

Montenegro's economy ministry has signed a 25 million euro financing deal for the construction of the Trans-Balkan Electricity Corridor with German Development Bank and state-owned power transmission system operator Crnogorski Elektroprenosni Sistem, it said.

The project, worth a total 127 million euro, will be funded by the European Union and implemented by the German Development Bank, the economy ministry said late on Wednesday.

The project will strengthen Montenegro's infrastructure connected to the submarine cable and allow for the construction of transmission lines between Montenegro and Serbia, the ministry noted.

"CGES has, with the help of the Montenegrin government, secured a loan from EBRD and KfW, as the contract signed today represents the co-financing of these loans from donations in the amount of 25 million euro," economy minister Vladimir Kavacic is quoted as saying in the statement.

The Trans-Balkan corridor should foster a better mutual energy connection between Montenegro, Bosnia and Herzegovina and Serbia, but also their relations with their proximate surroundings.

The project consists of an interconnection between Montenegro - Italy submarine cable, the construction and enhancement of the internal 400 kV network in Montenegro, and the construction of overhead 400 kV lines between Montenegro, Serbia and Bosnia and Herzegovina, CGES said earlier.

Its aim is to improve the conditions for the transmission of electricity between the countries in the region and to allow further integration of their electricity markets as set out by the European energy policy.

source: seenews.com