

Bosnia exclusive: EBRD approved a loan of 35 MEUR for HPPs "Una" and "Vranduk", Contracts for works will be with an international tender, the report

Categories : [SEE Energy News](#)

Date : March 27, 2014

While waiting on the tender for construction of HPP "Vranduk", European Bank for Reconstruction and Development, which is the project financier, invited the interested parties in the project of construction of this hydropower plant, and recovery of HPP "Una". Project investor is "BiH Power Utility Company", and financing source is the EBRD loan.

As stated in the EBRD statement, as part of an investment plan for 2012-2020 on the modernization of production capacities, "BiH Power Utility Company" intends to use the funds from the European Bank for Reconstruction and Development in the amount of 35 MEUR to finance the rehabilitation of hydropower plant "Una" (with EBRD financing of 9 MEUR), and the construction of hydropower plant "Vranduk" (to 26MEUR).

EPBIH recently adopted a plan to improve the efficiency of its existing hydropower plants and significantly reduced carbon emissions to 2020th. More than 130 million euros will be invested in hydropower projects, including HPP "Una" and "Vranduk".

"BiH Power Utility Company"- project implementer

Regarding HPP "Una" will be carried out the reconstruction of existing facilities and construction of another part of the hydropower plant of 6.4 MW (left side of the river Una). The HPP "Vranduk" will work again and will have installed capacity of nearly 20 MW.

The EBRD loan will fund the necessary works to improve the infrastructure of the HPP "Una" and the installation of additional 6.4MW to turbine, increasing plant capacity from 9.4MW to 15.8MW. EPBIH will also be the project implementer.

How EBRD states, this project funding will be organized through long-term commercial loan and thus they want to set a reference to the BiH power sector and to send a positive signal to the banking sector in the country.

As part of this project, the EBRD has done technical assistance to support the development of a new energy law of the Federation of Bosnia and Herzegovina.

It is expected that the procurement process for construction of "Vranduk" will begin soon, as the EPBIH director Elvedin Grabovica earlier announced that the tender for the contractor would be invited in March. Tender for HPP "Una" will be invited in 2015th.

Contracts for works will be international, and as the EBRD points out the funds from bank loan will not be used for payment of any natural or legal person, or for any goods import, if

such payment or import is prohibited by a decision of UN Security Council taken under Chapter VII of The Charter of the United Nations.

Started construction machinery on the river Bosna

Otherwise, at the end of January, construction equipment began backfilled "peninsula" and partitioned the Bosna river at the point where hydropower plant "Vranduk" soon will begin to spread.

Installed capacity of HPP "Vranduk" is 19.63 MW, with an annual production of 96.38 GWh. As they said in "BiH Power Utility Company" this is capital- intensive project whose implementation will contribute to economic growth and development of the BiH Federation, especially Zenica -Doboj canton and Zenica Municipality, whose territory includes the building location. The project provides an opportunity for a significant portion of the local labor employment, especially companies construction and production assets in the four-year period, and the phase of the creation of new permanent jobs and increase of electricity production.

During the facility exploitation, by distribution of concession fees, water charges, income taxes, etc., the financial basis for the development of the local community and the Federation will be improved.

It is expected that construction of HPP "Vranduk" lasts 46 months, and the project value is 64 MEUR. "BiH Power Utility Company" will invest 11MEUR of own funds in the project of HPP construction, and construction should last for four years.

Source; Serbia Energy See Desk