

Public Enterprise Elektroprivreda Srbije is the incumbent electricity utility in Serbia. EPS is a vertically integrated power and mining utility comprised of four main businesses: operation of 7,124 MW of generating capacity, of which 55% is coal-fired, 40% hydropower and 5% gas-fired combined heat and power plants; operation of a 152,000km long electricity distribution network throughout Serbia, supply of electricity to more than 3.6 million customers and iv) operation of two large lignite basins which produce ca. 40 million tonnes per annum. Since 2001, EBRD has made six investments with EPS and its various subsidiaries to upgrade thermal and hydro generation, improve mining efficiency and introduce smart meters.

In November 2015, EBRD agreed a corporate loan in support of the planned restructuring of EPS. This major reform package sets out clear milestones for corporatisation and eventual unbundling and privatisation of EPS in order to ensure the Serbian energy sector fully complies with the EU Directives. The loan proceeds will be used to restructure and refinance short to medium-term financial debt which EPS has entered into on an emergency basis with commercial banks in order to alleviate critical cash situation created by the unprecedented and catastrophic floods in Serbia in 2014. As a condition of this loan, EPS has agreed to implement an Environmental and Social Action Plan, which aims to bring the company's environmental and social management systems into line with good international practice, and a corporate Stakeholder Engagement Plan, which aims to improve the quality and consistency of the company's interaction with stakeholders.

EPS faces a number of environmental and social challenges, including those associated with aging and inefficient thermal power plants and the management of an on-going land acquisition and resettlement programme at the Kolubara mining subsidiary. EPS activities have been subject to criticism from local and international Civil Society Organisations. Recognising these challenges, EPS has asked EBRD to assist with reviewing and improving the company's stakeholder engagement approach.

Assignment Description: The Bank now intends to engage a consulting company (the Consultant) to assist EPS with improving its stakeholder engagement activities.

The expected outcomes of the Assignment are:

Assist EPS in implementing stakeholder engagement activities that are in line with good international practice.

Improve dialogue and increase trust between EPS and its stakeholders, in particular communities affected by its activities and local Civil Society Organisations.

Build capacity in EPS management and staff for understanding the benefits of stakeholder engagement, including operational, financial and reputation benefits and the associated

risks if not handled appropriately.

Ensure that EPS has adequate tools and resources to continue to implement the Stakeholder Engagement Plan and grievance mechanism beyond the completion date of this assignment.

The selected Consultant is expected to provide the following services:

Stakeholder Identification and Analysis: The Consultant will identify EPS's main stakeholders and analyse the types of information and engagement they are likely to require.

Review and Recommendations: The Consultant will review EPS's current stakeholder engagement policies, procedures, organisation and resources, and will benchmark them against good international practice, taking account of relevant Serbian legislation and EBRD's Performance Requirement 10: Information Disclosure and Stakeholder Engagement.

Training: The Consultant will develop and deliver training on stakeholder engagement for selected EPS management and staff, including specialised training for those staff responsible for communication with stakeholders and grievance processing.

Multi-Stakeholder Workshop: The Consultant will organise and facilitate workshops for EPS and representatives of its key stakeholder groups, including, but not limited to, community representatives, Civil Society Organisations, Trades Unions and local authorities.

Updating the Stakeholder Engagement Plan and Grievance Mechanism: Taking account of the outputs from Tasks 1-4, the Consultant will revise the corporate SEP and develop additional guidance and procedures to assist implementation by EPS.

Monitoring: Approximately 18-24 months after the completion of Task 5, the Consultant will carry out a monitoring visit to EPS to assess progress with implementation of the SEP and grievance mechanism and associated guidance and procedures and will spend time meeting with and discussing performance of EPS with various stakeholder groups.

source: ebrd.com