

Opportunities for
Romania in development
of financial instrument in
combination with grants
for residential energy
efficient renovations

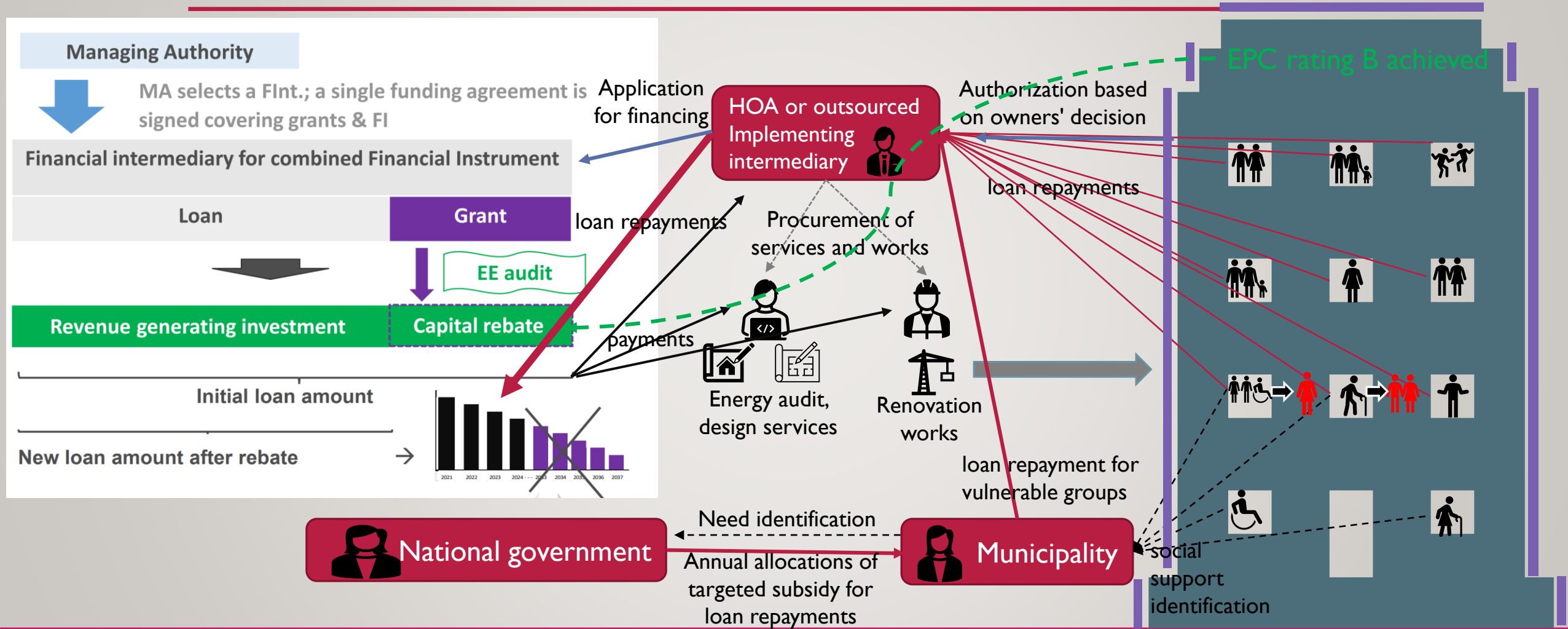
Viktoras Sirvydis

Expert, The World Bank



COMBINING FINANCIAL INSTRUMENTS WITH GRANT

DELIVERY MECHANISMS FOR ENERGY-EFFICIENT RENOVATIONS IN MULTI-APARTMENT BUILDINGS

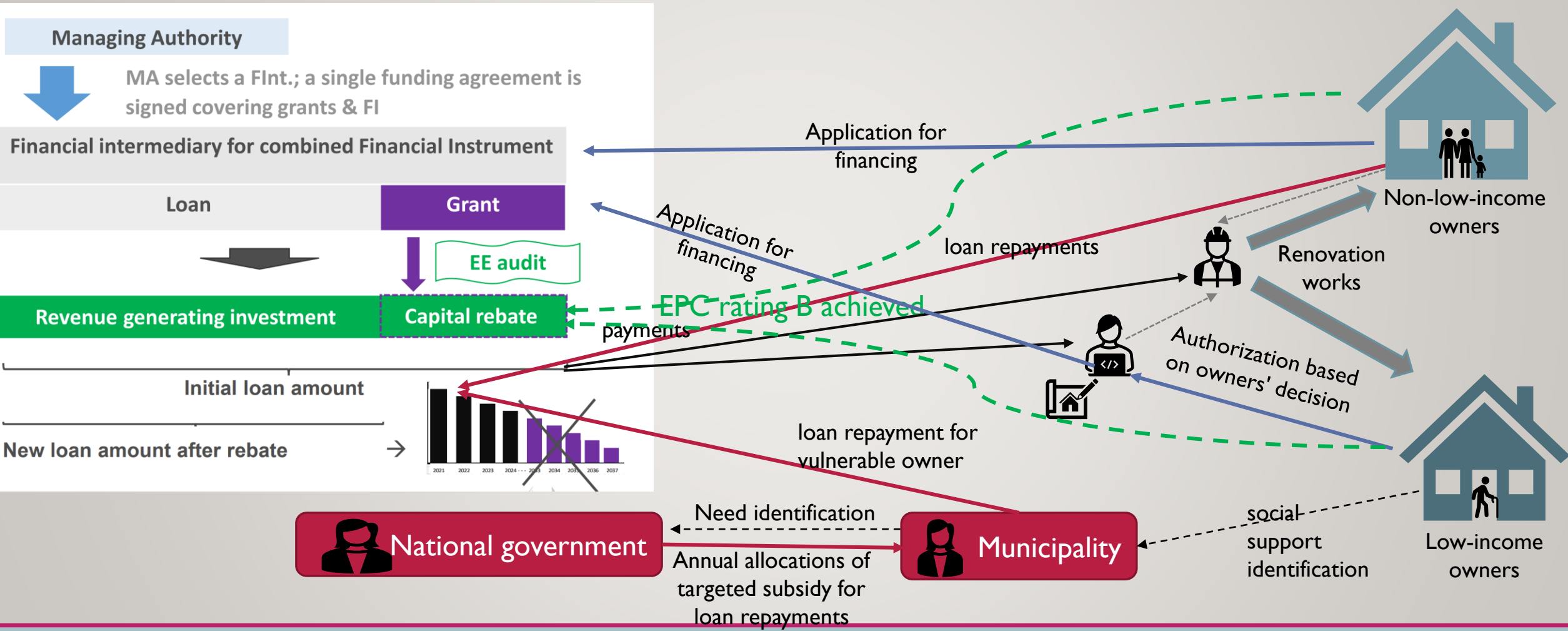


COMPARISON OF PUBLIC GRANT SPENDING FOR ENERGY-EFFICIENT RENOVATIONS IN MULTI-APARTMENT BUILDINGS

	Current situation	Presented model
Upfront grant for implementation	85%-100%	40%
Loan	0%	60%
Loan repayment subsidy for low-income beneficiaries over 10-15 years	0%	10%-20%
Total public spending for grants/subsidies	85%-100%	50%-60%

COMBINING FINANCIAL INSTRUMENTS WITH GRANT

DELIVERY MECHANISMS FOR ENERGY-EFFICIENT RENOVATIONS IN SINGLE-FAMILY BUILDINGS



KEY RECOMMENDATIONS FOR DESIGNING BUILDING RENOVATION FINANCING MECHANISMS:

- Combine grants, loans, and technical assistance into a single financial instrument for different types of renovation.
 - Include costs for project preparation, technical supervision, and project administration as part of grant financing to improve technical support.
 - Develop city (urban area) renovation programs and prioritize buildings and supporting infrastructure to be renovated in an integrated scheme.
 - Use implementing intermediaries (operators) to help scale up renovation works and increase access to financial instruments.
 - Adopt legislation that allows implementing intermediaries to take collective renovation loans on behalf of apartment/building owners.
 - Link loan repayments to the renovated property to leave flexibility for the owner to rent or sell.
 - Enhance financial instruments with subsidies for loan repayment for low-income persons.
 - Simplify and accelerate procurement processes through centralized procurement e-catalogs under concluded Framework Agreements.
 - Standardize the renovation process and prepare standard forms for documentation and data exchange.
 - Develop specific training programs for implementing intermediaries regarding renovation projects implementation, finance management, procurement, works control, and administration of loan repayments.
-

Thank you for your attention!



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP