

The European Bank for Reconstruction and Development (EBRD) is supporting the projects of CEZ Distribuție, an electricity distribution company, in Romania with a syndicated loan of up to RON 675 million (€153.7 million equivalent).

The projects refer to the 2015-16 investment programmes in the distribution network aiming at reducing losses; improving efficiency and installing smart meters; the restructuring of the company's balance sheet in order to optimise its capital structure; and the provision of working capital.

CEZ Distribuție has 1.4 million customers in the region of Oltenia in southern Romania. The company is fully-owned by CEZ Group, an integrated electricity utility headquartered in the Czech Republic with operations in central and south-eastern Europe and Turkey.

The funding is structured in a RON 281.25 million (€64 million equivalent) "A loan" for the EBRD's own account and a "B loan" portion of up to RON 393.75 million (€89.7 million equivalent) for the account of syndication participants. It is the first long tenor local currency (RON) EBRD syndicated loan to a corporate in Romania.

Nandita Parshad, Director for Power and Energy at the EBRD, said: "We have supported the reform of the Romanian electricity sector for many years and we are pleased to continue our engagement with this loan. The introduction of smart meters and the creation of the basis for smart grids will be another major step forward and lead to higher efficiency for the benefit of the provider, the clients and, of course, the environment."

Matteo Patrone, EBRD Director for Romania, added: "A state-of-the-art electricity network is another step towards unleashing the potential of Romania's economy. It is an excellent example of an infrastructure investment which will have a lasting impact and benefit commercial customers as well as private households by rewarding responsible and sensible consumption. By doing so we are confident it can become a successful model which will attract many successors."

Martin Zmelik, Country Manager and President of the Board, CEZ Romania, said: "Our collaboration with the EBRD is part of a long term partnership we have been developing, as well as our long term business vision for the Romanian market. We will continue to invest in the modernisation of the distribution grid in our operation area, as we committed to 10 years ago when we first entered Romania, and to optimise our internal processes in order to provide a high quality distribution service to our clients."

Romania was the sixth country by volume of EBRD investments in 2014, with almost €600 million invested. To date, the Bank has invested over €7 billion in the country and has also mobilised more than €14 billion for these ventures from other sources of financing.

source: ebrd.com