

North Macedonia - Serbia Gas Interconnection

Project Financing

WBIF	Grant	WB25-MKD-ENE-01	€ 998,568
EBRD	Loan		€ 26,970,000
National Contribution	Own Contribution		€ 110,000
Anticipated WBIF TA Grant	External Grant		€ 800,000
Total			€ 28,878,568
Total Grants			€ 998,568
Total Loans			€ 26,970,000

Project Description

The energy sector in North Macedonia relies predominantly on fossil fuels (lignite and natural gas) and hydropower and is dependent on electricity imports. Natural gas is imported from Russia through a single-entry point at the border with Bulgaria. It is mainly used by industrial consumers and three combined heat and power plants, while households have an almost negligible share of total consumption due to limited distribution networks.

This investment project will build 23 km of gas pipeline, from the Skopje – Deve Bair (border with Bulgaria) pipeline at the village of Klečevce (24 km east of Kumanovo) to the border with Serbia. The interconnection has a total length of 65 km, 23 km in North Macedonia and 42 km in Serbia, and will link the supply systems of the two countries.

The WBIF supports the feasibility study preparation and environmental and social impact assessment for the gas interconnection. The investments are developed under Flagship 5 – Transition from coal of the Economic and Investment Plan for the Western Balkans.

Results and Benefits

- 23 km of future-proof gas pipeline
 - Transition from coal to low emission gas infrastructure in short to medium term and introduction of decarbonised gas in the longer term
 - Offer the region a widely available, secure and affordable source of energy that will keep the region competitive while significantly improving air quality and lowering emissions
 - Diversification of gas sources to the European market and bring gas to the region to speed-up transition from coal in energy production
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- **Countries:** North Macedonia
 - **Code:** PRJ-MKD-ENE-020
 - **Sector:** Energy
 - **Lead IFI:** EBRD

- **Status:** Preparation
- **Beneficiary:** NER JSC Skopje; Public Enterprise Srbijagas Novi Sad