

Montenegrin transmission system operator Crnogorski Elektroprenosni Sistem and German development bank KfW have signed a EUR 20 million loan agreement for the Montenegrin Coast: Lustica Region Development. The guarantee for the loan will be secured by the Government of Montenegro, and the collateral for the guarantee will be provided by CGES, in the form of assets worth EUR 21 million.

According to the Montenegrin government, the loan comes with a repayment schedule of 12 years, with a grace period of up to 5 years.

The interest rate is fixed, at 1.1% and the commitment fee is 0.25%, while the loan processing fee is 1%, according to a document concerning the loan and guarantee agreements between CGES, KfW, and the Montenegrin Ministry of Finance adopted by the Montenegrin government.

The loan agreement was signed by Dragan Kujović, executive director of CGES, and Jorg Meilicke, director of KfW for the region and Montenegro.

CGES has announced that the signing of the contract is the first step in the construction of power infrastructure for the transmission system on the Lustica peninsula.

The project includes the construction of a new 110/35 kV Radovići substation, the upgrade of the 110/35 kV Tivat substation, the installation of an underground 110 kV cable between the Radovići substation and the existing 110 kV Tivat-Budva power line, the construction of the 110 kV Lastva-Kotor power line, as well as the reconstruction of the 110 kV Tivat-Lastva power line, CGES announced.

According to the Montenegrin TSO, the implementation of this important investment will provide greater safety and reliability in the supply of electricity to all consumers on this part of the Montenegrin coast, as well as the capacities for new tourist complexes whose construction is planned.

Shareholder Assembly approves the pledging of assets for collateral

The Shareholder Assembly of CGES has approved pledging assets worth EUR 21 million as collateral to the Ministry of Finance for the KfW loan. The value of the assets was appraised by the Economics Institute from Belgrade, Serbia.

The immovable collateral is worth EUR 6.94 million, while the movable collateral is worth EUR 14 million, the Shareholder Assembly's decision reads.

CGES will pledge administrative buildings, substations, and land as collateral for the loan.

Source: balkangreenenergynews