

Austria's Erste bank will provide the bulk of the financing for construction of one of the first wind farms in Serbia, as the country seeks to move to cleaner energy.

Erste bank said its Serbian unit had agreed to provide a 113 million euro (\$134 mln) loan to Israel's Enlight Renewable Energy, which is running the project.

The European Bank for Reconstruction and Development has already committed to lend up to 50 million euros for the 104.5 megawatt farm, which is due to be completed in 2018.

The total cost of the project is estimated at 189 million euros.

The wind farm in the northern town of Kovacica, 50 kilometres (31 miles) northeast of the capital Belgrade, is one of several due to be built in the next few years in Serbia, which produces 70 percent of its energy from coal and the rest from hydro power.

The farm will comprise of 38 wind turbines with 2.75 MW capacity each. It will help lower Serbia's annual carbon dioxide emissions by around 247,000 tonnes and help the country meet an objective to secure 27 percent of total energy consumption from renewables by 2020, Erste said in a statement.

Source: reuters