

# THE EBRD IN ROMANIA

## Results snapshot

#EBRDImpact



European Bank  
for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) has been active in Romania since 1992 and has invested more than €10 billion in various sectors of the economy to date. The Bank's strategic focus in Romania is on:

- ▶ the green economy transition
- ▶ a competitive private sector and SME growth
- ▶ a resilient financial sector
- ▶ sustainable infrastructure and public utilities.

The EBRD has also been assisting with significant policy reform, including in the fields of capital market development, the water sector and urban transport. Throughout the Covid-19 pandemic, the Bank has supported Romania's resilience and recovery and is currently providing support in response to the effects of Russia's war on Ukraine.

## EBRD results highlights for Romania, 2017-22

### Higher energy security

The EBRD, along with the European Investment Bank (EIB), the European Union (EU) and the World Bank, helped to enhance the region's energy security by financing the interconnection of Moldova's electricity network to that of Romania.

### Better governance

The EBRD supported the establishment of inter-community development agencies (IDAs) in more than 20 counties in Romania. IDAs' contracted water and urban transport services to improve the efficiency of public services in the regions.

### SME growth

Seventy-five per cent of SMEs advised by the EBRD increased their turnover, creating €510 million in additional turnover. Sixty-two per cent of SMEs advised by the EBRD hired more people, creating at total of 2,595 new jobs.

### Supporting livelihoods

The EBRD reacted quickly in support of the Romanian people and businesses affected by Russia's war on Ukraine. Multiple Romanian banks have accessed the EBRD's assistance framework to ensure continued access to financing for small and medium-sized enterprises (SMEs) in a difficult market environment.

### The EBRD in Romania Total 2017-22

**€10.3 billion** **€2.8 billion**  
Net cumulative investment

**508** **127**  
Number of projects

**75%**  
Private-sector share of portfolio

**€2.6 billion** **€1.5 billion**  
Green economy financing commitments

**12%**  
Equity share of portfolio

### Our policy engagement

- ▶ Capital market development and secondary market liquidity
- ▶ Development of the water sector
- ▶ Non-performing loans (NPLs) in the banking sector under the Vienna Initiative
- ▶ Operating efficiency and service levels in public urban transport (UT)
- ▶ SOE governance
- ▶ Energy sector reform
- ▶ Green City Action Plans
- ▶ Financial sector regulation



[Read](#) the latest country strategy for Romania

## Romania in context

In recent years, Romania's economy has remained fairly resilient, driven by strong inventory accumulation, private consumption and government consumption. Private consumption growth has eased more recently, however, amid rising inflation and waning consumer confidence.

After a rebound of 5.1 per cent in gross domestic product (GDP) growth in 2021, largely driven by strong private consumption, Romania's growth rate slowed to 2.5 per cent in 2022. While real net wages recovered temporarily in early 2022 and the removal of Covid-19 restrictions improved confidence, Russia's war on Ukraine brought an additional layer of inflationary pressure and supply-chain challenges. Industrial production has been in recession since the second half of 2022, but strong retail trade has prevented the economy from slipping into overall recession. The EBRD's current forecast for Romanian real GDP growth in 2023 is 3 per cent.



### Key economic indicators

	Romania (2017)	Romania (2022*)	OECD (2022*)
GDP per capita, PPP (constant 2017, international \$)	26,948	30,777	44,827
Unemployment, total (percentage of total labour force)	4.9	5.2	6.3
Bank NPLs to total gross loans (%)	6.4	3.4	1.4

## Our approach and operational delivery

The EBRD supports the development of the private sector through a combination of investment, policy dialogue, technical assistance and business advice. We offer a range of financial instruments, both directly and through partner financial institutions. We provide business advisory services and technical assistance to help improve institutional capacity and enhance the competitiveness of our clients. In our policy engagement work, we address a range of factors to help shape initiatives that create favourable conditions for sustainable and inclusive economic growth.

Our focus areas in Romania are: (i) sustainable infrastructure and regional development; (ii) productivity, by helping private companies expand and improve their workforce skills; and (iii) financial intermediation and the further development of capital markets.

As well as being an economy in which the EBRD invests, Romania is an EBRD donor. At the time of its accession to the European Union, Romania made available €18 million from the state budget and EU pre-accession funds to support access to finance for local micro enterprises. More recently, it became a donor to the Eastern Europe Energy Efficiency and Environment Partnership Fund, contributing €100,000 for projects in Moldova.

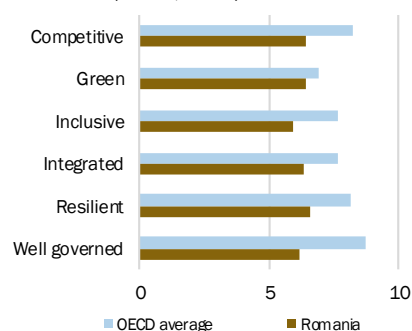
We seek to help countries transition towards democratic and sustainable market economies. We finance projects that strengthen the private sector in economies undergoing transition to a well-functioning market system. Our investment decisions are guided by six "transition qualities", which focus on making economies competitive, well-governed, green, inclusive, resilient and integrated.



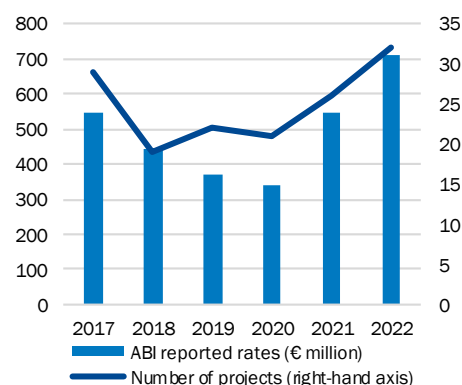
For more detail on our transition qualities visit [www.ebrd.com/qualities](http://www.ebrd.com/qualities)



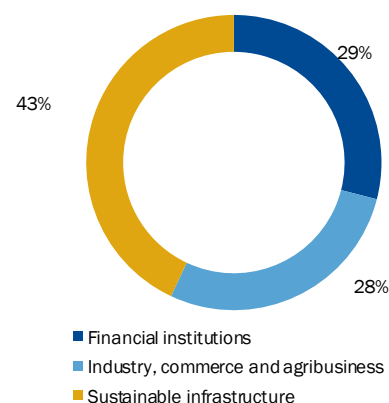
### EBRD score (1-worst, 10-best)



### EBRD investment in Romania



### EBRD in Romania: Portfolio by sector





# The EBRD in ROMANIA



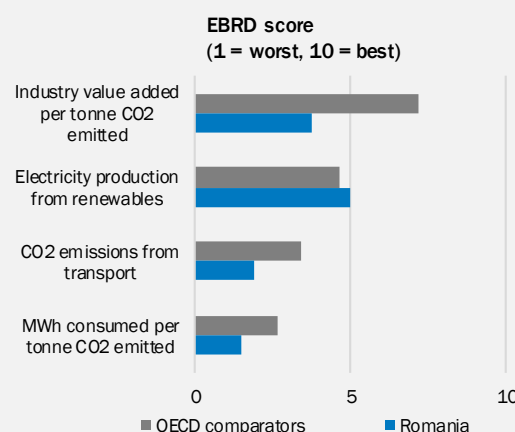
## Green economy transition

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### SDG contribution



Romania's green economy transition needs to focus on sustainable energy. The country has signed up to the Paris Agreement and targets a 40 per cent reduction in greenhouse gas (GHG) emissions by 2030. Romania was the first EU country to achieve the bloc's target of a 20 per cent renewables share ahead of the 2020 deadline, but investment in renewable energy has stalled in recent years due to a lack of commitment. Buildings account for the largest share of Romania's final energy consumption. The quality of its building stock falls well below the standards of EU regulation and a lot of retrofitting is required. While the prevalence of coal has been decreasing slowly (some of it replaced by gas), it remains important. The coal industry is a significant employer, but Romania will need to decommission 100 per cent of its coal infrastructure by 2030 to meet its climate change targets. Promoting e-mobility in public transport policy is also essential.



### How we work

The EBRD is helping Romania to build a green, low-carbon and resilient economy through investments, reforms and policy dialogue. Our approach takes into account the context of Covid-19, highlighting areas of opportunity to support a green recovery. The Bank has extended credit lines through local partner banks, providing a number of Green Economy Financing Facilities (GEFFs) and other funding and risk-sharing instruments that combine technical knowledge with finance to help clients invest in high-performing technologies, with positive demonstration effects. SME adoption of green technologies is also being supported by EBRD business advisory projects, mostly focused on energy and resource efficiency. Significant investments in municipal infrastructure are also being made under the Bank's Green Cities framework.

### The EBRD in Romania

Total	2017-22
€909 million	€101 million
Net cumulative investment in the energy sector	
€2.6 billion	€1.5 billion
Net cumulative investment in the green economy transition	

### Quick links

- ▶ [EBRD Green Cities](#)
- ▶ [Green Economy Transition](#)



The [GEFF in Romania](#) has helped businesses and households invest in high-performing technologies by providing financing through local participating financial institutions.

# Achievements and results: Green economy transition

## We have promoted energy security by:

- ▶ helping to diversify the regional gas supply by co-financing the Bulgaria-Romania-Hungary-Austria gas pipeline to connect Romania with future major gas infrastructure projects, such as TAP, gas sources from Central European hubs and potential gas transports from Black Sea deposits
- ▶ promoting diversification and competition in gas supply, for example, by financing the construction of a 120 km pipeline to bring gas from Romania to Chisinau
- ▶ supporting the regional integration of the energy sector by financing the construction of a power interconnection between Romania (Isaccea) and Moldova (Vulcanesti).

## We have promoted the green economy transition by:

- ▶ financing energy-efficiency projects in privately owned residential buildings in Romania through the Residential Energy Efficiency Credit Line Framework
- ▶ promoting energy efficiency in residential buildings through credit lines to partner financial institutions under the EBRD GEFF
- ▶ promoting energy efficiency, for example, indirectly through GEFF credit lines or directly by providing financing for energy-efficiency renovations in public buildings.

## We have promoted greener cities by:

- ▶ developing Green City Action Plans for cities such as Craiova, Iasi, Timisoara, Constanta, and Medias, to map out a systematic approach to addressing urban environmental challenges (such as road transportation, fuel consumption or carbon emissions)
- ▶ improving district heating and hot water supply and helping to alleviate legacy infrastructural issues
- ▶ under the EBRD Street Lighting Framework, promoting energy-efficient street lighting through LED-based technologies, effective private-sector contracting, better regulation and the smart use of subsidies (for example, in Bacau).

## Better electricity distribution

The EBRD helped the Romanian distribution network to reduce the number of unplanned interruptions from 3.33 per customer per year in 2017 to 2.26 in 2019.

**“This is the second loan that UCFIN has received under the EBRD’s Green Economy Financing Facility programme, after the successful utilisation of the first one, accessed in 2017. With this product, we want to bring our customers closer to what really matters to them and contribute to the transition to a green economy in Romania. The new financing solution from UCFIN offers our customers a very good interest rate for their projects, which are improving energy consumption.”**

**Borislav Genov, President of the management board of UCFIN, 2020**

## Digitalisation

EBRD support for local energy company Electrica helped lead to greater operational efficiency.

## Greater energy efficiency

The EBRD has been working with local banks to promote lending to service providers (house management companies, energy servicing companies and construction firms) to demonstrate new channels of energy-efficiency improvements in residential buildings.

## Higher energy security

The EBRD, along with the EIB, EU and the World Bank, supported regional energy security by financing the interconnection of Moldova’s electricity network with that of Romania.

## Lower pollution

The EBRD helped CEZ Distribution to reduce its distribution network losses from 24 per cent in 2016 to 11.9 per cent in 2019, resulting in GHG emission savings of at least or 250,000 tonnes of CO<sub>2</sub> per year.



[Read](#) how the Bank, together with the EIB, EU and the World Bank, promoted regional energy security by financing the connection of Moldova’s power grid with that of Romania. This significant investment improves the diversification of local electricity resources and strengthens economic development.



[Read](#) how the EBRD is boosting green financing for residents in Romania by providing credit lines for energy-efficient technologies for heating, water and electricity, as well as additional building enclosures (walls, windows and roofs).



[Read](#) how the EBRD supported energy security in Romania by lending €30 million to Premier Energy to provide an uninterrupted gas supply to consumers. The transaction was part of the EBRD’s Resilience and Livelihoods Framework to support companies and countries affected by the war on Ukraine.



[Read](#) how the EBRD backed sustainability upgrades of Romania’s Electrica Group, including the roll-out of smart meters, and enabled more renewable capacity to be connected to the distribution network.



The EBRD in

# ROMANIA

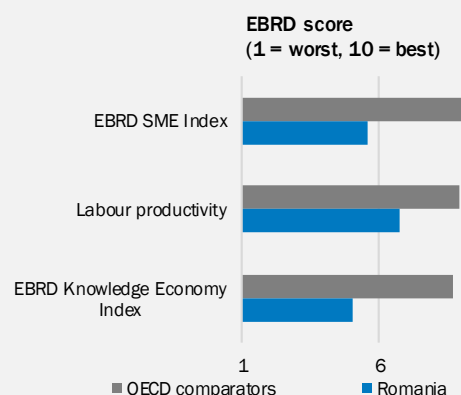
## SDG contribution



## Competitive private-sector and SME growth

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As an EU member state, the quality of Romania's regulatory environment, competition institutions and general conditions for the private sector are relatively good. Larger gaps are noticeable in terms of the country's capacity to generate added value and to innovate, however. Romania's performance in supporting SMEs, as measured by the EBRD SME Index, is on par with that of its peers in the region and slightly above the EBRD average (with a score of 5.6 compared with an average of 5.2 for all EBRD economies). SMEs account for more than half of the economy's value added. However, there is still a lot of room for them to catch up with SMEs in other EU countries in areas such as skills, innovation and the environment.



### How we work

The EBRD works to enhance competitiveness by supporting private-sector growth through advice and finance. We finance and cooperate with leading corporates, and help improve private-sector productivity by providing debt and equity financing, credit lines, or risk-sharing. Our work includes programmes such as Advice for Small Businesses, the EBRD Venture Capital Investment Programme or the prestigious EBRD Blue Ribbon programme, which has welcomed a number of Romanian clients. We also promote European standards and regional integration by investing in projects that help Romania develop value-added exports.

### The EBRD in Romania

Total	2017-22
€1.2 billion	€163 million
Net direct investment in local SMEs	
€951 million	€210 million
Net investment in manufacturing & services	
€363 million	€70 million
Net investment in local equity funds	

### Quick links

- ▶ [Venture Capital Investment Programme \(VCIP\)](#)
- ▶ [Blue Ribbon programme](#)
- ▶ [The EBRD's Star Venture](#)

[EBRD Advice for Small Businesses](#) provides SMEs with finance, business advice, training and mentoring.



# Achievements and results: Competitive private sector and SME growth

## We have enhanced private-sector competitiveness by:

- ▶ financing the capital investment programmes of innovative local companies, such as the Bank's provision of €12.5 million to Romania's DONA pharma group to support its capex plans
- ▶ participating in innovative financial instruments, such as the first sustainable linked bond (by Autonom) listed on the Bucharest Stock Exchange
- ▶ supporting local champions in becoming regional players, such as the €16 million loan provided to Teraplast Group to support the development of its steel business segment in Romania, Serbia and the Slovak Republic
- ▶ launching a regional accelerator initiative to support the development of a central and eastern Europe fintech ecosystem; the Bank partnered with one of the leading start-up accelerators in Europe (SWG) to organise an intensive accelerator in Bucharest
- ▶ supporting the efforts of local banks to expand their MSME portfolios (under the EBRD Financial Intermediary Framework), thereby facilitating greater access to finance (via lease contracts) to even more MSMEs in Romania.

## We have promoted SME growth by:

- ▶ improving access to finance through direct EBRD financing to local SMEs and indirect financing through various credit lines or risk sharing via local banks
- ▶ fuelling the growth of local SMEs under the Blue Ribbon programme (for example, tech company Tremend, online retailer Vivre Deco or car rental services provider Autonom)
- ▶ improving competitiveness through 324 business advisory projects for local SMEs, for example, on digitalisation, energy efficiency and export marketing
- ▶ working with Endeavor, a global entrepreneurship organisation, to amplify support for Romanian entrepreneurs
- ▶ supporting the growing financing needs of local farmers; for instance, the Bank provided a loan to and took an equity stake in Agricovert Credit IFN, a company that supports over 4,500 farmers in Romania.

## SME growth

SMEs advised by the EBRD achieved high growth: 75 per cent of them increased their turnover, creating a total of €510 million of in new sales. Fifty-nine per cent of these SMEs became more productive.\*

## More exports

Twenty-nine per cent of SMEs advised by the EBRD grew their exports, creating a total of €142 million in additional exports.\*

## Job creation

Sixty-two per cent of SMEs advised by the EBRD hired more people, creating at total of 2,595 new jobs.\*

## Better skills

The EBRD helped its client Teraplast Group establish a partnership with Grigore Moisil High School from Bistrita for a dual education programme. The company also successfully developed tailored vocational training.

## Improved standards

The EBRD helped its client Expert Petroleum implement a certified energy management system in line with SR EN ISO 50001:2011 requirements.

## Higher business standards

The EBRD financed improvements in local farms to bring them in line with EU animal welfare regulations.

## Market expansion

The Bank helped Agricovert to promote backward linkages in agribusiness and increase the number of local sunflower seed suppliers by more than 15 per cent.

"Through this additional funding from the EBRD and EIB, Agricovert Credit will continue to offer specialised financial support without any disruption and foster a safe and comfortable environment for all our farmer partners."

Robert Rekkers, Agricovert Credit IFN, former CEO

## Sustainable development

The EBRD helped Lidl Romania to publish its first sustainability report in line with GRI standards, obtain BREEAM certifications with a high rating for a number of properties and fit out a number of new "green" stores.



[Read](#) how the EBRD helped its Blue Ribbon client issue Romania's first sustainability-linked bond.

"We believe that the future belongs to companies with valuable, transparent and responsible business models. We appreciate the thoughtful advice, the passion for excellence and the strong commitment of the EBRD. We are grateful for the Bank's trust, dedication and support for our ambitious vision."

Marius Ștefan, co-founder of Autonom



[Read](#) how the EBRD is enhancing food security in Romania by making €20 million available to local farmers.



[Read](#) how the EBRD is supporting Dona Group, one of Romania's biggest vertically integrated pharmaceutical entities, in expanding and upgrading its services.



[Read](#) how the EBRD is supporting lessees from Romania's MSMEs by working with UniCredit Leasing Corporation. The EBRD ensures that small firms retain uninterrupted access to finance, while diversifying their funding base and helping them become more competitive and resilient.



# The EBRD in ROMANIA



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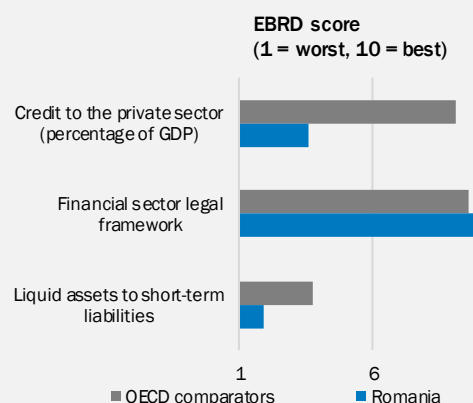
## A resilient financial sector

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### SDG contribution



Romania still faces challenges as a result of limited financial inclusion and less developed capital markets. Financial intermediation remains low and capital markets are still not perceived as a viable funding alternative. Financial intermediation in Romania is low, even by regional standards. Credit to the private sector to GDP and banking sector assets to GDP are well below both the regional and EBRD averages. There are several reasons for this, including strong GDP growth, a lack of adequate demand, the write-off of NPLs and legacy issues arising from the banking crisis Romania experienced at the turn of the century. On the flipside, exposure to government securities is high. Capital markets are still not a sufficiently viable funding alternative. Domestic market capitalisation stands at about 20 per cent of GDP and is lower than in most regional peers. The MSCI's reclassification of Romania from "frontier" to "emerging market" status is still in progress after the FTSE upgraded its status in 2020.



### How we work

The EBRD supports the resilience of the local financial sector through direct and indirect financing and equity investments in systemic banks, as well as through policy dialogue with the government and market participants. It also provides risk-sharing facilities to assist banks with capital optimisation. To support trade, the EBRD Trade Facilitation Programme (TFP) provides guarantees covering political and commercial payment risk. The EBRD also provides trade finance know-how to local banks through training courses, as well as the optimisation of banking procedures and the structuring of trade finance. The EBRD Risk Sharing Framework aims to assist local partner banks in meeting the financing needs of successful SMEs that have begun to outgrow the country's financial sector.

### The EBRD in Romania

Total	2017-22
€2.69 billion	€708 million
Net cumulative investment in the local banking sector	
€3.03 billion	€868 million
Net investment in financial institutions	

### Quick links

- ▶ [Local currency and capital markets development](#)
- ▶ [Trade Facilitation Programme](#)



The European Bank Coordination "Vienna" Initiative is a framework for safeguarding the financial stability of emerging Europe. It brings together public- and private-sector stakeholders of EU-based cross-border banks active in emerging Europe.



# Achievements and results: Resilient financial sector

## We have supported local banks by:

- ▶ increasing support for the local banking sector during Covid-19 and in response to Russia's war on Ukraine
- ▶ promoting leasing in the local currency as an important source of long-term finance for MSMEs, for example, with Raiffeisen Leasing, BT Leasing Romania and Garanti Leasing
- ▶ promoting the resolution of 6.5 million dormant accounts worth a total of €500 million by collaborating with Romania's Financial Supervision Commission and Ministry of Finance
- ▶ lending €25 million to Banca Transilvania, Romanian's largest systemic bank, and €50 million to UniCredit Bank to support on-lending to businesses in the challenging economic environment brought about by the war on Ukraine.

## We have promoted capital market development by:

- ▶ being an anchor investor for large bond issuers, such as BCR, Raiffeisen Bank, UniCredit Bank and Alpha Bank Romania, over a vast range of instruments, from senior unsecured to subordinated bonds
- ▶ bringing local legislation in line with the EU Covered Bonds Framework, thereby enhancing market standards and the investment environment
- ▶ facilitating the expansion of the market for senior non-preferred and senior preferred bonds to support the resilience and regulatory compliance of local systemic banks, as well as for local currency instruments; all proceeds from EBRD investments in these instruments go to green and social projects.

## We have promoted greater variety and sophistication of financial services by:

- ▶ enabling bond issuers to diversify funding sources and address asset-liability mismatches; under the Romania Bond Framework, the EBRD helped support financial stability and set higher transparency standards for bond issuers
- ▶ investing €100 million in a subordinated bond issued by Banca Transilvania as part of a total €285 million issue
- ▶ unlocking new financial instruments, such as covered bonds, senior non-preferred bonds and convertible bonds through investment and ongoing policy dialogue.

## Better governance

The EBRD helped to bring local legislation in line with the EU Covered Bonds Framework and international best practice, thus enhancing the country's investment environment.

## Supporting livelihoods

The EBRD has reacted quickly to support people and businesses in countries affected by the war on Ukraine. Multiple financial institutions in Romania have availed of the EBRD's framework to ensure continued access to financing for MSMEs in a difficult market environment.

## Innovative financing

The EBRD invested in the first subordinated bond listed on the local market in compliance with the EU Capital Requirements Regulation and Capital Requirements Directive IV. The Bank also paved the way for the issuance of the first covered bonds in Romania, facilitating cross-border investment in these novel financial instruments.

## Lower credit risk

Through the Risk Sharing Facility, the EBRD shares risk on loans to private-sector companies extended by Romanian banks, allowing them to meet the financial needs of their clients in a more efficient way.

## First-ever sustainability bond

The EBRD invested the equivalent of €27 million in Romania's first sustainability bonds, issued by Raiffeisen Bank.

## New financing methods

The EBRD, alongside the International Finance Corporation, a member of the World Bank Group, invested RON 240 million (around €50 million) in a subordinated bond issued in a private placement by Raiffeisen Bank in Romania, the first local-currency subordinated bond on the market. The subordinated bonds are listed on the Bucharest Stock Exchange, supporting local currency-listed instruments on the local market.

## Regional development

The EBRD worked with its client Raiffeisen Leasing Romania to support SMEs outside the capital. As of 2020, 94 per cent of the EBRD's sublease portfolio was in regions outside Bucharest.



[Read](#) how the EBRD consolidated its position in sustainable finance and invested RON 131 million (€26 million) in Romania's first sustainability bonds, issued by Raiffeisen Bank. Sustainability bonds are bonds with an allocation to both green and social assets.



[Read](#) how the EBRD helped the Bucharest Stock Exchange to develop and launch its first ever environmental, social and governance (ESG) guidelines.

**"With the launch of the ESG Reporting Guidelines, the Bucharest Stock Exchange continues its initiatives to support the implementation of ESG standards at local level and to provide support to issuers in implementing these standards. We are grateful to the EBRD for its support in developing this guide."**

**Adrian Tanase, Bucharest Stock Exchange CEO, 2022**



[Read](#) how the EBRD's risk-sharing framework allows the Bank to share partner banks' exposures to local enterprises through either funded or unfunded risk participation.



# The EBRD in ROMANIA



## Sustainable infrastructure and public utilities

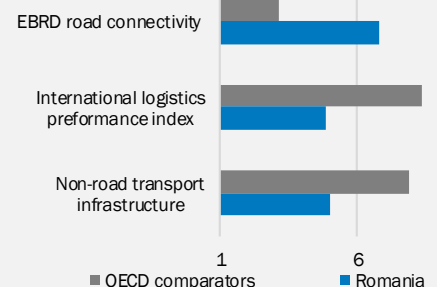
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### SDG contribution



In Romania, roads remain the predominant mode of transport for both passengers and freight. Further investments, reforms and operational improvements are needed at national, regional and local level. Solid waste management is progressing slowly, with the coverage rate increasing from 63 per cent in 2009 to more than 80 per cent in recent years. The recycling ratio for municipal solid waste has remained flat since 2013, however. Moreover, the country boasts very high landfill rates. Urban transport is struggling in many municipalities, with Bucharest ranked as one of the most congested cities in the world. While many cities are highly reliant on outdated bus and minibus services, a comprehensive approach to speeding up improvements should go beyond a mere renewal of bus fleets. The district heating sector is perhaps the least reformed municipal infrastructure sector in the country. Demand-side measures and operational efficiency and sustainability remain unaddressed in all but a few of the remaining operating district heating utilities in the country.

EBRD score  
(1 = worst, 10 = best)



### How we work

The EBRD has focused on supporting the commercialisation of municipal public services and improving the efficiency and quality of service delivery of public infrastructure – including by increasing private-sector participation. Drawing on the Bank's expertise under the EBRD Infrastructure Project Preparation Facility, we mobilise private capital for the development of infrastructure and public utilities. We also champion the use of public-service contracts and public-private partnerships (PPPs). The EBRD's flagship Green Cities programme connects cities' environmental challenges with sustainable infrastructure investments and policy measures.

### The EBRD in Romania

Total	2017-22
€3.01 billion	€535 million
Net cumulative investment in sustainable infrastructure	
€1.39 billion	€403 million
Net cumulative investment in municipal and environmental infrastructure	

### Quick links

- Municipal and environmental infrastructure
- Sustainable Infrastructure Project Preparation Facility
- EBRD Green Cities



#### [EBRD Green Cities](#)

strives to build a better and more sustainable future for cities and their residents. The

programme achieves this by connecting cities' environmental challenges with sustainable infrastructure investments and policy measures.

# Achievements and results: Sustainable infrastructure and public utilities

We have promoted better infrastructure by:

- ▶ addressing infrastructural deficits by investing, structuring, procuring and delivering complex infrastructure projects
- ▶ financing urban mobility infrastructure alongside institutional reforms to outsource maintenance to the private sector
- ▶ improving energy efficiency and asset management planning and helping to alleviate legacy infrastructural issues through the EBRD Green Cities programme.

We have promoted better transport by:

- ▶ improving the operations of urban public transport companies, for example, by restructuring public service contracts or through private-sector participation in urban transport (such as in Pitesti, Iasi, Brasov and Timisoara)
- ▶ promoting better urban transport, for example, by financing the modernisation of public transport fleets across the country and supporting the commercialisation of local transport companies
- ▶ promoting IDAs to address overlapping services and obligations between urban transport operators and commuter services provided by smaller municipalities.

We have supported improvements in public utilities by:

- ▶ backing infrastructure upgrades at the electricity distribution company (DEER), serving more than 3.8 million users
- ▶ supporting the extension and rehabilitation of water and wastewater infrastructure in smaller localities by co-financing loans, alongside EU grants, under the EU Large Infrastructure Operational Programme
- ▶ working closely with the energy sector regulator and providing recommendations on the implementation of electricity market reform as part of the Bank-funded Energy Sector Regulatory Development Programme.

## Better governance

The EBRD supported the establishment of inter-community development agencies (IDAs) in more than 20 counties in Romania. IDAs' contracted water and urban transport services improve the efficiency of public services in the regions.

## Digitalisation

The EBRD supported a smart electricity grid, which promotes the integration of renewable projects.

## Gender equality

As part of its cooperation with the EBRD, Electrica Group has committed to providing a more equal workplace and improving working conditions for women by adopting a gender-based violence and harassment policy.

**"The EBRD is a strategic partner for Romania that provides support for the implementation of structural reform policies. Much of the EBRD's support will go towards green energy and energy efficiency goals."**

Marcel Bolos, Romania's Minister for European Investments and Projects

## Improved accounting standards

EBRD helped to introduce International Financial Reporting Standards (IFRS) reporting for our client public service operators.

## Lower emissions

Modernised public transport fleets in major cities financed by the EBRD generate significantly fewer CO<sub>2</sub> emissions.

## Private-sector participation

A performance based-contract was signed by RAJA Constanta, the largest regional water operator in Romania, with a private utility with the objective to reduce water losses.

The EBRD helped to tender out suburban bus routes to private operators in Alba-Iulia, Bistrita, Craiova, Arad and Brasov.

## Water saved

The EBRD's investments in the Romanian water sector are expected to significantly reduce water losses.



[Read](#) how the EBRD is supporting the city of Timisoara, improving city tram transport and other key infrastructure projects in 2020-23.



[Read](#) how the EBRD is promoting better water services to comply with EU directives and improving hygiene standards, including in Romania's Buzau county.



[Read](#) how the EBRD is supporting the water utility sector in Romania with a standby liquidity facility of up to €5 million to SC Raja Constanta SA (RAJA), the largest regional water and wastewater company in the country, to help it cope with the impact of the Covid-19 pandemic on its business.



[Read](#) how the EBRD is helping the city of Craiova to buy environmentally friendly buses and improve the energy efficiency of public buildings.



# The EBRD in Romania: Selected achievements and results

## Promoting sustainable transport across Romania:

The Bank helped to establish seven inter-community development agencies (IDAs) in Iași (1), Arad (2), Brasov (3), Craiova (4), Bucharest (5), Oradea (6) and Alba-Iulia (7). The Bank also supported IDAs in successfully contracting urban transport services in metropolitan areas.

## Supporting the livelihoods of SMEs affected by Russia's war on Ukraine:

The EBRD has reacted quickly to support people and businesses in countries affected by the war on Ukraine. Multiple financial institutions in Romania have availed of the EBRD's framework to ensure continued access to financing for MSMEs in a difficult market environment.

## Better waste management in Iași (1):

The EBRD helped improve the collection of waste in the county of Iași in line with EU standards. The Bank helped to establish an institutional set-up and tariff reforms. Iași county, with the assistance of the Bank's consultant, has awarded two contracts to private operators: a contract for waste collection and transport and a contract for the operation of new waste sorting and treatment facilities.

## Higher energy security in the region:

The EBRD along with the EIB, EU, and World Bank, helped the region to enhance its energy security by financing the interconnection of Moldova's electricity network with that of Romania (9).

## Better skills in Bistrița (8):

The EBRD helped its client Teraplast Group to establish a partnership with Grigore Moisil High School in Bistrița for a dual education programme. The company also successfully developed tailored vocational training.



## Improved reporting for companies listed on the Bucharest Stock Exchange (5):

The EBRD helped the Bucharest Stock Exchange (BSE) to launch a new reporting system for issuers based on the highest international standards. Issuers on both the regulated market and the alternative market (AeRO) can use IRIS (Issuers Reporting Information System), which is a platform intended to increase market transparency by providing a fast, secure and reliable communication system for dissemination of the issuer's reports in text format (HTML). The BSE has also set up a corporate governance institute, which offers relevant training to listed companies.

## Partnerships

The EBRD supports the transition process by taking a holistic approach through a combination of investment, risk mitigation, capacity building and policy dialogue with local and central governments, regulators, financial institutions and representatives of civil society. Partnership with donors is critical to this process to address transition

challenges, affordability constraints, improve market outcomes in the presence of significant externalities, and steer investments towards improved sustainability and transition impact across the EBRD's regions. With a focus on sustainable and inclusive private-sector development, donor funds also play a key role in building low-carbon

economies and mitigating climate risks. The EBRD has worked with donors since its creation and currently manages relations with a broad and varied donor community of up to 50 different partners, primarily governments and multi-lateral organisations.

## Our partnerships in action

- ▶ Lending the Romanian city of Timisoara €20.3 million to improve the city's tram transport
- ▶ Working with the EU to support infrastructure projects
- ▶ Working with the IFC to invest in the first local currency subordinated bond in the market
- ▶ Working with the EU to promote innovation under the EU's Horizon 2020 framework
- ▶ Working with the International Cooperation and Development Fund (Taiwan ICDF) to support residential energy-efficiency improvements
- ▶ Memorandum of understanding with Romania to support better absorption of EU Funds
- ▶ Setting up Endeavour, the world's leading community of high-impact entrepreneurs, in Romania, donor-funded by Türkiye
- ▶ Working with the Green Energy Special Fund (GESF) to provide cleaner and more comfortable urban transport



## Work with us

### Financing

Loans

Equity

Guarantees (including to local banks for trade finance)

### Advice

Expand

Improve processes and governance

Navigate regulatory environment

Train workers

### Goods and services

Procurement

Careers

### Participate

NGO roundtable

Have your say on EBRD policies and strategies

## Contacts

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### New business enquiries

Business Development department

Tel: +44 20 7338 7168

Email: [newbusiness@ebrd.com](mailto:newbusiness@ebrd.com)

## Shareholding

28 March 1991

Joined the EBRD

1992

EBRD started investing

€144.07 millions

Romania's capital subscription

Çağatay İmirgi

EBRD Board Director for Romania

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