

Serbia: The solar park investment or court claim, Securum vs Ministry of Energy

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Instead of the solar energy, Serbia could get the black hole in the budget of 160 MEUR. The company "Securum equity partners" claims that the Government did not fulfill the obligations to find the adequate location for the park construction. From the Ministry of Energy, however, say that that company did want investment, but process.

Plan for solar park construction in Serbia could be completed with the process in front of two international courts - in London and in Washington. The agreement that the company "Securum equity partners" signed last September with the Government of Serbia was canceled because, according to the company, the Government did not fulfill the obligation to find suitable ground for the park construction. The trial could prevent the court settlement, say in the company and give a period of three months. The Ministry of Energy says that Serbia has done everything in its duty, and that the company did not want an investment, but a process.

Instead of solar energy, Serbia could get a black hole in the budget of 160 MEUR. On the Prime Minister's address came a letter of American law office "Safeco Lindsay", that informed him of the proceedings on its client behalf.

Company "Securum equity partners" signed last year with the government an agreement on solar park construction of total capacity of 1,000 megawatts, which is four times bigger than California's solar park, the largest in the world.

For that the company sought 3,000 acres of land. From the state has got 10 times more territory, but according to the company - inadequate.

"The land which was offered to us was on top of the mountains, or in inaccessible areas to which there were no roads, in the national parks, or the buildings already were constructed there, and of these 30,000 hectares we have found only 135 that could theoretically be used for the solar park construction. And not in one same place but in eight municipalities in South Serbia", says Alessio Kolus from the company "Securum equity partners".

The other offer was, as they claim, an area of Kostolac or Kolubara, but the Ministry shortly withdrew it, say in the company.

Securum terminates the contract and insist on a settlement of 40 MEUR. Due to the three-month correspondence with the ministry, which as they say, did not give results, made a series of complaints - that the Minister Mihajlovic did not meet with them, that they talked to people who were not empowered to make decisions, but also that the meeting was scheduled off- hour ministry work, at 7:30 in the morning.

From the ministry, however, claim they have done all of what they committed, and that the key issue is not there.

Dejan Trifunovic from the Ministry of Energy says that the investor probably did not want to invest, but wanted to get into the process.

"They announced in August that they would enter into the process, we had a consultation meeting. According to recent announcements, we got information about joining the process; however, the Government and Ministry have not received official information that the process has been started ".

The same case will be the subject of two courts - the International Court of Arbitration in London and court in Washington. Both processes begin on 29th January if a deal does not come in the meantime.

"It is possible to correct the error, but it is up to the Government to decide if it wants to resolve the case or not. If it does not want, the only option is court. We have to talk about the compensation of the company, and that is the point of all future projects that could be initiated", said Alessio Kolus from the company" Securum equity partners. "

Trifunovic says that the Republic of Serbia and the relevant ministries preventive prepare in that process.

"What is very important is that the Ministry and Republic of Serbia did all to get to the investment, the investor's strategic decision is not to invest, we have no official information on the entry in the trial, but the government has done all that investment be realized", says Trifunovic.

Memorandum was signed in May 2012th by the Minister Oliver Dulic, but that deal was not legally binding. Half a year later, the roof, binding contract, was signed by the Ministers Mladjan Dinkic and Zorana Mihajlovic.

The agreement, practically from the signing, was followed by a series of problems and issues - from finding appropriate territory to the lack of accurate information on the company, both on public and on its official website. On the RTS question if they had the similar problems in any other country, in the company told us that Serbia was the only country where they found adequate conditions and where they proposed project for solar park construction.

Source; Serbia Energy/Agencies