

MEMORANDUM OF UNDERSTANDING

BETWEEN

MINISTRY OF ENVIRONMENT OF THE SLOVAK REPUBLIC

AND

SLOVAK ENVIRONMENT AGENCY

AND

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

IN RESPECT OF

THE RENOVATION OF SINGLE FAMILY HOMES PROGRAMME

COMPONENT OF THE RECOVERY & RESILIENCE FACILITY (RRF)

17 NOVEMBER 2021

This **MEMORANDUM OF UNDERSTANDING** (the "**Memorandum**") is between:

- (1) the Ministry of Environment of the Slovak Republic (the "**Ministry**");
- (2) the Slovak Environmental Agency (the "**Agency**"); and
- (3) the European Bank for Reconstruction and Development (the "**EBRD**"),

each referred to as a "**Party**" and together as the "**Parties**".

WHEREAS

- (A) EBRD is an international organization established under public international law pursuant to the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990.
- (B) The Slovak Republic acceded to the Agreement Establishing the European Bank for Reconstruction and Development and became a member of the EBRD on 1 January 1993.
- (C) The Ministry and the EBRD have a track record of successful cooperation on investment programmes aimed at building a green economy and facilitating the expansion of sustainable energy and resources lending in the Slovak Republic.
- (D) The Slovak Republic has submitted to the European Union (the "**EU**") its national Recovery and Resilience Plan (the "**Slovak RRP**") to be supported by the EU Recovery and Resilience Facility ("**RRF**"), and such plan identifies transition to a green economy among its key investment priorities.
- (E) The European Commission adopted a positive assessment of the Slovak RRP on 21 June 2021 and the European Council has approved the Slovak RRP on 13 July 2021.
- (F) EBRD is willing to support boosting the renovation rate of single family homes in the Slovak Republic, potentially through risk sharing arrangements which could be backed by EU unfunded guarantees.
- (G) The Parties wish to cooperate on the proposed implementation of a Renovation of Single Family Homes Programme under Component 2 of the Slovak RRP (the "**Programme**").

The Parties have come to the following understanding:

Section 1 Purpose

The purpose of this Memorandum is to record the intention of the Parties to cooperate on the Programme.

Section 2 Scope

The Programme aims to provide a combination of commercial and grant financing to the owners of single family homes in the Slovak Republic, for the purpose of carrying out comprehensive

(medium and deep) renovation works by improving the energy efficiency of the single family houses through a variety of measures, including the thermal insulation of the buildings, replacing inefficient heating, integrating renewable energy supply and the installation of energy efficient lighting and/or effective energy control systems. To this end, the Parties have agreed to work together to implement the Programme.

The Programme is expected to include RRF grants, EU and EBRD guarantees, commercial banks' financing and homeowners savings. RRF grants will be exclusively managed by the Ministry and implemented by the Agency in the amount of EUR 528.2 million. Successful implementation of the Programme will require a significant amount of commercial co-financing. To support this undertaking, EBRD intends to assist in the deployment of up to EUR 100 million of commercial financing from partner commercial banks which are expected to benefit from risk sharing arrangements backed by EBRD and the EU.

The final technical Eligibility Criteria will be aligned with Component 2 of the Slovak RRP. Associated technical assistance implemented by both EBRD & SEA for the benefit of commercial banks and final beneficiaries will promote the implementation of the Programme. Any funding that a Party may secure, on a best effort basis, for this purpose is expected to be managed by that Party.

The Parties recognize that the launch of the Programme is conditional upon successful approval by the European Commission and the EBRD of the relevant guarantee and risk sharing arrangements, the subsequent approval by the relevant investment committees of the use of funds for the Programme and the identification of suitable partner commercial banks in the Slovak Republic.

The Programme is expected to become operational in the third quarter of 2022.

The Programme will require close cooperation between the Parties to ensure that the loan, grant and technical assistance components are well integrated, and the end-beneficiaries can access the necessary financing and support efficiently and on a timely basis. The Parties therefore intend to dedicate staff resources to ensure the desired level of cooperation and coordination towards the aim of a smooth and speedy implementation.

Section 3 Communications

Any notice or other communication to be given or made under this Memorandum will be addressed and sent to the following contact points or at such other address as either Party designates by written notice to the other Parties:

For the Ministry:

Ministry of Environment of the Slovak Republic
Námestie Ľ. Štúra 1
812 35 Bratislava
Slovak Republic

Attention: State Secretary II.

For the Agency:

Slovak Environment Agency
Tajovského 28
975 90 Banská Bystrica
Slovak Republic

Attention: [REDACTED] General Director

For the EBRD:

Bratislava Resident Office
Europeum Business Centre
Suché Mýto 1
81103 Bratislava
Slovak Republic

Attention: [REDACTED] Regional Head of Czech Republic, Hungary, Slovakia & Slovenia

The Parties agree to notify each other in writing of any changes in the contact details within 10 working days from the day when this change occurred.

Section 4 Final Provisions

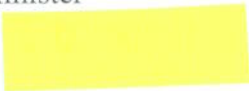
- (a) This Memorandum reflects the views and intentions of the Parties to co-operate on a non-exclusive basis, expressed in good faith but without the creation of any legal or financial obligations or the incurrence of any liability on the part of either of them. No third party shall obtain any legal benefit from this Memorandum.
- (b) It is understood and agreed that nothing in this Memorandum will constitute, or be construed as, an offer, promise or undertaking by either Party to finance all or part of the Programme, or any other activity or project identified in or pursuant to this Memorandum.
- (c) Each of the Parties will incur its own expenditures arising as the result of the implementation of this Memorandum, unless otherwise specified in relevant separate agreements.
- (d) Nothing in this Memorandum will limit the right of, or prevent either Party from entering into memoranda or arrangements with third parties with respect to the Programme, activity, project or area of co-operation covered by this Memorandum.
- (e) The Parties will meet periodically, but not less frequently than once every three months, to review and discuss the implementation of this Memorandum, assess the achievement of the objectives as set out herein above, and consider necessary adjustments, if any.
- (f) Nothing in this Memorandum will constitute nor be construed as a waiver, renunciation or other modification, either express or implied, of any of the privileges, immunities and exemptions granted to the EBRD under the Agreement Establishing the European Bank for Reconstruction and Development, international conventions or any applicable law.

- (g) Any dispute arising out of, or in connection with, the interpretation or application of any provision of this Memorandum will be settled amicably through consultations.
- (h) This Memorandum will become valid and come into effect on the date when the last of the three Parties sign and will remain in effect for 12 months. The Memorandum may be terminated by written agreement of the Parties or by written notice without giving a reason to any Party delivered to the other Parties, the notice period is one (1) month and begins on the day following the delivery of the notice to the last Party. Termination of the Memorandum by one of the Parties shall not affect the validity of the Memorandum, unless the Parties agree otherwise.
- (i) This Memorandum may be amended by mutual consent of the Parties in the form of written numbered amendments signed by representatives of the Parties.

IN WITNESS WHEREOF, the Ministry, the Agency and the EBRD, each acting through its statutory representative, or where applicable by a duly authorized representative, have signed this Memorandum in six originals, in the English and Slovak languages. In case of any inconsistency between the English and the Slovak texts, the English text shall prevail.

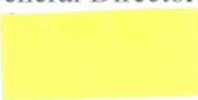
For the Ministry:



Name: Jan Budaj
Title: Minister
Date: 

For the Agency:



Name: Michal Maco
Title: General Director
Date: 

For the European Bank for Reconstruction and Development:



Name: Charlotte Ruhe
Title: Managing Director CSEE
Date: 