

For the purpose of the construction of wind farm Vlastic, the Council of Ministers of Bosnia and Herzegovina (BiH) adopted the proposal of the Ministry of Finance and Treasury and appointed a delegation to conduct negotiations for the conclusion of the financing agreement between BiH and the European Investment Bank (EIB).

According to the statement from the Council of Ministers, the value of the loan is 36 million euros, with an allocation to the Federation of Bosnia and Herzegovina (FBiH), repayment period of 20 years and grace period of four years. Last month, FBiH Government supported the initiative to secure 72 million euros needed for the construction of wind farm Vlastic through a loan obtained from the European Investment Bank (EIB) and German Development Bank (KfW) and tasked the Ministry of Energy Mining and Industry and power utility EPBiH to start negotiations with the two banks regarding the loan. In May, General Director of EPBiH Admir Anđelić said that preparations for the construction of two wind farms - Vlastic and Bitovlje are in progress. He explained that, in addition to the start of construction of Podvelezje wind farm, activities toward the preparation of the construction of Vlastic and Bitovlje wind farms are in progress, and the company also expects to start the construction of small hydro power plants on the Neretvica river. The concession contract for Vlastic wind farm was signed between EPBiH and Middle Bosnia Canton (MBC) in late 2011. The concession was granted in period of 30 years, with extension option, where the annual concession fee was set at 1.5 % of overall electricity sales. The wind farm would consist of 10 wind turbines with combined installed capacity of 50 MW, generation about 115 GWh of electricity per year. It was initially estimated that the wind farm would be operational in 2019 and that the construction would cost up to 70 million euros.