

International Conference
“Energy Security and Sustainability – the OSCE Perspective”

Ashgabat, Turkmenistan
17-18 October 2013

Distinguished President, Your Excellencies, Ladies and Gentlemen,

(Mr. Kozhara, Mr. Meredov, Mr. Zannier, dr. Yigitguden)

I am very pleased to address you here in Ashgabat, the capital of Turkmenistan, a country with significant energy resources. This is why Turkmenistan is very important potential partner, not only for Montenegro, but also for the region of South-Eastern Europe.

Energy was one of the main topics of the conference on sustainable development held in Rio de Janeiro last year, which aimed at defining the road to sustainable development that would lead to the future in which the population of our planet would have a decent standard of living, while preserving the ecosystems and natural resources.

Representatives of Montenegro at the Rio Conference presented possibilities of our country to contribute to sustainable development, as well as our main objectives and commitments in this regard. Montenegro recognized its development opportunities in the fields of energy, tourism and agriculture, as a contribution to sustainable development and “green” economy growth.

Let me remind you of a constitutional commitment of Montenegro, which clearly stipulated, 20 years ago, that Montenegro would develop as an ecological state. This has paved the road of the development of our country and symbolically marked the appreciation of the need to develop our society following the principles of sustainable development and environmental protection.

The fact that energy is a precondition for sustainability of modern societies is well-known. Providing secure energy supply and finding new energy sources to meet growing demand is increasingly difficult.

The situation in the field of energy changes very rapidly at both national and global level. Therefore, it is essential that the governments of all countries, in cooperation with energy companies, define and implement new and sustainable policies relating to generation and distribution of energy, as well as the security of energy supply.

Just as many other countries, Montenegro was largely dependent on primary energy imports, which was contributed to by the long delay in the construction of own energy infrastructure and a certain increase in energy consumption. However, due to the reduction in the production of primary aluminum in the Aluminum Plant Podgorica, starting from October last year, Montenegro ceased to be dependent on imports of electricity. Moreover, the favorable hydrological situation in 2013 enabled us to plan for achieving electricity trade surplus.

Taking into account that energy presents the basis for the overall, sustainable and long-term development of any country and that the energy sector is one of the strategic goals of Montenegrin economy, the country decided to fully commit to its development, both true through reforms, as well as true the inclusion into the regional and European energy market. In this context, Montenegro has defined the objectives of energy development in the “Energy Policy of Montenegro by 2030” and the Energy Development Strategy by 2025. The Energy Policy of Montenegro defines three main priorities: sustainable energy development, increasing energy efficiency, greater use of renewable energy sources, along with the need for social and economic development of Montenegro. In addition, Montenegro signed the Declaration on accession to the Energy Charter Treaty, and thus obtained an ECT observer status last year.

The energy sector of Montenegro, as well as of the whole region has encountered significant problems in recent years, primarily due to the lack of secure energy supply and cheap energy as well as increasing import dependency.

In an effort to solve the existing problems and ensure a sustainable, secure and competitive energy supply, the European Union has launched a project aimed at developing a common electricity and gas market in South-Eastern Europe. As a result of the joint activities of the EU and the countries of SEE region, the Energy Community of South-Eastern Europe was formed. Montenegro has supported the initiative of the European Union to develop the common electricity and gas market in South-East Europe and its integration into the European energy market from the outset. Accordingly, Montenegro became a full member of the Energy Community in October 2006.

The objectives of Montenegro in the field of energy are consistent with those of the Energy Community, such as: increasing security of energy supply, attracting investments for the construction of new energy production and distribution facilities, investments in building hydropower plants, increased use

of renewable energy, improving energy efficiency, along with the improvement of the environmental situation.

Since the legislation of the European Union presents the legal framework of the Treaty establishing the Energy Community, Montenegro, as a member of the Energy Community, has an obligation to harmonize its legislation with the EU directives relating to energy and environmental protection. Implementation of the obligations under the Energy Community Treaty is of great importance, not only for the success of the reform of our energy sector, but also for the overall process of European integration and economic development of our country. In accordance with the obligations assumed, Montenegro is undertaking a reform of its energy sector in terms of both legal-regulatory and institutional-organizational perspectives.

In order to harmonize the national legislation with the EU *acquis*, we adopted a set of laws and by-laws. Pursuing our development goals, we started the implementation of priority projects of increasing energy efficiency, rehabilitation as well as modernization of existing and construction of new energy facilities. Their implementation should help us reduce electricity deficits, diversify energy sources and ensure secure energy supply.

In line with the strategic objectives, we have worked intensively on the implementation of a number of projects in the past.

In order to make better connection with the neighboring power systems, a 400 kV interconnection cable was constructed between the capitals of Montenegro and Albania. Also, activities on the project of constructing a submarine interconnection cable between Montenegro and Italy are underway.

Since coal is the most important energy resource of Montenegro, along with the hydro potential, we are planning to build another unit within the existing thermal power plant, to further utilize this energy resource.

Bearing in mind that Montenegro still has no access to sources of natural gas, and that it does not have developed gas infrastructure, please let me emphasize great interest in connecting with the gas corridors in the region. We are participating in activities related to the project of constructing Ionian-Adriatic Pipeline within the framework of the Energy Community. Our commitment in this regard is additionally confirmed by the fact that two months ago the Government of Montenegro decided to publish a tender for oil and gas research in the Montenegrin coastal zone, which will be open until February next year, and which is expected to bring a positive outcome.

I would also like to take this opportunity to express the commitment of Montenegro to sustainable development and our readiness and determination to continue with the implementation of activities and projects that will contribute to the growth of “green” economy, poverty eradication and implementation of all components of sustainable development – economic, social and ecological. This goal is supported in the context of science and research as well. Following the proposal of the Council for Scientific Research Activities, the Ministry of Science has defined energy as one of ten research priorities at the national level. This is clearly reflected in all strategic documents of the Ministry of Science, primarily the Strategy of Scientific Research Activities 2012-2016.

Since Montenegro has significant potential in terms of renewable energy sources (hydro, wind, solar), as well as great opportunities to improve energy efficiency, our priority actions in the future will be focused on these areas.

We are willing to achieve the set of objectives in the field of energy more quickly and efficiently through active cooperation on projects of mutual interests with other countries.

We are sure that our cooperation with the Organization for Security and Cooperation in Europe (OSCE), as one of the most important partners in the World, will further enrich our policies in many areas including energy.

At the end, convinced that our combined efforts will make a positive impact on achieving our common interests, in the name of the Government of Montenegro, I cordially greet all the participants, wishing us very successful Conference.

Thank you for your attention.