

Loans from International banks like EBRD, KfW and WB are the key financing source for majority of key energy modernization projects within the power generation facilities of state owned energy company EPS.

Serbian Power utility company Elektroprivreda Srbije EPS have 1.5 billion euro loans from several international financial institutions which are being used dominantly for facilities modernization.

EPS in the last three years managed to speed up the utilization of available credit deals with international lenders. There are no delays with project realization and dynamics of loans usage is corresponding with project needs claim from EPS.

Usual problems with international financial institutions IFIs loans were linked with the fact that EPS entered the arrangements with IFIs without proper previous analysis and project feasibility studies. During the project realization outdated and incomplete studies did not foresee many problems and there were huge delays in project realization and loans realization. During the project delays EPS had costs for this loans which were not withdrawn from lenders.

At this moment 9 capital investment projects of EPS are being funded from international loans in value of 1,35 billion euro. EPS have 11 key loan arrangements which are provided by IFIs or thru bilateral state agreements with foreign governments like the deal with Chinese state Exim export bank.

According to EPS statements the project documentation preparation and contracting is now synchronized with project flow cycle and there are no delays. From IFIs loan agreements EPS so far contracted the projects in value of 1,15 billion eur while the remaining amount will be contracted in accordance with project plans.

Loans are being used for modernization of facilities, new technologies and environment protection modernization.

IFIs funded projects include the modernization of Zvornik HPP, smart meters project in EPS, environment protection modernization projects in coal Power plants as well as the projects for the repairs of equipment in coal mines damaged during 2014 floods.