

German state-owned development bank KfW on Wednesday signed a 60 million euro (\$70 million) loan deal with Bosnia to help it build a 48 megawatt wind park to help diversify its energy sources and cut greenhouse gas emissions.

The Hrgud wind park in Berkovici, southeastern Bosnia, comprises 16 wind turbines with a capacity of 3 MW each. Bosnia's second biggest power utility, ERS, won in 2015 a 50 year concession to build and operate the park.

The loan will be repaid over 15 years, including a four-year grace period.

The total cost of the project is seen at 64.3 million euros and ERS will provide the remainder of the financing.

The wind park, the first in Bosnia's Serb Republic - one of the country's two postwar autonomous regions - is projected to be connected to the grid in four years and to produce 126 gigawatt-hours of electricity a year.

Bosnia generates 40 percent of its electricity from hydro and the rest from coal-fired plants. Unlike other Balkan countries that rely on power imports to cover much of their demand, it is able to export power largely thanks to its hydro capacity.

Bosnia's other autonomous region, the Bosniak-Croat Federation, has given approval to three companies to start building wind farms with combined capacity of 138 MW.

Several developers are seeking to add a further 320 MW in wind capacity in Bosnia over the coming years.

Source: reuters.com