

IS BOSNIA AND HERZEGOVINA ON A SUSTAINABLE ENERGY DEVELOPMENT PATH?

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ABSTRACT

The energy sector is often credited for having major economic potential and being a driver of growth for Bosnia and Herzegovina (BiH). It has been proven that BiH possesses potential renewable energy sources, in particular hydro and biomass. However, the majority of energy production is conducted in outdated power plants and based on fossil fuels, resulting in environment pollution. In order to be energy sustainable, development of these processes should aim to reduce the environmental costs of energy production and use. The way in which BiH decides to use its major energy potentials will have significant implications for the future. This paper examines various aspects of sustainable development, starting from a review of development and energy intensity indicators.

The current state of the electrical energy sector is not sustainable due to the lack of investment into energy plants in the past, unrealistic plans for investment, inadequate policies and incentives for energy efficiency, and a lack of consistent policy to support renewable energy use. In addition to these problems, a state energy policy is virtually nonexistent and the state utilizes lower quality coal in thermal plants. Without a change in energy policies and consumption behaviour, as well as an increase in new investment with adequate financing models, BiH may soon face problems with its energy supply.