

Tatarstan in Clean Energy Venture

By [The Moscow Times](#)

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The Tatarstan republic and Wermuth Asset Management plan to set up a 200 million euro (\$284 million) clean technology fund that aims to help the heavy oil-producing region boost energy efficiency and manage industrial waste.

"We will invest in the world's best clean technology companies, help them enter the Russian market and, eventually, set up production in Russia," Wermuth founder Jochen Wermuth said Tuesday.

The Tatarstan Clean Tech Fund's target size is 200 million euros, to which the republic is contributing 100 million euros and Wermuth 10 million euros.

They are yet to find the remaining 90 million euros.

The fund is targeting companies that produce waste-to-energy technology, bio-diesel fuel and nano-fracking technologies that would be used to raise the oil recovery levels on the region's largely depleted fields.

But despite Russia's ambition to develop a high-technology sector to diversify its \$1.2 trillion economy away from reliance on oil and gas revenues, the fund will mostly be aimed at investing in foreign tech companies that want access to the Russian market.

"Three-quarters of the companies the fund will invest into are based outside of Russia, but the rest will be Russia. We have already identified three Russian companies in solar power technology, plasma technology and a company that processes municipal waste," Wermuth said.

Russia's official energy policy sees 4.5 percent of the country's power coming from renewable sources by the end of this decade.

Small cap green energy companies, however, say the country's powerful hydrocarbon lobby has stalled progress in making renewable power generation profitable.

Valery Sorokin, director of Tatarstan's investment holding Svyazinform Neftekhim with \$7.5 billion in assets, said the region's special economic zone status should help attract foreign technology companies.

"This is the first investment we have made on this scale, but we are confident it will do well and set a precedent. We are one of only two regions in Russia with a special economic zone and that means tax breaks and a simplified industrial customs regime," he said.

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