

Elektroprivreda Republika Srpska (ERS) rejected the request of Transparency International in BiH (TI BIH) to deliver the contract that enabled the Hungarian company Lugos Renewables (LREN) to take over 70 percent of the ownership of the public company "Solarna Elektrana Trebinje 1".

With this contract, the Hungarian investor obtained a concession for the construction of a solar power plant without public bidding under conditions that ERS does not want to announce to the public, writes the portal istraga.ba. In its response to TI BIH, the management of ERS states that the contract has not yet been concluded, but only "its content has been determined", Transparency International in BiH announced.

"In any case and in relation to the established content of the contract, ERS determined that there is an exception to the Law on access to information that includes the confidential interests of a third party, and after conducting a public interest investigation, it was determined that the information is not of public interest," they state from ERS and add that the Hungarian investor does not agree that the content of the contract should be made public.

Under what conditions was LREN introduced into the business?

Since ERS does not want to publish the content of the contract with the Hungarians, it is not even possible to officially verify the statements from the contract that appeared in the public, according to which ERS ceded 70 percent of the ownership to a Hungarian investor for about five million KM, which is the value of the concession and the related technical documentation on investments, writes [Istraga.ba](http://istraga.ba).

It states that the Hungarian LREN still has the right to sell back to ERS a 70 percent stake at a price that will amount to as much as 16 million marks, if two conditions are not met. One is to sign the annex to the concession agreement and extend the deadline for the construction of the solar power plant, which expires in October this year, by another 24 months, and the other is to fulfill the obligations from Article 16 of the concession agreement.

Article 16, according to the content of the original concession contract submitted by the RS Ministry of Energy and Mining to TI BIH, refers, the portal points out, to the provision of bank guarantees in the amount of four percent of the project's value (over four million KM), which the concessionaire guarantees that they will fulfill their obligations under the contract.

Given that the company "Se Trebinje 1" does not want to publish the content of the concession contract it currently has, it is not known whether the mentioned annexes have been signed. In his reply to TI BIH, the director of this company also states that the Hungarian investor does not agree to the concession contract becoming public.

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determined that there is an exception to the Law on access to information that includes the confidential interests of a third party, and after conducting a public interest investigation, it was determined that the information is not of public interest, according to ERS- and they add that the Hungarian investor does not agree that the content of the contract should be made public.

The publication of all the conditions under which this significant project is being built is especially important due to negative experiences on similar projects, such as the one with the construction of HPP Bistrica, where ERS transferred the concession to this company, sold 90 percent of the share to the Latakia firm Kaldera Company for 6.8 million KM. and then bought 51 percent of that company again for 10.6 million KM.

How did the Hungarian investor get the concession?

The concession for the construction of a solar power plant in Trebinje was awarded on October 19, 2020 to Elektroprivreda RS without a public call, because in the Law on Concessions of the RS there is a possibility to award the contract through a negotiation procedure, if a self-initiated offer comes from a public company that performs activities of general interest.

According to the concession contract, ERS was supposed to finish the entire project worth over 100 million KM by October of this year.

However, this public company clearly had no intention of building this solar power plant, because just ten days later, ERS founded the company "SE Trebinje 1" at its address, which was first given a concession, and then 70 percent of that company was given to the Hungarian company LREN.

In this way, the Hungarian investor was introduced to this business without public bidding, and the conditions under which the entire project will be financed and implemented are hidden from the public.

In order for everything to be possible, first, according to istraga.ba, the RS Concessions Commission had to give its consent to transfer the concession contract from ERS to the new company "SE Trebinje 1", which is legally possible if "ERS for financial or other reasons cannot realize this project".

Before approving the assignment of this concession, the Commission, according to the regulations governing this area, had to examine the financial condition of the new concessionaire "SE Trebinje 1", as well as evidence of its technical equipment, previously performed works and evidence that it has secured financial resources.

In May 2021, the commission approved the assignment of the concession to the new company "Se Trebinje 1", which in 2021 had revenues of only 800 marks. Therefore, TI BIH asked the Commission for evidence that established the financial condition of this company, as well as that it has secured financial resources.

Then, as stated in the reply to TI BIH from “SE Trebinje 1”, the Government of Republika Srpska on December 30, 2021, approved the transfer of 70 percent of the shares in that company from ERS to the Hungarian LREN, Danas writes.