



ENERGY COOPERATION BETWEEN THE EU, THE LITTORAL STATES OF THE BLACK & CASPIAN SEAS AND THEIR NEIGHBOURING COUNTRIES



Launch of MoSEFF

EBRD demonstrated its commitment to development of new financial instruments in the Moldova at the launch of MoSEFF, the Moldova Sustainable Energy Finance Facility, at the LeoGrand hotel in Chisinau on Thursday 11th February 2010.

MoSEFF will address Moldova's heavy reliance on energy imports and the increasing internal costs of energy by providing a credit line of EUR 20 million through local banks for Moldovan businesses to use to invest in energy saving measures. The implementation of the credit line will be supported by EU grant resources of up to €6.06 million. The grant will have two elements: (1) Project preparation technical assistance to promote supplier networks, awareness raising and capacity building both in banks and end-borrowers (€1.97 million); and (2) Performance fees to the participating banks and investment incentives at the end-borrower level to address barriers to energy lending in the market (€4.09 million).

The MoSEFF launch was hosted by Libor Krkoska, EBRD Head of Office, Chisinau. Guest speakers included Mr Dorin Dragutanu, Governor of the National Bank of Moldova and Ilarion Popa, Deputy Minister, Ministry of Economy and Commerce.

Representing EBRD were Ian Smith, Principal Manager, Alex Tanase, Senior Banker and Alexander Hadzhiivanov, Principal Manager. Representing the MoSEFF implementation team was Project Manager, Tino Mahler.

Mr Popa outlined the legislative support of energy efficiency, which has been recognized as a key economic factor by both the government and the business community in Moldova.

Mr Dragutanu highlighted the importance of aligning the country's energy policy with its fiscal policies.

The event was well attended with the number of participants exceeding the number invited. More than 120 high level representatives from the Moldovan financing sector and business community attended the launch event. Extra chairs were needed to provide seating for late registrations. The launch event drew a great deal of media attention and the Facility was met with immense interest from business and general public in Moldova.

Mr Smith's presentation on EBRD's experience with other sustainable energy finance facilities included case studies demonstrating the cost savings possible with the installation of energy saving technology.

Mr Mahler outlined the structure of MoSEFF: the project categories, eligibility criteria for clients and some specific examples of energy saving equipment, with details of the cost and the potential energy savings. Also presented to the audience was the MoSEFF website (www.moseff.org), a tri-lingual information portal for the Facility.

The question and answer session which followed the presentations allowed the audience to find out more about MoSEFF, with questions about loan conditions, the amount of grant incentive and its method of calculation.

One participant asked how energy efficiency lending could be considered profitable in a climate of such tough credit conditions. The MoSEFF team's response was that investing to save money is always viable, especially if it makes your firm more competitive.

Interest in the facility from the Moldovan banking community was strong with representatives from six banks attending.

There was significant interest from local media, with representatives from Moldovan radio, TV and press attending and asking for interviews after the event.