

FINANCING PRODUCT
Energy Efficiency of Housing Blocks
(Product name of funding)

Approved at the IP CNED Council meeting of 12 June 2024

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I. GENERAL PROVISIONS AND DEFINITIONS

1.1. Introduction

The financing product "Energy efficiency of housing blocks" (hereinafter - product) is intended for accessing and granting financial incentives from the financial means of the Fund for Energy Efficiency in the Residential Sector of the Republic of Moldova, for financing energy efficiency measures and the recovery of renewable energy sources in housing blocks in the Republic of Moldova.

1.2. Definitions and acronyms

FEERM	-	Energy Efficiency Fund in the Residential Sector of the Republic of Moldova
IP CNED	-	Public Institution National Center for Sustainable Energy
APC	-	Condominium owners' association as defined in Law No 187/2022 on condominium
CFR	-	Finance and Risk Committee
FRVE	-	Energy Vulnerability Reduction Fund
PC	-	Common parts – land and parts of the condominium building which are intended for use by all condominium owners, as well as other property which, according to the law or the act establishing the condominium, are intended for common use by all condominium owners
PTI	-	Individual thermal point
SOEE	-	Energy efficiency obligation scheme programme
SACET	-	Centralised heat supply system
Dri	-	Duration of return on investment (without taking into account possible increases in energy prices)
NPV	-	Net Present Value
Allowance	-	Financial aid to make energy consumption more efficient, granted in accordance with Article 5(1)(b) of Law No 241/2022 on the Energy Vulnerability Reduction Fund, intended for vulnerable energy consumers to partially cover costs, with the eligible investment on account of the beneficiary's contribution.
Beneficiary contribution	-	the financial contribution made up of the Beneficiary's financial means (hereinafter the actual contribution) and the allocations provided by IP CNED to the implementation of the Project.
Beneficiary's actual contribution	-	financial contribution covered by equity/own funds , loan/bank loans, other sources (development partners/donors, local public administration authorities, etc.), paid by the Beneficiary/on behalf of the Beneficiary for the implementation of the Project

1.3. Main objective

Increasing energy efficiency and harnessing renewable energy sources in housing blocks and reducing the energy vulnerability of household consumers living in them.

1.4. Specific objectives (ERDF programme, housing blocks)

- Ensuring the renovation of a heated area of at least 253 thousand m² in housing blocks across the country (at least 50% of the specific objective set out in the FEERM Programme and corresponding to its monitoring indicators).
- Record energy savings to final customers of at least 2.88ktoe (at least 50% of the specific objective set out in the FEERM Programme).

1.5. Eligible applicants and beneficiaries

Condominium Owners Associations (PCAs)

1.6. Source of funding

Investments under the product shall be financed from:

- Financial incentives granted by IP CNED from the account of the FEERM Programme, according to this product.
- The actual contribution of the beneficiaries, which may be covered from the account of at least one of the following sources:
 - the equity/own funds of the CPA;
 - Borrowed capital/bank or non-bank loans;
 - other sources (development partners/donors, local public administration authorities, etc.).

1.7. Type of financial incentives

- The financial incentives from the financial means of the FEERM Programme shall take the form of:
 - **Grant** – 70% of the amount of the eligible investment;
 - **Allowance** – for owners of apartments within the CPA, determined in accordance with the conditions described in item 2.5.
- The financial incentives for the measures approved for financing, in accordance with this financing product, will be provided on *the basis of the Financing Contract*, signed by IP CNED and the Beneficiary, within the limits of the financial means available in the budget of IP CNED, for the aforementioned financial incentives.

1.8. Conditions for granting financial incentives

- Compatibility of applicants with the eligibility criteria;
- Meeting the requirements for energy renovation projects of housing blocks.

1.9. Period of validity (applicants' submission of applications)

- 1 May 2024 – 31 December 2027

1.10. Product components

The financing product consists of 3 distinct and consecutive components:

- Component I - Energy audit;
- Component II – Project documentation;
- Component III – Construction works.

1.11. Budget

The budget of the product is established on the basis of the provisions of the Fund for Energy Efficiency in the Residential Sector of the Republic of Moldova, approved by Government Decision No. 251 of 10.04.2024.

The budget of the product is part of the budget of the FEERM Program and constitutes (including

administration expenses up to 10% according to the Statute): 622 thousand MDL, of which:

Sources of funding for the budget - Funds	thsd MDL	Use of the budget	thsd MDL
SOEE	226,5	Grants to beneficiaries	419,5
FRVE	99,8	Beneficiary allowances	89,9
Donations, grants, other financial means	215,6	Total financial incentives	509,4
Beneficiaries' actual contribution	89,9	Total investments including actual contribution	599,3
		<i>of which for</i>	
		Component 1 (2%)	11,9
		Component 2 (8%)	47,9
		Component 3 (90%)	539,4
		Management, monitoring and control of programmes and projects (CNED administrative expenditure)	32,6
Total - Funds	621,9	Total - uses	621,8

Breakdown of the budget by product components:

- Component I - 2%;
- Component II - 8%;
- Component III – 90%.

The sources of financing of the Product Budget are the financial means received from:

- SOEE – MDL 226.5 thousand;
- FRVE – MDL 99.8 thousand;
- Donations, grants, other financial means provided by the Statute – MDL 215.6 thousand.

1.12. Energy efficiency measures and recovery of renewable energy sources eligible for financing (hereinafter – housing block energy renovation measures)

- **Group A - Roof:**

- A1. Thermal insulation of the roof (all types);
- A2. Thermal insulation of the floor of the technical floor.

- **Group D – Heat distribution :**

- D1. Installation of heating system and domestic hot water supply with horizontal distribution of heat and individual metering of apartments (for consumption of heat for heating and domestic hot water);
- D2. Installation of the heat production system by solar collectors-based PCAs.
- D3. Installation of heat pumps.

- **Group E - electric car charging station:**

- E1. Installation of common automotive charging stations.

- **Group F - Photovoltaics:**

- F1. Installation of photovoltaic solar panel system (electricity production for PC lighting and elevators), including with energy storage batteries.

- **Group I (Lighting):**

- I1. Upgrading/renovation of the interior lighting system in the PC.

- **Group L (Lifts):**

- L1. Modernization of elevators to make electricity consumption more efficient.

- **Group P (Walls):**

- P1. Thermal insulation of external walls;
- P2. Insulation of the walls of the foundation and the socket of the building above ground level, including thermal insulation at the level of the ground floor of the walls between the apartments and the unheated stairwell, as appropriate.

- **Group S (Subsoil):**

S1. Thermal insulation of the unheated basement (intrados).

- **Group T (carpentry):**

T1. Replacement of exterior doors and/or windows (from PC).

T2. Replacement of the exterior windows of the apartments, for the entire housing block

Other measures: repair or installation works, which are strictly necessary to protect or facilitate the implementation of energy efficiency measures identified on the basis of the energy audit report and the detailed technical design in the cases provided for by the legislation.

Specific eligibility requirements for eligible housing block energy renovation measures:

- Measures in groups P, T and S shall not be admitted for funding unless group A measures are also implemented where the non-implementation of group A measures poses a risk to the sustainability of group P, T and S measures.
- Group P measures shall be admitted for financing only after the implementation of group T1 measures or together.
- Measure T2 is admitted for financing, only if it will be implemented in all apartments of a residential building
- Measures in groups P1 and P2 are allowed for financing in housing blocks that have partial thermal insulation of the exterior walls and the base, only if the existing thermal insulation layers applied by the owners of these apartments are dismantled.
- The measure in Group E shall not be admitted for funding if it has not been implemented or is not planned to be implemented together with at least one of the measures in Groups A and P.
- The measure in Group F shall not be admitted for funding if it has not been implemented or is not planned to be implemented together with the measures in Groups A, P, T, and L (if any).
- The measure in Group L shall not be admitted for funding if it is not planned to be implemented together with the measures in Groups A, P, T, I.

1.13. Implementation of components

Component I – Energy audit

a) CNED IP will organize a call for the collection of requests for the performance of the energy audit. The PCA concerned shall submit a file to that effect containing the following documents:

- Request to participate;
- Application form;
- Decision of the Board of Directors of the CPA or Decision of the General Assembly of the CPA on the decision to carry out the Energy Audit or the approval of the decision on energy rehabilitation of the housing block.
- Extract from the State Register of Legal Entities/Legal Units;
- Decision on the registration of the amendments made in the acts establishing the PCA and in the data entered in the State Register of Legal Entities (status, composition of the members of the governing bodies: administrator, management board);
- Bank statement on the existence and balance of the CPA Reserve/Savings/Development and Repair Fund, including showing that it has sufficient estimated financial resources in its accounts to cover the estimated cost of the Energy Audit Report.

b) The evaluation of the files will be carried out by the CNED IP on the basis of the criteria indicated in Table 1 or on the basis of the first-come-first-served principle. The evaluation principle will be set out in the text of

the Appeal.

Table 1. Evaluation Criteria for CPA Applications

Criteria	Score
Legal form of organisation	<ul style="list-style-type: none"> - PCA – 20 p. - CCL/APLP/ACC – 10 p. (for cases where the energy audit report was issued until the entry into force of Government Decision No 251/2024 approving the FEERM Financing Programme).
Discipline of payment of invoices, in % (Share of apartments without arrears on invoices issued by the association, out of the total number of apartments (average over the last 3 years))	<ul style="list-style-type: none"> - More than 80% - 30 p. - 70%-80% - 20 p. - Less than 70% - 0 p.
Experience in the last 7 years in the implementation of projects larger than 50 thousand MDL	<ul style="list-style-type: none"> - 1 draft – 10 p. - For each additional project will be added 5 points, but not more than 40 p in total. - Lack of experience - 0
Average value of repair and development fund per apartment (separate account)	<ul style="list-style-type: none"> - Available on average 50 MDL/apartment – 30 p. - For each at least 50 additional MDL per apartment will be added 5 points, but not more than 20 points. - Missing – 0 p.
Average amount of reserve funds per apartment other than repair and development fund	<ul style="list-style-type: none"> - Available on average 50 MDL/apartment – 30 p. - For each at least 50 additional MDLC per apartment will be added 5 points, but not more than 20 points. - Missing – 0 p.
Decision of the General Assembly of the PCA on the approval of the decision on energy rehabilitation of the housing block	<ul style="list-style-type: none"> - There is – 50 p. - Missing – 0 p.
Building connected to SACET	<ul style="list-style-type: none"> - Yes – 30 p. - No – 0 p.
Existence of the Individual Thermal Point within the housing block heating system	<ul style="list-style-type: none"> - Yes – 20 p. - No – 0 p.

- c) The PCAs selected by IP CNED in priority order according to the score accumulated, as the case may be, according to the first come-first served principle, benefit from an energy audit carried out by companies selected and contracted by IP CNED. Approved PCAs to sign with CNED IP a Financing Contract for energy audit
- c) When submitting the Letter of Intent, the CPA must demonstrate that it has sufficient estimated financial resources in its accounts to cover the estimated cost of the Energy Audit Report, calculated on the basis of the cost per m² of the total area of the housing block. The estimated cost is determined according to a simplified methodology, available on the CNED IP webpage.
- d) For the preparation of the Audit Report, the CPA pays a part of the actual contribution, amounting to 10% of the total cost of energy audit services. This amount is part of the first instalment of payment of the Beneficiary's actual contribution from the cost of the Energy Rehabilitation Project to be implemented.
- d) The actual contribution of the PCA, amounting to 10% of the cost of the energy audit, shall be paid to the CNED within 10 calendar days from the date of signature of the contract for energy audit services.
- e) If the PCA does not submit the financing application for the start of the project documentation phase (Project Component II), within 3 months from the date of submission of the CNED IP energy audit report, it will reimburse in full the cost of the energy audit paid from CNED IP sources. The deadline for submission may be extended by another 3 months, at the reasoned request of the PCA, if at least one minutes of the general meeting of owners are submitted, in the framework of which the project has been discussed and submitted for approval, confirming the intention of the PCA to implement the project.
- f) CPAs with energy audit reports drawn up from sources other than those of the CNED IP are eligible for Component II – Project documentation, provided that the CPA and the housing blocks managed by these

CPAs meet the eligibility conditions for the beneficiaries of this product.

Component II – Project documentation

- a) Considering the results of the energy audit, the PCA decides at the general meeting with the tenants, the energy rehabilitation measures of the housing block (from those specified in the energy audit report), which are requested to be implemented, the amount of the contribution of the separate PCA for the project documentation and for the works for the implementation of the energy rehabilitation measures, as well as the way of financing/covering the contribution considering the specific conditions of eligibility of the measures.
- b) The contracting of project documentation development services (including the development of technical expertise and the verification of project documentation) is carried out by IP CNED.
- c) For the elaboration of the project documentation (including the elaboration of the technical expertise and the verification of the project documentation) the PCA pays a part of the actual contribution, amounting to 10% of the cost of the elaboration of the project documentation.
- d) The initial contribution of the PCA, amounting to 10% of the cost of developing the project documentation (including the development of the technical expertise and the verification of the project documentation) shall be paid by the PCA to IP CNED, within 10 days from the date of signing the financing contract between IP CNED and APC , for developing the project documentation and carrying out the works for the implementation of the energy rehabilitation measures of the housing block. The financing contract shall include, but not be limited to:
 - the cost of drawing up and verifying the project documentation, and drawing up the technical expertise of the building (based on the winning bid);
 - the estimated cost of implementing energy renovation measures for the block (based on the costs indicated in the energy audit report);
 - the value of the actual contribution of the CPA, the equivalent in MDL of 10% for the preparation of the project documentation;
 - the estimated amount of the total contribution of the beneficiary. The contribution of the PCA to the project documentation shall be included in the total amount of the beneficiary's contribution.
- e) In order to implement this component, interested PCAs shall submit to the CNED IP a file containing:
 - application for funding;
 - energy audit report (if drawn up from sources other than FEERM);
 - the decision of the general meeting of the PCA to approve the implementation of the list of energy rehabilitation measures for the housing block (from those provided in the energy audit report) for which the project documentation will be drawn up under Component II and for which it is requested to provide the financial incentives under the FEERM Programme, the amount of the beneficiary's contribution, as well as the way in which it will be financed (equity / attachment funds, bank or non-bank credit, by development partners, local public administration authorities, other non-prohibited sources of legislation and financing products);
- f) PCAs participating in Component II are also obliged to participate in Component III – Construction works. PCAs not participating in Component III – Construction works pay the remaining/full value of the cost of the project documentation (including the development of the technical expertise and the verification of the project documentation), after deducting from the total cost of the project documentation the value already paid, amounting to 10% of the cost of developing the project documentation, paid by the PCA to Component II .
- g) For this component, the CPAs that developed the energy audit from financing sources, other than the financial incentives granted by IP CNED from FEERM means in accordance with the normative acts, are also admitted.
- h) PCAs with project documentation drawn up from financing sources other than financial incentives granted by CNED IP from FEERM means, drawn up in accordance with the requirements of the regulatory framework and those laid down in this financing product, are eligible for Component III –

Construction works, provided that the housing blocks managed by these PCAs meet the eligibility conditions for the beneficiaries of this product.

Component III – Construction works

- a) IP CNED signs with the PCA an Additional Agreement to the Financing Contract signed at the stage of Component II – Project Documentation. The Additional Agreement shall specify:
- the specified value of the works for the implementation of the energy rehabilitation measures of the block, based on the costs specified in the cost estimates drawn up in the result of the project documentation (including the costs for the quality control services of the construction works through certified technical specialists and the authors of the project documentation);
 - the specified amount of the total contribution of the beneficiary and the remaining contribution to be paid by the beneficiary by excluding the contribution paid by the beneficiary at Component II stage from the total amount of the contribution;
 - The instalments and deadlines for payment to CNED IP of the CPA contribution for the financial investment are:
 - 30% of the total effective contribution - within 10 days from the date of signing the additional agreement to the financing contract. The contribution paid by the CPA to Component II shall be considered as part of this instalment of the contribution;
 - 30% of the total actual contribution - within 10 days from the date of signing the acceptance report at the end of the works;
 - 40% of the total actual contribution – flat rate or within a maximum of 1 (one) or 2 (two) years from the date of signature of the acceptance report at the end of the works.
- b) Until the purchase of the works for the implementation of the energy rehabilitation measures of the block, IP CNED checks the receipt from APC of the payment amounting to 30% of the value of the contribution. In case of submission by the CPA of justified arguments regarding the inability or impossibility to pay the first instalment of the contribution, within the requested deadline, the CNED IP may offer additional time for the payment of the contribution, which will not exceed 12 months from the date of signing the additional agreement to the financing contract.
- c) Based on the project documentation, IP CNED prepares the specifications and acquires the works for the implementation of the energy rehabilitation measures of the block (construction works) and the quality control services of the construction works by certified technical specialists.
- d) In case of notification by IP CNED of non-compliance by APC with contractual commitments, IP CNED may request the termination of the contract and the recovery of financial incentives granted to APC, as well as the recovery of material damages.

1.14. Financing decisions

- a) Decisions to accept or refuse the eligibility of CPAs for participation as beneficiaries of financial incentives, for each component, shall be taken by the CFR in accordance with the provisions of the CNED IP Statute.
- b) The decision on acceptance or refusal for Component I will be taken based on the accumulated score and eligibility criteria under the corresponding call.
- c) For component II, the CFR examines the submitted files and issues the decision approving for funding the eligible applicants in the order in which their files were submitted to the CNED IP. If applications exceed the available budget, priority will be given to applicants who:
- are connected to SACET;
 - does not record or records the lowest rate of disconnection of apartments from SACET.
- d) Based on CFR's decision to accept financing for Component II, CNED IP will sign a financing contract with the beneficiaries setting out the conditions for the implementation of the project and the method of payment of the contribution.

1.15. Monitoring period of implemented projects

- 24 months after the signature of the acceptance report at the end of the works for the Funding applicants who submitted, in the CNED IP address, the financing applications for Component II by (29 May 2025).
- 12 months after signing the acceptance report at the end of the works, for the Financing Applicants who will submit, in the CNED IP address, the financing applications after the date (29 May 2025).

II. CONDITIONS AND CRITERIA FOR THE APPLICANT FOR THE FUNDING PRODUCT

2.1. Eligibility criteria for applicants (according to the most recent situation up to the date of submission of the application for financial incentives):

- a) have the form of a legal organisation of the CPA type;
- b) are registered in the State Register of Law Units of the Republic of Moldova;
- c) the buildings proposed for energy renovation were put into operation no later than 2005. Buildings put into service after this year may also be accepted, provided that they were not thermally insulated at the construction stage, according to the technical execution project/cadastral file they have arrears against the national public budget;
- d) have not initiated legal proceedings that would jeopardise the implementation of the energy rehabilitation project of the block;
- e) the associations have the decision of the general meeting of the association regarding the approval of the energy rehabilitation of the housing block, the amount of the beneficiary's contribution, as well as the way in which it is financed (equity / attachment funds, bank or non-bank credit, by development partners, local public administration authorities, other sources not prohibited by legislation and financing products), in accordance with the provisions of Law No 187/2022 on condominium;
- f) the average monthly arrears (calculated for the last 12 months preceding the submission of the application), of associations vis-à-vis intermediated service providers, providers of energy resources (electricity, natural gas, heat), water and sewerage and/or public electronic communications services, which must not exceed 20% of the total amount of monthly payments for each individual service;
- g) are not in insolvency proceedings or being wound up.

2.2. Eligibility criteria for energy renovation projects for housing blocks:

- a) promote technically and economically feasible energy renovation solutions in accordance with minimum energy performance requirements, respecting the energy efficiency first principle, on the basis of the energy audit report carried out by a qualified energy auditor and registered in the Electronic Register of Energy Auditors ;
- b) complies with the specific eligibility requirements for energy renovation measures for the housing block set out in point 1.12;
- c) the solutions promoted demonstrate a minimum level of energy savings depending on the category of measures proposed for implementation and the main project indicators for each category of measures (Table 2);
- d) demonstrate technical feasibility, consisting of assessing at least the following aspects:
 - the relevance of the proposed solutions to the specific needs of the building(s) (the proposed solutions are to be found in the types of measures eligible for funding specified in point 1.12);
 - the conformity of the type and characteristics of the materials and equipment proposed to the minimum technical requirements specified in *the Minimum technical requirements and specifications for energy efficiency works and promotion of renewable energy sources*.

- compliance with all applicable regulatory requirements and technical regulations, including relating to the authorisation of construction works and quality in construction, as follows:

For Component I ‘Energy audit’, but not limited to:

- compliance with Article 19(3), (8) and Article 20(1) of Law No 139/2018 on energy efficiency;
- compliance with points 38 to 51 of the Regulation on energy auditors and energy audit, approved by Government Decision No 676/2020;
- Compliance with the Models/ Templates of Energy Audit Reports and Minimum Requirements for Energy Audits in the Buildings Sector.

For Component II ‘Project documentation’, but not limited to:

- compliance with the provisions of Urban Planning and Construction Code No 434/2023;
- compliance with the provisions of the construction normative document NCM A. 07.02-2012 ‘Procedure for development, approval, approval and the framework content of the construction project documentation. Main requirements and provisions’;
- compliance, where applicable, with minimum technical requirements and specifications for energy efficiency works and promotion of renewable energy sources.

For Component III ‘Construction works’, but not limited to:

- compliance with the provisions of Urban Planning and Construction Code No 434/2023;
- compliance with *minimum technical requirements and specifications for energy efficiency works and promotion of renewable energy sources.*
 - the technical condition of the building based on the technical expertise report of the building, drawn up and approved in accordance with the requirements of the related legislation;
 - the compliance of the execution plan and schedule with the set of proposed measures and the degree of complexity of the project in accordance with the respective financing product;
 - the correctness and completeness of project cost estimates, including those related to design, installation, maintenance, etc.;
 - the capacity of the proposed solutions to ensure energy savings and reduce greenhouse emissions in relation to the proposed targets;
 - providing for measures to ensure monitoring, reporting and verification of the results of implemented projects.

e) demonstrate economic and financial feasibility, based on the cost-benefit analysis (based on the energy audit), which consists of assessing at least the following aspects:

- the economic efficiency of the measures, based on the minimum indicators (VNA and duration of return on investment) as set out in Table 2;
- the ability to ensure the beneficiary's contribution in accordance with the financing conditions for this financial product.

f) comply with social, environmental and governance responsibility requirements, which shall consist of assessing at least the following:

- compliance of the project with the provisions of the legislation in the field of environmental protection and climate change;
- the project should have a sustainable approach, using materials and technologies that have a low environmental impact and are sustainable in the long term;
- compliance of the governance structure of associations with the provisions of Law no.187/2022 on condominium;
- demonstrating compliance with social rights and in the decision-making process of the association, in accordance with the normative framework and agreements with development partners.

Table 2. Economic project indicators for categories of measures

Type of measures	Energy savings (under standardised conditions), %	NPV determined at discount rate $i=4\%$, MDL	DRI, years
A, P	$\geq 30\%$	≥ 0	<20
S	$\geq 10\%$	≥ 0	<20
T	$\geq 15\%$	≥ 0	<20
F	Not applicable	≥ 0	<15
E	Not applicable	≥ 0	<10
D1	$\geq 15\%$	≥ 0	<35
D2	$\geq 20\%$	≥ 0	<15
D3	$\geq 20\%$	≥ 0	<15
L	$\geq 30\%$	≥ 0	<12 (converters)

2.3. Eligible expenditure:

- expenditure related to the preparation of documentation (energy audit report, technical expertise, planning certificate for design, project documentation for execution, project verification by certified project verifiers, obtaining building permit, etc.);
- expenditure relating to the implementation of the measures referred to in point 1.12;
- expenditure related to monitoring during the implementation of the project and verification of the correct execution of the works, in accordance with the provisions of the Urbanism and Construction Code No 434/2023;
- expenditure on measures which do not generate energy savings but are necessary to protect and ensure the sustainability of energy efficiency measures, up to a limit of 30% of the amount of the eligible investment.

2.4. Expenditure not eligible for funding:

- costs for the purchase of goods and services or their share covered by other assistance programmes/projects and/or state subsidies;
- costs incurred before the application for funding is submitted by the applicant, with the exception of the costs of services for the preparation of energy audit reports carried out by a qualified energy auditor and registered in the Electronic Register of Energy Auditors and the costs of design services;
- the purchase of second-hand goods, except as provided for in the operational manual for the implementation of the FEERM Programme;
- taxes and duties not included in the value of the goods, according to the financial statements, excluding VAT;
- rental payments for premises and equipment not necessary for the implementation of projects financed under the EMFF Programme;
- consumables and administrative expenditure incurred by the beneficiary;
- remuneration expenses for members of the management bodies and employees of the association;
- costs of spatial planning, operation of facilities, maintenance and repair of the building, with the exception of those referred to in the fourth indent of point 2.3;
- purchase of land and buildings;
- purchase of vehicles for the needs of the association, members of the management bodies and employees of the association.

2.5. Specific caps on financial incentives (relative share, %)

- Grant - 70% of the amount of the eligible investment.
- Allowance for apartment owners according to their energy vulnerability.

Funding applicants who submitted, in the CNED IP address, the financing applications for component II – Project documentation, by 29 May 2025, receive allowances according to the degree of energy vulnerability assigned to them for the 2024-2024 heating season, according to the information system ‘Energy Vulnerability’ (hereinafter referred to as , VIVE) as follows:

- Extreme - 90% of the amount of the beneficiary's contribution to the eligible investment.
- Very high - 75% of the amount of the beneficiary's contribution to the eligible investment.
- High - 60% of the amount of the beneficiary's contribution to the eligible investment.
- Average - 45% of the amount of the beneficiary's contribution to the eligible investment.
- Primary - 30% of the amount of the beneficiary's contribution to the eligible investment.
- Low - 15% of the amount of the beneficiary's contribution to the eligible investment.
- Non-vulnerable - 0% of the amount of the beneficiary's contribution to the eligible investment.

Funding applicants who on 29 May 2025 were at the stage of drawing up the energy audit or are about to submit new applications for funding under the terms of this financing product shall receive allowances based on the information available in the LIS on the date of submission of the application for component II – Project documentation. The amount of the allowance shall be granted according to the information in the table below:

Table 3. Distribution of the amount of the allowance

Indicators		Amount of the proposed allowance
VGL ≤ MCF	VGL/MCF < 80%	90% of the amount of the beneficiary's contribution to the eligible investment.
	80% ≤ VGL/MCF ≤ 100%	70% of the amount of the beneficiary's contribution to the eligible investment.
VGL > MCF, R > 0	R ≥ 100%	50% of the amount of the beneficiary's contribution to the eligible investment.
	20 ≤ R < 100	20% of the amount of the beneficiary's contribution to the eligible investment.
	0 < R < 20	-

Where:

R – Percentage ratio of expenditure on energy resources to disposable income to pay for energy;

VGL – overall monthly household income;

MCF – minimum household expenditure level.

R, VGL and MCF are determined in accordance with Government Decision No 816 of 4 December 2024 approving the Regulation on the granting of energy compensation in the form of monetary payment and Government Decision No 817 of 4 December 2024 approving the formulae for calculating energy compensation in the form of monetary payment, laying down the rules for the cost of energy in the cold period of the year and the level of household minimum expenditure for household consumers for the last period of available data.

2.6. Beneficiary contribution (*relative share, %*)

- At least 30% of the amount of the eligible investment, including the total amount of allowances. The beneficiaries will pay the difference between the amount of the contribution and the amount of the allowance referred to in point 2.5., called the actual contribution of the beneficiary

2.7. Conditions for repayment of funding (if applicable)

- In the event of non-compliance with the conditions of the FEERM Programme, the beneficiary of the financial incentives shall be obliged to reimburse the financial means used for Components II and III.

2.8. Grant payments

(fees, fees, other payments to be covered by the beneficiary for carrying out the project)

- not applicable.

2.9. Forms of ensuring the implementation of the project

(pledge, other conditions imposed on the parties guaranteeing the implementation of the project)

- not applicable.

2.10. Product risks

- higher share of expenditure on non-energy-saving measures;
- the non-payment of the contribution by the PCAs, as a result of the lack of sources of its financing;
- the reduced interest of creditors in covering the contribution of CSAs as a result of the non-bankability of CSAs;
- non-compliance with the contractual conditions by the construction companies regarding the quality of the works;
- blocking the implementation process of the project, as a result of the action to sue the CPA and obtaining the victory of the tenants who complain about procedural issues and the correctness of the decision-making process within the CPA;
- failure to implement the energy efficiency measures recommended in the audit reports carried out, due to the inability of the PCA to organise itself for the approval of the project implementation decision.
- Recording of significant deviations in relation to Table 2. Economic project indicators for categories of measures, when calculating the energy savings obtained from project implementation.

III. FINAL PROVISIONS

The financing product will be reviewed annually by the Finance and Risk Committee and the CNED IP Board from the perspective of updating it, based on the progress made in the implementation of the given product.