



## Project Disclosure Summary

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Project name: Wind Park Bogoslovec (36MW)

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Country: North Macedonia

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Sector: Renewable energy generation (wind)

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Partner Institution: Thor Impex d.o.o.

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GGF investment: 3.5 million euros equity

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Signed: June 2021

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E&S Category: Higher risk category B (+)

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**Project summary:** The project consists of GGF financing for the greenfield development of North Macedonia's first private wind energy project, "Wind Park Bogoslovec" to be built 80 kilometres southeast of Skopje near the village of Bogoslovec in North Macedonia at a total project cost of 61 million euros. The project is scheduled to be completed in early 2023. Siemens Gamesa Renewable Energy will manufacture and install eight wind turbines at the site. Propelled by rotors with a diameter of 145 meters at a hub height of 102.5 meters, these turbines will have an aggregate capacity of 36 MW once active. This project makes an important contribution to North Macedonia's ambitious goals to shift its national power generation, which is still dominated by brown coal (lignite), to green sources. The country aims to lift its national renewables capacity to above 50% by 2024, which translates into an additional 400 MW and 160 MW of solar and wind power, respectively.

BNB Kompani d. o. o., a holding company for energy projects in North Macedonia, is the majority shareholder (65%), and has developed the project up to the permitting stage. GGF's equity investment establishes the Fund as the 35% minority shareholder in the project company, Thor Impex d.o.o.. Project financing of 51 million euros has been arranged by Erste Group Austria with the participation of North Macedonian banks. The total debt package includes a subordinated debt tranche of 10 million euros from OeEB, the development bank of Austria.

**E&S summary:** An environmental impact assessment was completed for the project in 2016 in accordance with North Macedonia law. Following the project company's public disclosure and consultation, an environmental permit was issued for the project in 2017. Additional environmental and social due diligence against the IFC Performance Standards was undertaken by an independent consultant on behalf of Erste Bank and the project's lender group in 2018, leading to the development of an Environmental and Social Action Plan (ESAP) and the preparation of supplementary E&S reports. GGF's due diligence for its equity investment was undertaken in 2021 with the support of an independent consultant. As a result, additional ESAP items were agreed.

This work confirms that the project meets all applicable standards, including the IFC Performance Standards, World Bank Group EHS Guidelines and ILO fundamental conventions. The project is located within a candidate Emerald



site and in key biodiversity areas, including two important bird areas (IBA), and an important plant area (IPA). Compliance with IFC PS6 has therefore been an important focus for the E&S impact assessment work (including field studies, critical habitat assessment and collision modelling) undertaken by the developer, the lenders group and GGF. This has established that significant adverse impacts on biodiversity are not expected and that collision risk for target bird and bat species is low. Nevertheless, the project and its ESAP includes an adaptive biodiversity mitigation strategy that will be supported by continuous bird fatality monitoring efforts during the operation phase.

The project will not lead to any physical displacement of communities. Some limited economic displacement is likely to occur due to loss of agricultural assets. Appropriate compensation procedures in line with IFC PS5 are in place. The project includes a stakeholder engagement plan and grievance mechanism, and specialists are developing programs to support local communities as well as programs to promote and enhance the conservation aims and effective management of the designated sites.

The project company has engaged a third-party consultant to support in managing the environmental and social risks of the project. GGF, the project's majority shareholder and the lender group will monitor the project and its environmental and social impact closely during construction, commissioning, and operation, including via the appointment of a Lenders' Technical Advisor. As a minority shareholder in the project company, GGF will also be closely involved in the governance of Thor Impex d.o.o. and the management of project implementation. Curo Energy acts as the project's technical and financial advisor and will serve as the construction and operations manager.

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External links to E&S documents: <https://wpbogoslavec.com/environmental-and-social/>

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For further information, enquiries, or complaints: <https://www.ggf.lu/contact>

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*GGF's Responsible Investment Policy is available here: [ggf.lu/publications](https://www.ggf.lu/publications)*

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