



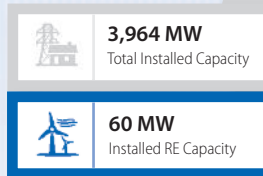
Bosnia & Herzegovina

*Empowered lives.
Resilient nations.*

General Country Information

Population: 3,883,916
 Surface Area: 51,210 km²
 Capital City: Sarajevo
 GDP (2012): \$ 17 billion
 GDP Per Capita (2012): \$ 4,447
 WB Ease of Doing Business: 131

Electricity Generating Capacity 2012



1.5%
RE Share



Biomass



Solar PV



Wind



Small Hydro

Installed Renewable Electricity Capacity 2012 in MW

Technical Potential for Installed Renewable Electricity Capacity in MW

0	< 1	0	59.8
600	48,700	2,000	600

Sources: Karakosta et al. (2012); Lalic et al. (2011); ECS (2012); SERC (2012); EWEA (2013); Pavlovic et al. (2013); World Bank (2014); Renewable Facts (2013); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); SRS NET & EEE (2008); and UNDP calculations.

Key information about renewable energy in Bosnia and Herzegovina

Just 1.5 percent of Bosnia and Herzegovina's total installed electricity capacity comes from renewable sources. The technical potential of renewable energy is huge, particularly in solar photovoltaic energy. Both of the country's two political entities, the Republic Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH), promote electricity generated from renewable sources via a feed-in tariff. In both RS and FBiH, the guaranteed tariffs are calculated by adding technology-specific premiums to a reference price. In FBiH, technology-specific conversion factors are multiplied by the reference price of 0.081 BAM/kW-h. In RS, absolute determined premiums are added to the reference price of 0.0541 BAM/kW-h in RS. RS also offers a premium for electricity produced from renewable sources, which is either sold directly to the market or is used for its own consumption. Tariffs are granted for 15 years in RS, and for 12 years in FBiH. Bosnia and Herzegovina is ranked 131st in the World Bank's Ease of Doing Business index (IFC & World Bank, 2014).

Feed-in tariff and feed-in premium promotion in Republic Srpska

Eligible technologies	Additional constrain	Installed capacity	Tariff granted in €/MW-h	Premium in€/MW-h
Wind		< 10 MW	84.47	40.95
Solar PV (since 01.01.2014)	ground mounted ground mounted	< 50 KW	173.74	130.23
		50 KW - 250 KW	150.68	107.12
		250 KW - 1 MW	120.56	77.05
		< 250 KW 250 KW - 1 MW	139.84 111.51	96.28 68.00
Hydro		< 1 MW	78.79	35.28
		1 - 5 MW	67.85	24.34
		5 - 10 MW	63.66	20.14
Biomass		< 1 MW	211.16	79.86
		1 - 5 MW	115.60	72.09

Source: RERS (2013) BAM/€ exchange rate as on 28 February 2014.

Feed-in tariff in the Federation of Bosnia and Herzegovina¹

Eligible technologies	Installed capacity	Tariff granted in €/MW-h
Wind	–	51.77
Solar	< 10 KW	310.61
	10 KW - 30 KW	273.34
	30 KW - 150 KW	248.49
	150 KW - 1MW	173.94
	1 MW - 10 MW	157.38
	exceeding 10 MW	124.24
Hydro	< 150 KW	48.46
	150 KW - 1 MW	41.99
	1 - 10 MW	41.83
Solid Biomass from Forestry and Agriculture	< 150 KW	60.88
	150 KW - 1 MW	60.05
	1 - 10 MW	59.22
	exceeding 10 MW	58.39
Solid Biomass from Wood	< 150 KW	59.22
	150 KW - 1 MW	58.39
	1 - 10 MW	57.57
	exceeding 10 MW	56.74

Source: FBiH (2011) and FBiH (2013) BAM/€ exchange rate as on 28 February 2014.

Legislation and Policy:

In line with EU Directive 2009/28/EC, Bosnia and Herzegovina is committed to an ambitious national binding target of 40 percent share of renewable energy sources in the gross final energy consumption by 2020 (EC, 2012). Bosnia and Herzegovina consists of two separate political entities, each with different energy laws and regulations. In FBiH, the Law on the Use of Renewable Energy Sources and Efficient Cogeneration, adopted in 2013, the Law on Electricity and the Decree on the Use of Renewable Energy and Cogeneration form the legislative basis for the renewable energy policy. RS also adopted a new law on Renewable Energy in 2013. That, together with the decision of the Regulatory Commission for Energy of Republic of Srpska on the tariff level and premium prices, governs the promotion of renewable energy. In both entities, renewable energy developers enjoy other incentives, e.g. priority in dispatch or distribution in FBiH. Both entities prioritize grid connection for renewable energy source operators. FBiH and RS both offer other incentives for foreign investors, such as customs-free imported materials in FBiH and corporate tax exemption in RS (FIPA, 2012). Energy generation is licenced in both RS and FBiH. Licences are issued by the Regulatory Commission for Electricity in Federation BIH in FBiH and by the Regulatory Commission for Energy of Republic of Srpska in RS respectively. To be eligible for the feed-in tariffs, renewable energy plant developers must have qualified producer status, which is obtained from the Regulatory Commission for Energy in Federation of Bosnia and Herzegovina (FERK) in FBiH and REERS in RS. The new renewable energy legislation significantly improves capacity authorization and access to distribution networks, which is likely to increase effectiveness of renewable energy promotion (IRENA, 2013).

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1 Geothermal, land fill gas, biogas and liquid fuel gas power plants are also eligible to receive a feed-in tariff (FBiH, 2013).

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Institutions:

Organization	Responsibility	Website
Ministry of Economy, Energy and Development	- Responsible for energy policy in the Republic of Srpska	www.vladars.net
Federal Ministry of Energy, Mining and Industry	- Responsible for energy policy in the Federation of Bosnia and Herzegovina	www.fbihvlada.gov.ba/
State Electricity Regulatory Commission (SERC)	- Responsible for regulation of electricity transmission, transmission system operation and international trade in electricity - Authoritative body for generation, distribution and supply of electricity for customers in autonomous Brčko District	
Regulatory Commission for Energy of Republic of Srpska (REERS)	- Responsible for regulation in generation, distribution and trading of electricity in the Republic Srpska - Issues licences in the electricity sector and grants status as eligible producer of RES	www.reers.ba/
Regulatory Commission for Energy in Federation of Bosnia and Herzegovina (FERK)	- Responsible for regulation in generation, distribution and trading of electricity in the Federation of Bosnia and Herzegovina - Issues licences in the electricity sector and grants status as eligible producer of RES	www.ferk.ba/_
Elektroprenos -Elektroprijenos	- Transmission System Operator responsible for transmission and management of the national grid	www.elprenosbih.ba/
Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA)	- Foreign Investment Promotion Agency of Bosnia and Herzegovina responsible to facilitate and support foreign direct investment on state level	www.fipa.gov.ba/
Invest in Srpska	- Investment Agency responsible to attract, consult and facilitate potential investors in the Republic of Srpska	www.investsrpska.net/index.aspx?PageID=287&menuID=215

Recent projects

Organization	Responsibility	Website
Elektro Doboj (Bosnia), Fichtner (Germany)	In January 2013, the Republic of Srpska's state-owned electricity utility, Elektro Doboj, signed a €2.76 million consultancy contract with German Fichtner GmbH for the development of the Cijevna 3 small hydropower plant. The plant will have an installed capacity of 13.8 MW. The construction and equipment will be financed with a €50 million loan by German KfW Development Bank and Elektro Doboj intends to call a tender for the construction in early 2014.	Under development
Elektroprivreda HZHB (Bosnian)	As the country's first wind farm, the Meshovina project has 44 MW installed capacity and estimated construction costs of €78 million is under construction. Germany's KfW Development Bank has provided a grant and a reduced-interest loan to cover some €72 million, with Elektroprivreda HZHB covering the remaining €6 million.	Under construction

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Opportunities to finance renewable energy projects in Bosnia and Herzegovina

Financing organization	Details	Website
Western Balkans Sustainable Energy Financing Facility (WEBSEFF)	Provides loans of between €2 million and €5 million through local banks (Raiffeisen Bank d.d. or Bosna i Hercegovina UniCredit Bank d.d.) for private investments in energy efficiency or renewable energy projects. Loans can cover 100 percent of the investment costs.	www.webseff.com/
Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF)	Locally SMEs with a sound financial and economic structure and sufficient means of equity capital can apply for direct loans from the European Bank for Reconstruction and Development's WeBSEDF of between €2 million and €6 million.	www.webseff.com
Green Growth Fund	Provides direct and indirect (through financial intermediaries) financing for small scale renewable energy projects usually not larger than EUR 50 million.	www.ggf.lu/
International Finance Corporation (IFC)	With investment (equity, loans and other financial instruments) and advisory services, IFC supports investment with focus on Climate change, including investments in infrastructure and energy sectors.	www.ifc.org/
European Bank for Reconstruction and Development (EBRD)	Provides renewable energy developers with equity, loans and loan guarantees for projects with good commercial prospects of up to 15 years' duration.	www.ebrd.com/pages/workingwithus/projects.shtml

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