

The Sarajevo Cantonal Government said that it has signed the mandate letter with the European Bank for Reconstruction and Development (EBRD) on the loan of 16 million euros and a 2 million euros grant.

The loan proceeds will be used to finance the transition of Sarajevo's district heating system from using fossil fuels to geothermal water.

EBRD Director for Western Balkans Matteo Colangeli said that the pilot project is aimed at reducing of air pollution in Sarajevo caused by burning heating oil, and will provide alternative fuels for the supply of heat. The results should be visible immediately upon launching the project.