

According to the Agreement Establishing the European Bank for Reconstruction and Development (EBRD), the purpose of this institution is to encourage the transition towards open market-oriented economies and to encourage private and entrepreneur initiative in the countries of Central and Eastern Europe. According to the mentioned Agreement, EBRD is also directed towards promoting environmentally-friendly sustainable development in the full scope of its activities.

In the projects it finances, EBRD attaches special importance to encouraging energy efficiency and the efficient use of resources, the reduction in waste generation, redevelopment of abandoned industrial locations, renewable resources and re-use of resources, recycling and the implementation of cleaner production.

According to the policy it represents, EBRD considers that significant public consultations contribute to project quality improvement. The bank attaches special importance to the public consultations in the region where it is active.

The European Bank for Reconstruction and Development has given a credit line of up to 10 million euros to the Commercial Bank for financing the projects related to energy efficiency and the use of renewable energy resources in Serbia. The loans are intended for the improvement of energy efficiency in commercial buildings and the industrial sector, as well as for small projects related to the use of renewable energy resources in companies and municipal buildings.

The Director of EBRD in Serbia Mateo Patrone has said that the credit line intended for the Commercial bank is a novelty on the Serbian market and an important step towards raising the awareness about the benefits of energy conservation, which is one of the focal points in the operation of EBRD in Serbia.

Improving energy efficiency and increasing the use of renewable energy resources represent an effective response to the growing energy prices in Serbia, as it has been stated in the EBRD. The credit line has been granted within the Western Balkans program worth 75 million euros which provides local banks with credit lines for the projects related to energy efficiency and renewable energy resources.

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 sector and infrastructure.

The Bank is very engaged in the process of restructuring the Electric Power Industry of Serbia (EPS), and in fall, they will grant a loan of 200 million euros 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 electricity transmission system operators in all three countries (EMS, CGES, NOS and Elektroprenos (*Engl. Power Transmission*)) with the financial support of the European Commission within the WBIF infrastructural projects, as well as of EBRD.

In addition to the stated loans, EBRD also considers granting a loan for constructing and commissioning a wind power plant of 158 megawatts with 57 wind generators in the municipality of Kovin in Vojvodina. The project should help Serbia to fulfil the EU objectives when it comes to using energy from renewable resources.

Back in 2011, EBRD granted a loan of 45 million euros to the Electric Power Industry of Serbia (EPS) for reconstructing the existing and building new small hydro power plants. Financing has also been provided for the procurement of electricity meters in the EPS, as well as the related infrastructure, so as to improve energy efficiency. This project is co-financed by EBRD and the European Investment Bank (EIB) with 40 million euros each. In addition, financing has been provided for the equipment used in mining and in the coal quality management system - "Environmental Protection and Improvement Project in Mining Basin Kolubara", which will improve environmental protection both in the mine and in the existing plants for generating electricity by burning coal, and it is financed together with the KfW bank. The part financed by EBRD amounts to 80 million euros.

EBRD was also prepared to finance the construction of the thermal power plant "Kolubara B", but the loan for the said project was not approved after all.

EBRD has so far implemented 119 projects worth 1.7 billion euros in Bosnia and Herzegovina. In the energy sector, the bank granted a loan of 35 million euros for the HPPs "Una" and "Vranduk" in 2014.

In Montenegro, EBRD has so far invested around 439 million euros in various projects. This year, in the energy sector, EBRD will focus on the construction of wind power plants on Krnovo, with the power of 72 MW, and on the projects for small hydro power plants. The loan for the wind power plant will amount to 47.5 million euros. Last year, the continuation of the project for installing new electronic meters in the distribution system of EPCG was supported.

The bank has so far invested around 6.9 billion euros in the projects in Romania. In the energy sector, EBRD is considering granting a loan for financing a wind park in southeastern Romania, with the capacity of 84 MW. Next, a loan for constructing a wind park with the capacity of 108 MW in the region of Dobrogea. The bank is also considering granting a loan of 152 million euros to ČEZ Distribution. The funds from the loan will be used for covering investment programs in 2015 and 2016, which includes the distribution

network with the aim of reducing losses, improving efficiency, as well as restructuring ČEZ Distribution, and with the aim of reducing technical and commercial losses.

In Croatia, EBRD has invested 3.12 billion euros. Of this amount, very little has been used for specific energy projects, the bank has been more oriented towards environmental protection projects, the development of municipalities, transport, etc. EBRD was ready to finance the project of the HPP “Ombla”, with the capacity of 68 megawatts. However, the contract between HEP and the Bank has been terminated.

Last year, a Guarantee Agreement was signed between the Government of Montenegro and the Bank, amounting to 20 million euros. The guarantee refers to the Loan Agreement between EBRD and the Power Transmission System of Montenegro amounting to 60 million euros (signed in May 2013), and for which a guarantee was envisaged by the Budget Law for 2014. The funds from the loan agreement will be used for financing the construction and installation of a 150 km long, high-voltage 400 KW cable between Tivat and Pljevlje, as well as for constructing a transformer substation in Lastva Grbaljska and reconstructing the transformer substation in Pljevlje, which is a precondition for constructing a submarine power cable between Montenegro and Italy.

In 2010, the Bank granted a loan of 200 million euros to the Slovenian state-owned Thermal Power Plant Šoštanj for modernizing the facility and building the new block 6.

EBRD was close to deciding to withdraw from financing the hydro power plant Boškov Most, near Debar in Macedonia, because of the strong opposition of environmental activists.

However, according to the latest information, the Bank will nevertheless finance the hydro power plant construction, but it will be carried out under the close supervision of ecologists. EBRD funding is conditioned by a number of parameters when it comes to the distribution of funds, which include specific environmental and social conditions stated in the Environmental Protection Action Plan and the social conditions of the project. The Bank has also granted a loan amounting to 25 million euros to MEPSO, the Macedonian power transmission system operator. Otherwise, the Bank has invested 1.46 million euros in several projects in Macedonia to this day.

Source; serbia-energy.eu