

Project description:

The EBRD is considering providing a senior loan of up to €47.5 million to finance the construction and operation of a 72MW wind power plant at Krnovo, located approximately 28km northeast of Niksic, Montenegro (the “Project”). The Project is expected to be Montenegro’s first utility-scale wind farm.

Transition impact:

The Project has the potential to attract interest from new investors into the nascent Montenegrin renewable energy sector and to set a template for further private sector participation in the country’s economy. Furthermore, the Project will assist Montenegro in becoming one of the lowest-carbon economies in Europe on a relative basis.

The client:

The borrower will be Krnovo Green Energy d.o.o., a special purpose vehicle established for the sole purpose of construction and operation of the Project.

The sponsor is Akuo Energy SAS, a Paris-based renewable energy developer and operator.

EBRD finance:

The wind farm will be financed through a parallel loan structure, with senior debt totalling up to €97 million, of which up to € 47.5 million would be provided by the EBRD.

Total project cost:

The total project cost is expected to be approximately €139 million.

Environmental impact:

The Project is categorized B under the Bank’s 2008 Environmental and Social Policy. Environmental and Social due diligence confirmed that potential impacts were readily identified and mitigated. The project has been structured to meet relevant Performance Requirements, and due diligence found the Sponsor has the capacity to implement the agreed Environmental and Social Action Plan.

Potentially significant risks prior to mitigation included erosion and dust from construction activities, which will be controlled by the application of good international practices. Occupational health and safety will be protected by development and implementation of a detailed OHS plan by the Sponsor and contractors. No resettlement will be required, and current land owners will be compensated in accordance with Montenegro law and EBRD Performance Requirement 5. Although the site is not near protected areas or on a migratory flyway, monitoring of impacts on birds and bats will continue into the operating period to verify conclusions of no significant impact, with additional mitigation to be required if needed. Also, stakeholders will continue to be engaged through implementation of the Stakeholder Engagement Plan. Implementation of the ESAP and compliance with the Bank’s

Performance Requirements will be monitored throughout the life of the Project.

Technical cooperation:

The EBRD has provided TC funding to support the development of renewable energy in Montenegro through a number of assignments carried out under the Western Balkans Sustainable Energy Facility Capacity Building Project

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

source: ebrd.com