

Underscoring its commitment to investing in renewable energy, the EBRD and the International Finance Corporation are providing a €215 million loan to Čibuk 1 wind farm, the largest wind project in Serbia and the Western Balkans to date.

The financing package for the €300 million wind farm was signed in Belgrade in the presence of Serbia's President Aleksandar Vučić.

The 158 MW Čibuk 1 wind farm is being developed by Vetroelektrane Balkana, owned by Tesla Wind which is a joint venture between Masdar, a renewable-energy company based in Abu Dhabi, and Čibuk Wind Holding, a subsidiary of the US-based wind-energy developer Continental Wind Partners.

Čibuk 1 will be built 50 km to the north-east of the Serbian capital, Belgrade. It will comprise 57 wind turbines supplied by General Electric and will cover an area of about 40 km². The plant is expected to be connected to the grid in the first half of 2019 and to produce electricity for an estimated 113,000 households, while reducing CO₂ emissions by more than 370,000 tonnes.

The construction of the wind farm will also create 400 jobs in the area and contribute to improvements in local infrastructure with, for example, the construction of 50 km of roads. Yousif Al Ai, Chairman of Tesla Wind said: "We would like to thank the government of Serbia, Mubadala Investment Company, as well as the lenders, advisors, and all the other parties involved in reaching this critical milestone. The development of the largest wind farm in the Western Balkans is a pivotal moment for the expansion of renewables in the region and positions Serbia at the forefront of Europe's fastest-growing alternative energy sector."

Mohamed Al Ramahi, CEO of Masdar, added: "At Masdar, we are proud to be able to contribute our expertise and experience to the diversification of Serbia's energy mix, working alongside our joint-venture partners. This project highlights the attractiveness of the Serbian market for renewable energy investment and has the potential to be a hub for additional projects in the region."

Čibuk 1 will be Masdar's fourth wind farm in Europe after the 630 MW London Array, the world's largest offshore wind farm in operation, the 402 MW Dudgeon Offshore Wind Farm in England, and Hywind Scotland, a 30 MW floating offshore windpower development situated near the coast of Aberdeenshire.

The EBRD is providing a €107.7 million syndicated loan, of which €55 million is syndicated to Erste Bank, the Green for Growth Fund, UniCredit and Banca Intesa under an A/B loan structure. In parallel, the World Bank's IFC is providing €107.7, partially through its Managed Co-Lending Portfolio Program and partially through syndicated B loans.

Harry Boyd-Carpenter, EBRD Director of Power and Energy Utilities, commented: "The Ćibuk wind farm is a breakthrough for Serbia as the country works to meet its commitment to produce 27 per cent of domestic power needs from renewable energy sources by 2020. The EBRD has worked closely with the government to develop and refine the regulatory framework for the sector and these efforts have now unlocked job-generating foreign investment and the first wave of renewable-energy projects."

The EBRD is a leading supporter of green energy. Building on a decade of successful green investment, the Bank's Green Economy Transition approach seeks to increase the volume of green financing from an average of 24 per cent of EBRD Annual Business Investment in the 10 years up to 2016 to 40 per cent by 2020.

Thomas Lubeck, IFC's Regional Manager for Central and Southeastern Europe said: "This project highlights IFC's creating markets strategy, paving the way for other renewable energy projects. It is a result of our cooperation with all stakeholders and our work with Serbia's government to improve relevant bylaws and the model power purchase agreement, IFC is a global leader in facilitating cross border investments and our support for renewable energy is a key part of our work to help mitigate climate change."

Source: ebrd