

CTCN 8th ADVISORY BOARD MEETING

**BANJALUKA DISTRICT HEATING SYSTEM**

COPENHAGEN, August 2016



# CITY OF BANJA LUKA

[www.banjaluka.rs.ba](http://www.banjaluka.rs.ba)

- North West of BiH
- Capital of Republic of Srpska
- Population: 199.191 (Census preliminary results (population, households and flats in Bosnia and Herzegovina - October 2013))
- Surface: 1 239 km<sup>2</sup>
- Altitude: 164 m
- Climate: moderately continental (average annual temperature - 10,7°C)

**City of greenery, young  
people, sport and culture  
EUROPEAN CITY**



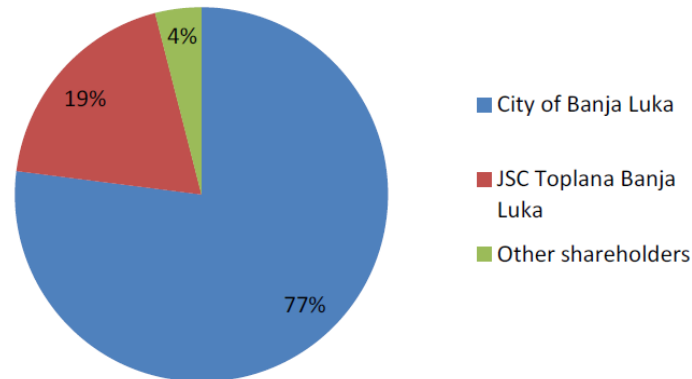




# CITY OF BANJA LUKA

## PROBLEMS:

- Heavy fuel oil
- High costs of production of heat
- Large and poorly structured obligations
- Unsustainable debts to suppliers of fuel oil
- Unfavorable structure of liabilities
- Exclusions from the network
- The poor quality of services



# CITY OF BANJA LUKA

## FINDING SOLUTIONS:

- April 2015: City of Banja Luka participatio of the Conference on heating networks in Tallinn
- May 2015: Meeting with the Mayor
- August 2015: Developing request, which was submitted on, a contact point for BiH
- December 2015: Draft of Response Plan
- May 2016: EBRD contact wih City of Banja Luka
- July 2016: Developed response plan in Consultations with the EBRD, companies Veolia and Danfoss, and the embassies of France and Denmark



# CITY OF BANJA LUKA

## DEFINED PRIORITIES:

- Investment in biomass boilers (reducing the cost of energy )
- Refinancing of existing debt with lower interest rates and longer repayment periods (improve solvency and liquidity)
- Write-off of debt to suppliers and city (capital return to a positive balance )
- Continue work on improving the efficiency of business operations (investment in the network, number of employees, number of consumers)



# CITY OF BANJA LUKA

## FINDING SOLUTIONS:

- July 2016: Mandate Letter EBRD
- August 2016: City Assembly accepted Mandate Letter

## TO BE DONE:

- Detailed analysis (due diligence)
- Tender for refinancing
- Final approval of the EBRD
- Negotiations on loan
- Approval of the Board of Directors of the EBRD
- Signing a contract with the EBRD and banks

