

The three companies, Resalta, Keep Light and Esco Elios, which have been winning similar public-private partnership contracts since 2016, were the subject of a BIRN investigation two years ago into their political connections. Three companies that have links to people who are close to Serbian and Hungarian government politicians won yet more contracts in Serbia in 2020 to refurbish street lighting using LED lights. Street-lighting contracts for 2020 also went to three other companies, Petrol, Emporio Team and Elgra Vision. Two of these companies made combined bids with Resalta, while the other has business connections with Resalta in Slovenia. The total value of the street-lighting contracts for 2020 was 66 million euros, of which 56 million euros went to these companies.

Resalta's parent company is based in Slovenia and co-owned by Mark Crandall, a Belgrade-based US businessman who was Serbian Prime Minister Ana Brnabic's boss when she was a director of the Serbian branch of his wind-farm firm Continental Winds. Resalta and Crandall have both previously denied that political ties have helped their business interests in Serbia.

When asked about winning the tenders in 2020, Resalta told BIRN: "It is no secret that we are one of the market leaders in the ESCO [energy services company] product market in Serbia - we have invested around ten million euros in projects, which will be returned to us through savings in electricity consumption."

The municipality of Pirot said it has had a good experience of working with Resalta on the basis of a public-private partnership agreement from 2017 to replace heating oil boilers with biomass boilers and deliver thermal energy to several schools.

"We have no information about Resalta's political connections, but we have learned from the media that it has won public-private partnership projects for public lighting in several local governments," the Pirot municipality told BIRN

Radovan Djumic's Keep Light company, which has prospered as a result of the state jobs it keeps getting, won a contract for lighting in Leskovac with its permanent partner MEP Inzenjering. The contract was not approved by the city assembly but went ahead anyway. The Leskovac municipality told BIRN that "the quality of the contract has never been disputed or questioned, and the level of electricity savings is one of the largest in Serbia".

The director and majority owner of Esco Elios is Silvester Horvat, who owns another company together with the business partner of Hungarian Prime Minister Viktor Orban's son-in-law.

Two of the three other companies that won contracts in 2020, Emporio Team and Elgra Vision, joined forces with the Serbian branch of Resalta and got jobs in three Serbian cities - Nis, Pirot and Negotin. These three deals are worth a total of about 20 million euros.

The owner of Emporio Team is Slobodan Zdravkovic, whose company has been getting jobs from many state institutions, including the Interior Ministry. Media reported that he was arrested on January 29 on suspicion of money-laundering.

Elgra Vision is also engaged in providing services for important state projects like Belgrade's Nikola Tesla Airport and the Morava-Ladjevci airport near Kraljevo.

Petrol is a Slovenian company and a partner of Resalta in Slovenia.

The partner of Resalta, Keep Light and Esco Elios is Hungarian company Smart Energy Investment, which supplies LED lamps. Its Serbian branch's director is Obrad Tadic, a former assistant director at the Capital Investment Administration in the province of Vojvodina, but the company told BIRN that it does not get jobs because of his connections. "Political ties, other than those related to environmental policies, energy efficiency, and the improvement of utility services, are not the subject of our attention or influence our business decisions," it said.

Since 2015, about 120 million euros have been invested in the modernisation of public lighting, and most of the work was won by almost the same companies and their partners - about 108 million euros went to them. They won 33 of a total of 35 public-private partnership tenders, BIRN's investigation showed. Representatives of companies that answered BIRN's questions insisted that they win tenders because they have good offers and experience. Municipality leaders insisted they are not interested in political connections and that the companies with the most favourable offers win the tenders. However, in most cases, the winning company is the only bidder.

Source: balkaninsight.com