

A decorative graphic in the top-left corner consisting of a network of interconnected nodes and lines. Some nodes are solid blue circles, while others are grey circles with a blue outline. The lines are thin and grey.

# **ERDF FINANCIAL INSTRUMENT: Energy Efficiency Loans for Entrepreneurs**

A decorative graphic in the bottom-right corner, similar to the one in the top-left, featuring a network of interconnected nodes and lines with some solid blue nodes and some grey nodes with blue outlines.

# FI Basic conditions

<b>Implementing model - ROLES</b>	HBOR - Holding fund Commercial banks selected via public procurement tender - Financial intermediaries
<b>Final recipients</b>	Entrepreneurs operating in the <b>manufacturing industry</b> and in the <b>commercial and service sectors</b> , regardless of their legal form, size or ownership structure, who have been registered for the activities in the respective sectors at least one year before submitting the loan application.
<b>The goal of the FI</b>	To support the achievement of energy savings through increasing the efficiency of energy use enabling equal amounts of results by using a smaller amount of input energy and reducing the share of conventional (fossil) fuels in total energy consumption by introducing renewable energy sources (RES).
<b>Allocation</b>	<b>In total around 275 mio EUR –50% EFRD and 50% CBs</b> Individual loans are financed in equal proportions from ERDF Funds and CB's Funds in a ratio of 50:50
<b>Max loan amount</b>	<b>3 mio EUR</b>
<b>Structure of the FI</b>	FI has a structure of a <b>combination of loan and capital rebate</b> (reduction of part of the loan principal), upon achievement of pre-defined criteria.
<b>Interest rate</b>	<ul style="list-style-type: none"> <li>On part of the loan principal from ERDF Funds: 0.00% per annum, fixed</li> <li>On part of the loan principal from CB's funds: interest rate determined by banks in the PP tender</li> </ul>

# Capital rebate criteria

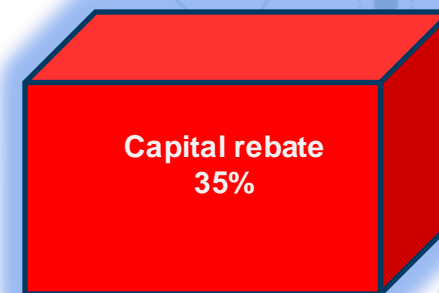
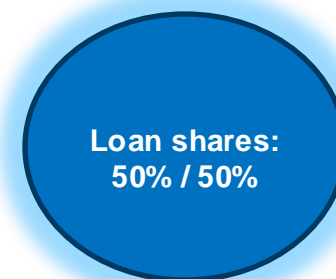
## PRODUCTION INDUSTRY - Investments in the Production plant of SME

CAPITAL REBATE				
%	15%	25%	35%	50%
CONDITIONS	min 30% energy savings and min 50.000 kWh	min 40% energy savings and min 100.000 kWh	min 50% energy savings and min 200.000 kW	min 67% energy savings and min 400.000 kWh and At least 1 measure/activiy related to new investment in RES.

# Loan with a capital rebate

Example: Capital rebate – writing off the principal on the total amount of the loan with the reduction in the amount of ERDF loan

- Loan amount: 1.000.000 EUR
- Interest rate (for example): 3,50% fix.
- Interest rate ERDF: 0%
- Repayment period: 10 years



ERDF		COMMERCIAL BANK	
<b>ERDF part of the loan</b>	500.000 EUR (50%)	<b>CB's part of the loan</b>	500.000 EUR (50%)
Capital rebate		350.000 EUR (35%)	
Total loan amount after capital rebate		650.000 EUR	
ERDF after capital rebate	<b>150.000 EUR</b>	CB after capital rebate	<b>500.000 EUR</b>
Interest	0,00 EUR	Interest	93.314,80 EUR
Principal + Interest	150.000 EUR	Principal + Interest	593.314,80 EUR
Monthly annuity	1.250 EUR	Monthly annuity	4.944,29 EUR
Total monthly annuity		<b>6.194,29 EUR</b>	
Total interest amount		<b>93.314,80 EUR</b>	
Total repayment amount (principal + interest)		<b>743.314,80 EUR</b>	