Guarantee Instrument may consist of any of the below:</p> <ul style="list-style-type: none"> • Reduced collateral requirements; • Reduced standard credit risk premium on the guaranteed portion of the loan; • Extended maturities; • Riskier enterprises/projects becoming bankable. <p>The structure of the Financial Product shall also enable to leverage private funds.</p>

¹⁴ 2019 FI-Compass - Gap analysis for small and medium-sized enterprises financing in the European Union

6.	Targeted eligible areas	<p>An indicative targeted eligibility area may include: the development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, clean energy transition and the commitments taken under the 2030 Agenda for Sustainable Development and the Paris Agreement.</p> <p>The final targeted eligible areas shall be established in the Guarantee Agreement.</p>
6a	Policy prioritisation	The InvestEU framework shall be applicable
7.	Targeted final recipients	<p>Indicative final recipients: SMEs; small mid-cap companies; individuals/households</p> <p>Final eligibility criteria shall be established in the Guarantee Agreement</p>
8.	Targeted geography	Romania
9.	Implementation period	InvestEU timeline shall be applicable
10.	Type of financing	<input type="checkbox"/> Direct financing <input checked="" type="checkbox"/> Intermediated financing through Financial Intermediaries <input type="checkbox"/> Facility, programme or structure which has underlying sub-projects
10.a	Eligible financial intermediaries	<p>Indicative eligible financial intermediaries: Any entity (including financial, guarantee or credit institutions) duly authorized to carry out financing and/or to issue guarantees to the benefit of final recipients according to the applicable legislation and operating in Romania.</p> <p>Final eligible intermediaries shall be established in the Guarantee Agreement.</p>
10.b	Financial intermediaries' financial needs	N/A
10.c	Type of product provided by the Implementing Partner to the financial intermediary	<p>Capped and/or uncapped (counter-) guarantee</p> <p>To be established in the Guarantee Agreement</p>
10.d	Type of product provided by the financial	Eligible final recipient transactions may be in the form of senior financing including loans, financial leasing, revolving credit lines (including overdrafts), documentary finance (including bank guarantees, letters of credit, bid bonds) ¹⁵ ,

¹⁵ Only in case a tailor made instrument with different eligibility compared to the EU-C product is developed.

	intermediary to the final recipient	Supply Chain finance (including reverse factoring (confirming) and with recourse factoring); subordinated financing; quasi-equity financing. To be established in the Guarantee Agreement
12.	Amounts / maturity per final recipients	The scheduled minimum maturity of the Guarantee Final Recipient Transactions shall be 12 months Final amounts and maturity per final recipient shall be established in the Guarantee Agreement.
13.	Size of the product	The indicative minimum leverage of the Financial Product is four. The expected mobilised amounts shall be defined in the Guarantee Agreement.
14.	Pricing charged to financial intermediaries or final recipients, as applicable (only relevant for debt/guarantee products)	<input type="checkbox"/> Free of charge <input checked="" type="checkbox"/> Partially priced <input type="checkbox"/> Fully priced <u>Rationale for the pricing: InvestEU Pricing shall be applicable</u> <u>Final pricing shall be established in the Guarantee Agreement</u>
15.	Exit strategy	<i>If applicable</i> (only for equity investments)
16.	Guaranteed amounts	The final guaranteed amounts shall depend on the final structure of the Financial Products and shall be established in the Guarantee Agreement.
17.	EU Guarantee coverage provided to the Implementing Partner	<input checked="" type="checkbox"/> First Loss Contribution <input type="checkbox"/> Pari-passu <input type="checkbox"/> Other arrangements (<i>please specify</i>) The final EU coverage shall be defined in the Guarantee Agreement
18.	Structure / Features	Final product structure shall be described in the Guarantee Agreement
19.	Currency	EUR and RON
20.	Reporting	Reporting obligations as defined in this contribution agreement and in the InvestEU framework.

21.	Link to Advisory Initiatives (including InvestEU Advisory Hub)	<i>N/A</i>
22.	Other	<i>N/A</i>

III. Portfolio Guarantee for Energy Efficiency and Renewable Energy Investments

1.	Product Name	<p><i>Portfolio Guarantee for Energy Efficiency and Renewable Energy Investments in the Residential and Building Sector</i></p> <p><i>The contribution may be combined with the Guarantee available under the EU compartment related to the Portfolio Guarantee for Green/Sustainability (currently under negotiation) to be implemented by the EBRD.</i></p>
2.	Policy Window(s)	<p><input checked="" type="checkbox"/> Sustainable Infrastructure window</p> <p><input type="checkbox"/> Research, Innovation and Digitisation window</p> <p><input type="checkbox"/> SME window</p> <p><input type="checkbox"/> Social Investment and Skills window</p>
3.	Policy Objective(s)	<p>The policy objective of this Financial Product is to improve the sustainability and minimise the climate and environmental footprint of Romania by facilitating access to and the availability of finance for energy efficiency and renewable energy investments in the residential and building sector.</p>
4.	Rationale, Objectives and Expected Impact	<p>Consistent with the Sustainable Infrastructure window targeted policy areas, there is considerable needs for investments that can deliver the sustainable and green economy that Romania wants to achieve, also in the context of the European Green Deal. Green investments are often hindered by the lack of adequate information for the actual needs, optimal solutions and best performing technologies and materials, lack of required collateral or by more pressing priorities at the level of investors.</p> <p>This InvestEU portfolio guarantee for energy efficiency and renewable energy investments in the residential and building sector in Romania shall be focused on the following priority:</p> <p>The largest investment gap to reach the EU energy and climate 2030 targets relates to investments in buildings energy efficiency, very prominently in the residential sector. In the building sector the biggest challenge for energy efficiency remains the forward-looking regulations often targeting the new buildings, while the existing buildings (residential and non-residential) are not adequately addressed by financial instruments or economic stimulus to invest in energy efficiency improvements. The Financial Product shall support the objectives of the EU Green Deal calling for Romania to engage in a ‘renovation wave’ of public and private buildings.</p>

5.	New/existing financial product	<input checked="" type="checkbox"/> New InvestEU financial product <input type="checkbox"/> Continuation of existing EU financial support mechanisms
5.a	Additionality of the proposed financial product (in accordance with Annex V of the InvestEU Regulation)	The additionality of the Financial Product derives from supporting the Implementing partner and the financial intermediaries to participate in risk-sharing mechanisms targeting and financing policy areas that expose them to higher risk levels compared to the risk levels that they generally accept or that private financial actors are able or willing to accept. The structure of the Financial Product shall also enable to leverage private funds from financial institutions including commercial banks and leasing companies.
6.	Targeted Sectors	<p>The objective shall be to scale up green, sustainable and climate related measures in the residential sector. The indicative targeted eligibility areas include:</p> <p>Energy efficiency: Eligible projects shall be supporting energy efficiency investments implemented in the residential sector and in the buildings sector.</p> <p>Renewable energy – Communities and local actors: investments in own energy sources in the residential sector, including renewables communities projects.</p> <p>The final targeted eligible areas shall be established in the Guarantee Agreement.</p>
7.	Targeted Recipients	<p>Indicative final recipients for energy efficiency and renewable energy investments in the residential and building sector shall be private and public enterprises, public authorities, housing associations and similar organisations, and individuals (“beneficiaries”).</p> <p>Final eligibility criteria shall be established in the Guarantee Agreement.</p>
8.	Targeted Geography	Romania
9.	Implementation period	InvestEU timeline shall be applicable
10.	Type of financing	<input type="checkbox"/> Direct financing (including co-investments and guarantees to third party financiers in line with IGs section 2.3.1) of Targeted Recipients by Implementing Partners <input checked="" type="checkbox"/> Intermediated financing through Financial Intermediaries

10.a	Eligible Financial Intermediaries (if applicable)	Indicative eligible financial intermediaries: any entity (including financial, guarantee or credit institutions) duly authorized to carry out financing and/or to issue guarantees to the benefit of final recipients according to the applicable legislation and operating in Romania. Final eligible intermediaries shall be established in the Guarantee Agreement.
10.b	Financial Intermediaries' Financial Needs (if applicable)	<input checked="" type="checkbox"/> Liquidity <input checked="" type="checkbox"/> Risk protection <input checked="" type="checkbox"/> Capital strengthening / relief <input type="checkbox"/> Other (please specify)
10.c	Type of product provided by the Implementing Partner to the Financial Intermediary (if applicable)	Funded or unfunded capped or uncapped (counter-) guarantee. To be established in the Guarantee Agreement.
10.d	Type of product Provided by the Financial Intermediary to the Final Recipient (if applicable)	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Equity and quasi-equity (please specify) <input checked="" type="checkbox"/> Other: leases, working capital facilities, etc. Detailed provisions to be established in the Guarantee Agreement.
11.	Type of product provided by the Implementing Partner to Final Recipients (direct financing) (if applicable)	<input type="checkbox"/> Loan <input type="checkbox"/> Guarantee <input type="checkbox"/> Equity <input type="checkbox"/> Other (please specify): Not applicable.
12.	Amounts / maturity per final recipients	The final amounts and maturity per final recipient shall be established in the Guarantee Agreement.
13.	Size of the Product	The indicative minimum leverage of the Financial Product is two. The expected mobilised amounts shall be defined in the Guarantee Agreement.

14.	Pricing (only relevant for debt/guarantee financial products)	<input type="checkbox"/> Free of charge <input checked="" type="checkbox"/> Partially priced <input checked="" type="checkbox"/> Fully priced Details to be set in the Guarantee Agreement.
15.	Guaranteed Amounts	The final guaranteed amounts shall depend on the final structure of the Financial Products and shall be established in the Guarantee Agreement.
16.	EU Guarantee coverage provided to the Implementing Partner	<input checked="" type="checkbox"/> First Loss Contribution <input type="checkbox"/> Pari-passu <input type="checkbox"/> Other arrangements The final coverage shall be defined in the Guarantee Agreement.
17.	Structure / Features (relationship between implementing partner and financial intermediary(ies))	Final product structure shall be set in the Guarantee Agreement.
18.	Currency	EUR and RON.
19.	Reporting	Reporting obligations as defined in this contribution agreement and in the InvestEU framework. Suitable indicators shall be selected from the list of 'Key Performance and Monitoring Indicators' mentioned in Annex III to the InvestEU Regulation
20.	Administrative costs and fees	Costs and fees related to the Guarantee shall be defined in the Guarantee Agreement in line with the InvestEU legal framework.
21.	Associated advisory products	Yes, to be further detailed in the Advisory Agreement. An overview is presented in Fiche IV.

IV. Advisory Fiche for Energy Efficiency and Renewable Energy Investments in the Residential and Building Sectors under Romania RRF InvestEU MS Compartment

1.	Initiative Name	<p><i>EBRD Advisory Fiche for Energy Efficiency and Renewable Energy Investments in the Residential and Building Sectors under Romania RRF InvestEU MS Compartment</i></p> <p><i>The final implementation modalities shall be established in the Advisory Agreement</i></p>
2.	Policy Window(s)	<p><input checked="" type="checkbox"/> Sustainable Infrastructure window</p> <p><input type="checkbox"/> Research, Innovation and Digitisation window</p> <p><input type="checkbox"/> SME window</p> <p><input type="checkbox"/> Social Investment and Skills window</p>
3.	Policy Objective(s)	<p>The policy objective of this advisory initiative is to mobilise expert advice to support partner financial intermediaries ('PFIs') and beneficiaries in improving the sustainability of the residential and building sectors and minimising the climate and environmental footprint of Romania. More specifically, this advisory initiative will accompany the EBRD Financial Product under the InvestEU Member State Compartment in Romania, which facilitates access to and the availability of finance for energy efficiency and renewable energy investments in the residential and buildings sectors.</p>
4.	Rationale, Objectives and Expected Impact of the Advisory Product	<p>Rationale</p> <p>Consistent with the Sustainable Infrastructure Window (SIW) targeted policy areas, there is a considerable need for investments that can deliver the sustainable and green economy that Romania wants to achieve, also in the context of the European Green Deal.</p> <p>Green investments are often hindered by the lack of adequate information for the actual needs, optimal solutions and best performing technologies and materials, lack of required collateral or by more pressing priorities at the level of investors. The advisory initiative is therefore designed to overcome these barriers to investment.</p> <p>Objectives.</p> <p>The objective of the advisory initiative is to support the implementation of the Financial Product for which the EBRD will engage a Project Consultant. The Consultant, in coordination with the PFIs, will support the preparation and implementation of the EBRD Financial Product, including processing applications by end-borrowers and verifying implementation of the investments (Sub-projects). Specifically, the Consultant's objective is to assist in the preparation and successful implementation of the EBRD Financial Product by:</p>

- Ensuring that the technical eligibility criteria are designed to meet the policy objectives, clearly defined and consistently applied;
- Ensuring the EBRD Financial Product is deployed for Sub-projects that meet the technical eligibility criteria and that Sub-loans are processed according to the Financial Product procedures;
- Establishing an efficient tracking, monitoring and reporting system;
- Providing for the transfer of skills to PFIs' branch networks so they are equipped with the knowledge and tools to identify new financing opportunities and to avoid some of the physical climate change and carbon transition risks that may be overlooked in the PFI ordinary course of business.

Intended impact & scope

The advisory initiative will facilitate investments in green technologies that will drive Romania's transition to an environmentally sustainable, lower-carbon and climate-resilient green economy.

In addition to the insufficient access to finance, there are other significant obstacles in improving the sustainability of the residential and building sectors: lack of adequate information on the energy needs, lack of awareness of optimal solutions and best performing technologies and materials, lack of required collateral or existence of more pressing priorities at the level of investors.

As a response to these challenges, the advisory initiative will be supporting the green transition in the Romanian residential and buildings sectors by (i) aiding end-borrowers in accessing finance towards investments exceeding EU standards; and (ii) assisting them to access advice and know-how for undertaking such investments.

The advisory initiative will therefore support end-borrowers in a strategic and comprehensive manner to overcome the various barriers, pursue more ambitious sustainability objectives and hence minimise the climate and environmental footprint of Romania.

This intention will be achieved through EBRD's commitment to the robustness of procedures ensuring that all activities are upfront eligible and will achieve the intended impact. In this respect, the scope of the advisory initiative will broadly involve the following aspects:

- Careful adaptation of demanding eligibility criteria set by the EBRD to promote optimal investment decisions and achieve high energy performance;
- Operational implementation tools (such as a technology selector, assessment guidelines and reporting tools) to facilitate transparent and efficient implementation;
- Origination and outreach activities to determine eligible beneficiaries with potentially eligible investment projects;

		<ul style="list-style-type: none"> • Ex-ante assessment of building performance and potential for improvement (including analysis of cost-optimal approaches); • Improvement and approval of an investment scope that will exceed performance standards / impact requirements; • Ex-post assessment of building performance and impact reporting (including feeding into EU Member State results). <p>Through the set eligibility criteria, the advisory initiative will also contribute to faster market penetration of green technologies that would lead to the increase of pace of green transition with minimum administrative burdens.</p>
5.	New/existing advisory product	<input checked="" type="checkbox"/> New InvestEU advisory initiative <input type="checkbox"/> Continuation of existing EU financial support mechanisms
6.	Targeted Sectors	<p>The objective shall be to scale up green, sustainable and climate related measures in the residential and buildings sectors. The indicative targeted eligibility areas include:</p> <ul style="list-style-type: none"> • Energy efficiency: Eligible projects shall be supporting energy efficiency investments implemented in the residential and in the buildings sectors. • Renewable energy: Communities and local actors: investments in own energy sources in the residential sector, including renewables communities projects. <p>The final targeted eligible areas shall be established in the Advisory Agreement.</p>
7.	Targeted Beneficiaries	<p>Targeted beneficiaries for this advisory initiative shall be:</p> <ul style="list-style-type: none"> • Individuals: private individuals (households) or group of individuals • Housing Associations • Businesses (any business that undertakes an eligible Sub-Project on their own behalf). • Service Providers, including, but not limited to a Housing Management Company and Energy Service Company (ESCO), construction company, providing maintenance, operation, installation, construction, refurbishment, project development or similar services. • Vendors engaged in the supply and/or sale of eligible equipment, materials and technology. • Producers engaged in the manufacture, supply and/or installation of eligible equipment, materials and technology. • Public entities that undertake eligible Sub-projects.

		Final eligibility criteria shall be established in the Advisory Agreement. Excluded entities, as per Article 136 of the Financial Regulation, shall not be supported.
8.	Targeted Geography	Romania
9.	Implementation period	InvestEU timeline shall be applicable
10.	Priority criteria	<p>A number of considerations are taken into account for prioritization of Sub-projects/Advisory assignments. These include e.g.:</p> <ul style="list-style-type: none"> • Climate and other environmental benefits envisaged; • Replicability; • Demonstration effect; • Aggregation of sub-projects to achieve critical mass in adoption of more advanced technologies and practices.
10.a	Type of Advisory support	<p>Project advisory</p> <p><input checked="" type="checkbox"/> Project identification/generation</p> <p><input checked="" type="checkbox"/> Project preparation & development</p> <p><input type="checkbox"/> Procurement strategy and development of PPP and concession</p> <p><input checked="" type="checkbox"/> Planning & implementation of investment projects</p> <p><input type="checkbox"/> Financial structuring</p> <p><input type="checkbox"/> Establishment of investment platforms and blending facilities</p> <p>Capacity building</p> <p><input checked="" type="checkbox"/> Strengthening capacity and investment readiness of organizations</p> <p><input checked="" type="checkbox"/> Environmental and/or social sustainability structuring and impact assessments</p> <p><input checked="" type="checkbox"/> Procurement</p> <p>Market development</p> <p><input checked="" type="checkbox"/> Market development activities</p> <p><input checked="" type="checkbox"/> Communication and awareness raising</p> <p>The Consultant will support the implementation of the Facility by pro-actively carrying out a number of tasks, as follows:</p> <p><u>3.1 Ensure successful Facility maintenance</u></p> <ul style="list-style-type: none"> • Support Facility infrastructure, documentation and tools <ul style="list-style-type: none"> - Establish, staff and maintain a full time Facility Office in Romania. - Adopt and maintain operational tools, templates and forms, including an Operations Manual, Application Forms and Assessment Reports, Quality Assurance and Verification Reports, etc.

	<ul style="list-style-type: none"> - Engage with the vendors of target technologies and on-board them onto EBRD's Green Technology Selector (GTS) and support the addition of eligible technologies in the GTS. • Facility-level marketing and awareness raising activities - Adapt the Facility marketing plan to the needs of each PFI and their target markets, under the outreach and project origination tasks. - Promote the Facility through marketing activities, including preparing, updating and disseminating marketing materials that outline the structure of the Facility, organising workshops, regional seminars and other promotional and awareness raising events and engage with the vendors/providers of targeted technologies and services. - Populate with content and maintain the Facility Website. <p><u>3.2 Ensure that new PFIs are on-boarded successfully</u></p> <ul style="list-style-type: none"> • Organise Facility kick-off meetings and facilitate Action Plans with each PFI - Support the PFI in developing an Action Plan that will include services tailored to its internal capacity and strategic direction agreed between the PFI, the Facility Consultant and the EBRD to ensure a successful implementation and launch of the Facility. • Develop Facility Policies & Procedures - Develop Facility Policies and Procedures in line with Facility requirements and EBRD's standards. - Liaise with and assist the PFI to adapt the necessary procedures, information and process workflows for implementation of the Facility. • Training & capacity building - Provide guidance and appropriate e-learning and face-to-face on-the-job training sessions (including train-the-trainer programmes) and materials for the PFI staff to ensure dissemination of the Facility procedures to the branch network and working closely with PFIs, ensure regular capacity building activities and loan officer training. • Product Development - Support the PFIs in the development of loan products that specifically address the PFI client base, in line with the Facility targeted sub-borrower groups. • PFI/Sub-borrower level marketing & project origination activities - Provide support to PFIs with their Facility marketing strategies and adapt to the needs of each PFI. <p><u>3.3. Support the Sub-project lifecycle</u></p> <ul style="list-style-type: none"> • Building-level Sub-projects origination and preparation - Where feasible, contribute to the origination, preparation and financing of building-level energy efficiency Sub-projects in multi-apartment buildings - Support PFIs in appraising and structuring prospective building-level projects (both existing and new buildings), as well as build
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		<p>PFI capacity in lending to building-level projects in multi-apartment buildings.</p> <ul style="list-style-type: none"> • Building construction projects <ul style="list-style-type: none"> - Where feasible, working closely with PFIs, engage with developers/construction companies to assist them, starting at the design stage, with the planning and construction / deep renovation of residential buildings, so that the resulting energy performance of the building will be in line with the Facility criteria (i.e. higher performance than national minimum standards). • Sub-project eligibility determination <ul style="list-style-type: none"> - Ensure that the eligibility of each Sub-project is determined in line with the Facility criteria and that Sub-loans are processed according to the Facility procedures. - Sub-loans for GTS based items (“Pre-approved Technologies”) can be approved by the PFI without further need for an Assessment by the Consultant. - If a proposed Sub-project is not considered to be a Pre-approved Technologies project, the Consultant is required to assess its eligibility in line with the prepare an Assessment Report. <p><u>3.4 Ensure verification of completed Sub-projects</u></p> <ul style="list-style-type: none"> - The Consultant will develop relevant methodology and procedures for the monitoring and verification of completed sub-loans in order to confirm that the final use and destination of funds have complied with the Facility rules and confirm the achieved results (e.g. energy and CO2 savings). <p><u>3.5. Ensure the correct tracking, monitoring and reporting of Facility data</u></p> <ul style="list-style-type: none"> - Record all information related to financed sub-projects in the EBRD MIS database to ensure Facility progress tracking. The consultant shall maintain tracking, monitoring and reporting in MIS and ensure the use of standard forms and accurate data. - Collaborate closely with PFIs to monitor the progress and implementation of the Facility; arrange with PFIs for the efficient transmission of documents, forms, and acceptance or rejection decisions. The Consultant will centralise data from the PFIs. - Maintain and when necessary update appropriate communication protocols with the PFIs to track the implementation of Sub-projects, including information on Sub-loans disbursement.
11.	Romanian RRF contribution	<p>Total estimated budget - €11 million. This amount is assumed to be part of the €50 million provisioning allocated to EBRD.</p> <p>The advisory cost is estimated at ca. 2.75% of the Financing provided by Partner Financial Institutions (PFIs) to end-beneficiaries (sub-borrowers) under the EBRD Financial Product.</p> <p>The advisory initiative budget of EUR 11 million is based on the assumption that the Programme will result in a portfolio of ca. €400 million worth of investments supporting both small-scale technology</p>

		<p>upgrades and funding for building-level investments. The budget covers:</p> <ul style="list-style-type: none"> - Operational implementation tools to develop and maintain over 4 years (estimated at ca EUR 1 million); - Origination and outreach activities over 4 years (estimated at ca EUR 1.25 million); - Support for building-level investments which require individual sub-project support including ex-ante and ex-post assessments (EUR 8.75 million). <p>Please note that the amounts presented above are estimates only at this stage. Following active engagement with consultants, amounts under each budget item, mentioned above, may differ; nevertheless, we estimate that we could deliver the proposed portfolio of ca. EUR 400 million worth of portfolio investments within the overall advisory budget of EUR 11 million.</p> <p>The funding of the advisory activities would only cover the Project Consultants' activities (as detailed above). On the other hand, the Management Fees paid to EBRD as a % of the Financing Facility are used to cover a range of direct and indirect costs relating to EBRD's administration of donor funds. Mostly such costs relate to activities carried out by the Bank in order to meet donor requirements, such as additional checks and evaluations required in respect of donor funds, additional reporting meeting the needs of the donor, contribution to the cost of a dedicated IT system for managing donor funds, initiatives to promote donor visibility, etc. Hence, there would be no double funding of costs incurred by EBRD between the funding for Advisory and the Management Fees.</p>
12.	Structure/ Features	<p>EBRD</p> <ul style="list-style-type: none"> • EBRD will provide parallel risk sharing to PFIs under a specific EBRD financial product meeting the advisory initiative's objectives. • EBRD will be responsible for the preparation of reporting to the EU & Romanian government. • EBRD will also be responsible for procurement and management of the consultants engaged under the advisory initiative. Capacity building outlined in this proposal will be provided in cooperation between the EBRD and external consultants, and under close oversight by the EBRD for all activities being delivered. • The procurement of consultancy services shall be carried out in accordance with EBRD's Procurement Policies and Rules (PP&R). <p>Participating Financial Institutions (PFIs)</p>

		<ul style="list-style-type: none"> • PFIs that will benefit from the advisory services can include all financial institutions operating in Romania, including commercial banks, leasing companies and microfinance institutions; • PFIs will be selected by the EBRD based on their commitment to engage in green financing as per the Programme's objectives, their creditworthiness and market positioning; • Following a comprehensive due diligence on each PFI – financial, technical, environmental, legal and integrity aspects – appropriate credit quality monitoring benchmarks and covenants will be designed for each PFI. Similarly, the gaps in institutional capacity of PFIs identified during the due diligence will be filled by tailored training and capacity building activities, including where appropriate as part of the advisory services. • PFIs will structure their loan products under the EBRD Financial Product, perform marketing activities to promote the Facility and finance end-beneficiaries. PFIs will receive the end-beneficiaries' loan applications, assess their creditworthiness, observe the adherence to the Facility eligibility criteria, sign and administer the sub-loans and collect and provide to EBRD and/or the Project Consultant monitoring reports and sub-project data as required. <p>Sub-borrowers / End-beneficiaries</p> <ul style="list-style-type: none"> • End beneficiaries will apply for sub-loans under the Facility, undertake eligible sub-projects and achieve the energy efficiency/renewable energy impact.
19.	Reporting	Reporting obligations as defined in this contribution agreement and in the InvestEU Advisory Hub reporting requirements.
20.	Administrative costs and fees	Costs and fees related to the advisory initiative shall be defined in the Advisory Agreement in line with the InvestEU legal framework.