

## Republika Srpska: Nine contracts for small HPPs are terminated

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RS Government has terminated nine concession contracts with five firms that hadn't begun construction of small HPPs and some of them have already threatened with charges.

Three contracts with Banjaluka's company "Energokomerc" for small HPPs "Stopan" and "Jurici" on Vrbanja River and for facility "Bjelaci" on Crna Rijeka have been terminated. The Company "Euro hem" from Banjaluka remained without concessions for 2 small HPPs on Vrbas, near business building of the company and "Mlin".

Two concession contracts were terminated also with Banjaluka's Company "Energy MBA" for hydro power objects: "Rudina" and "Gradina" on Vrbanja and one concession was taken from Zvornik's companies "Draz" and "Eurografika" for small HPP on Drinjaca River.

All contracts were signed on the last session of Pera Bukejlovic's government in February 2006, except for contract with Zvornik's company Draz which was made in December 2008.

Zeljko Kovacevic, Minister of Industry, Energy and Mining confirmed that activities on the one side termination of nine contracts for concessions of small HPPs constructions are in progress. They reminded that they had terminated 14 concession contracts agreeably earlier.

"The reason for termination of concession contracts is disrespect to deadlines and other obligations of concessioners related to small HPPs' construction. Bank guaranties and checks delivered to the name of guaranties for performance will be returned to concessioners", Kovacevic stressed.

RS Government has obligated Ministry of Energy to be involved in agreeable termination of

contracts for those concessions that conditions for termination were accomplished and to approach one sided contract termination that are not realized and concessioners are not ready for agreeable termination.

Nikola Vulekic, co-owner of the Company "Energy MBA" says that he will put charges on RS Government because of one sided termination of two concession contracts, believing that domestic industries are crucial offenders for not realizing planned projects.

"We have finished all research and project work five years ago, but we stopped on water industry approval because we don't have to return assets invested so far in project preparation", Vukelic said.

A row of activities was done in the purpose of concession arrangement in the Ministry of Energy during the last two years. They stated that the software for more efficient monitoring of concessioners has been done and that they visit and control concessioners on the site. Concessioners who don't accomplish arranged obligations get a request for correction i.e. request for payment of concession fees, concession contracts are being paid i.e. dynamics of arranged obligations' performance in the purpose of taking certain measures.

"12,1 million KM were paid on the base of concession fees as a result of implemented activities last year what is 45% higher payment amount with reference to 2011", Minister Kovacevic emphasized.

Source;Serbia Energy SEE desk/RS gov