

Serbian electricity transmission system operator EMS has signed an agreement with German KfW Bank on a loan for the construction of a part of Trans-Balkan corridor, namely Kragujevac-Kraljevo section.

The loan worth 15 million euros will provide funds for the second section of the first phase of TransBalkan corridor construction in Serbia. The loan repayment period is 12 years, with a grace period of three years, while the guarantees are provided by the Government of Serbia. At the same time, an agreement on a grant of 6.5 million euros under the Investment Framework for Western Balkans (WBIF) was also signed. The remainder of the funds needed for the construction of this section will be provided by EMS.

The second section of the first phase of TransBalkan corridor envisages the raising of electricity transmission grid in central and western Serbia to the 400 kV voltage level. The average age of the equipment installed on the current 220 kV network in these areas is about 50 years and it needs to be replaced. The project includes the construction of Kragujevac-Kraljevo 400 kV transmission line and the extension of 220/110 kV Kraljevo 3 substation to 400 kV.

The aim of Trans-Balkan energy corridor project is to connect Northeastern and Southwestern parts of Europe, namely Romania to Italy via Serbia. The corridor will connect Eastern European countries which produce electricity with consumers in Western European countries. Its length is over 150 kilometers and it is estimated that the first phase of the project would cost about 150 million euros.