

HBOR's role in financing investments through ESIF financial instruments

Zagreb, May 2019



HRVATSKA BANKA ZA OBNOVU I RAZVITAK

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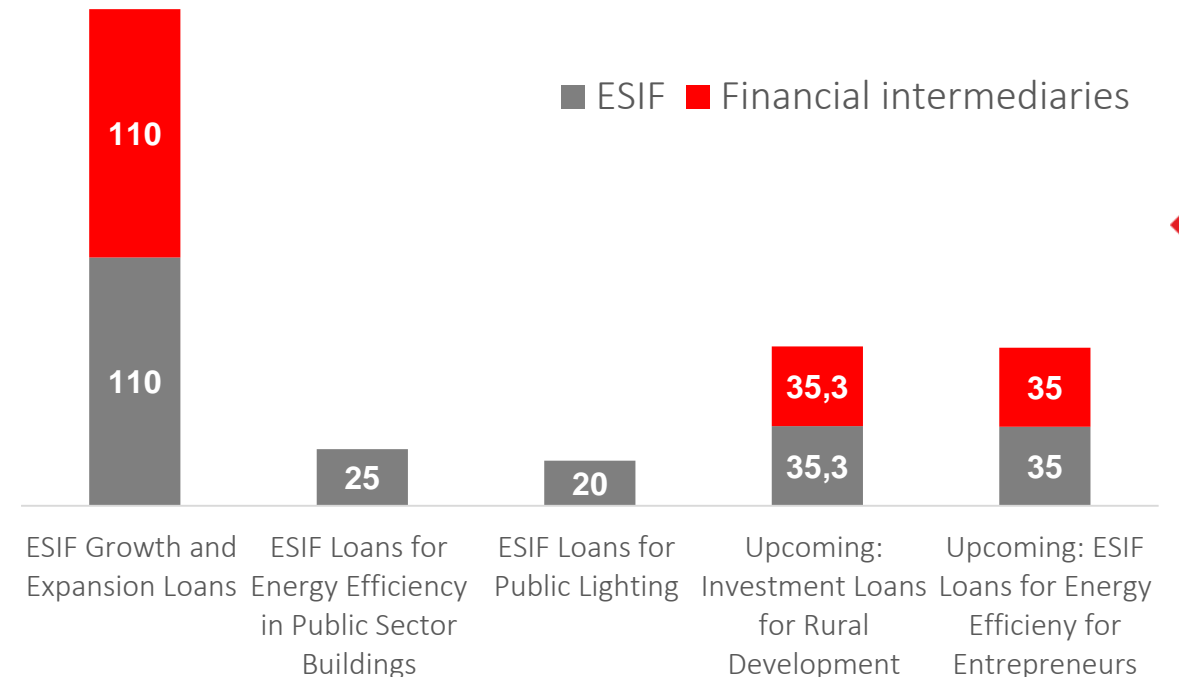


ESIF financial instruments by HBOR

HBOR implements 5 ESIF financial instruments:

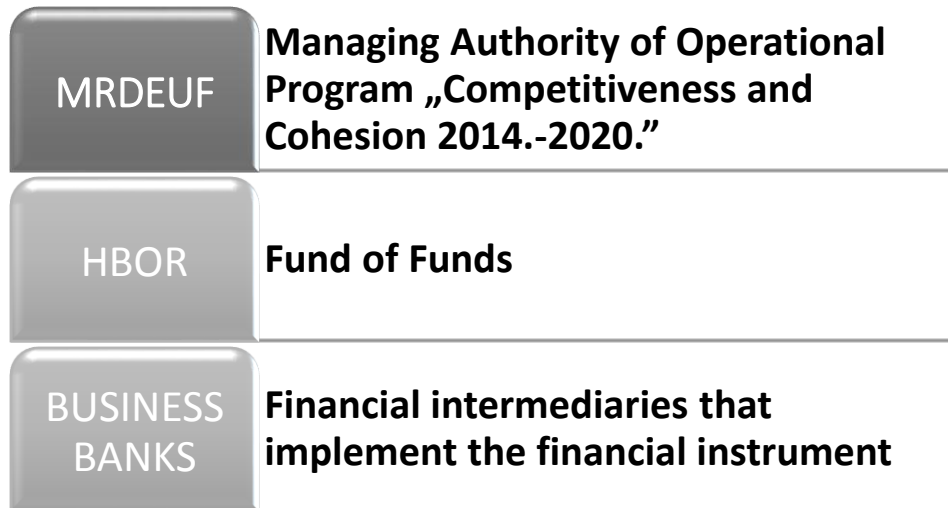
1. ESIF Growth and Expansion Loans
2. ESIF Loans for Energy Efficiency in Public Sector Buildings
3. ESIF Loans for Public Lighting
4. Upcoming: Investment Loans for Rural Development
5. Upcoming: ESIF Loans for Energy Efficiency for Entrepreneurs

ESIF financial instruments in million EUR



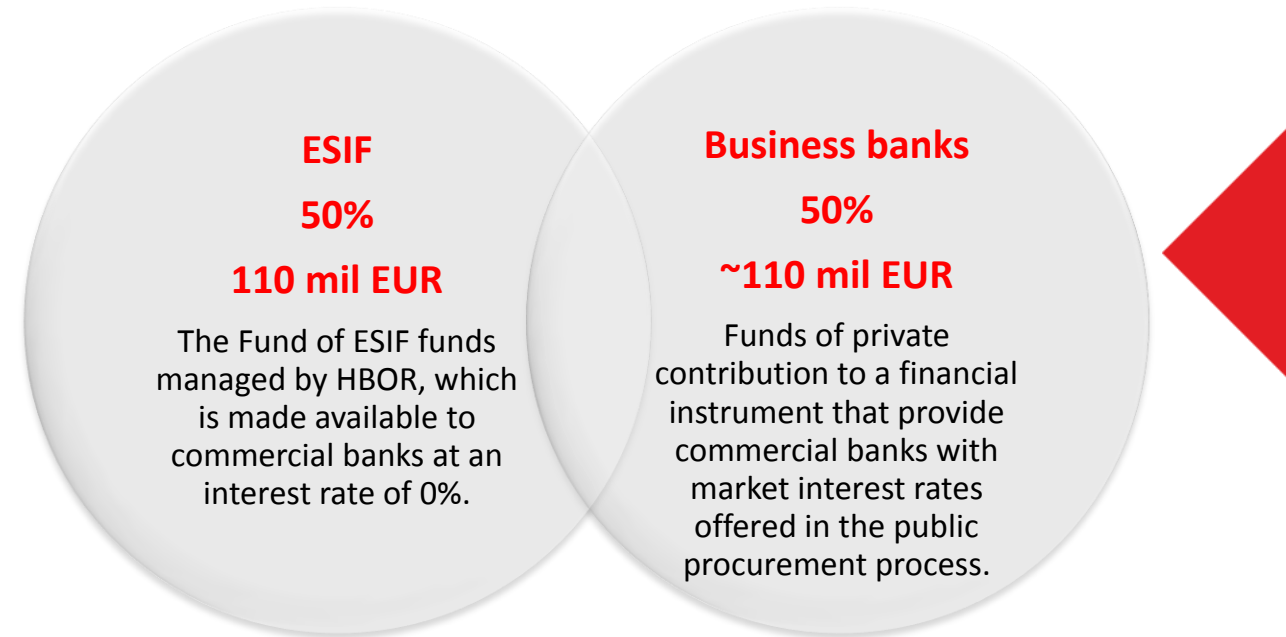
1. ESIF Growth and Expansion Loans

Roles in Implementation



- Erste&Steiermärkische Bank d.d.
- Privredna banka Zagreb d.d.
- Zagrebačka banka d.d.

Fund allocation



1. ESIF Growth and Expansion Loans

Key Loan Characteristics

Final Recipients	SME's operating at least two years
Loan Purpose	Investments in tangible and intangible assets and working capital up to 30% of the loan amount.
Minimum Loan Amount	100.000 EUR in HRK equivalent
Maximum Loan Amount	3 million EUR in HRK equivalent, and for investments in tourism sector up to 10 million EUR in HRK equivalent
Sectors of Investments	<ol style="list-style-type: none">1. Processing Industry2. Tourism (accommodation services)3. Information and communication: professional, scientific and technical activities; administrative activities, human health and social work activities, arts, entertainment and recreation, other service activities
Loan Repayment Period	Up to 12 years, including grace period up to 2 years; for investments in tourism: repayment up to 17 years including grace period up to 4 years.
Interest Rates	0% per annum on the part of loan from ESIF; market interest rate on the part of loan from commercial bank's funds, average interest rates between 1% and 2%
Collaterals	In line with internal procedures and practice of each financial intermediary. HBOR (ESIF) and financial intermediary hold pari pasu position.
Fees	No processing fees and no commitment fees.

2. ESIF Loans for Energy Efficiency in Public Sector Buildings

Roles in Implementation

MRDEUF	Managing Authority of Operational Program „Competitiveness and Cohesion 2014.-2020.”
MCPPEP and EEF	Intermediary bodies level 1 and level 2
HBOR	The body that directly implements the financial instrument

Fund allocation



2. ESIF Loans for Energy Efficiency in Public Sector Buildings

Key Loan Characteristics

Final recipients	All those that, prior to submitting a loan request for „ESIF loan for energy efficiency”, received a financing Decision for a grant from the Ministry of Construction and Physical Planning for a respective tender.
Loan purpose	Costs of investments in energy efficiency of public sector buildings approved by the Environmental Protection and Energy Efficiency Fund.
Minimum loan amount	100 thousand HRK
Maximum loan amount	60 million HRK
Repayment period	Up to 14 years, including 1 year of grace period.
Benefits	Low interest rates (from 0,1% to 0,5%). No processing fees and no commitment fees.

3. ESIF Loans for public lighting

Roles in Implementation

MRDEUF	Managing Authority of Operational Program „Competitiveness and Cohesion 2014.-2020.”
MEE	Intermediary body
HBOR	The body that directly implements the financial instrument

Fund allocation



3. ESIF Loans for public lighting

Key Loan Characteristics

Final recipients	Local government units (cities and municipalities)
Loan purpose	Costs of investments in energy efficiency of public lighting
Minimum loan amount	500 thousand HRK
Maximum loan amount	15 million HRK
Repayment period	Up to 10 years, including 6 months of grace period.
Benefits	Low interest rates (from 0,1% to 0,5%). No processing fees and no commitment fees.

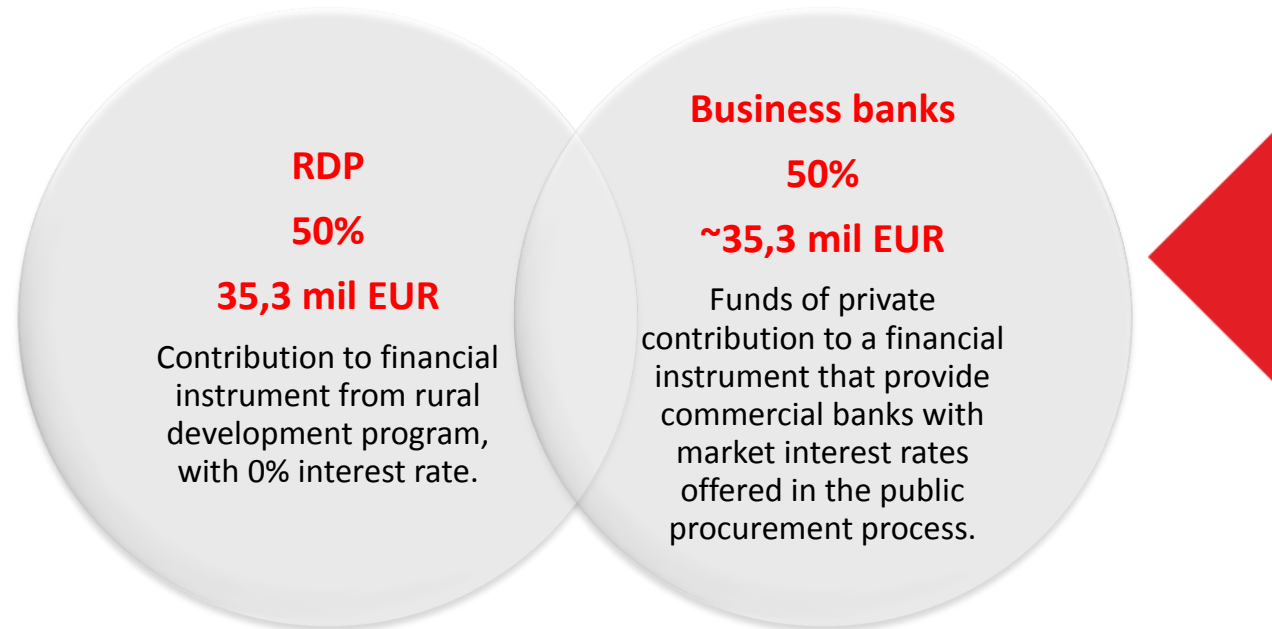
4. Investment Loans for rural development

Roles in Implementation

MINISTRY OF AGRICULTURE	Managing Authority of the „Rural development program of the Republic of Croatia for the period 2014 – 2020”
PAAFRD	Accredited paying agency
HBOR	Fund of Funds
BUSINESS BANKS	Financial intermediaries that implement the financial instrument

- OTP banka d.d.
- Privredna banka Zagreb d.d.
- Zagrebačka banka d.d.

Fund allocation



4. Investment Loans for rural development

Key Loan Characteristics

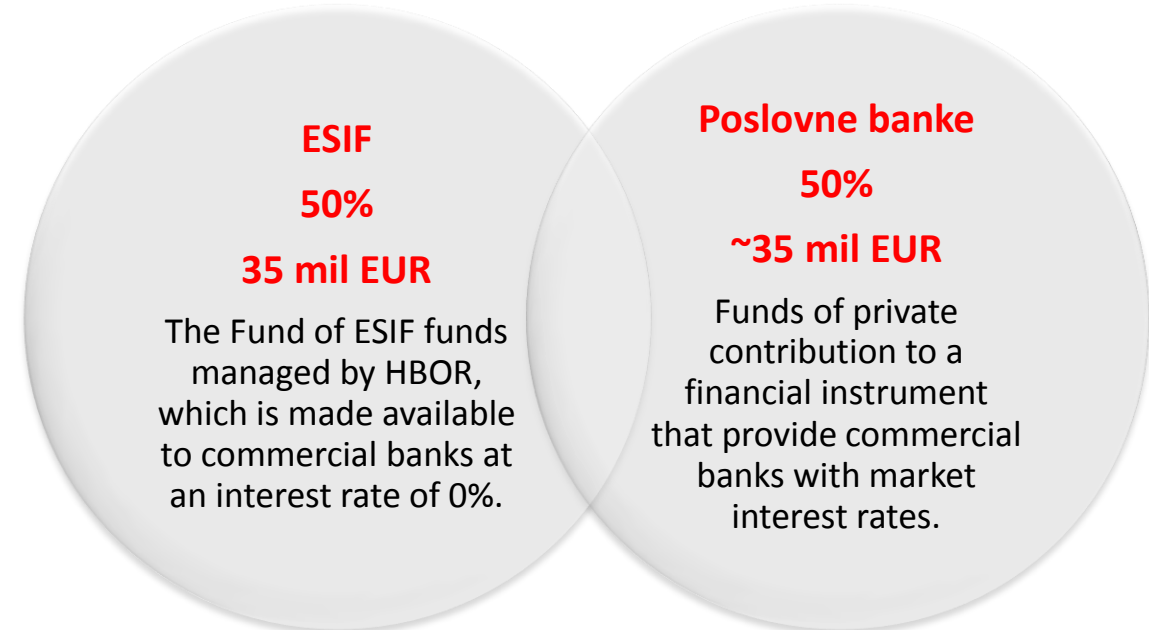
Investments in thematic objectives	Measure 4. „Investments in physical assets” Measure 6. „Investments in the development of non-agricultural activities in rural areas” Measure 8 „Investments in Forestry Areas Development and Improvement of Forest Sustainability”
Final recipients	Primary agriculture entities, processors of agriculture products, and entities that operate in the forestry sector
Loan purpose	a) Long-term tangible and intangible assets in line with acceptable purposes under specific sub measures of the Program of rural development of the Republic of Croatia for 2014 – 2020”: <ul style="list-style-type: none">• Restructuring, modernization and increasing the competitiveness of agricultural holdings• Increasing the added value of agricultural products• Investments in the development of non-agricultural activities in rural areas• Support for investments in forestry technologies and in processing, mobilizing and marketing of forest products. b) Working capital related to the respective investment. Such eligible expenditure shall not exceed EUR 200.000 or 30% of the total amount of the eligible expenditure for the investment, whichever is the higher.
Minimum loan amount	50,001 EUR in HRK equivalent
Maximum loan amount	1 million EUR in HRK equivalent.
Repayment period	Up to 15 years, including 3 years of grace period (for permanent crops up to 5 of grace period).
Benefits	Low interest rates. No processing fees and no commitment fees.

5. ESIF Loans for Energy Efficiency for Entrepreneurs

Roles in Implementation

MRDEUF	Managing Authority of Operational Program „Competitiveness and Cohesion 2014.-2020.”
HBOR	Fund of Funds
BUSINESS BANKS	Financial intermediaries that implement the financial instrument

Fund allocation



5. ESIF Loans for Energy Efficiency for Entrepreneurs

Key Loan Characteristics

Final recipients	Micro, small, medium and large private entrepreneurs, who are at least one year registered for performing the activities from: <ul style="list-style-type: none">• Manufacturing industry;• Service sector (tourism and trade).
Loan purpose	Energy Renewal in enterprises
Minimum loan amount	25,000 EUR in HRK equivalent
Maximum loan amount	10 million EUR in HRK equivalent
Repayment period	Up to 17 years, including 4 years of grace period.
Benefits	Low interest rates. No processing fees and no commitment fees.

Program ELENA- upcoming

ELENA (*eng. European Local Energy Assistance*)



The European Commission's program to cover the cost of preparing investment projects in the field of energy efficiency and renewable energy sources

ELENA will finance 90% of project documentation preparation costs for projects that will be funded by ESIF Energy Efficiency Loans and HBOR's Environmental Protection Program

THANK YOU!

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