



SERBIA

Partners:

- Ministry of Finance, and Ministry of Energy and Mining in Serbia
- Public Enterprise Srbijagas

Estimated investment:

- €85.5 million

EU contribution:

- €49.6 million (works and supplies; technical assistance)

Beneficiary contribution:

- €35.9 million

2017 CONNECTIVITY PROJECT

Project of Energy Community Interest: Serbia (Niš) - Bulgaria Gas Interconnector

Natural gas is one of the main energy sources in Serbia. It is supplied from the Russian Federation via the gas pipeline that crosses Ukraine and Hungary and then connects to the Serbian network at Horgoš. Natural gas thus originates exclusively from this one entry point. In addition, this source covers more than 80% of current demand, with the remaining capacity provided for by local resources. Such exclusive arrangements make Serbia vulnerable to fuel price shocks and/or concrete capacity issues.

This investment project¹ concerns the construction of approximately 108 kilometres of bi-directional gas pipeline between Niš and Dimitrovgrad as well as from Dimitrovgrad to the border with Bulgaria. The new development will cater for about 2 billion cubic metres per year and will thus contribute to the diversification of energy sources to Serbia and the wider Western Balkan region, as well as to the creation of trans-European energy networks.



Existing gas network in Serbia.

Results:

- 108 km of bi-directional gas pipeline and associated line break valve stations and a transceiver plant close to the border with Bulgaria.
- More secure and competitive energy supplies for the people and businesses in the region.



View of existing facilities in Serbia, which would be connected to the Serbia – Bulgaria gas interconnector, once complete.

¹ Subject to a final decision by the budgetary authorities.

Previous EU (WBIF) contribution:

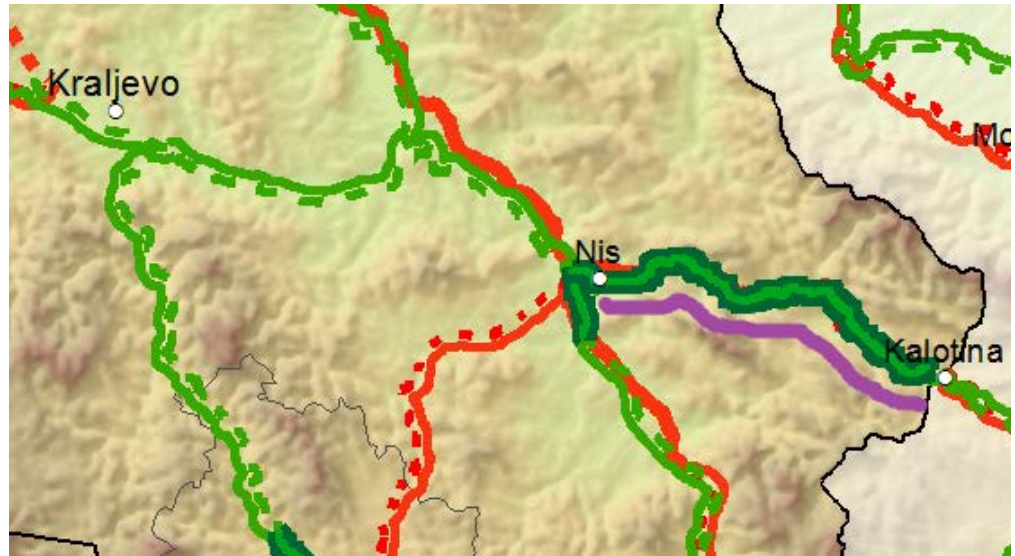
- €1 million (project preparation)

Estimated start date:

- Late 2021

Estimated end date:

- Late 2022



Map of Serbia – Bulgaria Gas Interconnector.

The project is now at detailed environmental and social impact assessment as well as preliminary design stage, following the completion of the feasibility study in 2012. The feasibility study has also been reviewed recently, against the new Law on Planning and Construction in Serbia and against current market conditions.

Existing environmental studies show that the pipeline will not be built in protected natural areas but will largely follow existing road and railway infrastructure. More than 80% of the space required for the implementation of the project has been provided for under the existing spatial plans; it mostly covers forested areas and agricultural land. Impact mitigation measures have already been included in the preparatory project documents, in accordance with EU best practices.

Land acquisition and construction permitting are expected to start in the second half of 2018, while tendering for works is scheduled for mid-2019. A detailed environmental monitoring plan, in accordance with EU standards, will be in place once construction works start.

The project has been endorsed by Serbia and Bulgaria and ranks high on the infrastructure agendas of both countries.

Benefits

- More than 250 new jobs created during construction, operation, and maintenance periods.
- Stable and secure gas supply to Serbia and Bulgaria, as well as to Greece and other countries in the Western Balkans.
- Increased availability of gas supply to regions in Serbia that are not currently connected to the system.
- Diversification of power supply for the population in Serbia and hence increase in competition over the same customer pool.
- Reduced greenhouse gas emissions by allowing for a shift from oil and coal to natural gas. This will improve air quality and hence the health conditions for the people in the region.
- Better opportunities for socio-economic growth for one of the poorest regions in Serbia.
- Improved trade flows with countries in the region and thus a positive impact on the broader economy of Serbia.