

 Early Warning System

EBRD-43799

Sofia Med

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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### Quick Facts

<b>Countries</b>	Bulgaria
<b>Financial Institutions</b>	European Bank for Reconstruction and Development (EBRD)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2012-12-12



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## Project Description

### PROJECT DESCRIPTION

The EBRD is considering providing EUR 40 million loan to Sofia Med, a Bulgarian metal processing company specialized in copper and copper alloy products. EUR 30 million will be used for company's work capital financing as a part of a larger balance sheet restructuring and EUR10 million will be used to finance energy efficiency measures and increase capacity for higher value products.

### TRANSITION IMPACT

The Bank's support, along with long-term commitments from commercial banks, will help the company operate with a sustainable long-term financing structure. This will enable Sofia Med to embark on additional capital expenditures to increase efficiency and cut down production costs. The investments will also help the company to shift production towards higher value-added products like high performance alloys and industrial rolled products. The planned energy efficiency projects and especially improved energy efficiency management system will bring the company in line with best international practices. Given its importance for the Bulgarian economy, Sofia Med's further development will also boost growth of its numerous up-stream and down-stream clients.

### THE CLIENT

Sofia Med, the leading Bulgarian copper, titanium zinc and brass processor, is a joint-stock company incorporated 100% owned by Halcor, a large-scale metal processing company with over sixty years of experience. 95% of Sofia Med's products is exported to Western and Eastern Europe.

### EBRD FINANCE

EUR 40 million loan.

### PROJECT COST

EUR 40 million loan.

### ENVIRONMENTAL IMPACT

The proposed project has been categorised B in accordance with the 2008 EBRD Environmental and Social Policy. The potential impacts are expected to be site specific and readily identifiable and addressed through mitigation measures. The current operations of Sofia Med were reviewed and found to be in compliance with local, and therefore EU legal requirements and the related Integrated Pollution Prevention and Control permitting regime. The company's management capacity and practice meet standards that will allow for operations and future investment projects to be implemented in line with the EBRD's performance requirements. The implementation and certification of quality, health and safety and environmental systems, coupled with significant modernisation of the plant undertaken with the International Financial Corporation's involvement from 2001 to date, has resulted in the application of best practices to many aspects of the operations. Minor improvements in the



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### **Investment Description**

- European Bank for Reconstruction and Development (EBRD)



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## Contact Information

### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form, [http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en). You can learn more about the PCM and how to file a complaint at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>.



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**Other Related Projects**

- EBRD-56455 Bulgaria copper Sofia Med Sustainable Expansion II