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PRESS RELEASE

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EBRD in €55 million Extension to the Bulgarian Energy Efficiency and Renewable Energy Credit Line (BEERECL) Facility

Extension of Credits due to BEERECL success since April 2004

The EBRD¹ has agreed to a second extension of the Bulgarian Energy Efficiency and Renewable Energy Credit Line (BEERECL) facility through 30 June 2011 to continue on-lending through local banks to private industrial companies in Bulgaria to finance energy efficiency and small renewable energy projects. The extension increases the existing BEERECL portfolio by up to €55 million.

The Bulgarian government has undertaken several key measures to combat energy wastage in the country. Nevertheless, energy consumption per unit of GDP remains well above the average for other EU states. Since April 2004, the €100 million BEERECL facility has developed 150 sustainable energy projects, disbursed loans of €81.4 million and provided incentive grants of €13.7 million to project developers. These projects have annually reduced Bulgaria's CO₂ emissions by over 570,000 MTCO_{2eq} and replaced 891,324 MWh of electrical capacity from the Kozloduy Nuclear Power Plant with green energy sources, enough to cover the electricity consumption of about 282,000 homes.

The EBRD funds are complemented by the Kozloduy International Decommissioning and Support Fund (KIDSF) grant funding which provides support to overcome barriers still faced by sub-borrowers in developing/financing and implementing such investments. The KIDSF grants will be used to provide: (i) a completion fee to sub-borrowers ranging up to 15% - 20% of the BEERECL loan amount, and (ii) completion fees to participating banks. The grant funds also provide free technical assistance to sub-borrowers from EnCon Services² on the basis that sub-loans meet the objectives of the KIDSF. Discussions are currently taking place with potential participating banks. To date United Bulgarian Bank and Unicredit-Bulbank have agreements with EBRD to participate in the credit line.

The EBRD is one of the largest investors in Bulgaria with some €1.5 billion committed to projects. James Hyslop, EBRD Director for Bulgaria, said: "The EBRD will continue to foster investments in EE and RE in Bulgaria and is committed to pledge more funding for such initiatives in the future." Jacquelin Ligot, EBRD Director for Energy Efficiency and Climate Change, said "... there is a tremendous potential for improvement in energy efficiency in Bulgaria. This new funding provides the incentives to do just that."

¹ The EBRD, owned by 61 countries and two intergovernmental institutions, aims to foster the transition from centrally planned to market economies from central Europe to central Asia. Visit the EBRD's website: www.ebrd.com

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