



WBIF Steering Committee Meeting

WBIF Impact on the Ground

Electricity Network Development

Mr. Aleksandar Drljevic

Ministry of Foreign Affairs and European Integration of Montenegro

Paris, December 6th, 2012.

Objectives of the overall investment

- Development of the HVDC undersea link Montenegro – Italy, together with the planned 400kV OHL Lastva - Pljevlja.
- Planned regional interconnection project is “Pljevlja – Bajina Basta - Visegrad” which will provide strengthening in the transmission links towards both Serbia and Bosnia & Herzegovina.
- Improvement of power transfer capacity from Central and South East Europe to/from Italy.
- With the undersea cable connection project with Italy, this project is one of the most important energy infrastructure projects for Montenegro and its economy

Type of support sought from WBIF

- Feasibility Study and ESIA – such that a loan can be engaged by Government of Montenegro/CGES for the construction in two phases:
 - (i) the loop in and out of the Podgorica 400 kV to Lastva and submarine cable, and
 - (ii) the construction of the regionally significant line to Pljevlja, thereafter to Bajina Basta and Obrenovac (in Serbia) and to Visegrad (in B&H).

Progress to date and expected next steps

- Feasibility Study and ESIA satisfactorily completed and negotiations regarding loan ongoing according to EBRD requirements .
- CGES is now concluding the Preliminary Design, Tender and Construction will follow.
- Project continuation:
 - the submarine HVDC link is being developed for implementation by TERNA
 - The connection Pljevlja-Obrenovac-Visegrad is at Feasibility Study (WBIF) stage
 - The upgrading of the circuits in Western Serbia (from Obrenovac to Belgrade) will be constructed once EMS agrees a loan.

Lessons learned from the process

- More effective control and direction for the project – The project stakeholders group is not a project steering committee, project direction is probably better done with just the beneficiary and the lead IFI
- Better in-country coordination – for this project, the Spatial Planning Process undertaken by the GoM in parallel with the FS clashed with the process of FS development.
- There is a general reluctance of CGES and other state-owned companies to do the required public consultation and to publicly defend their project in the ESIA process. This comes from a history of state expropriations, and beneficiaries need to learn to manage public opinion throughout the project development process.



Montenegro

Ministry of Foreign Affairs and European Integration

Thank You!