

The decision of the Federation of Bosnia and Herzegovina (FBiH) to ban the construction of small hydropower plants (SHPP) was welcomed by director of the Energy Community (EnC) Secretariat Janez Kopac, however, Kopac assessed that the implementation of this decision could prove problematic because the issuing of new licenses is the responsibility of local and cantonal governments. Also, it is not specified what will happen with the projects that are currently under development.

Prior to such a decision, the FBiH Parliament had to make a decision that would ban subsidizing the construction of SHPPs, because that would have a far greater effect. The biggest problem for SHPPs is that they are highly subsidized. There is no great economic benefit from them, but of course these subsidies encourage investors to build as much as possible. Therefore, this subsidy system should be abolished immediately. This cannot be done for the existing SHPPs, because the contracts should be respected. But by banning any subsidies, this problem might be solved on its own – if there are no subsidies for the construction of SHPPs, then the interest in their construction would be far less.

He emphasized that the construction of SHPPs significantly changes the ecological balance, but through a quality environmental assessment study it is necessary to establish which measures can mitigate those harmful effects. If the assessment is well made and if such measures are implemented in practice, then the environmental impact is acceptable. But the problem in BiH is that these environmental impact assessments have in many cases been very poorly done and that the measures envisaged there have not always been implemented in practice.

Kopac noted that the aggressive approach to the construction of SHPP is evident throughout western Balkan countries like BiH and Serbia, but hailed the examples of Albania and Montenegro where there are no new investments in this field.

Last month, FBiH Parliament banned the construction of new small hydropower plants, but similar decision did not pass in the Parliament of the other BiH entity – the Republic of Srpska.

Source: serbia-energy.eu