

GANES

PERSPECTIVE MATTERS

European Grants for Biomass and Biogas Projects in Romania 2014-2020

June 2014

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Overview

The credit crisis of recent years has created a distorted perception of the risk of investment.

Unlike traditional forms of energy, biogas and biomass projects are smaller in size and more entrepreneurial, which presents two issues:

- increased perception of risk by private investors
- Difficulty in providing advantageous interest rates (because of the limited track record of such projects in Romania).

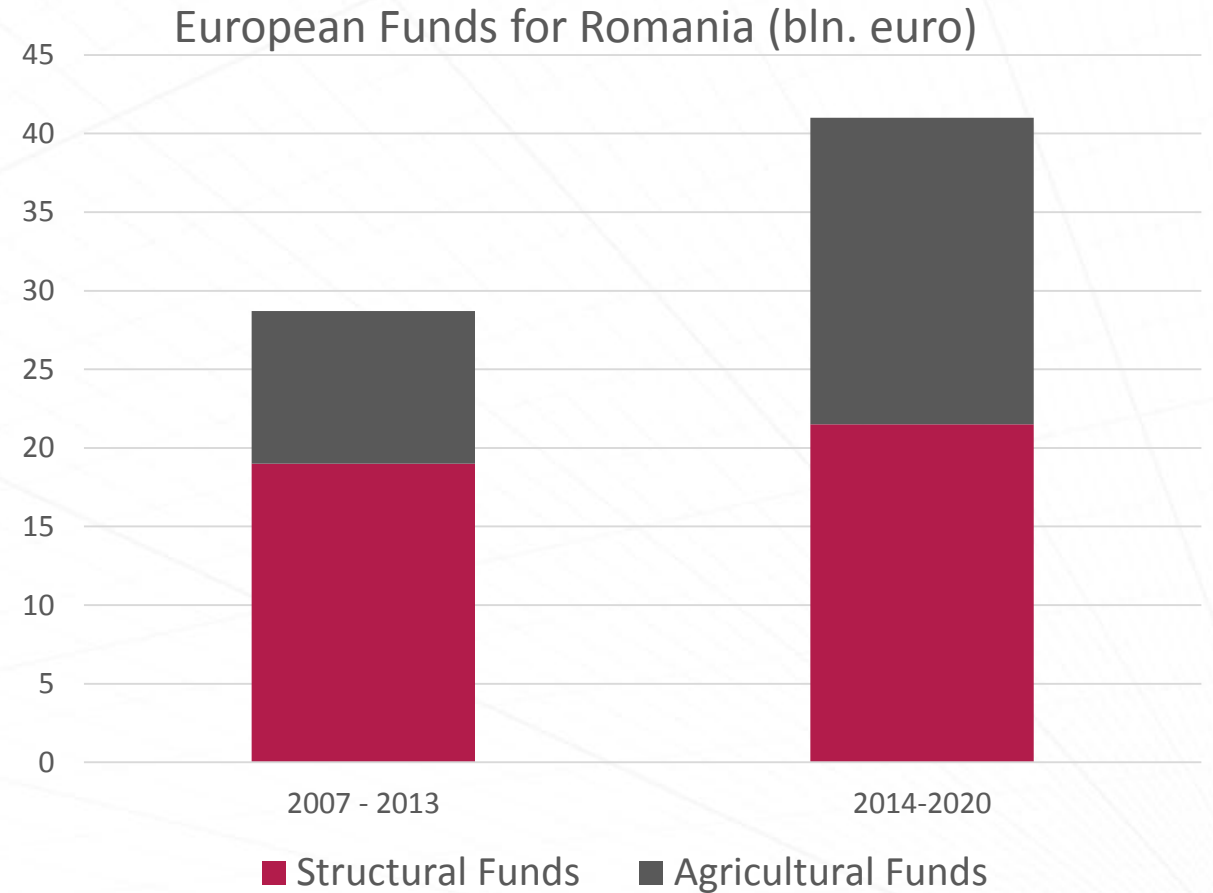
Grants provided by the European Union by its structural and rural development funds (EAFRD) are an attractive alternative means of financing biomass and biogas projects.

European Funds for Romania 2014-2020

Romania is eligible to receive grants from the European Union to finance public and private projects that are identified as priorities for the country's development.

Projects are funded from two main sources:

- Cohesion Fund and the European Fund for Rural Development (Structural Instruments)
- Common Agricultural Policy (European Agricultural Fund for Rural Development)



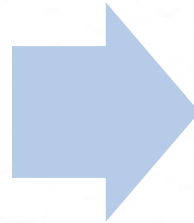
Funds for renewable energy

The Romanian Government has made the bioenergy sector a priority recipient of EU funding under the 2014-2020 EU financial perspective.

Renewables Sector EU Funding priorities

2007 – 2013

- Wind
- Solar



2014 – 2020

- Biomass
- Biogas
- Geothermal

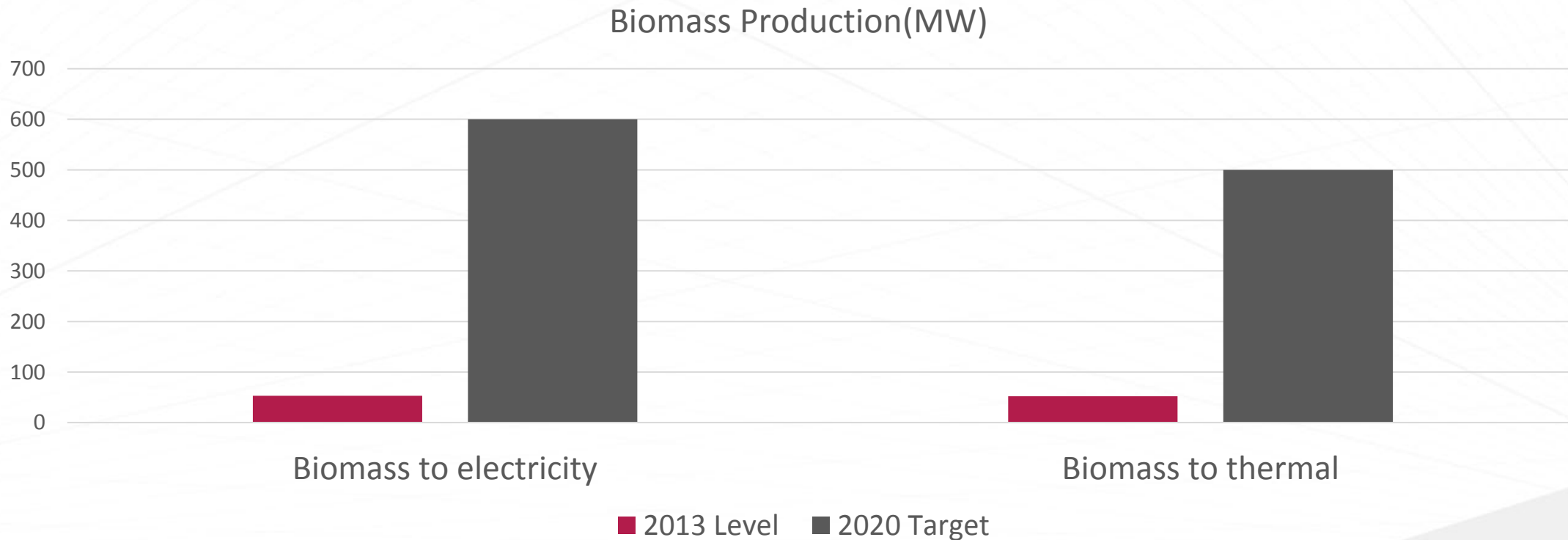
What caused this change?

Advantages of the biomass / biogas sector

- ✓ significant domestic raw materials (agriculture, forestry, waste);
- ✓ opportunity to resolve the issue of district heating;
- ✓ storage capacity;
- ✓ less impact on the national transport network than relying on 'traditional' energy sources;
- ✓ positive impact on the sustainability of farms;
- ✓ positive impact on the problem of waste;
- ✓ ability to replace fossil fuels with biomass heating plants.

Romania`s targets for BioEnergy

Romania has set ambitious targets for 2020 with regards to the development of the BioEnergy sector.



Directive 28/2009: "Public support is needed to achieve the Community's objectives in terms of expanding the use of renewable energy from biomass, geothermal, and small hydropower, where serious gaps are recorded against targets undertaken by the National Energy Strategy. "

Financing bioenergy targets 2014-2020

Romanian authorities expect two major outcomes following the absorption of EU funds directed towards the BioEnergy sector:

- 15% of installed power replacing decommissioned thermal heating plants to be provided by biomass (cogeneration with combined cycle or heat recovery gas turbines) = **200 MWth**
- An additional **50 MWe** installed power – direct result of EU funds allocated to biomass plants for grid supply

BioEnergy projects financed by EU Funds 2014-2020:

- Biomass and biogas plants for grid supply (electricity and cogeneration)
- Waste to energy projects for non-recyclable waste
- Biomass-powered thermal heating plants for local communities
- Biomass and biogas-powered thermal heating plants for buildings
- Biomass and biogas plants for farms
- Biofuel production from biomass in rural areas
- Biomass cogeneration projects submitted by Local Action Groups

Operational Program Large Infrastructure

Axis 4
Investment Priority 2
Specific Objective 4.2.1

Strengthening and expansion of integrated waste management systems, including energy recovery from waste.

Projects funded

Increasing energy efficiency by recovering energy from waste wastes that can not be recycled.

Operational Program Large Infrastructure (2)

Axis 7 Investment Priority 1 Specific Objective 7.1.1	Renewable resources to produce electricity and thermal energy (biomass, geothermal, micro hydro).
Projects funded	Power plants and biomass cogeneration
Beneficiaries	<ul style="list-style-type: none"> • Companies that take products from the associations of farmers, forest owners associations, landowners that planted biomass grown in excess or exploitation of forest areas; • Companies that take products from SMEs in agriculture; • Small and medium companies with organic waste generating activities that can be places with a number of inhabitants <10,000 people interested in building heat (with or without cogeneration) designed to ensure the comfort of the urban population.
Intensity (% Of total eligible costs)	50 – 70% (estimated)
Total Budget	150 – 250 million EUR (estimated)

Regional Operational Program

Axis 3 Investment Priority 1	Supporting energy efficiency and renewable energy use in public infrastructure, including public buildings and housing.
Projects funded	Using renewable energy to provide the necessary thermal energy for heating and hot water consumption.
Beneficiaries	<ul style="list-style-type: none"> • central authorities • local authorities
Intensity (% Of total eligible costs)	90 – 100%
Total Budget	300 million EUR (total measure)

Regional Operational Program (2)

Axis 4 Investment Priority 1	Supporting energy efficiency and renewable energy use in public infrastructure, including public buildings and housing.
Projects funded	Purchase and installation of alternative systems of energy production from renewable sources - solar thermal, solar electric panels, heat pumps and / or biomass boilers;
Beneficiaries	Local governments in partnership with owners associations
Intensity (% Of total eligible costs)	90 – 100%
Total Budget	852 million EUR (total measure)

Operational Program Competitiveness

Axis 1.2.4	Attracting foreign personnel with advanced skills for research and development capacity
Projects funded	Bioeconomy (among the areas of research funded by this measure)
Beneficiaries	Public and/or private research organizations, large, medium or small SMEs, R&D activities mentioned in the statute.

Operational Program Competitiveness (2)

Axis 1.2.1	Large infrastructure of research and development
Projects funded	Upgrade existing R & D infrastructure and creation of new infrastructures (including bioenergy).
Beneficiaries	Research organizations (higher education institutions and R&D institutions) or companies with R&D business activity specified in the statute.

National Rural Development Program

Measure 4 Sub-measure 1	Investment in physical assets Investments in agricultural holdings
Projects funded	Investment for the production and use of renewable energy on the farm (as part of a project).
Beneficiaries	<ul style="list-style-type: none"> • farmers, except for unauthorized individuals; • producer groups and cooperatives, serving the interests of members; • research institutes and resorts development.
Maximum grant	1 000 00 EUR (production) 1 500 000 EUR (zootechnics and local supply chain)
Intensity (% Of total eligible costs)	50 % - 90% (+ Young farmers, cooperatives, short chain, disadvantaged areas)
Total Budget	1,017 bln. EUR (all measure 4)

National Rural Development Program (2)

Measure 4 Sub-measure 2	Investment in physical assets Investments in processing and marketing of agricultural products
Projects funded	The production and use of renewable energy on their premises, aimed at reducing production costs (as part of a project).
Beneficiaries	<ul style="list-style-type: none"> • Enterprises • Producer groups and cooperatives.
Maximum grant	1 000 00 EUR 1 500 000 EUR (short supply chain)
Intensity (% Of total eligible costs)	50 % - 90%
Total Budget	469 million EUR

National Rural Development Program (3)

Measure 6 Sub-measure 2	Developing farms and enterprises Support for non-agricultural activities in rural areas
Projects funded	The production and use of renewable energy on their premises, aimed at reducing production costs (as part of a project).
Beneficiaries	<ul style="list-style-type: none"> farmers / farm household members that diversify by creating a new business activity (ex: pellet production) newly established micro and small enterprises.
Maximum grant	70 000 euro (70% financing decision, 30% within 3 years depending on compliance business plan)
Total Budget	150 million EUR

National Rural Development Program (4)

Measure 6 Sub-measure 4	Developing holdings and enterprises Investment in the creation and development of non-agricultural activities
Projects funded	Activities producing biofuels from biomass
Beneficiaries	<ul style="list-style-type: none"> • Existing micro and small enterprises in rural areas • Farms that diversify the development of non-agricultural activities (biofuel production)
Maximum grant	200 000 euro (minimis)
Intensity (% Of total eligible costs)	90%
Total Budget	250 million EUR

National Rural Development Program(5)

Axis LEADER	
Projects funded	Biomass cogeneration projects
Beneficiaries	Local Action Groups (LAGs) = local authorities + private sector partners (minimum 51%) + civil society.
Maximum grant	200 000 euro (minimis)
Intensity (% Of total eligible costs)	90%
Projects funded	250 million EUR

Synthesis of funding programs

Funding Program	Type of project
OP Large Infrastructure	<ul style="list-style-type: none"> • Waste to Energy • Development of power plants and cogeneration plants for supply network
Regional OP	<ul style="list-style-type: none"> • Acquisition of thermal and electrical plants for communities and buildings.
OP Competitiveness	<ul style="list-style-type: none"> • Foreign staff for research • Creation, modernization and equipment research laboratories
NRDP	<ul style="list-style-type: none"> • Produce energy for use on the farm (project activity) • Manufacturing energy use in society or cooperative (project activity) • Production of biofuels from biomass • Biomass cogeneration projects for GAL

Ganes –European Funds Division

- **Complete consulting services for accessing European funds.**
- Over 350 million grants attracted by company Partners for strategic investment projects in Romania.
- Experience with high-level structural instruments for Romania.
- Experience in relation to the European Commission.
- Partner of the biomass and biogas sector in Romania.

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