

The funding will enable AD MEPSO to rehabilitate some existing substations, implement equipment and software applications for the remote supervision of the main substations, complete the fibre optic optical ground wire (OPGW) network and replace old sections of 110kV transmission lines.

The well-functioning transmission of electricity is a precondition for a modern economy. In order to strengthen the FYR Macedonian electricity sector and the country's overall economy, the EBRD is providing a €25 million loan to the country's state-owned transmission system operator, AD MEPSO. The EBRD loan will be the first non-sovereign guaranteed loan to a public energy company in FYR Macedonia.

The investment is expected to enhance the efficiency, stability and reliability of the power system, reduce the technical losses, prevent future capacity shortfalls, and improve the transmission system operator's ability to succeed in a liberalised market. These improvements to the country's electricity transmission network will improve quality of supply for FYR Macedonians, enhancing economic development.

The loan also marks an important step in the commercialisation of AD MEPSO since this transaction will be the first loan arranged on a commercial basis to a public energy company in FYR Macedonia.

Anca Ioana Ionescu, Head of EBRD Skopje Resident Office, said: "This is a crucial investment for the future development of the Macedonian economy as it will lay a stable foundation for the development of the country's power sector in the coming years. The EBRD is proud to support this project with long-term financing."

Sinisha Spasov, General Manager of FYR Macedonian Transmission System Operator AD, added: "By receiving the first corporate loan to a public energy company in the region, AD MEPSO is demonstrating an internationally recognized reliability and financial stability. This project is also very important for the improving of the stability and efficiency of the transmission system according to the international standards."

The EBRD started investing in the FYR Macedonian economy in 1993 and to date has signed over 80 projects with a net cumulative business volume of more than €1.1 billion in the country.

Source: Serbia Energy See desk