

According to its energy strategy of European Bank for Reconstruction and Development (EBRD), this bank will no longer finance coal-fired thermal power project, but will invest in renewable energy instead, said the head of the Office in Bosnia and Herzegovina (BiH) Manuela Nessel.

She claims that the transition to renewable energy is a path that BiH should take, and points out that the prices for the development of renewable energy projects have dropped significantly.

In December 2018, the EBRD confirmed that it will no longer finance projects related to coal mining or coal-fired electricity generation. This decision is in line with its new energy sector strategy for the next five years. EBRD will also stop funding any upstream oil exploration, and will not finance upstream oil development projects except in rare and exceptional circumstances, where such investments reduce greenhouse gas emissions. The strategy for the next five years emphasizes the scaling-up of investment in renewables, supporting the integration of energy systems, promoting the switch to cleaner and more resilient energy sources and facilitating electrification as a means to clean the economies where the Bank invests, which include some of the least energy-efficient and most polluting economies and cities in the world. However, the Bank will continue to support the gas sector where it is consistent with a low-carbon transition that is both secure and affordable. In November 2017, EPBiH signed a loan agreement with Chinese Exim Bank for financing the construction of unit 7 at TPP Tuzla on the sidelines of a meeting of the heads of Governments of China and 16 Central and East European countries held in Budapest. The net agreed price under the EPC contract is 722.35 million euros (without VAT). The maturity of the loan from China's Exim Bank is 20 years, with a 5-years grace period. The loan will cover 85 % of the investment, while the remaining 15 % will be provided from EPBiH's own funds.

Director of the Energy Community Secretariat Janez Kopac warned BiH authorities that they have to stop investing in coal-fired power plants because they are a source of environmental pollution and directly affect the health of millions of people across the region. Kopac participated in a session of the FBiH House of Representatives on co-operation with the Energy Community and the harmonization of energy legislation in that country with the EU acquis, and used this opportunity to recall troubled investments in thermal power plants, especially the construction of a new unit 7 at TPP Tuzla, which should be financed through a Chinese state loan. He recalled the results of a study which found that 16 thermal power plants from the Western Balkans pollute the environment more than 250 others distributed across the EU member states, the main reason being that outdated technology has been installed in Balkan thermal power plants that do not take into account environmental standards.

In early 2020, Minister of Energy, Industry and Mining of the Federation of Bosnia and

Herzegovina (FBiH) Nermin Dzindic said that that Bosnia and Herzegovina will not shut down its coal-fired thermal power plants nor its coalmines, as advised by the Director of the Energy Community Secretariat Janez Kopac. He said that BiH is well aware of the age of some of coal-fired units and those will have to be closed soon. Those units should be replaced with new ones, which will also use coal as fuel. He also noted that two large coal-fired power plants are currently under construction in Poland, so it is not true that BiH is the only country which is building coal-fired TPPs.