

According to Bosnian media, Germany has suspended financing for four infrastructure projects worth a total of 105 million euros in the Republic of Srpska (RS), as a form of sanction against the entity's leadership.

The suspension is related to the projects for the reconstruction of hydropower plant Trebinje and the construction of wind farm Hrgud. The suspension will remain in force until the RS Parliament withdraws its decisions seeking transfer of powers from state to entity level and the blockade of state-level Bosnian institutions is stopped.

Earlier this month, the UK Government imposed sanctions against Milorad Dodik, the Serb member of the BiH Presidency and RS President Zeljka Cvijanovic for using their positions of authority to push for secession of the RS. The US imposed sanctions against Dodik in January.

In November 2017, an agreement with German KfW bank on the 60 million euros loan for the construction of Hrgud wind farm was signed. The loan has a repayment period of 15 years, with a grace period of four years.

Installed capacity of wind farm Hrgud will be 48 MW, with the annual generation of some 126 GWh of electricity. The total investment in this project is estimated at about 63.9 million euros. In September 2015, the investor, power utility ERS, signed the concession contract for the construction and operation of wind farm with RS Government. However, the construction has not started yet.