

 Early Warning System

EBRD-49252

ESIF/EBRD Water Sector Financing FW



Quick Facts

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|--------------------------------|---|
| Countries | Bulgaria |
| Financial Institutions | European Bank for Reconstruction and Development (EBRD) |
| Status | Proposed |
| Bank Risk Rating | U |
| Voting Date | 2018-07-18 |
| Borrower | The Fund Manager of Financial Instruments in Bulgaria (FMFIB) |
| Sectors | Climate and Environment, Finance, Law and Government, Technical Cooperation |
| Investment Type(s) | Guarantee, Loan |
| Investment Amount (USD) | \$ 133.26 million |
| Project Cost (USD) | \$ 267.26 million |



Project Description

The Fund Manager of Financial Instruments in Bulgaria (FMFIB) and the EBRD are considering to structure and implement a framework for financing Regional Water Operators (RWOs) in Bulgaria, which will combine financial resources from the European Structural and Investment Funds (ESIF) with the EBRD's own capital resources as well as funds mobilised from other commercial sources (the framework).

The objective of the framework is to address the existing funding gap in the water and wastewater sector in Bulgaria and thus support the country in achieving compliance with the EU's urban wastewater and drinking water directives. The investments are expected result in improved service quality and provide access to sewage and wastewater treatment service to an increased number of Bulgarian households.

The individual sub-projects will benefit from the following technical cooperation:

- Financial and operational improvement programme which will be extended to all RWOs eligible to receive financing under the framework.
- EU state aid expertise to ensure that the EU state aid rules are complied with during the implementation of the framework.
- Lenders' monitor for the benefit of the Bank will monitor the programme's implementation.

In addition, the framework will benefit from an update of the ex-ante assessment for the use of financial instruments in the water and wastewater sector in Bulgaria.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

The counterpart of the EBRD in such framework is FMFIB, a Bulgarian state-owned entity, which is responsible for channeling the ESI Funds from the Managing Authority to the EBRD. Up to EUR 115 million of EBRD finance with an indicative split between loans and guarantee of EUR 92 million and EUR 23 million, respectively.

The total estimated cost of the investment projects to be financed under the framework is up to EUR 1.2 billion. The majority of the financing will be provided in the form of direct investment grants to the RWOS provided by the Managing Authority of Operational Programme Environment 2014-2020. The EBRD will co-finance the project costs through the framework.



Private Actors Description

FMFIB, a Bulgarian state-owned entity, which is responsible for channelling the ESI Funds from the Managing Authority to the EBRD.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|---|----------------------|------------------------|
| - | - | - | - | The Fund Manager of Financial Instruments in Bulgaria | Client | - |



Contact Information

Company Contact Information

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Business opportunities

For business opportunities or procurement, contact the client company.

For state-sector projects, visit [EBRD Procurement](#): Tel: +44 20 7338 6794

Email: procurement@ebrd.com

General enquiries

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168

Email: projectenquiries@ebrd.com

Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies

and operations. Please visit the Public Information Policy page below to find out how to request a Public Sector Board Report. [Text of the PIP](#)

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 or you can submit a complaint online using an online form, 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>.