Croatia - Bosnia and Herzegovina Power Interconnection: Strengthening of the Croatian Main North-South Transmission Axis Enabling New Interconnection Development

Project Financing

WBIF	Grant	WB7-REG-ENE-11	€ 1,500,000
EBRD	Loan		€ 100,000,000
Beneficiary Contribution	Own Contribution		€ 10,000,000
Other Sources	External Grant		€ 40,000,000
Total			**€ 151,500,000**
Total Grants			€ 1,500,000
Total Loans			€ 100,000,000

Project Description

Fulfilling this project will strengthen the regional electrical transmission grid in Croatia along a north-south axis. This will allow additional long-distance power transfers from existing and new planned power plants in Croatia and Bosnia and Herzegovina to major consumption areas in Italy and north Croatia. This electricity transmission project has two components. The first is the Croatian national component, which includes the strengthening of the main transmission corridor between Brinje, Velebit, and Konjsko. The second component provides the regional dimension as it will cover the system between Lika and Banja Luka, in Bosnia and Herzegovina.

The need to provide additional high voltage electricity transmission capacity from Bosnia and Herzegovina (Banja Luka) to Croatia has long been recognised, and the construction of this line would greatly improve the potential for electricity trade between the two countries. This new line will also enhance regional grid stability, and would assist in the development of renewable energy resources in the region. Such a strong network will also support other infrastructure development projects, for example, new railway electricity substations for supplying a modernised railway line Zagreb-Rijeka, and, on the long term, further strengthening of transmission grid by upgrading the 220 kV lines towards Zagreb and Rijeka.

The beneficiary of the project is the Croatian electricity transmission system operator - HEP Operator Prijenosnog Sustava (HEP-OPS). HEP OPS owns and operates the Croatian high voltage electricity network. The proposed project is consistent with the long term strategy of the Croatian government for the development of the energy sector and with the European transmission system agency (European Network of Transmission System for Electricity, ENTSO-E) the Ten Year Network Development Plan.

A WBIF grant of €1.5 million has been used to develop a feasibility study, including the environmental and social impact assessment and a cost-benefit analysis. The study is ongoing.

- **Countries:** Bosnia and Herzegovina,Croatia
- **Code:** PRJ-MULTI-ENE-007
- **Sector:** Energy
- **Lead IFI:** EBRD
- **Status:** Preparation
- **Beneficiary:**