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Planul Național de Redresare și Reziliență

Banca de Investiții și Dezvoltare

Who is BID?

The only development bank owned 100% by the Romanian state, through the Ministry of Finance.

Established through PNRR, BID's mission is to sustainably support economic and social development, competitiveness, and innovation.

Objectives:

1 Facilitating access to financing for SMEs

2 Supporting the process of accessing and using European funds

3 Facilitating the financing of infrastructure projects, both local, regional, and national

4 Providing technical assistance

But…

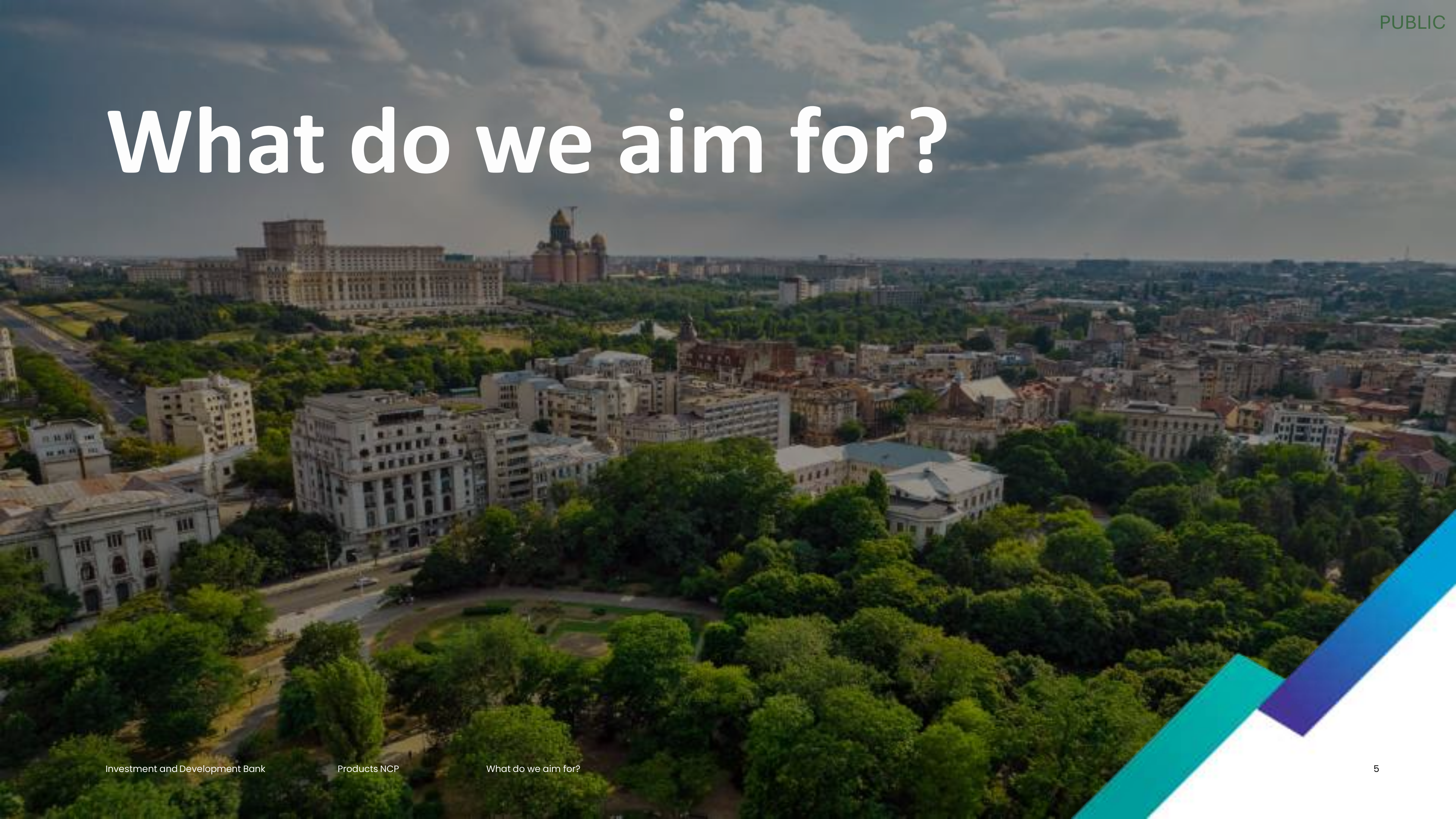
We are NOT A

- Commercial bank
- Competitor of private financing
- Ministry

We ARE

Support for projects:

- Viable
- Sustainable
- Useful to the community



What do we aim for?

Financing deficit covered by BID, by the end of 2027:

SMEs

12,5 billion LEI

18%

Water and Sewage Infrastructure

approx. 2 billion LEI

5%

BID supports projects that have economic and social impact, are viable, but would have reduced access to the necessary financing.

Why a development bank in Romania?

What do the data say?

About SMEs:

- Oriented towards the domestic market, less globally integrated, less capitalized, and conducting activities with low added value
- Investments and innovation concentrated more among multinational companies
- Delayed payments from private or public entities, increasing problems related to production costs, labor costs, availability of qualified personnel, competition, and client identification
- Limited access to financing, rejection rate of financing requests almost three times higher than the EU average

Financing deficit

Category	Total banking financing deficit
SMEs	**2,13 billion €**
of which:	
Micro	532,5 million €
Innovative	750 million €
Other SMEs	> 1 billion €

Source: Market Assessment, European Investment Bank, update January-April 2024

What do the data say?

About infrastructure:

- **Transport:** Low road density vs. EU (38 km/million inhabitants)
- **Water and sewage:** Approx. 4.5 million people without access to current drinking water networks
- **Social infrastructure:** Investments in health (6.27% of GDP), culture, and education (3.1% of GDP) are significantly below the EU average
- **Energy efficiency:** 77% of buildings in Romania need energy renovation
- **The capacity of local authorities:** Difficulties in co-financing projects and managing cash flows

Financial deficit

Transport
32,2 – 34,6 billion €

Social infrastructure
11,7 billion €

Water and sewage
10 billion €

Energy efficiency
9 – 9,9 billion €

Source: Market Assessment, European Investment Bank, update January-April 2024

Who are BID's clients?

Entities of public interest:

Administrative-territorial units (UAT), companies owned by public bodies providing a public utility service or public utility companies under UAT, other companies of local or national public interest and utility with majority state capital, public institutions.

Financial intermediaries:

Commercial banks, IFNs, credit cooperatives, other financial bodies.

Financial Instruments: Guarantees and Financing

Individual Guarantee

Unconditional • Irrevocable • Payable on first demand • Express

Eligible beneficiaries	• Administrative-territorial units • Companies of local or national public interest and utility • Public institutions
Maximum guarantee percentage	80%
Guarantee amount	5 – 150 million LEI
Currency	LEI
Guarantee destination	Non-revolving credit facilities for full/partial financing of investment projects, granted by financing banks, aimed at sustainable development of local or regional communities. Note: Working capital loans can also be granted, up to 10% of the financed value of the investment project
Maturity of the guarantee and maximum validity	Maturity of the financing + 180 days, but no more than 15 years

Individual Guarantee

Unconditional • Irrevocable • Payable on first demand • Express

Transaction eligibility criteria

- Refinancing is not accepted
- Internal credit regulations of the financier are respected
- BID's internal regulations regarding the issuance of the guarantee are respected, including meeting DNSH requirements, environmental and social factors (E&S), Climate Proofing

Transaction eligibility criteria

- Not subject to restructuring process
- Not in insolvency, foreclosure, operational closure, dissolution, liquidation, financial crisis (only UAT)
- Complies with the bank's and BID's compliance and KYC rules

Public interest companies:

- No overdue payments older than 30 days to the state and/or bank financiers

For state aid beneficiaries only:

- The enterprise is not in difficulty
- Not subject to an unexecuted recovery order following a previous decision of the European Commission declaring aid illegal and incompatible with the internal market

Individual Guarantee

Application Steps – through Financial Intermediary

1 **Consult the list** of BID's partner financial intermediaries and the eligibility criteria published on BID's website, bidromania.eu

2 **Submit the financing request** directly to one of the approved financial intermediaries

3 **Submit the documentation** requested by the intermediary, in accordance with BID's requirements for guarantee*

*To respect the principle of market non-distortion, the beneficiary is required to provide evidence that they have attempted to obtain financing from the market under objectively acceptable conditions, but without success.

Portfolio Guarantee for SMEs*

Unconditional • Irrevocable • Payable on first demand • Express

Eligible beneficiaries	• Micro-enterprises • Small and medium enterprises *Except those in excluded domains
Maximum guarantee percentage	80%
Validity of the guarantee ceiling	December 2027
Financing destination	• Investments in tangible/intangible assets • Non-revolving working capital *Exclusion: Refinancing existing loans
Investments in tangible/intangible assets	10.000.000 LEI *500.000 LEI -for financing granted by certified IFNs in the field of microfinance

*Based on the de minimis aid scheme, according to European Union Regulation No. 2023/2831, regarding the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union on de minimis aid.

Portfolio Guarantee for SMEs

Transactions

Currency	LEI
Repayment term	12 – 120 months
Beneficiary eligibility criteria	• Compliance with the EU SME definition • Compliance with DNSH requirements • Compliance with state aid legislation • No overdue payments to the state budget • Compliance with financier's requirements • No overdue credits/leasing at the time of financing request, or classified in categories A, or B • Not prohibited from issuing checks and no major incidents with promissory notes in the last 6 months • No negative equity in the last 2 consecutive years • Has the necessary authorizations and approvals for conducting activities

Portfolio Guarantee for SMEs

Application steps

1 **Consult the list** of BID's partner financial intermediaries and the eligibility criteria published on BID's website, bidromania.eu

2 **Submit the financing request** directly to one of the approved financial intermediaries

3 **Submit the documentation** requested by the intermediary, in accordance with BID's requirements for guarantee*

*Within the deadline for submitting documents from the participation invitation published on www.bidromania.eu.

Invest at home

The Diaspora program is designed to encourage entrepreneurial investment by Romanians living abroad. It aims to turn international experience, expertise and capital into sustainable investments that contribute to the country's long-term economic development.

Eligible beneficiaries	Start-ups
Destination	Investments aimed at increasing the competitiveness of start-ups and their ability to adapt to market dynamics and requirements by facilitating access to financing to establish and grow businesses in Romania.
Type of financing	Guaranteed Loan with capital rebate under conditions of completing the investment within a predefined period
Total allocation	Approx. 100 million EURO (equivalent in LEI)
Individual allocation/project/beneficiary	Max. 300K EURO (equivalent in LEI)
Period	4 years

Direct Financing

Eligible beneficiaries	• Administrative-territorial units • Companies of local or national public interest and utility: operators/autonomous regions for water supply and wastewater disposal, electricity and gas, public transport, infrastructure companies, public health • Public institutions
Type of financing	Non-revolving credit facility, medium/long term, allowing pre-financing and co-financing within investment projects developed under PNRR or with other structural and/or national funds
Guarantee amount	5 – 150 million LEI
Currency	LEI
Destination	Investment projects aimed at developing local or regional communities in the fields of infrastructure, public utilities, education, health, research, innovation, culture, sports.

Direct Financing

Maximum maturity	15 years
Eligibility criteria for UAT	• Not in financial crisis or insolvency • Debt service (according to legal framework) <= 30% • Total indebtedness* maximum <=50% *Including loans contracted/guaranteed benefiting from non-reimbursable EU funds and loans granted for refinancing local public debt
Eligibility criteria for public interest companies and public institutions	a. Not in one of the following situations: • Insolvency or opening of preventive concordat procedure • Involved in economic crimes (e.g., tax fraud) • Subject to restructuring process • Foreclosure procedure initiated, including foreclosure initiated by fiscal enforcement bodies, operational closure, dissolution, liquidation • Overdue payments older than 30 days • Listed in CIP with major incidents in the last 12 months b. Beneficiary has positive equity, according to the balance sheet for the last fiscal year.

Direct Financing

Application steps

1 **Check the eligibility criteria** on the BID website, bidromania.eu/produse

2 **Prepare the documentation** according to the relevant product guidelines provided on the website

3 **Submit the application** online, via email: start@bidromania.eu, or using one of the methods presented on bidromania.eu/contact

European Funds Financing

First Regional Participation Fund financed through the North-East, South-East, and Bucharest-Ilfov Regional Programs, within the Cohesion Policy 2021-2027

Eligible beneficiaries	SMEs, including micro-enterprises
Destination	Investments with impact in the North-East, South-East, and Bucharest-Ilfov regions.Support aimed at increasing the competitiveness of SMEs and their ability to adapt to market dynamics and requirements by facilitating access to financing
Type of financing	Loan with reduced interest and risks combined with early repayment of principal under conditions of completing the investment within a predefined period
Total allocation	Approx. 233.35 million EURO (equivalent in LEI)
Individual allocation/project/beneficiary	Approx. 5 million EURO (equivalent in LEI)
Period	7 years

European Funds Financing

Financial instrument financed through the Sustainable Development and Just Transition Programme 2021-2027, supporting strategic investments in critical technologies under the Strategic Technologies for Europe Platform (STEP).

Eligible beneficiaries	SMEs and large enterprises
Destination	Investments in the development and production of strategic technologies under the Strategic Technologies for Europe Platform (STEP), supporting digital technologies, clean technologies and biotechnology in the Just Transition regions of Gorj, Hunedoara, Dolj, Prahova, Galați and Mureș
Type of financing	educed-interest loan combined with a capital rebate grant of up to 50% of the financing amount, subject to successful completion of the investment during the grace period.
Total allocation	Approx. 188.73 million EURO (equivalent in LEI)
Individual allocation/project/beneficiary	Up to EUR 10 million for SMEs and EUR 50 million for large enterprises. (equivalent in LEI)
Period	Up to 12 years (144 months), including a grace period of up to 36 months.

BID and the Funds associated with the Three Seas Initiative

Romania participates in the Funds associated with the **Three Seas Initiative** (3SI) as part of its economic diplomacy, with the support of the Investment and Development Bank.
The 3SI pursues political and geopolitical objectives, supporting infrastructure projects and investments in the fields of energy, transport, and digitalization.

The purpose of the initiative is to reduce economic development gaps in the region, increase north–south connectivity, and support new investments, economic growth, and energy security.

The Three Seas Initiative Investment Fund (3SIIF)

Romania's contribution to the fund's share capital is **€20 million.**

So far, the fund has generated investments of approximately **€260 million** in Romania, mainly in the **energy sector**.

The Three Seas Initiative Innovation Fund

- It primarily supports SMEs and innovative companies to enhance the region's competitiveness and promote **sustainable growth**.
- The Investment and Development Bank (IDB) joined the Three Seas Initiative Innovation Fund with a **contribution of €20 million**.

The Successor Fund of the 3SI Investment Fund

- The Investment and Development Bank (IDB) contributes to the **fund's structure**, which will focus on **infrastructure investments**.

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What's next?

Development of financial instruments based on a mandate from the Romanian state

2025

Taking over the activity segment carried out by Exim Banca Românească on behalf and in the account of the Romanian state

2025+

Administration of European funds

The bank will manage financial instruments such as:

- **Loans;**
- **Portfolio guarantees;**
- **Equity;**
- **Grants:** (combined in a single operation with the above).

Other potential activities:

BID has the possibility to take over the mandate and administration of national funds, complementary to European ones (for supporting SMEs, agriculture, innovation, or local transport or energy infrastructure*).

*According to the Industrialization Strategy, approved by HG 1470/2024, BID is, alongside EIB and EBRD, a financial institution involved in supporting the energy sector.

2026

Consultancy and Technical Assistance Services

For facilitating the unlocking of investments and increasing the absorption capacity of European funds.

Areas of intervention:

- Investment projects carried out by SMEs, including in the agricultural sector
- Research, Development, and Innovation
- Climate transition and sustainable development
- Improving financial strategy for local and regional public entities

2025–2028

- Extended Portfolio Guarantee for Agriculture and Sustainability
- Public infrastructure projects: education and health, transport, energy

2028

- Project financing in Public-Private Partnership (PPP) structures
- Solutions for large enterprises
- Financial instrument: Equity
- Equity Seed loans, with a grant element

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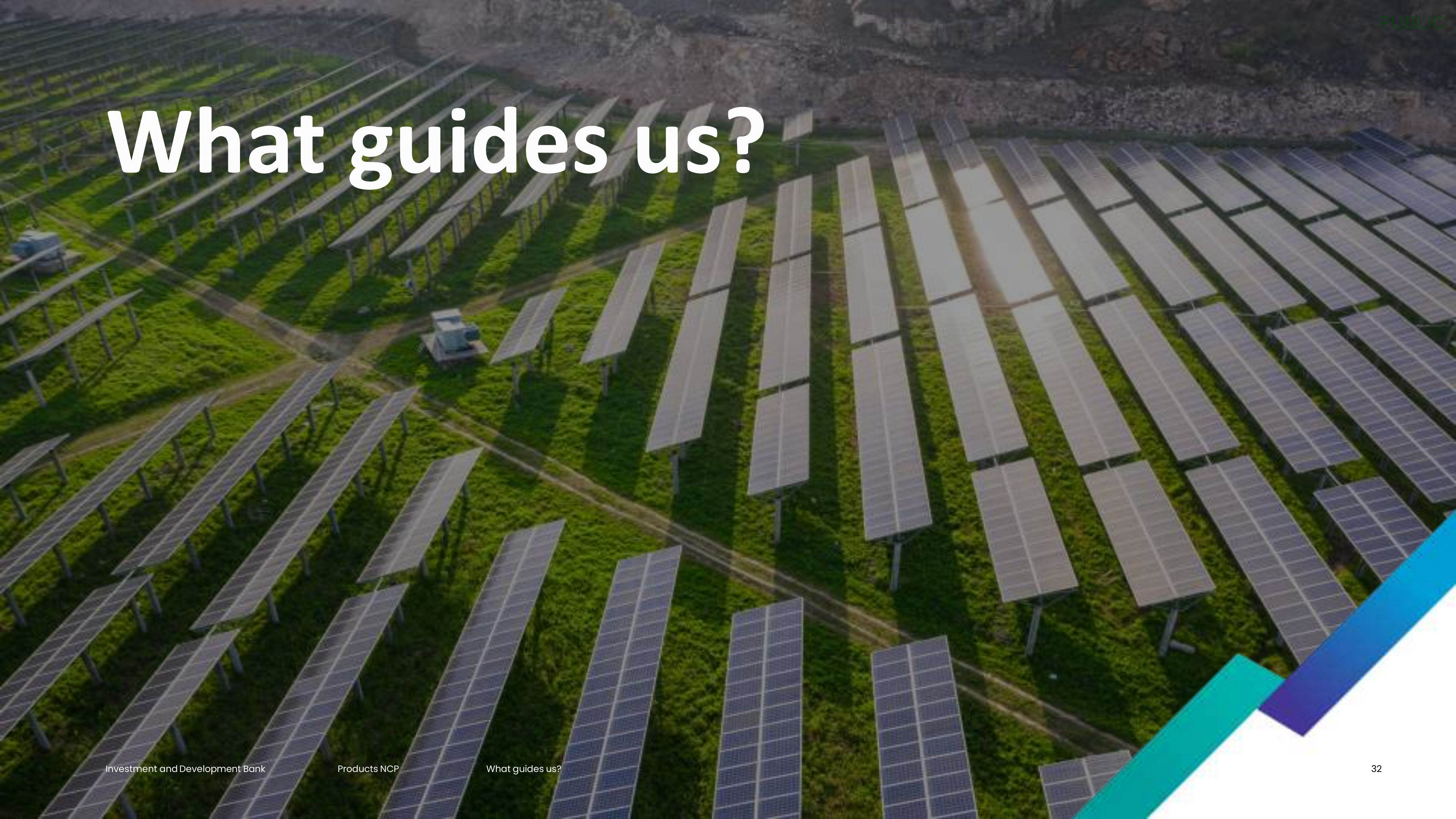
What guides us?



State Aid

BID's financial products comply with state aid legislative norms*.

Cooperation with:

- **Ministry of Agriculture and Rural Development**
- **Competition Council**
- **Interministerial Council for the application of state aid policy**

BID **can extend** its portfolio of activities in relation to state aid, provided **individual notification** to the **Commission** or national authorities with competencies in the field.

*European Commission Decision 104762 (2022/N) on state aid for the establishment of the Investment and Development Bank

State Aid for Enhancing Business Competitiveness

State aid scheme supporting productive investments that enhance the competitiveness of Romanian businesses, promote regional convergence and reduce economic disparities across the country.

Eligible beneficiaries	SMEs, including micro-enterprises
Destination	Investments aimed at increasing the competitiveness of SMEs and their ability to adapt to market dynamics and requirements by facilitating access to financing
Type of financing	Guaranteed loan with subsidized interest for investments
Total allocation	Approx. 500 million EURO (equivalent in LEI)
Individual allocation/project/beneficiary	Max. 7 million EURO (equivalent in LEI)
Period	10 years

"Do no significant harm": Climate neutrality and sustainable development

BID's mandate: **sustainable** development of Romania and promoting the implementation of the horizontal objectives of the **green and digital transition.**

What are the six environmental objectives?

EO1 – Climate change mitigation – avoiding high greenhouse gas emissions.
EO2 – Climate change adaptation – reducing vulnerability to climate-related risks.
EO3 – Protection of water and marine resources – maintaining a good ecological status.
EO4 – Circular economy – preventing waste and excessive waste generation.
EO5 – Pollution prevention and control – limiting emissions into air, water, and soil.
EO6 – Biodiversity and ecosystems – conserving habitats and species.

Examples of sustainable activities

Renewable energy – production of solar and wind energy.

Eco-friendly transportation – manufacturing and use of electric or hydrogen vehicles (infrastructure for public transport or freight/passenger transport)

Green construction – energy-efficient buildings or renovations that reduce energy consumption

Sustainable agriculture – farming practices that protect soil and water

Circular economy – recycling and waste reduction

Sustainable water management – water treatment and reuse systems

Emission-reduction technologies – carbon capture and storage.

In conclusion…

BID

- ✓ contributes to remedying market dysfunctions
- ✓ is a financial intermediary and catalyst for private investments
- ✓ ensures improved access to financing in sectors perceived as high-risk
- ✓ offers a personalized approach and technical support

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Thank you!

Banca de Investiții și Dezvoltare

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