

EBRD in Infrastructure in Montenegro

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European Bank
for Reconstruction and Development

The EBRD and its objectives

The EBRD has been investing in **more than 30 countries** that stretch from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean and more recently Cyprus and Greece.

With an emphasis on working together with the **private sector**, we **invest in projects**, engage in **policy dialogue** and provide **technical advice** that fosters innovation and builds sustainable and open-market economies.

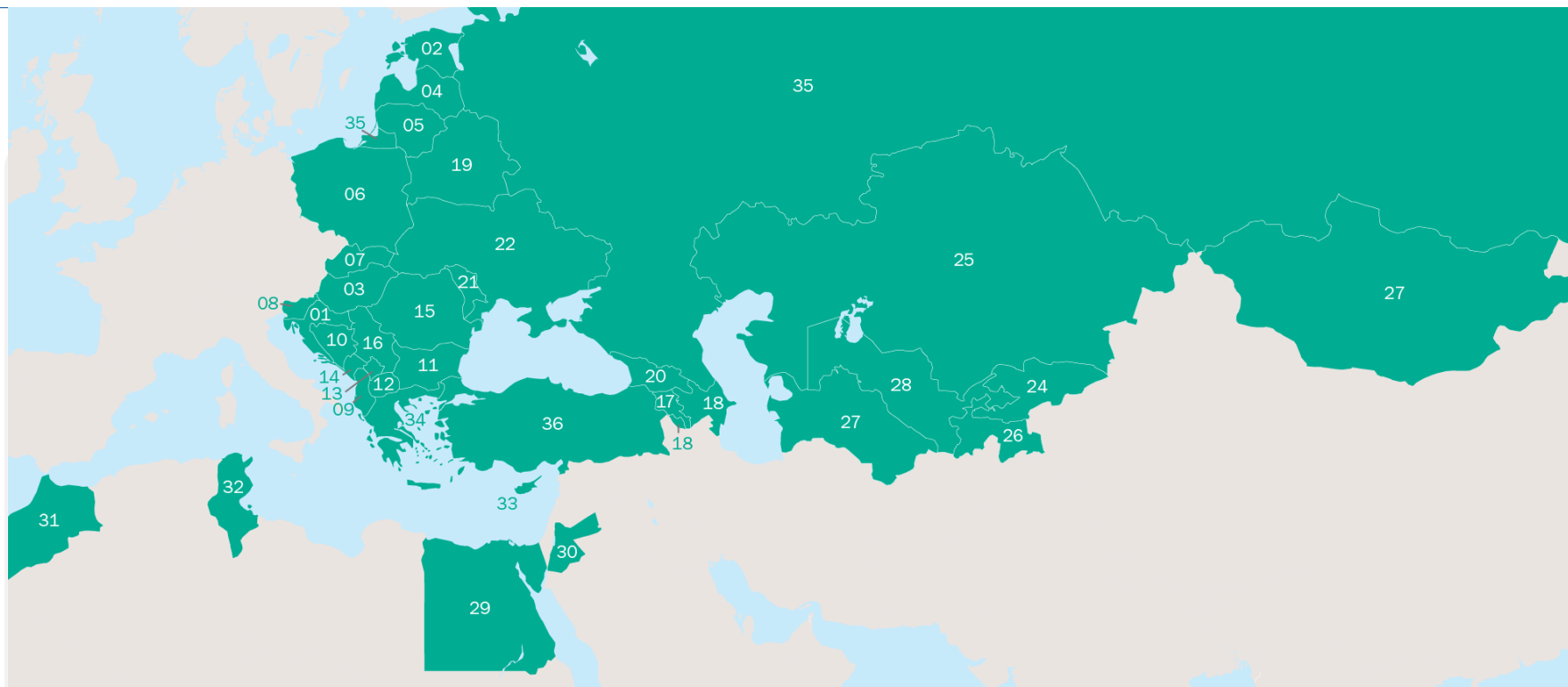
EBRD is owned by 67 countries and two inter-governmental institutions (the EU and EIB).

Capital base of **€30 billion**

Where we invest



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WHERE WE INVEST

Central Europe and the Baltic states

- 01 Croatia
- 02 Estonia
- 03 Hungary
- 04 Latvia
- 05 Lithuania
- 06 Poland
- 07 Slovak Republic
- 08 Slovenia

South-eastern Europe

- 09 Albania
- 10 Bosnia and Herzegovina
- 11 Bulgaria
- 12 FYR Macedonia
- 13 Kosovo
- 14 Montenegro
- 15 Romania
- 16 Serbia

Eastern Europe and the Caucasus

- 17 Armenia
- 18 Azerbaijan
- 19 Belarus
- 20 Georgia
- 21 Moldova
- 22 Ukraine

Central Asia

- 23 Kazakhstan
- 24 Kyrgyz Republic
- 25 Mongolia
- 26 Tajikistan
- 27 Turkmenistan
- 28 Uzbekistan

Southern and eastern Mediterranean

- 29 Egypt
- 30 Jordan
- 31 Morocco
- 32 Tunisia

33 Cyprus

34 Greece

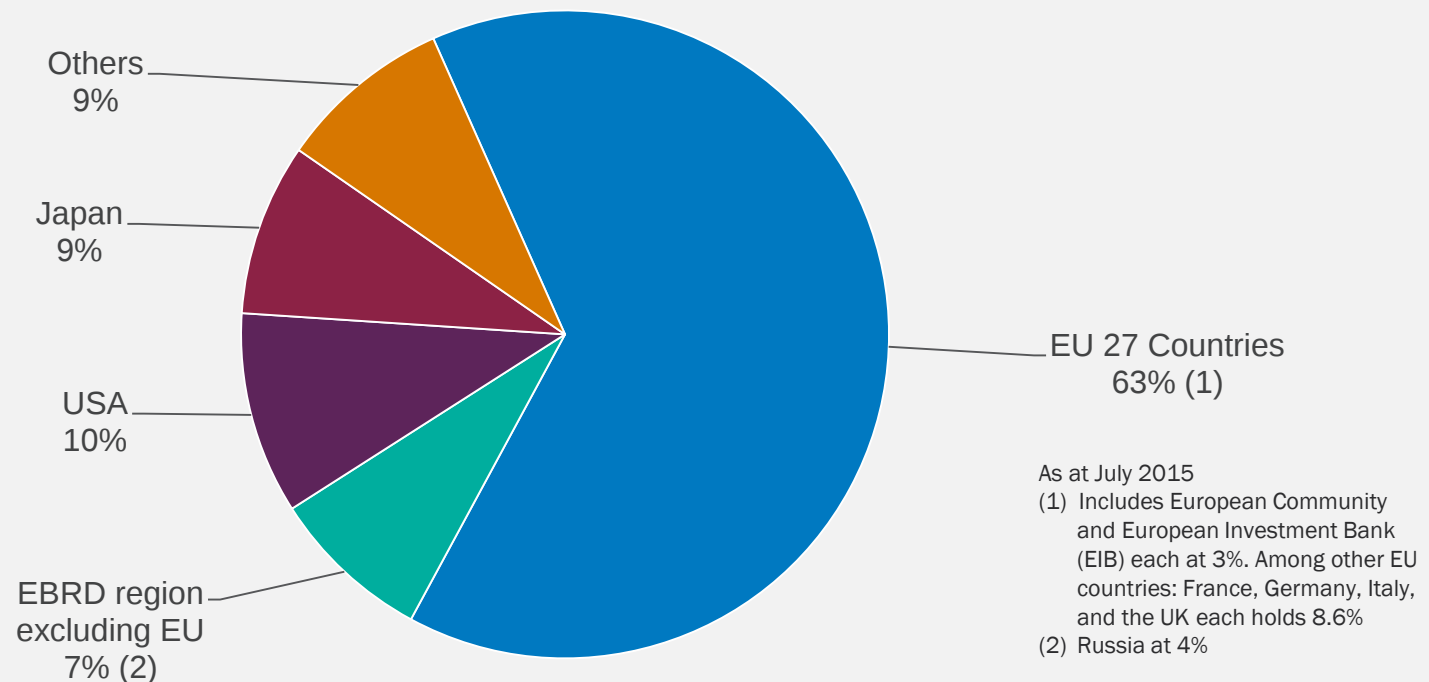
35 Russia

36 Turkey

EBRD: Shareholding structure and triple-A rating

The EBRD has a triple-A rating from all three main rating agencies (S&P, Moody's and Fitch)

Shareholding Structure



The EBRD and its objectives

“To promote transition to market economies by investing mainly in the **private sector**”

“To mobilise significant **foreign direct investment**”

“To support **privatisation, restructuring and better municipal services** to improve people’s lives”

“To encourage **environmentally sound and sustainable development**”

- Transport (road, railway, maritime, airports, urban)
- Environment (water supply, wastewater collection and treatment, solid waste management)
- District heating
- Energy (wind, hydro, gas, energy efficiency)

Montenegro Airports Urgent Rehabilitation Project (2003)

Sovereign guaranteed loan to Airports of Montenegro of EUR 8.5 million for rehabilitation of the airports of Podgorica and Tivat in order to comply with the minimum levels of safety and services required by the International Civil Aviation Organisation (ICAO).

Montenegro Regional Road Reconstruction Project (2005)

Sovereign loan of EUR 11.5 million for the reconstruction of rehabilitation of the Mioska to Kolasin road and rehabilitation and construction of a third lane on Cetinje to Budva road.

Regional Water Supply System Project (2006 – 2009)

Sovereign guaranteed loan to Regional water Supply Company of EUR 18 million for the construction of a regional water supply system that provided potable water from Lake Skadar to the municipalities along the Montenegrin coast.

Container Terminal and General Cargo Privatisation Project (2011)

Sovereign loan of EUR 8.5 million for the privatisation of Container Terminal and General Cargo in Port of Bar.

Danilovgrad Municipal and Infrastructure Project (2011)

Sovereign loan of EUR 5.35 million for the reconstruction of water supply network, construction of wastewater collection and treatment plant.

Montenegro Rail Infrastructure Emergency Rehabilitation Projects I and II (2007 – 2012)

Sovereign guaranteed loan programme of EUR 40 million to ZICG for the reconstruction of two railway lines Bar – Bijelo Polje and Niksic – Podgorica.

Montenegro-ZPCG Rolling Stock Renewal Project (2012)

Sovereign guaranteed loan to ZPCG of EUR 13.5 million for purchase of three new Electrical Multiple Units (EMUs),

Local Roads Reconstruction and Upgrade (2015)

Project description

Sovereign loan programme of EUR 25 million for the reconstruction of the Lubnice – Jelovica – Jezerine local road.

Lastva-Pljevlja HV Overhead Transmission to Italy (2013)

EUR 60 million sovereign/corporate loan for the construction of the Pljevlja-Lastva high voltage transmission line with CGES connecting the new undersea cable from Italy to Montenegro.

Distribution - smart metering project (2010, 2014)

Two corporate loans to EPCG in the amount of EUR 65 million, to support installation of smart electricity meters for improvement of energy efficiency, revenue collection and reduction of losses in the distribution network.

Renewables - Krnovo windfarm project (2015)

EUR 48.5 million to Krnovo Green Energy to support development of the first commercial wind power plant in Montenegro. The installed capacity of 72 MW will represent 8 per cent of the total installed capacity in Montenegro.

Tivat Airport Modernization Project

A senior loan of up to EUR 30 million to Airports of Montenegro to finance capacity expansion and rehabilitation works at Tivat Airport.

Regional Roads Reconstruction Project

Sovereign loan of up to EUR 40 million for the reconstruction of regional roads in Montenegro.

Completion of the smart metering project with EPCG.

Support diversification of the government energy mix and financing RE investments directly (i.e. solar, small hydro) depending on the government's policy in respect to permits, concessions and feed-in tariffs.

Finance EE investments directly or indirectly via local financial intermediaries.

Support projects that strengthen regional energy market integration through cross-border power connections and gas pipelines (i.e. 5 bcm Ionian Adriatic Pipeline).

What EBRD can do in infrastructure

- Provide sovereign and sovereign guaranteed loans to the State and SOEs
- Finance SOEs, municipalities, and local utility companies without sovereign guarantees
- Support and finance PPPs (after investors are selected on open tenders)
- Finance private companies in the infrastructure and other sectors
- Provide technical support for the infrastructure projects

EBRD Product Flexibility tailored to project needs

Equity

- Common stock or preferred
- Minority position only (up to 35%)
- Mezzanine
- Other
 - guarantees
 - currency swaps

Loans

- Senior, subordinated, convertible loans
- Long term loans (up to 15 years or Short term
- Floating/ Fixed rates

Key strengths of the EBRD



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Operational

- Extensive knowledge of local economy, business environment and practices, local presence
- Engaged minority partner for business
- A business partner who shares risks, including political
- Catalyst to access additional equity, debt and trade finance
- High standards for corporate governance and compliance

Institutional

- Strong, internationally recognised financial partner with long-term perspective
- Close working relationships with governments and shareholders
- Political leverage due to EBRD's unique mandate and shareholder structure
- Preferred Creditor Status
- Triple-A credit rating
- Work closely with market sources of capital to fill “market gaps”

What EBRD can do in infrastructure

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