



European Bank
for Reconstruction and Development

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Center for Ecology and Sustainable Development
Korzo 15/13, 24 000 Subotica, Serbia

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Dear Ms Đereg,

Thank you for your letter dated 23 May addressed to the EBRD President, Suma Chakrabarti, in relation to the devastating floods in Serbia. As the President asked me to respond on his behalf, let me first express how deeply saddened we are at the Bank to witness the tragic loss of lives and widespread destruction to people's homes and the countries' infrastructure caused by recent flooding in the region. In this regard, responding to the economic damage in the aftermath of the floods represents a major priority for the Bank.

We are aware that power generation and mining has been heavily disrupted, particularly in Serbia where the damage to our client, the power company EPS is likely to be extremely costly. As you know Kolubara, as Serbia's largest mining complex is crucial for the country's energy supply as it provides coal to the thermal power plants that produce more than 50 per cent of the energy needs in Serbia.

We do not envisage the establishment of a fund for the resettlement of the villages in the Kolubara mining areas but we will work with the authorities to facilitate the rehabilitation of damaged infrastructure including through the identification of opportunities for possible reallocation of existing funding. Also, we will work with the relevant authorities to develop improved flood safety, recovery and preparedness.

Considering the situation and the high energy and carbon intensity in the country, the Bank will continue with its on-going policy dialogue in the energy domain and provide financial and technical cooperation support for renewable energy and energy efficiency projects. The Bank will continue to support the government in its effort to establish market-friendly policy frameworks and regulations that promote energy efficiency and low carbon investments and to work on compliance with EU environmental standards. Furthermore, the Bank will provide finance to corporates to improve productivity, energy efficiency and competitiveness.



We firmly believe that we have to remain engaged with our clients and partners to support the reconstruction efforts in coordination with other international financial institutions and other donors from the international community.

Yours sincerely,

Biljana Radonjic Ker-Lindsay,
Head of Civil Society Unit