

IJGlobal Awards 2023 – Blue 1, Albania

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Impact Asset Manager Finance in Motion has won the IJGlobal Award 2023 for Market Pioneer having closed an innovative solar transaction in Albania.

The 50MW greenfield solar project (Blue 1), distinguishes itself by being the first of its kind in the Balkans to operate without any government subsidy, marking a significant leap forward in sustainable energy initiatives.

The award was presented to Finance in Motion at the Peninsula London (see image below) for its role in structuring and arranging the financing for Blue 1, the first fully privately financed solar park to be procured in Albania.

Sylvia Wisniwski, managing director of Finance in Motion, said: "We are delighted that this innovative financing has created a lot of impact – and that this has been recognised with this award from IJGlobal."

IJGlobal Awards are internationally recognised for celebrating investments in the energy and infrastructure sector with ceremonies staged annually in London, New York, Singapore and Dubai. They are judged by a panel of independent industry experts from the respective regions.

The financing of Blue 1 was provided by the Green for Growth Fund (GGF), which is advised by Finance in Motion. The project was developed by Blessed Investment and is being constructed by Matrix Konstruksion, an Albanian headquartered construction company that promotes urban, infrastructural and energy development in Albania.

"This was achieved in the midst of the energy crisis, after the Covid shock, during the war in Ukraine and the associated disruption to supply chains," said Wisniwski.

The volume of financing for renewable energy projects in the Balkans and the Caucasus has been declining for several years, with the Western Balkans, in particular, showing a massive investment backlog in energy generation. Renewable energy projects also had to contend with rising prices and interest rates.

Chad Canfield, director of project finance at Finance in Motion, stated: "In the face of climate uncertainty, we knew that waiting for a return to normalcy could not be the answer. The impact of our actions is immediate, and as an impact asset manager, we have an obligation to look for creative solutions; we're not going to wait to make a difference."

Characterized as a bridge-to-power purchase agreement (PPA) financing structure, the project boldly proceeds without an off-take or route to market agreement. The loan terms are crafted to encourage the sponsors to enter into a PPA, featuring incentives like reduced cash sweeps and lower margins.

It is structured as a long-term loan with minimal amortisation, supplemented by cash sweeps, so that the project can handle a variable income stream, while providing great motivation for signing a power purchase agreement.

"As the first project in the Balkans to be financed and built without government subsidies, Blue 1 proves that renewable energy projects can be competitive and self-sustaining," said Wisniwski.



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