EU/EBRD Western Balkans Sustainable Energy Financing Facility

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Introduction

What is WeBSEFF?

€60m credit line provided by EBRD through 8 participating banks

In Serbia, there are 3 banks (Banca Intesa, Societe Generale Bank and UniCredit Bank)

Supported by EU with cash back payments and free expert advice

For firms in:
- Bosnia & Herzegovina
- FYR Macedonia
- Serbia

For projects in:
- Energy efficiency
- Renewable energy
Energy costs money

- Waste energy and your costs are high
  — which means:
    - Products are uncompetitive
    - Profits are squeezed

- And the scope for saving energy is huge

Enough to pay off the entire investment quickly and make companies much more competitive in future
Industrial companies in the Western Balkans are significantly more energy-intensive than EU competitors

e.g. to process one kg of sugar beet:

- Serbia: 1.54 MJ
- EU: less than 1 MJ

That’s why energy is a big cost item for them
— Energy accounts for 20-35% of their overall costs.

So saving energy could reduce costs big time
And not saving energy now means trouble in future:
— because energy is cheap now
  - ca. 50 eurocents/kwh, among cheapest in Europe
— but it will get more expensive soon
  - 15% in 2011
  - 40% by 2012

That will push up costs—and squeeze profits—still further….

….unless firms do something about it now!
The good news is...

**WeBSEFF can help**

- The WeBSEFF team can help identify investments that pay back quickly through energy savings.
- And to make it even more attractive, the EU is offering up to 20% of the loan amount back.
The WeBSEFF case studies speak for themselves:

- *All* projects pay for themselves in energy savings in less than five years
  — that’s one of their requirements: and the EBRD have done a lot of projects!

- *Some projects of €2m or more* have paid for themselves in *less than one year*
  — yes, that’s here in the Western Balkans!
And of course the investments involved in energy efficiency will also help:

- But also, improve your production process, by:
  - Enhancing product quality
  - Reducing breakdowns
  - Allowing automation—and thus staff reductions
  - Reducing bottlenecks
What WeBSEFF offers?

- **Loans**: Up to 2m;

- **Free-of-charge expert help**:
  - Team of engineers and finance experts to assess and fine tune the project—to ensure:
    - ✓ Best possible project
    - ✓ Fastest return
  - It’s scarce expertise and it’s free—thanks to EU money!

- **Cash-back incentive scheme**:
  - 15% - 20% percentage of loan back on successful project completion
What sort of firms can benefit?

Almost any sort!
(as long as they are privately owned!)

—Because:
  - all firms use energy;
  - all firms can improve how they use it;
  - investment has been low in Serbia

But we’ve done especially well in:
  - Food and beverages (37.14%)
  - Metals (13.01%)
  - Plaster (8.00%)
  - Paper (7.56%)
  - Electricity production (7.40%)
  - Retail (6.70%)
  - Plastics (6.33%)
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WeBSEFF investments to date by sector

Total  €27.9 million

Breakdown by sector

- Food & Beverage (37.14%)
- Petroleum (3.60%)
- Plastics (6.33%)
- Wood (2.93%)
- Various production activities (1.00%)
- Tourism (3.04%)
- Paper (7.56%)
- Electricity prod. (7.40%)
- Retail (6.70%)
- Pharmaceutical (0.12%)
- Other services (2.61%)
- Chemical (0.25%)
- Metal (13.01%)
- Automotive (0.31%)
And it’s not just Energy efficiency

WeBSEFF finances renewable energy projects too

And that includes landfill gas projects — as long as the investor is private
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A great way to go ahead!

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