

The European Bank for Reconstruction and Development has invested €80 million in a five-year €550 million bond issued by Bulgarian Energy Holding to support reform of the Bulgarian energy sector.

BEH, which pools all state-owned energy assets in Bulgaria, has raised funds to restructure its balance sheet in a move to improve the firm's long-term financial sustainability. The company is the backbone of the Bulgarian energy sector, which has recently struggled with a tariff deficit. In early 2015, the government launched a comprehensive reform plan to restore the financial viability of the electricity sector and to promote liberalisation of the energy market.

Nandita Parshad, EBRD Director, Head of Power and Energy, said: "The EBRD's investment in BEH's bond is an expression of our strong support for the ongoing reform process to restore the financial sustainability of the electricity sector and promote the liberalisation of the Bulgarian electricity market."

The bond, issued on the Irish Stock Exchange following roadshows in London, Paris, Munich, Frankfurt, Milan, Zurich and Vienna, attracted a host of international investors. The EBRD is one of the largest institutional investors in Bulgaria. To date, the Bank has invested over €3.3 billion in more than 220 projects in the country. The EBRD's operations in the country are headed by Larisa Manastirli.

The Bank's current strategy in Bulgaria focuses on strengthening financial sector intermediation through targeted investments and improved governance; enhancing the competitiveness of companies, including small and medium-sized enterprises, through improved efficiency, governance and innovation; and narrowing the infrastructure gap through commercialisation and support for reforms.

source: ebrd.com