

On the bilateral summit with ministers of Serbia on 15th October the Italian Government will sign a decree for the project implementation of the construction of the hydropower system on the Central Drina, in which Republika Srpska is also included. The mentioned energy project, of the estimated investment value of 870 MEUR, includes the construction of three hydro power plants in the central Drina confluence -HPP Dubrava, Tegare and Rogacica, of total installed capacity of 320 megawatts.

As it was confirmed, Ivica Dacic and Aleksandar Vucic, the Serbian Prime Minister and his first deputy, sent the urgencies to Enrico Leti, Prime Minister of Italy, for the more recent decree signing of the Italian side, by which it would be ensured the realization of agreements between the two countries on the implementation of the "Central Drina" project.

The highest officials of the Serbian Government in separate letters remind that the two countries concluded an agreement on cooperation in the energy sector, which became effective on 10th January this year, by the mutual ratifications exchange.

"In that sense, I hope that as soon as possible it will be scheduled meeting of 'Task Force Group', which Serbian Minister of Energy asked several times, in order that during the next summit of our government we would be able to state that this important project started," wrote in the Dacic letter.

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According to the established investment principles in the joint company that would manage by the hydro power plants, the Italian company "Seci Energia" would have a 51 percent of the property and Power Utility Company of RS and Serbia for 24.5 percent. Italians would completely purchase produced electricity at a price of 155 euros per megawatt.

In the Ministry of Industry, Energy and Mining of RS assess that, in the context of the energy agreement with Serbia and Italy, this is the first post-war regional mega project of great significance, guided under the Italy auspices.

Milan Bastinac, Deputy Minister of RS Power Energy System, says that the only remaining condition from the BiH side is adoption of the Declaration of project and electricity treatment acceptance, which is currently on the table of the BiH Council of Ministers.

"Let's hope that, and it is the only remaining condition that before the meeting of the governments of Italy and Serbia in Ancona in October, the declaration will be adopted by the Council of Ministers," said Bastinac.

Mirko Sarovic, BiH Minister of Foreign Trade and Economic Relations, several times initiated the adoption of the Declaration in front of the Council of Ministers, by which BiH would accepted that electricity produced from HPPS Central Drina statistically is treated as electricity from Italy in order that Rome fulfills obligations to the EU for greater

participation of renewable sources. By the Statement, BiH also would be committed to provide export of produced electricity in Italy by the transmission system to interconnections in Montenegro and Serbia.

Last time Sarovic put the proposal forward on 4th June, but it was removed from the agenda of the Council of Ministers at the insistence of Damir Hadzic, the BiH Minister of Transport and Communications, which requested additional adjustments "to the next meeting."

However, since then it has been more than two months and several meetings were held, but about the Declaration did not discuss, although the date of the summit of Italy and Serbia is close, by which it should be adopted.

The key disagreement is in the fact that in the FBiH believe that the procedure should go through the Commission for BiH Concessions, while in Banja Luka point that this is not an interstate, but a project within the Agreement on Special and Parallel Relations between RS and Serbia.

We could not get Sarovic comment in the past two days, while in the Chairman Office of the Council of Ministers, Vjekoslav Bevanda, told us that information about that they cannot give until Monday.

Source; Serbia Energy See desk/RS gov/FbiH gov