



Historic Win for Romanian Community

Challenge

Winters in Romania can be cruel, with temperatures often falling to below zero Fahrenheit. Every year, homes are destroyed and lives are lost due to fires caused by wood stoves left burning at night while families sleep. In addition, the use of wood stoves is expensive and contributes to deforestation.



Photo: CHF

Families in the Dumbravita village of Romania now have heat in their homes during the winter.

Results

The government loan marked a historic advancement in Romania - the first time a local government agreed to co-sign for a loan given to a non-governmental, non-profit association. There was already a Romanian law allowing this arrangement, but no local government had yet taken the risk of doing so for their local associations or for people in the area.

With USAID help, the association completed the initial financing of the pumping station and twenty-six kilometers of pipeline to serve 220 households. A year later, a second loan for \$35,000 enabled the project to move into its final stage - the extension of the pipeline to the remaining 1,148 families.

Initiative

USAID helped to improve Romania's energy efficiency and access to gas in Dumbravita through a program with CHF Romania. The village needed to finance the installation of a natural gas line to their town to serve its residents. With USAID help, CHF worked with the energy users association to acquire a loan and manage the repayment from its members.

Given the nature of the project, the banks were not willing to offer financing to the individual homeowners or an association. The association was able to finance only a portion of the gas line installation through supplier credit and self-financing. The association did not have the necessary collateral to qualify for a bank loan and turned to the local government for help. CHF helped to finance the remaining portion of the project with a loan for \$15,000.

"We never dreamed of having gas. Last winter, it was like a fairy tale!"

- Mother of two with no previous source of heat other than a fireplace.



Pumping station in Dumbravita.

Photo: CHF

Case Study

