

04.03.2020

RELEASE

SNTGN Transgaz SA and the European Bank for Reconstruction and Development signed the Memorandum of Understanding on the cooperation and support for investments in the Romanian energy sector

Today, the 4th of March, at the headquarters of the representative office of Bucharest, SNTGN Transgaz SA signed with the European Bank for Reconstruction and Development (EBRD), the Memorandum of Understanding on the cooperation and support for Transgaz' Investment Program.

The Memorandum of Understanding was signed on behalf of SNTGN Transgaz SA by Mr. Ion Sterian, Director General and on behalf of EBRD by Mr. Alain Pilloux, Vice President. Representatives of Transgaz' and EBRD's executive management also attended the event.

Based on Transgaz' needs, EBRD will take into account the participation in the financing of the project by supplying debt or equity instruments depending on the situation. The objectives and/or scope of the Investment program are:

- The extension, upgrading and replacement of the domestic Romanian network in order to increase the accessibility of the end users to the gas networks, to improve the security of gas supply and to diversify energy sources;
- To cooperate for the development of the interconnection of gas networks so as to improve the security of supply and to diversify gas sources in the entire region;
- To collaborate in research and development projects for the „gas greening” in order to ensure the transition to cleaner gas.

The European Bank for Reconstruction and Development is an international financial institution established and conducting its activity based on the Agreement Establishing the European Bank for Reconstruction and Development dated 29.05.1990. The bank was established in 1991 after the collapse of communism in Europe for the purpose of strengthening market economies and democracies in 38 countries in South Eastern Mediterranean, Central and Eastern Europe up to Central Asia. The bank is owned by 68 countries and two intergovernmental institutions (the European Union/EU and the European Investment Bank/BEI). The mandate awarded to EBRD upon its establishment stipulates that the institution will only cooperate with states that adopt principles of democratic governance. Transgaz is the sole technical operator of the National Gas Transmission System (NTS) and ensures the achievement of the national strategy goals for internal and international gas transmission, dispatching, research and design, in conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness, in line with the Romanian and European applicable laws, and with the quality, performance, environmental and sustainable development standards.

Transgaz has a Ten Year Network Development Plan in which the FID (Final Investment Decision) and A-FID (Advance Final Investment Decision) projects are in the total amount of 1.25 billion euro. Transgaz and EBRD have a successful cooperation relation for the financing of the BRUA project. EBRD has granted Transgaz a loan amounting to RON 278 million for such project. At the same time, Transgaz and EBRD were partners in the attempt to procure a stake in the Hellenic transmission system operator DESFA. EBRD and its subsidiary Vestmoldtransgaz collaborate for the project Ungheni – Chisinau in terms of environmental and social related aspects making sure of the compliance with the highest standards in the implementation of this project.

COMMUNICATION DEPARTMENT