

»» Promoting Hydro Power Development in the Western Balkan – An alternative approach

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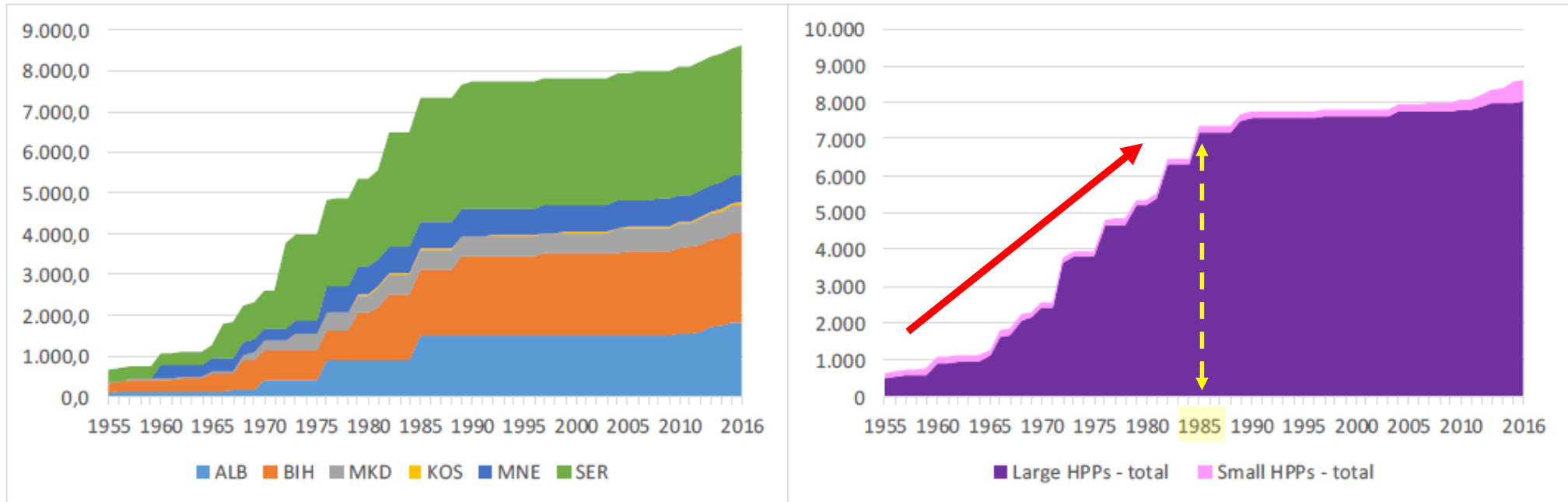
Bank aus Verantwortung

KFW



»» Development of large HPPs has stopped long ago

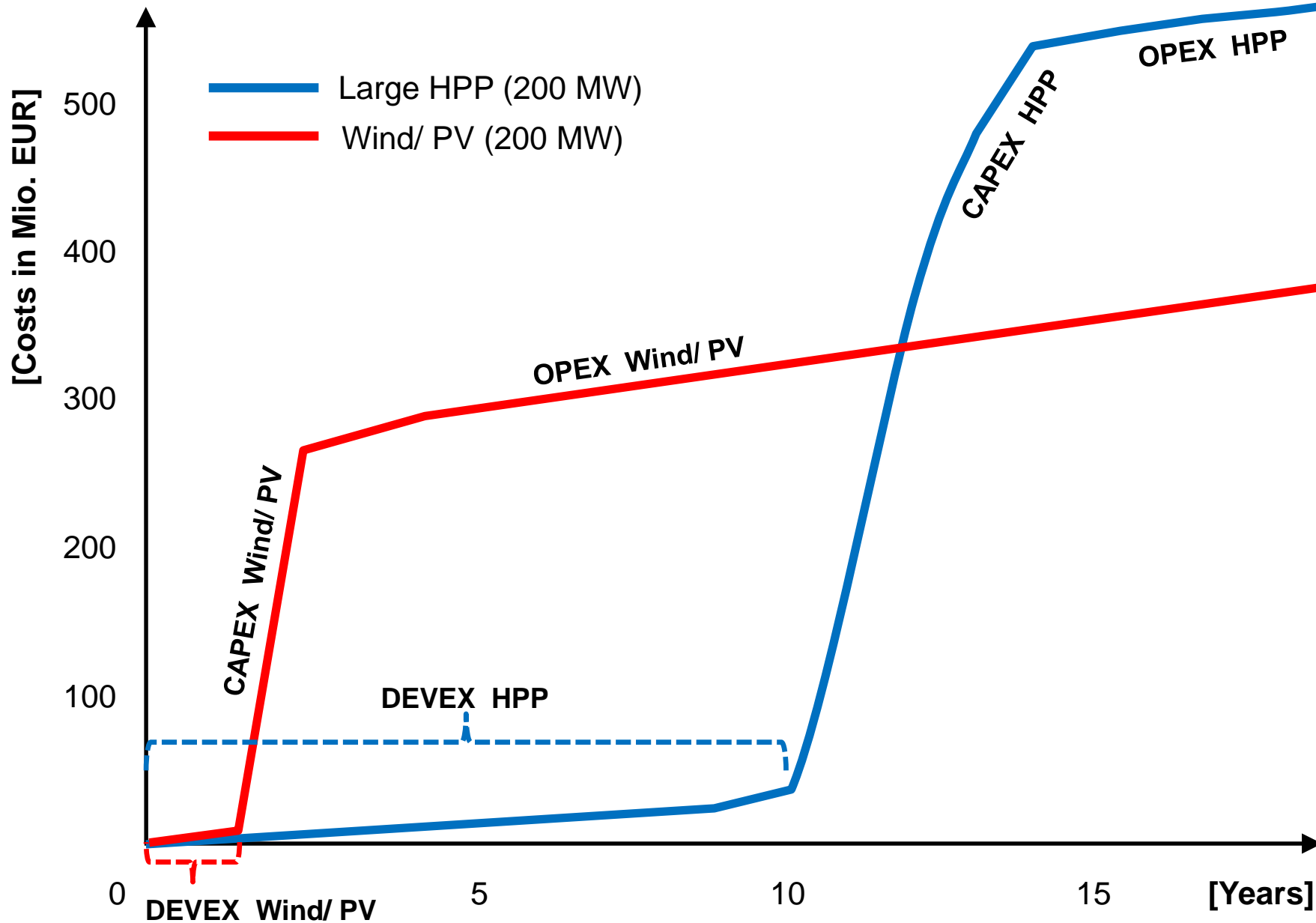
»» Development of cumulative hydropower capacities over time by country and distinction between large and small HPPs (1956-2016), MW



Source: Mott Macdonald (May 2017): Regional Strategy for Sustainable Hydropower in the Western Balkans

»» High Development Expenditures (DEVEX) hamper HPP construction

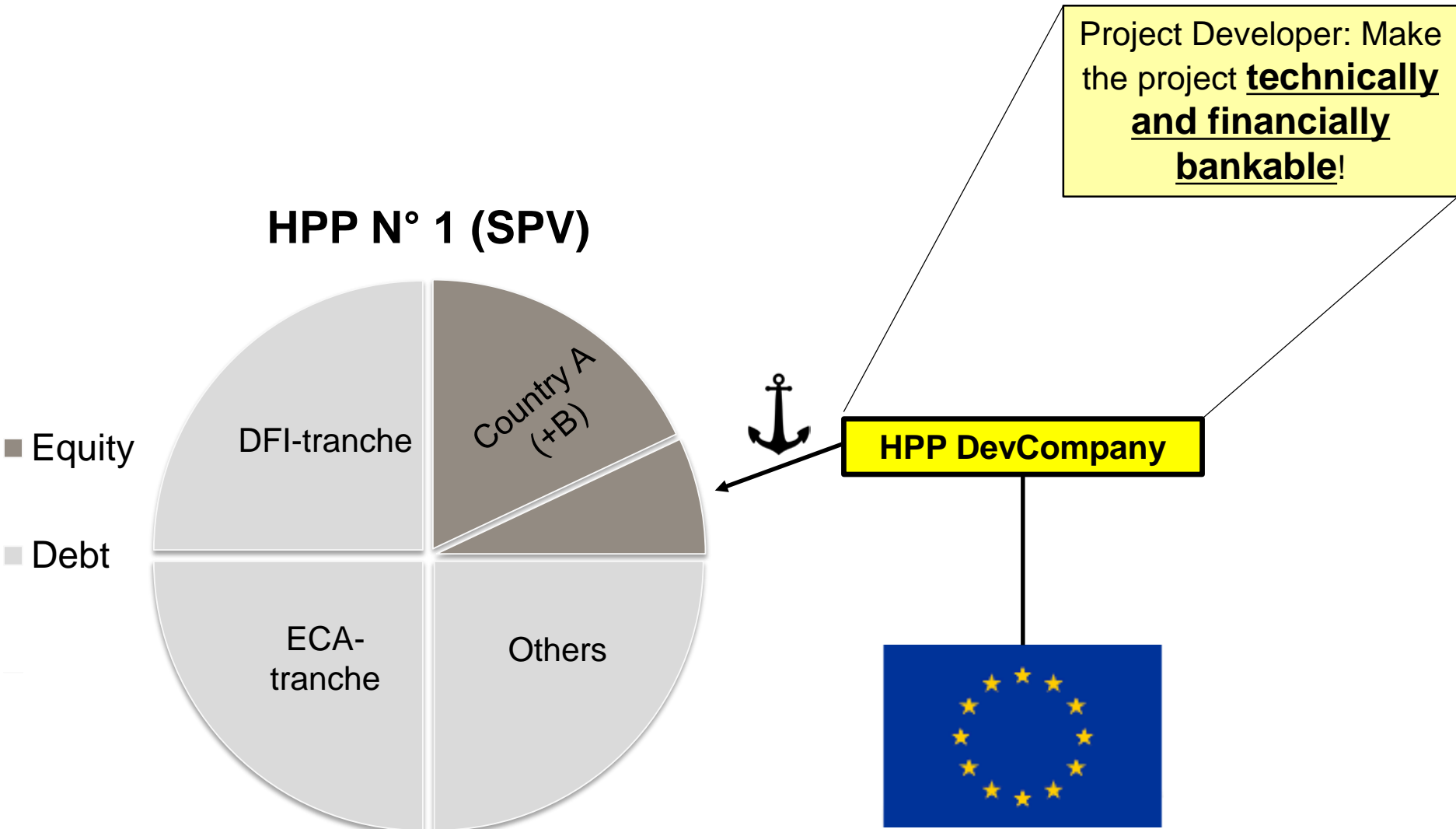
DEVEX = a **killer** criteria





»» How large HPP construction can work

»» ANCHOR INVESTOR & PROJECT DEVELOPER – a combined approach



»» Why should we do this? – Because it is multiple-win!

Western Balkan 6 Beneficiaries	<ul style="list-style-type: none">› Having strong and reliable partners with the necessary “long breath”› Getting state-of-the art technical expertise› Investing in a HPP scheme with little fiscal burden on the state budget› Reaching CO2-targets/ Fulfillment of NREAPs 2030
The EU	<ul style="list-style-type: none">› Promoting and Safeguarding EU standards, especially with regard to environment› Enabler of RE Promotion on the Balkans
DFIs	<ul style="list-style-type: none">› Getting bankable hydro projects presented› Risk reduction through anchor-investor function› Significant Contribution to the share of RE in Europe

»» Next steps

Prioritization of 1-3 HPP projects

- › Input: Regional Strategy for Sustainable Hydropower in the Western Balkans
- › Consultative process led by EU

Selection of a HPP-developer

- › Determination of Scope of work and elaboration of Terms of Reference (ideally: consortium of engineers & financial experts) → tender process

Identification of adequate HPP DevCompany legal structure

- › Clarification process with EU: what is legally doable?

Definition of overall set-up

- › Clarification of roles and responsibilities of different stakeholders
- › Conclusion of MoUs for HPP project with WB6 countries

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