

In a landmark project for Montenegro's energy sector, the European Bank for Reconstruction and Development (EBRD) is supporting the first commercial wind power plant in Montenegro, to be located at Krnovo, near the town of Niksic in the western part of the country.

The EBRD is extending a senior secured loan of up to €48.5 million to Krnovo Green Energy d.o.o, the subsidiary of Akuo Energy, the French producer of renewable energy, that will build and operate the 72MW plant. In parallel, KfW IPEX-Bank GmbH, a subsidiary of KfW, is providing a loan of the same amount.

This is the first large-scale investment in Montenegro's electricity generation capacity since the 1980s. Once constructed and operational the wind farm will represent 8 per cent of the total installed capacity and 6 per cent of total electricity production in Montenegro.

The project is expected to result in CO2 emission reductions of more than 180,000 TCO2 annually, equivalent to removing 11,000 cars from the roads.

This is the first private wind financing not just in Montenegro but in the wider region (Serbia, Bosnia and Herzegovina, Albania) and can serve as catalyst for commercial banks to finance similar projects in Montenegro and the Western Balkan region.

"With this project, the EBRD is supporting Montenegro in becoming one of the lowest-carbon economies in Europe on a relative basis and advancing energy efficiency by boosting competition in Montenegro's energy market. Over the last two years the EBRD has worked with the government to create the regulatory framework for renewables. We're pleased to see the Krnovo wind farm coming to fruition," said Giulio Moreno, EBRD Head of Podgorica Office.

"Montenegro is a country that lies at the crossroads of Europe, has considerable renewable resources and has decided to make even greater use of these resources to have production of green electricity- a strategic priority for its development. We welcome this proactive policy and are delighted to have financed the country's very first wind farm with the help of EBRD, KfW IPEX-Bank, and Proparco", concluded Eric Scotto, Akuo Energy's cofounder and CEO.

This first wind farm in the country will set the benchmark in terms of developing, building and operating a greenfield renewable project.

With this project EBRD will have committed €493.5 million in 45 projects, generating more than €960 million of investment in the country. EBRD's investments cover the whole range of Montenegro's economy reports EBRD.

source: energia.gr