

Equity capital for the country's biggest wind farm

Deutsche Investitions- und Entwicklungsgesellschaft mbH -takes an equity interest of 10 per cent in the Cibuk I wind farm in Serbia. The wind farm, due to be completed in 2019, will have a capacity of 158 MW, making it the largest wind farm in Serbia. Another investor is the experienced Finnish wind farm operator Taaleri Group, which has acquired a 30 per cent stake. The wind farm is 60 per cent owned by Abu Dhabi Future Energy Company (Masdar). The loan-based financing was arranged by the IFC and the EBRD. A total of around EUR 300 million is invested.

German-built wind turbines

The wind farm will be built by the project company Vetroelektrane Balkana d.o.o. in the north-eastern province of Vojvodina. The 57 turbines will produce around 470 GWh of electricity per year, which will be fed into the national grid - enough to supply 113,000 households with green energy. The wind turbines will be supplied by GE Wind Energy GmbH in Salzbergen, Lower Saxony.

More power from renewable sources

Up to now, Serbia's electricity needs have been met overwhelmingly by fossil fuels, with nearly two-thirds of the energy coming from coal. The country aims to generate a quarter of its power from renewable sources by 2020. This is to be achieved primarily by exploiting the substantial potential for wind power. The Serbian government has set up a funding programme with the aim of producing 500 MW of wind energy. The Cibuk I wind farm is one of the biggest projects under this programme.

By reducing the need for coal-fired power generation, the wind farm should save over 370,000 tonnes of CO₂ a year. This will contribute to a more sustainable and diversified power generation in Serbia. The infrastructure expansion associated with the wind farm will also boost economic development in the region.

As a development finance institution, DEG offers long-term capital to private companies in developing and emerging-market countries that is unavailable locally. DEG currently has a portfolio of some EUR 760 million in Eastern Europe. It has been operating in Serbia since more than 15 years, financing projects in the agriculture, infrastructure and financial sectors.

Source: deginvest