

Bosnian state-owned power utility ERS has until September 2020 to provide funding for the project for the construction of hydropower plants on the Bistrica river, or risks losing 2 million euros paid to Chinese company AVIC in advance, according to the agreement signed in December 2019 between ERS and AVIC.

However, ERS claims that coronavirus pandemic caused unforeseen delays to the project and that the Chinese company will extend the said deadline. ERS said that 85 % of the cost will be financed via loans and the remaining 15 % from the company's own resources.

Last December, the Government of the Republic of Srpska (RS) signed an agreement worth 120 million euros with Chinese company AVIC for the construction of three hydropower plants on the Bistrica river with combined installed capacity of 45 MW, during the official visit of RS Prime Minister Radovan Viskovic to China. PM Viskovic said that a feasibility study should be developed, along with all other necessary procedures, which is expected to be done in six to nine months, after which RS could apply to get a bank loan. He also met with the representatives of the Industrial and Commercial Bank of China (ICBC) to discuss financing of the project. In July 2019, RS Minister of Energy and Mining of the Republic of Srpska Petar Djokic said that China National Aero-Technology International Engineering Corporation (AVIC) is interested in two hydropower projects in the eastern part of the RS, on the rivers of Bistrica and Janjina. AVIC representatives previously expressed interest in participating in the project for the construction of HPPs Buk Bijela, Foca and Paunci, all three on the Drina river, which RS is developing in cooperation with Serbia.