

EBRD presence in Serbia energy sector has a strong history, from cooperation with state owned power utility company EPS Elektroprivreda Srbije to private owned energy RES projects. However environment NGOs claim EBRD presence and financed projects breach their own environment impact policy.

Several non-governmental organizations in Serbia have been criticizing the European Bank for Reconstruction and Development for financing, or planning to finance, several important projects of the Electric Power Industry of Serbia. The main reasons stated for this opposition have been considered from the aspect of environmental protection, but also of the possible health costs which may be caused by project implementation.

There have been speculations in the media about the motives of the NGOs for openly working against the state interests and that the EPS competition, i.e. electricity traders and electricity producers from renewable energy resources, may be behind the request sent to EBRD not to invest in electricity generation from coal in Serbia.

However, EPS is still out of competition, and certain projects financed by EBRD are largely implemented.

As a reminder, EBRD has so far invested more than 3.8 billion euros in 181 projects in Serbia, and they have invested in the financial sector, industry, trade, agriculture, energy and infrastructure.

The bank is very engaged in the restructuring process of the Electric Power Industry of Serbia and, as it has been announced, in fall, a loan of 200 million euros will be granted for this purpose.

EBRD is also a potential financier for another project, for which the Feasibility Study has also been finished recently, and this is a 400 kV interconnection between Serbia, Montenegro and Bosnia and Herzegovina, through the cooperation of the electricity transmission system operators of all three countries with the financial support of the European Commission within the WBIF infrastructural projects, as well as of EBRD.

In addition to the mentioned loans, EBRD is also considering granting a loan for the construction and commissioning of a 158 MW wind power plant with 57 wind generators in the municipality of Kovin in Vojvodina. The project should help Serbia fulfill the EU objectives when it comes to using energy from renewable resources.

Back in 2011, EBRD granted a loan to the Electric Power Industry of Serbia amounting to 45 million euros for the reconstruction of the existing and the construction of new small hydro power plants. The funding has also been provided for the procurement of electricity meters in the EPS as well as of the related infrastructure so as to improve energy efficiency. This project is jointly funded by EBRD and the European Investment Bank with 40 million euros

each.

One of the projects which was most condemned by the non-governmental organizations was the construction of the TPP “Kolubara B”. EBRD was prepared to finance the construction, but the loan for the mentioned project was not granted after all.

Project Green loan in mine Kolubara, managed by EPS, raised fierce NGO concerns and claims that EBRD is supporting EPS anti-environment projects. Recent 200MEUR loan from EBRD to EPS only shows that business comes first and all issues are manageable. EBRD maybe advised EPS to improve its Stakeholder relations and transparency of communication on joint projects, results are yet to be seen and visible. EBRD presence is important for Serbia but following of strict EBRD’s Performance Standards should not be forgotten in Serbia.