

The landfill in Vinca district in Serbian capital city - Belgrade is the Europe's largest unmanaged landfill. At this location a new facility worth 370 million euro should be built. With most of the debt being provided by the European Bank for Reconstruction and Development (EBRD), HE Belgrade waste to energy project in the district of Vinca has reached its financial close.

The project is being developed by Beo Cista Energija Ltd, a special purpose vehicle owned by Itochu Corporation of Japan, Suez of France, and Marguerite, a pan European equity fund investing in renewables, energy and transport.

Beo Cista Energija entered a 25-year PPP (public private partnership) with the city of Belgrade in 2017 for the first large-scale environmental infrastructure PPP investment in the Western Balkans region. Construction work began last October. The 370 million euro project is one of the largest PPPs in Serbia to date. A total of 290 million euros of debt is provided by a group of lenders.

The EBRD is supporting the project with a 128.25 million euro syndicated loan, including 72.25 million euros for its own account, a loan of 35 million euros provided by Erste Group Bank of Austria, under an A/B loan structure, and 21 million euros in concessional finance from the Green Energy Special Fund, which is funded by TaiwanICFD. The EBRD financing is part of a wider package including the International Finance Corporation (IFC) and the Austrian development bank Oesterreichische Entwicklungsbank (OeEB), with loans of 72.25 million euros and 35 million euros, respectively.

The new facility will replace Europe's largest unmanaged landfill, located 15 kilometres from the centre of Belgrade, and holding more than 10 million tonnes of waste after more than four decades of operation. The site will be fully redeveloped with a new sanitary landfill, a waste-to-energy plant and a modern facility to process construction and demolition waste, thus providing the 1.7 million inhabitants of the Serbian capital with a modern waste management system.

The new landfill will be EU-compliant, with modern waste management and treatment technology. Replacing the existing landfill will also address a major environmental and health risk that leaches pollutants from thousands of layers of trash - some as old as 1977, the year the city started dumping on the site - into the nearby river Danube.

The 103MW waste-to-energy facility will contribute to reducing greenhouse gas emissions and the dependence of Belgrade on fossil fuels. It will have capacity for a volume of approximately 340,000 tonnes per year of household waste, while the construction and demolition waste facility will treat 200,000 tonnes per year.

The new sanitary landfill, with a capacity of 170,000 tonnes per year, will be finalized by the

end of 2020, while project completion and full commercial operations are expected in 2022. The EBRD is a leading institutional investor in Serbia. The bank has invested more than 5.9 billion euros across 264 projects in the country to date. The EBRD is focusing on supporting private-sector development, improvement of public utility services and on the overall transition towards a green economy.

The bank also has extensive experience in public-private partnership projects and, for example, has also provided financing for the Belgrade Nikola Tesla Airport concession led by Vinci of France.

Source: theasset.com