



Report on

**Financing opportunities for energy efficiency projects in Macedonia**

Under the project funded by the Government of Kingdom of Norway for  
Cleaner and More Cost Effective Industry in Macedonia

June, 2010


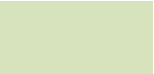

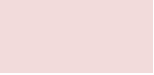
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### **Abbreviations**

EE	Energy Efficiency
RE	Renewable Energy
(M)SME	(Micro), Small and Medium enterprises
IFI	International Financing Institutions
EBRD	European Bank for Reconstruction and Development
MBDP	Macedonian Bank for Developing Promotion
EIB	European Investment Bank
WB	World Bank
IFC	International Finance Corporation
USAID	United States of America International Development
DCA	Development Credit Authority
WeBSECLF	Western Balkans Sustainable Energy Credit Line Facility
WeBSEDF	Western Balkans Sustainable Energy Direct Financing Facility

### **Colour legend**

		Banks which offer (own or from IFIs) financial instruments directly to companies
		Banks - mediators between IFIs and Macedonian Commercial Banks for financial instruments

## **Introduction**

In the last couple of years, projects in energy efficiency and renewable energy in Macedonia have triggered more intense interest and as a consequence companies, banks and institutions have started adapting to the created demand by offering services which meet investor's needs.

Despite the existence of quite a few financing possibilities which one could currently perceive to be available in the Macedonian market, only some of them are readily applicable and offer specific benefits related to energy savings.

The intention of this report is to clearly define the currently existing possibilities for financing of projects in EE and RE, by offering information on the organizations offering them, the conditions under which the financing is available, if there are any projects already financed, which are the targeted companies and eligible projects, etc.

This report lists information on 1.) all relevant commercial banks in Macedonia (including specific data about financing possibilities which they offer), and on 2.) all relevant international financing institutions (IFIs) operating in Macedonia. From the IFIs, only EBRD offers direct financing facility at the moment, while the rest distribute their funds via the commercial banks (therefore EBRD is listed in both lists of point 1.) and 2.)). The Macedonian Bank for Development of Promotion (MBDP) is also present in the listing - despite generally having a mediatory role (facilitation of cooperation between the IFIs and commercial banks), there is announcement that a fund which was available via commercial banks previously, it will become available to companies directly. This restructuring is still not fully implemented, but it is expected to take place in the near future.

**Banks offering financing opportunities for Energy Efficiency (EE) and Renewable Energy (RE) projects directly to companies in Macedonia**

1. KOMERCIJALNA BANKA AD SKOPJE	
Name of Bank and address	Komercijalna Banka AD Skopje Kej Dimitar Vlahov 4 1000 Skopje, Macedonia <a href="http://www.kb.com.mk">www.kb.com.mk</a>
Does the bank have internal sources allocated for EE/RE projects? Is it a specific credit line?	Yes, but not under a specifically designed credit line. EE/RE projects are accepted; internal capacity (technical expertise) for evaluation is already in place. Upon submission (verbal or written, either can take place) project proposal, the client negotiates with the bank the specific conditions according to the project specifics.
General conditions for internal sources allocated for EE/RE projects	<ul style="list-style-type: none"> <li>• Interest rate: 7-9% (for extraordinary projects can be below 7%)</li> <li>• Own equity and other conditions (payback and grace period) depend on the client and the project (if the client has a credit history with the bank, etc.)</li> <li>• Procedure: although written project proposal can be sent, initial first direct contact is recommended</li> <li>• Documentation required: standard for credit applications:               <ol style="list-style-type: none"> <li>1. Investment plan</li> <li>2. If there's imported equipment involved - type of import and guarantee</li> <li>3. If there's construction involved - all permits and approvals</li> <li>4. Business plan</li> <li>5. Cash Flow Statement</li> <li>6. Financial statements</li> <li>7. Mortgages, etc.</li> <li>8. Document proving ownership over non movable assets</li> </ol> </li> </ul> <p>In cases of need for obtaining licenses, permits for the purposes of the project, they should be acquired before/during the credit application procedure.</p>
Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?	Yes
Name of IFI and name of program	World Bank via MBDP: two credit lines for EE/RE projects
Conditions	<p><b><u>Credit line 1 for EE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 500.000</li> <li>• Maturity: up to 6 years</li> <li>• Financial structure: 60% MBDP, 10% own equity, 30% bank's funds (or other).</li> </ul> <p><b><u>Credit line 2 for RE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 4.000.000</li> <li>• Maturity: 5 up to 10 years, with a 3 year grace period</li> <li>• Financing structure: 60% MBDP, 10% own equity, 30% bank's funds (or other).</li> <li>• Target groups: Small (mini) hydropower installations (capacity less than 10 MW), biomass-based power and heat production, solar and wind energy projects.</li> </ul>
Technical support (yes/no)	To some extent (the bank provides guidance for

	documentation required, but not a specific consultancy)
<b>Documentation required</b>	Project specific, but initially, standard credit documentation is applicable.
<b>Projects implemented with WB's credit line</b>	One RE project (small hydro power plant) and a few EE projects (exchanging of equipment/windows/isolation).
<b>Name of IFI and name of program</b>	EIB via MBDP: a credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799.</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EURIBOR + 5%, but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees.</li> </ul>
<b>Technical support (yes/no)</b>	To some extent.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Contact</b>	<p>Contact person:            Mr. Nikola Dzambazovski, Coordinator, Corporate Lending Division            E-mail: <a href="mailto:Nikola.dzambazovski@kb.com.mk">Nikola.dzambazovski@kb.com.mk</a>            Phone: + 389 2 3213 044</p>

## 2. STOPANSKA BANKA AD SKOPJE

<b>Name of Bank and address</b>	<p>Stopanska Banka AD Skopje            11 Oktomvri 7            1000 Skopje, Macedonia  <a href="http://www.stb.com.mk">www.stb.com.mk</a></p>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Yes
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Interest rate: according to market conditions</li> <li>• Own equity: it can range from 15-40% (to some clients, a credit can be granted with no requirement for own equity)</li> <li>• Other conditions (payback and grace period) depend on the client and the project</li> <li>• Documentation required: standard for credit applications</li> <li>• Procedure:               <ol style="list-style-type: none"> <li>1. Initial meeting with bank representatives</li> <li>2. Formal submission of requested documentation                   <ol style="list-style-type: none"> <li>a. Financial statements</li> <li>b. Other documentation depending on the project</li> </ol> </li> <li>3. Analysis process</li> <li>4. Credit approval</li> <li>5. Mortgage agreement</li> </ol> </li> </ul>

	6. Credit delivery
<b>Implemented projects</b>	<ul style="list-style-type: none"> <li>• 2 projects have been financed, another two are in the decision making process</li> <li>• Size of projects financed until now: 300.000 – €1,2 mill</li> <li>• Type of implemented projects: photovoltaic installations</li> </ul>
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle: to €2.666.799</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EURIBOR + 5% but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees</li> </ul>
<b>Technical support (yes/no)</b>	Providing guidelines only.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No
<b>Contact</b>	Mr. Goce Vangelovski, Manager, Commercial Banking Division E-mail: <a href="mailto:goce.vangelovski@stb.com.mk">goce.vangelovski@stb.com.mk</a> Phone: + 389 2 3295 524

### 3. NLB TUTUNSKA BANKA AD SKOPJE

<b>Name of Bank and address</b>	Tutunska Banka AD Skopje Vodnjanska 1 1000 Skopje, Macedonia <a href="http://www.tb.com.mk">www.tb.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Yes
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Interest rate: varies according to the project, the client and the market conditions</li> <li>• Own equity and other conditions (payback and grace period) depend on the client and project</li> <li>• Documentation required: standard for credit applications (with some variations depending on the project)</li> <li>• Procedure: initial first direct contact</li> </ul>
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	World Bank via MBDP: two credit lines for EE/RE projects

<b>Conditions</b>	<p><b>Credit line 1 for EE projects:</b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 500.000</li> <li>• Maturity: up to 6 years</li> <li>• Financial structure: 60% MBDP, 10% own equity, 30% bank's funds (or other)</li> </ul> <p><b>Credit line 2 for RE projects:</b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 4.000.000</li> <li>• Maturity: 5 up to 10 years, with a 3 year grace period</li> <li>• Financing structure: 60% MBDP, 10% own equity, 30% bank's funds (or other)</li> <li>• Target groups: Small (mini) hydropower installations (capacity less than 10 MW),</li> <li>• Biomass-based power and heat production, solar and wind energy projects</li> </ul>
<b>Technical support (yes/no)</b>	Providing guidelines only.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with WBs credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EUR IBOR + 5% but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees</li> </ul>
<b>Technical support (yes/no)</b>	No
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but EE (changing of equipment/windows) yes.
<b>Contact</b>	<p>Ms. Tijana Stefanoska, Bank Consultant  E-mail: <a href="mailto:t.stefanoska@tb.com.mk">t.stefanoska@tb.com.mk</a>  Phone: + 389 2 5100 867  Micro and small enterprises: + 389 2 5100 322, 5100 299, 5100 390  For medium and large enterprises: + 389 2 5100 638, 5100 381, 5100 381</p>

#### 4. NLB TUTUNSKA LIZING

<b>Name of Leasing House and address</b>	<p>NLB Leasing  Vodnjanska 1  1000 Skopje, Macedonia  <a href="http://www.nlblizing.com.mk">www.nlblizing.com.mk</a></p>
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<b>Does the leasing house have internal sources allocated for EE/RE projects?</b>	Yes
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Interest rate: 8-12%</li> <li>• Project amount: there is no max. or min.</li> <li>• Own equity: at least 30%</li> <li>• Maturity: up to 7 years</li> <li>• Min. duration of a leasing agreement: 1 year (for movable goods) and 2 years (for non-movable goods)</li> <li>• Procedure: initial direct contact, after which the following steps are determined.</li> </ul>
<b>Implemented projects</b>	No
<b>Does the leasing house cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	USAID: USAID's micro, small and medium enterprise development credit authority (MSME DCA)
<b>Aim</b>	To provide access to working and investment capital to companies that want to expand their operations or market opportunities. The DCA facility is a loan portfolio guarantee program where USAID provides a 50% guarantee of the guaranteed ceiling, thus sharing the risk with partner banks.
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Eligible projects: access to working and investment capital (companies expanding operations), implement EE measures in their companies.</li> <li>• Guarantee of the guaranteed ceiling: 50%</li> <li>• Maximum loan amount per single borrower: US \$500.000</li> </ul>
<b>Technical support (yes/no)</b>	Limited guidance.
<b>Documentation required</b>	<p>The documentation required in a project in which USAID's facility is involved depends on the bank/leasing house. In the case of NLB Leasing it is project specific, standard credit documentation applicable initially (but generally the process should be less bureaucratic and less timely as in the banking sector):</p> <ol style="list-style-type: none"> <li>1. Investment plan</li> <li>2. If there's imported equipment involved - type of import and guarantee</li> <li>3. If there's construction involved - permits and approvals</li> <li>4. Business plan</li> <li>5. Cash Flow Statement</li> <li>6. Financial statements</li> <li>7. Mortgages</li> <li>8. Other</li> </ol>
<b>Projects implemented with USAID facility</b>	No
<b>Contact</b>	Ms. Marija Tanasoska , Risk Department E-mail: <a href="mailto:marija.tanasoska@nlblizing.com.mk">marija.tanasoska@nlblizing.com.mk</a> Phone: + 389 2 3290 551

## 5. OHRIDSKA BANKA AD OHRID

<b>Name of Bank and address</b>	Palata Makedonija Luj Paster 1 1000 Skopje, Macedonia
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	<a href="http://www.ob.com.mk">www.ob.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Yes
<b>Conditions for internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Interest rate: 6-9%</li> <li>• Payback period: 10 years (1 year grace period)</li> <li>• A proof of ability to pay the interest rate for at least 6 months from the start of the credit (6 months are accepted as a construction period)</li> <li>• Own equity: at least 20% <ul style="list-style-type: none"> <li>• In cases in which there's purchase of land, the cost of the land cannot exceed 2% (of 20% own equity)</li> </ul> </li> <li>• Other conditions depend on the client and project</li> <li>• Documentation required: standard for credit applications <ol style="list-style-type: none"> <li>1. Investment plan</li> <li>2. If there's imported equipment involved - type of import and guarantee</li> <li>3. If there's construction involved - permits and approvals</li> <li>4. Business plan</li> <li>5. Cash Flow Statement</li> <li>6. Financial statements</li> <li>7. Mortgages, etc.</li> </ol> </li> <li>• Procedure: initial first direct contact</li> </ul>
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	World Bank via MBDP: two credit line for EE/RE projects
<b>Conditions</b>	<p><b><u>Credit line 1 for EE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 500.000</li> <li>• Maturity: up to 6 years</li> <li>• Financial structure: 60% MBDP, 10% own equity, 30% bank's funds (or other)</li> </ul> <p><b><u>Credit line 2 for RE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 4.000.000</li> <li>• Maturity: 5 up to 10 years, with a 3 year grace period</li> <li>• Financing structure: 60% MBDP, 10% own equity, 30% bank's funds (or other)</li> <li>• Target groups: Small (mini) hydropower installations (capacity less than 10 MW),</li> <li>• Biomass-based power and heat production, solar and wind energy projects.</li> </ul>
<b>Technical support (yes/no)</b>	No.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with WBs credit line</b>	1 photovoltaic project is in the decision making process
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799.</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> </ul>

	<ul style="list-style-type: none"> <li>Interest rate: 6% (1st year), after 3m EURIBOR + 5%, but not less than 6%</li> <li>Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees.</li> </ul>
<b>Technical support (yes/no)</b>	No, but guidelines are provided.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Name of IFI and name of program</b>	EBRD: Western Balkans Sustainable Energy Credit Line Facility (WeBSECLF)
<b>Aim</b>	To support of industrial EE and commercial building sector EE projects and small RE projects.
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligible companies: local private companies</li> <li>In the cases of RE under a concession arrangement: the company needs to have the concession in a competitive tender</li> <li>Max. Loan amount: €2 million, can cover up to 100% of the loan</li> <li>Interest rate: 6-9%</li> <li>Incentive payments: determined on project basis, can run up to 20%</li> </ul>
<b>Technical support (yes/no)</b>	Yes, EBRD offers technical support (investment projects are assessed by Ohridska Banka, but project consultant is hired by the EBRD to help potential borrowers to identify prospective projects and prepare energy audits and to supply OB with a technical and financial assessment of projects).
<b>Documentation required</b>	Project specific, standard credit documentation applicable
<b>Projects implemented with EBRD credit line</b>	2 projects are in the decision making process.
<b>Contact</b>	Mr. Damjan Mitev, Senior Banker E-mail: <a href="mailto:Damjan.mitev@ob.com.mk">Damjan.mitev@ob.com.mk</a> Phone: + 389 2 3203 725

## 6. UNI BANKA (UNIVERZALNA INVESTICIONA BANKA) AD SKOPJE

<b>Name of Bank and address</b>	UNI Banka AD Skopje Maksim Gorki 6 1000 Skopje, Macedonia <a href="http://www.unibank.com.mk">www.unibank.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Yes
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>Interest rate: 7-8%</li> <li>Own equity and other conditions strictly depend on the client and project</li> <li>Documentation required: standard for credit applications <ol style="list-style-type: none"> <li>Investment plan</li> <li>If there's imported equipment involved - type of import and guarantee</li> <li>If there's construction involved - permits and approvals</li> <li>Business plan</li> </ol> </li> </ul>

	<p>5. Cash Flow Statement          6. Financial statements          7. Mortgages, etc.</p> <ul style="list-style-type: none"> <li>• Procedure: initial first direct contact</li> </ul>
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	World Bank via MBDP: two credit lines for EE/RE projects
<b>Conditions</b>	<p><b><u>Credit line 1 for EE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 500.000</li> <li>• Maturity: up to 6 years</li> <li>• Financial structure: 60% MBDP, 10% own equity, 30% bank's funds or other</li> </ul> <p><b><u>Credit line 2 for RE projects:</u></b></p> <ul style="list-style-type: none"> <li>• Project amount: max. US\$ 4.000.000</li> <li>• Maturity: 5 up to 10 years, with a 3 year grace period</li> <li>• Financing structure: 60% MBDP, 10% own equity, 30% bank's funds or other</li> <li>• Target groups: Small (mini) hydropower installations (capacity less than 10 MW),</li> <li>• Biomass-based power and heat production, solar and wind energy projects.</li> </ul>
<b>Technical support (yes/no)</b>	To some extent (providing guidelines).
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with WBs credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799.</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EURIBOR + 5%, but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees.</li> </ul>
<b>Technical support (yes/no)</b>	To some extent (providing guidelines).
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Name of IFI and name of program</b>	USAID: DCA facility
<b>Aim</b>	To provide access to working and investment capital to companies that want to expand their operations or market opportunities. The DCA facility is a loan portfolio

	guarantee program where USAID provides a 50% guarantee of the guaranteed ceiling, thus sharing the risk with partner banks.
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Eligible projects: access to working and investment capital (companies expanding operations), implement EE measures in their companies.</li> <li>• Guarantee of the guaranteed ceiling: 50%</li> <li>• Maximum loan amount per single borrower: US \$500.000</li> </ul>
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Technical support (yes/no)</b>	No
<b>Projects implemented with USAID facility</b>	No
<b>Contact</b>	Mr. Aleksandar Manevski, Loan Officer, Corporate Lending Department E-mail: <a href="mailto:Aleksandar.manevski@unibank.com.mk">Aleksandar.manevski@unibank.com.mk</a> Phone: + 389 2 3286 025

## 7. PRO CREDIT BANK MACEDONIA

<b>Name of Bank and address</b>	Pro Credit Bank Macedonia Bul. Jane Sandanski 109a 1000 Skopje, Macedonia <a href="http://www.procreditbank.com.mk">www.procreditbank.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Yes - "Eco-Loan" as a credit line was established in early 2010
<b>Aim</b>	For companies/households interested to invest in energy saving and energy efficiency projects and activities: <ul style="list-style-type: none"> <li>• Instalment of new better isolated windows</li> <li>• Implementation of solar panels</li> <li>• Instalment of better heating system</li> <li>• Buying of new, better and more energy efficient equipment, etc.</li> </ul>
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Application procedure and documentation similar as for other credit lines which the bank offers (standard documentation and process): <ol style="list-style-type: none"> <li>1. Investment plan</li> <li>2. If there's imported equipment involved - type of import and guarantee/acridity</li> <li>3. If there's construction involved - all permits and approvals</li> <li>4. Business plan</li> <li>5. Cash Flow Statement</li> <li>6. Financial statements</li> <li>7. Mortgages, etc.</li> </ol> </li> <li>• Potential lower interest rate (by 1% compared to other credit lines, which highly depends on the project and client)</li> </ul>
<b>Technical support (yes/no)</b>	No
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.

<b>Projects implemented by now</b>	With the "Eco-Loan" no, but EE (changing of equipment/windows) before the introduction of the Eco-loan, there have been a few projects.
<b>Contact</b>	Mr. Zlatko Lazic, Business Development E-mail: <a href="mailto:z.lazic@procreditbank.com.mk">z.lazic@procreditbank.com.mk</a> , <a href="mailto:ask.corporate@procredit.com.mk">ask.corporate@procredit.com.mk</a> Phone: + 389 2 3219 929
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799.</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EURIBOR + 5%, but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees.</li> </ul>
<b>Technical support (yes/no)</b>	To some extent (providing guidelines).
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but some EE (changing of equipment/windows).

#### 8. IZVOZNA I KREDITNA BANKA AD SKOPJE (IK BANKA)

<b>Name of Bank and address</b>	Izvozna i Kreditna Banka AD Skopje (IK Banka) Ivan Kozarov 31 1000 Skopje, Macedonia <a href="http://www.ikbanka.com.mk">www.ikbanka.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Not a specific credit line, but some of the credit lines might be applicable (depending on the project). More information about the credit lines the bank offers can be found on the following link: <a href="http://www.ikbanka.com.mk/?ItemID=19A906009A99C64982F47962EFF08D22">http://www.ikbanka.com.mk/?ItemID=19A906009A99C64982F47962EFF08D22</a>
<b>Conditions for Internal sources allocated for EE/RE projects</b>	N/A
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	Yes
<b>Name of IFI and name of program</b>	EIB via MBDP: credit line for general MSME support, which includes also EE projects

<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Investment credits (material and non material goods)</li> <li>• Amount: Micro: to €26.700, Small: to €266.700, Middle to €2.666.799.</li> <li>• Minimal amount: €10.000</li> <li>• Payback period: 4 to 5 years (grace period included - up to 12 months)</li> <li>• Interest rate: 6% (1st year), after 3m EURIBOR + 5%, but not less than 6%</li> <li>• Eligibility criteria: Micro enterprise: Turnover up to €50.000/5 employees, Small enterprise: Turnover up to €200.000/6 to 50 employees, Middle enterprise: Turnover above €200.000/51-250 employees.</li> </ul>
<b>Technical support (yes/no)</b>	No.
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented with EIB credit line</b>	No RE, but some EE (changing of equipment/windows).
<b>Contact</b>	Ms. Sonja Tasevska, Corporate credits E-mail: <a href="mailto:Sonja.tasevska@ikbanka.com.mk">Sonja.tasevska@ikbanka.com.mk</a> Phone: + 389 2 3240 844

#### 9. STEIERMAERKISCHE SPARKASSE BANK (INVESTBANKA) AD SKOPJE

<b>Name of Bank and address</b>	Steiermaerkische Sparkasse Bank (Investbanka) AD Skopje Str. Makedonija 9-11 1000 Skopje, Macedonia <a href="http://www.investbanka.com.mk">www.investbanka.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	Not specifically designed credit line, but existing credit lines for supporting SMEs could apply. More information can be found: <a href="http://www.investbanka.com.mk/kreditiranje.aspx">http://www.investbanka.com.mk/kreditiranje.aspx</a>
<b>Conditions for Internal sources allocated for EE/RE projects</b>	<ul style="list-style-type: none"> <li>• Interest rates: vary from 7,5-15%</li> <li>• Maximum loan amount: 4mill €.</li> <li>• Other conditions (payback and grace periods): depend on the project and the client</li> </ul>
<b>Technical support (yes/no)</b>	No
<b>Documentation required</b>	Project specific, standard credit documentation applicable initially.
<b>Projects implemented by now</b>	No
<b>Contact</b>	<ol style="list-style-type: none"> <li>1. Artun Usein, Head of SME Department, Corporate Management E-mail: <a href="mailto:Artun.usein@sparkasse.mk">Artun.usein@sparkasse.mk</a> Phone: + 389 2 3200 713</li> <li>2. Julijana Zoric, Division Manager, Loan Division E-mail: <a href="mailto:Julijana.zoric@investbanka.com.mk">Julijana.zoric@investbanka.com.mk</a> Phone: + 389 2 3200 713</li> </ol>
<b>Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?</b>	No

10. TTK BANKA AD SKOPJE	
Name of Bank and address	TTK Banka AD Skopje Naroden Front 19a 1000 Skopje, Macedonia <a href="http://www.ttk.com.mk">www.ttk.com.mk</a>
Does the bank have internal sources allocated for EE/RE projects?	Currently no, but they are currently working on it. Some of the credit lines might be applicable (depending on the project). More information about the credit lines the bank offers can be found on the following link: <a href="http://www.ttk.com.mk/default.asp?ItemID=32FD87C04D87514F89B5EAC5036A9B2E">http://www.ttk.com.mk/default.asp?ItemID=32FD87C04D87514F89B5EAC5036A9B2E</a>
Conditions for Internal sources allocated for EE/RE projects	N/A
Technical support (yes/no)	N/A
Documentation required	Project specific, standard credit documentation applicable initially.
Projects implemented by now	N/A
Contact	Mr. Darko Vidovski, Corporate credits E-mail: <a href="mailto:darko.vidovski@tkk.com.mk">darko.vidovski@tkk.com.mk</a> Phone: + 389 2 3236 456
Does the bank cooperate with international financial institutions (IFIs) for providing credit lines for EE/RE projects?	Not yet, but they are considering the option currently and a cooperation should be established soon (no specific date available).

11. EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	
Name of Bank and address	European Bank for Reconstruction and Development Makedonija 11 1000 Skopje, Macedonia <a href="http://www.ebrd.com">www.ebrd.com</a>
Does the bank have sources allocated for <i>direct</i> distribution to Macedonian companies for EE/RE projects?	Yes, the Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF)
Aim of the financial instrument	The WeBSEDF is a debt financing instrument for renewable energy and industrial energy efficiency projects to small and medium-sized enterprises in the Western Balkans, including Macedonia.
Conditions	<ul style="list-style-type: none"> <li>• Eligible Companies: Local privately-owned companies (including those with foreign owners) meeting the criteria for small and medium-size enterprises <ul style="list-style-type: none"> <li>• Micro enterprises with less than 10 employees (or up to € 2mill revenues)</li> <li>• Small enterprises: up to 50 employees (or up to € 10mill revenues)</li> <li>• Medium enterprises: up to 250 employees (or up to €50 mill revenues)</li> </ul> </li> <li>• Eligible Investments: Industrial Energy Efficiency and Small renewable energy projects (greenfield investments, up to 10 MW of installed capacity)</li> <li>• Interest rate: market based</li> <li>• Own equity: at least 20% of total investment</li> <li>• Payback and grace period:</li> </ul>

	<ul style="list-style-type: none"> <li>• Renewable Projects: Tenors up to 12 years, length of grace period as much as the construction period (but not longer than 2.5 years)</li> <li>• Energy Efficiency: Tenors up to 8 years, length of grace period as much as the construction period (but not longer than 2.5 years)</li> <li>• Max and min. loan amount: Max 6 million EUR and min. 2 million EUR (and it cannot exceed 65% of investment cost)</li> <li>• Collateral is required and depends on the type of the financing provided</li> </ul>
<b>Incentive payments</b>	Incentive payments of up to 15% (applied towards reducing the outstanding loan principal) will be provided to eligible projects upon successful physical completion of the construction of the project facilities and beginning of their operation. The amount of the payments is determined up front, based on the estimated CO2 emission reductions generated by the project.
<b>Technical support (yes/no)</b>	Technical consultants are hired by the EBRD to prepare energy audits and to supply the Bank with a technical evaluation of the prospective projects, therefore indirectly having a helping effect for the preparation of documentation by companies.
<b>Documentation required</b>	The investors/company contacts directly the EBRD Office in Skopje.
<b>Investment appraisal</b>	Investment projects are assessed by the EBRD on the basis of information made available by the sponsors (feasibility studies, energy audits, business plan).
<b>Projects implemented by now</b>	None fully implemented, 5 projects are in the approval process.
<b>Contact</b>	Mr. Francesco Corbo E-mail: <a href="mailto:corbof@ebrd.com">corbof@ebrd.com</a> Phone: + 389 2 3297 811

## 12. MACEDONIAN BANK FOR DEVELOPMENT PROMOTION (MBDP)

<b>Name of Bank and address</b>	Macedonian Bank for Development Promotion (MBDP) Veljko Vlahovik 26 1000 Skopje, Macedonia <a href="http://www.mbdp.com.mk">www.mbdp.com.mk</a>
<b>Does the bank have internal sources allocated for EE/RE projects?</b>	MBDP cooperates with IFIs for the purpose of distributing to Macedonian enterprises the credit lines/financial facilities which they offer. For this purpose MBDP cooperates with Macedonian commercial banks, which usually are chosen by the IFI. Exception: there was a decision made for MBDP to offer directly to companies the credit line of WB (to extend the reach to companies) starting 1 <sup>st</sup> of Jan. 2010, but accordant restructuring in MBDP is not in place yet. There's no information when (if) it will be.
<b>Conditions for Internal sources allocated for EE/RE projects</b>	The terms and conditions depend on the IFI; MBDP transfers the conditions to the commercial banks.
<b>Technical support (yes/no)</b>	MBDP acts as a coordinator (for the credit line of World Bank specifically) between the institutions involved - as specific documents (licences, permits) are required (from

	the Energy Agency for example) to be acquired before applying for the credit. Companies can address MBDP for guidance in the process of technical documentation and contacts from relevant institutions involved in the process of preparation for EE/RE project.
<b>Documentation required</b>	N/A
<b>Projects implemented by now</b>	N/A
<b>Contact</b>	Ms. Sabina Fakich E-mail: <a href="mailto:Sabina.fakic@mbdp.com.mk">Sabina.fakic@mbdp.com.mk</a> Phone: + 389 2 3115 844

### **International Financing Institutions offering financing opportunities for Energy Efficiency (EE) and Renewable Energy (RE) projects**

In the following section more elaborate information about the financing instruments for EE and RE projects (as credit lines available through the Macedonian Commercial Banks) coming from International Finance Institutions is presented (specific conditions of the instruments, according to each bank, were already presented in earlier section of this report).

#### **World Bank (WB)**

Under the World Bank, a Sustainable Energy Project of Macedonia is developed in order to provide in the creation of sustainable market for energy efficiency (EE) and renewable energy (RE) by supporting the development of an enabling framework, institutional capacity, and necessary financing mechanisms. One of the components of the project includes **the creation of a sustainable energy financing facility**, which is a loan facility, on a co-financing basis with commercial institutions and the Macedonian Bank for Development Promotion (MBDP).

The purpose of the facility is to provide credits for sustainable energy sources for projects which improve the:

- Utilization of renewable energy sources (sun, wind, water, biogas, etc.)
- Efficient utilization of electric power
- Environment protection
- Macedonian energy climate

The facility is currently in place, distributed through the MBDP to the commercial banks. Commercial Banks which participate are (contact information for each bank is available in the earlier section of this report):

1. Komercijalna banka AD Skopje
2. UNI banka AD Skopje
3. TTK banka AD Skopje
4. NLB Tutunska banka AD Skopje
5. IK banka AD Skopje
6. Ohridska banka AD Ohrid

#### Credit line conditions

1. Energy Efficiency
  - Project amount: max. US\$ 500.000
  - Maturity: up to 6 years
  - Funds are approved only for new projects and with following project financial structure:
    - 60% MBDP
    - 10% own equity
    - 30% bank's funds, and miscellaneous.

For a project to be accepted, the World Bank requires that at least half of the benefits should come as a result of the savings of energy, which should be measurable. The technology for energy efficiency should be well supported with proof/arguments in the credit application.

2. Renewable Energy Sources
  - Project amount: max. US\$ 4.000.000
  - Funds are approved for projects with following financing structure:
    - 60% MBDP
    - 10% own equity
    - 30% bank's funds, and miscellaneous
  - Maturity: 5 up to 10 years, with a 3 year grace period
  - Target groups:
    - Small (mini) hydropower installations (capacity less than 10 MW),
    - Biomass-based power and heat production,
    - Heating projects based on surplus industrial heat or renewable heat sources,
    - Solar and wind energy projects.

The specific conditions of the credit line (i.e. interest rates and application procedures) depend on each commercial bank (specific information available in the section for commercial banks).

### **European Bank for Reconstruction and Development (EBRD)**

EBRD currently provides two facilities which provide financing for EE and RE projects: EBRD Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF) and EU/EBRD Western Balkans Sustainable Energy Credit Line Facility (WeBSECLF).

WeBSEDF is a direct facility, and therefore available only via EBRD directly to companies (presented in the earlier part of this report). The second one, WeBSECLF is available via a commercial bank (so far only via Ohridska Banka AD Ohrid, presented in the previous section of this report). Both facilities generally accept industrial energy efficiency projects and small renewable energy projects, but the direct facility is suitable for RE greenfield investments, while the second one is suitable for commercial building sector energy efficiency projects which is reflected in the conditions of the loans. The direct facility has larger limits on loan amounts and considering a greenfield investments, requires own equity (loan min. €1 mill to max. €6mill. and the credit line cannot be more than 65% of investments costs) while the second one is smaller in loan amounts and it does not require own equity (loan max. €2mill covering 100% of investments costs). More details for the facility available via Ohridska banka (WeBSECLF) are presented below.

#### *EU/EBRD Western Balkans Sustainable Energy Credit Line Facility (WeBSECLF)*

The EU/EBRD Western Balkans Sustainable Energy Credit Line Facility (WeBSECLF) provides debt financing for energy efficiency projects and small renewable energy projects implemented by private entities (in industry or in buildings used for commercial services) in the Western Balkans, including Macedonia.

#### *Eligible investments*

Industrial energy efficiency and commercial building sector energy efficiency projects, and small renewable energy projects.

#### *Eligible companies*

Local private enterprises, firms, businesses, sole proprietors or other private legal entities formed under the laws of Macedonia and operating in the country. Companies may not be majority-owned or controlled by the state, or by any other political, governmental or administrative body, agency or subdivision thereof. In the case of renewable energy projects operated under a concession arrangement, the company needs to have acquired that concession in a competitive tender.

Companies must be commercially viable and meet the commercial bank's credit criteria and be approved in accordance with the commercial bank's credit appraisal procedures. Companies can be ESCOs provided that the energy performance contract(s) (including a guarantee on a certain percentage of energy savings), signed between the ESCO and the end-user ensures that the Completion Fees are fully passed on to the end-user.

Companies shall not conduct business in the following activities: gambling, real estate with the aim of making profit on sales in the short and medium term, banking, insurance or financial intermediation, the manufacture, supply or trade in arms.

To qualify for financing under the Western Balkan Sustainable Energy Credit Line Facility or "WeBSECLF", a proposed borrower must be in compliance with the national environmental and health and safety legislation in Macedonia.

#### *Financing parameters*

Loans under WeBSECLF will be provided via commercial banks. Individual loans cannot exceed €2 million. Interest rates are market based. Collateral is required and depends on the type of the financing provided by the commercial banks.

#### *Incentive payments*

Incentive payments will be provided to eligible projects upon successful project completion. The amount of the payments is determined up front based on the estimated energy savings and CO2

emission reductions generated by the project. The incentive payments will be applied towards reducing the outstanding loan principal and can reach up to 20 percent of that sum.

#### *Investment appraisal*

Investment projects are assessed by commercial banks. Project Consultant is hired by the EBRD to help potential borrowers to identify prospective projects and prepare energy audits and to supply the commercial banks with a technical and financial assessment of projects.

#### *Terms and conditions*

WeBSECLF operates on a strictly commercial basis, supporting only financially viable projects and seeking returns on investments commensurate with risks.

#### *Macedonian Banks facilitating this opportunity*

Ohridska Banka AD Ohrid (contact details are presented in the earlier section of this report)

### **USAID Macedonia**

#### *USAID Development Credit Authority (DCA) facility - a facility targeted towards Small and Medium Enterprises*

The DCA facility (to last till 2014) is a loan portfolio guarantee program where USAID provides a 50 percent guarantee of the guaranteed ceiling, thus sharing the risk with partner banks. The maximum loan tenure is 5 years. For this facility, USAID has partnered with two private financial institutions, UNIBANKA and NLB Leasing (contact details are presented in the earlier section of this report).

### **European Investment Bank (EIB)**

Via the commercial banks in Macedonia currently two EIB credit lines are available: SME investments credit and SME permanent working capital. These credit lines are not specifically designed for EE and/or RE projects, but EE projects could apply under the SME investments credit line. RE projects are not suitable for any of these credit lines. The following is the categorization of enterprises which EIB follows:

- Micro-sized enterprise: annual turnover up to € 50,000 or up to 5 full time employees
- Small-sized enterprise: annual turnover up to € 200,000 or from 6 to 50 full time employees
- Medium-sized enterprise: annual turnover exceeding € 200,000 or 51 to 250 full time employees

For all 3 types of enterprises, the number of full time employees should not exceed 250.

#### *SME investment credits*

The SME investment credit is available for Macedonian SMEs and offers them financial support with a lower interest rate for realization of identified projects.

#### *Eligible investments*

Investments in tangible assets, as:

- Purchasing fixed assets
- Real estate
- Equipment (including energy efficient equipment)
- Working capital (not exceeding 30% of the project value)

#### *Eligible companies*

- Macedonian entities which have good market competitiveness (operating income larger than operating expense, and at least 30% export income)
- Entities which show increased extent of work at least 5%, or
- Increased export of at least 5% in the current year compared to the previous one
- Entities which have invested in modernization, saving of energy, environment protection
- Entities which have increased the number of employees

#### *Financing parameters*

- Minimum amount of €10,000
- Micro enterprises, credit up to €26,700
- Small enterprises credit up to € 266,700
- Medium enterprises credit up to €2,666,700
- Interest rate: 6% (first year), 3 months EURIBOR + 5%, but not less than 6%
- 

*Incentive payments*

There are no incentive payments.

*Investment appraisal*

Investment projects are assessed by commercial banks.

*Terms and conditions*

Documents required by the commercial banks:

- Credit application
- Business plan
- Income statement, Balance sheet and Cash flow statement
- Other documents as required by the intermediary bank

The number of employees should not diminish during the repayment period.

*Application procedure*

The first step to obtain a credit is to apply in one of the following commercial banks (contact person and contact details for all banks are available in the earlier part of this report, referring to the commercial banking opportunities):

- Investbank AD Skopje
- Komercijalna Bank AD Skopje
- NLB Tutunsk Banka AD Skopje
- Ohridska Bank AD Ohrid
- ProCredit Bank AD Skopje
- Stopanska Bank AD Bitola
- Stopanska Bank AD Skopje
- ExportCredit Bank AD Skopje
- Uni Bank AD Skopje

### **Future incentives**

There are two new incentives for provision of technical support and credit lines for energy efficiency and renewable energy projects which should be available under beneficial conditions for enterprises in Macedonia. The European Fund for Southeast Europe (EFSE) has already implemented the first credit line of such type in Turkey, and currently negotiations with some commercial banks in Macedonia are underway (in the second half of 2010 it is expected contracts with banks to be signed and the credit line to become available). The IFC, on the other side, has developed a program for the countries of Western Europe which is already being implemented in Albania and Bosnia and Herzegovina, and it is expected the implementation in Macedonia to start in 2011.

#### **European Fund for Southeast Europe (EFSE)**

The European Fund for Southeast Europe with the contribution of KfW, European Investment Bank (EIB), European Bank for Reconstruction and Development, European Investment Fund and Sal. Oppenheim have developed a Green for Growth Fund intended to offer support in finance for EE and RE projects in South East Europe, including Macedonia. The mission of this fund it is to contribute, in the form of a public private partnership, in enhancing energy efficiency and renewable energies in Southeast Europe, through the provision of dedicated financing to businesses (and households) via partnering with financial institutions and direct financing. The provision of technical support is strongly highlighted; support will be available through partner finance institutions.

#### *Objectives*

- Broadening the financing base of energy efficiency and renewable energy investments
- Increasing awareness and deepening the financial sector servicing those development needs

#### *Instruments*

- Medium to long-term senior loans
- Subordinated loans
- Letters of credit
- Guarantees
- Mezzanine debt instruments
- Local debt securities
- Equity
- Technical Assistance support

#### *Conditions*

- Minimum 20% reduction in energy consumption
- Minimum 20% reduction in CO2 emissions
- Promotion of renewable energy

#### *Beneficiaries*

- Financial Institutions:
- Non-Financial Institutions

#### *Target market*

- Companies, including ESCOs and RE companies

#### *Eligible Projects*

- Solar (thermal and photovoltaic)
- Small hydro
- Biomass
- Geothermal
- Methane recovery
- Small wind
- Biogas

#### *Size of investments*

- €500.000 to € 10mill.

*Eligible projects;*

Building heat source and distribution, lighting, renewable utilization, combined heat/power.

<b>International Finance Corporation (IFC)</b>
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IFC in Macedonia has mainly financed private sector investments and provided technical assistance and advice to governments and businesses with investments in the financial, general manufacturing, infrastructure, and IT sectors. There is a new initiative, however, which will be applicable in Macedonia which will support renewable energy projects (small hydro power plants). The program is developed for the countries of the Western Balkans and it is structured in three phases:

1. Support to the Macedonian government in legislature related to renewable energy;
2. Technical support to companies (concessionaries);
3. Cooperation with commercial banks (for technical support and financing)

The first phase is already being implemented in Albania and Bosnia and Herzegovina. Depending on the specific conditions of the Macedonian sector (based on the situation analysis performed prior implementation of the phases), the details of each phase of the program will be defined. It is expected that preparatory stages will be finished by the end of 2010, and in the second half of 2011 there will be concrete project implementation taking place.