

RENEWABLE ENERGY SNAPSHOT:



Empowered lives.
Resilient nations.

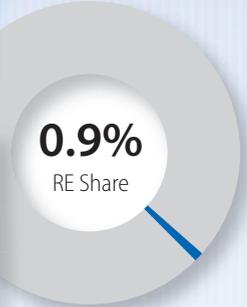
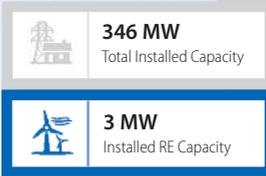
Moldova



General Country Information

Population: 3,559,541
 Surface Area: 33,850 km²
 Capital City: Chisinau
 GDP (2012): \$ 7.3 billion
 GDP Per Capita (2012): \$ 2,038
 WB Ease of Doing Business: 78

Electricity Generating Capacity¹ 2012



Biomass



Solar PV



Wind



Small Hydro³

Installed Renewable Electricity Capacity 2010² in MW

Technical Potential for Installed Renewable Electricity Capacity in MW

< 2.8	< 1	< 1	< 1
800	45,800	2,700	300

Source: Republic of Moldova (2011); World Bank (2014); UNECE (2009); Republic of Moldova (2013); EIA (2013); SRS NET & EEE (2008); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); and UNDP calculations.

Key information about renewable energy in Moldova

Moldova is a transit country and significant importer of energy (natural gas, oil products and electricity) for its own use. Only 5 percent of gross domestic energy demand is met from domestic energy resources by utilizing only a marginal part of its renewable energy potential (ECS, 2011). The technical wind potential capacity alone is about five times as much as the current overall installed capacity of electricity. To increase the share of renew-

1 Electric capacity on the territory of Transnistria Autonomous Territorial Unit with Special Legal Status is not included in the electricity statistics.
 2 Due to a lack of data, the table includes renewable energy statistics from 2010.
 3 Due to lack of data, the value is from 2009. Small hydropower is defined as installations smaller than 10 MW, so the Costesti hydropower plant (16 MW) is not considered.

able energy in power generation, in 2007 the Republic of Moldova adopted the Law on Renewable Energy Sources, which introduced the concept of public tender procurement and electricity produced from renewable sources at a 'cost-plus' adjustable tariff. But despite the adoption of a methodology for calculating tariffs for renewable energy and energy efficiency (and for biofuels,) investors have shown relatively little interest to date. Consequently, changes in the regulatory framework are being prepared to improve the current situation and to attract new investment. The changes are intended to introduce clarity and transparency into the overall functioning of the energy market by offering investors tools and mechanisms to invest in the Moldovan energy system. This new law on renewable energy sources, which was expected to have been adopted in 2014 and which will replace the current law, will provide clear tariffs for each type of renewable energy source and a transparent mechanism for energy procurement based on an open tendering system. In the World Bank's Ease of Doing Business indicators, Moldova is ranked in 78th position. While registering property and the enforcement of contracts is relatively easy, dealing with construction permits is highly bureaucratic (174th position), although the country's ranking increased by 21 positions between 2011 and 2013. This in combination with the harmonization of Moldova's legislation with EU norms and legislation makes for a positive outlook for a more investor friendly business climate (IFC & World Bank, 2014). The absence of small and medium size private investment in renewable energy was largely because renewable energy investment opportunities were unfamiliar and new for local banks, combined with a lack of information about investing in renewable energy and its general potential (ECS, 2011). This development is reflected in the growth of Moldova's biomass market in recent years. It is estimated that, since 2011, the number of companies producing different solid biomass fuel has increased fivefold.

Legislation and policy

As a part of EC Ministerial Council's commitment to EU directive 2009/28/EC, Moldova committed to a binding share of 17 percent in renewable energy as part of the gross final energy consumption (EC, 2012). Energy efficiency, renewable energy and market development of network energies (electricity and gas) are the cornerstones of the recently adopted Energy Strategy of Moldova by the Year 2030. This strategy targets a share of 20 percent for renewable energy in the gross final energy consumption (Government of Moldova, 2013). The National Renewable Energy Action Plan is in the final stage of development and will further define policies and actions towards development of renewable energy in Moldova. According to the existing legislation, renewable energy developers have priority and free access to the grid. Moreover, the Energy Efficiency Fund was created to provide renewable energy project developers with grants, loans and guarantees as well as technical advice. The investment climate in Moldova offers various investment incentives for foreign investors. Moldova has a relatively low tax regime, with 12 percent corporate income tax and 20 percent VAT. Foreign investors may also apply for preferential treatment and tax exemptions. Moldova has established a number of free economic zones offering exemption from VAT and excise duties, as well as protection for 10 years from any change in legislation. A Guarantee of Origin for renewable energy sources can be obtained from the Transmission System Operator.

Institutions

Organization	Responsibility	Website
Ministry of Economy	- Develops and implements energy policy and legislation in Moldova	www.gov.md
National Energy Regulatory Agency (ANRE)	- Regulates the electricity market - Defines conditions for the approval of tariffs - Issues licences for activity in the power market, e.g. for energy production	www.anre.md/
Energy Efficiency Agency	- Responsible for implementing policies in energy efficiency and use of renewable sources of energy	www.aee.md
Transmission System Operator	- Provides transmission and dispatch services - Issues Guarantees of Origin for renewable energy sources	-
Moldavian Investment and Export Promotion Organization	- Responsible for the consultation and attraction of foreign investors	www.miepo.md/

Opportunities to finance renewable energy projects in Moldova

Financing organization	Details	Website
Energy Efficiency Fund (EEF)	Its main objective is to attract investment to finance and implement energy efficiency and renewable energy projects. Eligible projects (at least 30 percent contribution by developer payback period of max. 15 years) financing can amount up to \$900,000.	www.fee.md/
Moldovan Sustainable Energy Financing Facility (MoSEFF)	Private Moldavian firms can receive €25,000 to €2,000,000 of loans for renewable energy projects. Between 5 percent and 20 percent of the loan can be given as a grant.	www.moseff.org/index.php?id=1&L=1
Green Growth Fund	Provides direct and indirect (through financial intermediaries) financing for small scale renewable energy projects usually not larger than €50 million.	www.ggf.lu/
European Bank for Reconstruction and Development (EBRD)	Provides renewable energy developers with equity, loans and loan guarantees for projects with good commercial prospects of up to 15 years' duration.	www.ebrd.com/pages/workingwithus/projects.shtml
International Finance Corporation (IFC)	IFC strategy focuses on investing in financial intermediaries via the Balkan Renewable Energy Programme to provide advisory services for developers and policy makers and access to finance for micro, small, and medium enterprises through intermediaries.	www.ifc.org/

Moldova

Recent projects

Company	Project	Status
Solartech Energy (Moldova) and Fenosa (Spanish)	Solartech, the Moldavian subsidiary of French One Network Energies, commissioned a 3 KW roof-top PV with a planned output of 3,600 kW-h/ year in the village of Hartopul Mic.	Commissioned
UNDP and EU	The Moldova Energy and Biomass Project helps to establish a reliable, competitive and sustainable market for power generation from renewable sources, particularly from agricultural waste biomass. It aims to commission 35 MW of biomass heating systems until 2014. www.biomasa.aee.md	Under development

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