

The European Bank for Reconstruction and Development will provide EUR 8.3 million loan to the Banja Luka for the acquisition of an equity stake in Eko Toplane, district heating company which is the builder, owner, and operator of the 49 MW plant fired by wood biomass.

The EBRD is supporting the capital of Republika Srpska, one of the two entities in Bosnia and Herzegovina, under the Bank's Green Cities Framework, the Bank said in a statement. BiH suffers from particularly high energy intensity, with a high proportion of expensive and polluting heavy fuel oil in the energy mix and untapped resources in terms of energy savings and efficiency. The introduction of a biomass-powered plant is expected to showcase the potential for sustainable and greener generation of energy for the economy and consumers. The Banja Luka city government recently initiated the construction of a biomass-powered central heating plant and upgrades to the existing heating pipelines. In May city and the IEE company signed the contract to set up the Eko Toplane joint-venture and in June the company has started building the plant.

Under the terms of the contract, the City will invest a total of KM 15,675,164 (about EUR 7.5 million) for a 49% share in the company while IEE will invest KM 16,335,670 (about EUR 8 million) for a 51% share in the company.

Initial assessments are that the construction of the new biomass plant and upgrades to the existing central heating system will mean a reduction of around 80,000 tons of CO₂ emissions a year.

The goal of the EBRD's Green Cities Framework is to achieve significant environmental improvements and promote the green transition quality within selected cities. It combines investment with capacity-building and facilitates coordination among stakeholders. On this basis, for each participating city, a specific Green City Action Plan is being developed and implemented.

Mayor announces new green projects

During yesterday's signing ceremony of EUR 8.3 million loan, Ian Brown, Head of the EBRD in BiH, said that the Bank is very proud to sign this agreement with the city of Banja Luka. "It is a pioneering approach that combines financial and ecological considerations. It will demonstrate that commercially sound and environmentally friendly operations are not only possible but indeed represent the way forward. It can demonstrate the key role of the private sector in delivering services for the public," Brown said.

Igor Radojičić, the Mayor of Banja Luka, said that with this project the city is resolving one of its biggest infrastructure problems - reliable and sustainable district heating.

"We won't stop here. We are working on a number of new projects to improve utility

services in Banja Luka,” Radojičić noted.

He also announced new projects with the EBRD, such as the modernization of public lighting, the water supply project, the development of action plans for the green and smart cities.

Source: balkangreenenergynews