

The delegation from the Republic of Srpska (RS) led by Prime Minister Radovan Viskovic returned from Beijing in December 2019 with a contract to build three hydropower plants on the Bistrica river near Foca.

Today, 19 months later, this project still exists only on paper, while the company that has a concession for these facilities is accumulating losses because it has nothing to do. The main reason why construction did not start is that ERS cannot find the funding for this project. With the contract signed with the Chinese company AVIC, the value of the project is 102.8 million euros. At the end of March this year, ERS made a decision to seek for a bank through a tender, which will provide them with a loan worth 68.7 million euros, which is 63 % of the value of the project, however, there were no interested banks. Specifically, one Chinese bank was interested but failed to provide documentation in accordance with the Public Procurement Law, so it did not even submit a bid, which is why the procedure was terminated and annulled.

While ERS is seeking for money, the company "Hidroelektrane Bistrica" is accumulating losses. Thus, in the past, they made a loss of some 190,000 euros, which should not be surprising if we take into account that it has five employees and no revenues. Its business plan also shows that the plan is to make a loss of over 300,000 euros in this and next year. ERS bought the project company for 10.6 million euros in 2019.