

The European Bank for Reconstruction and Development (EBRD) is supporting a comprehensive reform programme for the power sector in Serbia by extending a €200 million restructuring line to Elektroprivreda Srbije (EPS), a state-owned utility that generates, distributes and supplies electricity across the country.

This sovereign-guaranteed loan will help EPS restructure its balance sheet and support its recovery after the devastating aftermath of the Balkan floods in 2014. It will also help the company reach long-term development objectives such as commercialisation, raising standards of corporate governance and improving energy efficiency.

The EBRD's financing will support further reforms in Serbia's energy sector and will help achieve energy market liberalisation, an important condition for EU accession. It will also deepen regional integration in the Western Balkans by stimulating cross-border energy distribution and trade.

The programme will be implemented in close cooperation with the Government of Serbia, alongside the World Bank and the International Monetary Fund, and is a major part of a wider fiscal consolidation drive by the authorities of Serbia.

"We believe our financing will make EPS more efficient. We are pleased to be working on the modernisation of the company, increasing environmental and social standards and corporate governance. We see a lot of potential to further develop EPS as a commercial company and it is important EPS continues to implement the reforms started over the past year or two," said Nandita Parshad, EBRD Director Power and Energy.

"EPS needed to respond urgently last year to the unprecedented and catastrophic floods which hit Serbia. This put huge strains on EPS and we commend the resilience demonstrated by the company and management at that time. This loan is hopefully the final step to help EPS recover from the damage and by re-financing liabilities taken at the time, management will be in a position to press forward with a vision for a more efficient company", added Daniel Berg, EBRD Director for Serbia.

"We're delighted to be working with our long-standing partner EBRD. A lot of hard work lies in front of us, but we are committed to making EPS a modern, efficient and competitive regional leader in the energy sector," said Aleksandar Obradović, General Manager of EPS. Aleksandar Antić, Serbia's Minister of Energy and Mining, said: "This is a very important step for Serbia. We are grateful to the EBRD for taking such active role in providing support to EPS, alongside the World Bank and the IMF."

Since the start of its operations in Serbia, the EBRD has invested over €4 billion in over 190 projects across the country. The Bank invests in the financial sector, industry, commerce, agribusiness, energy and infrastructure.



EBRD supports reform of Serbia's power sector with €200 million loan to EPS

source: ebrd.com