

15 Annex - Energy

**95. MEMORANDUM OF UNDERSTANDING BETWEEN THE
MINISTRY OF ECONOMIC DEVELOPMENT OF THE
REPUBLIC OF ITALY AND THE MINISTRY OF ECONOMIC
DEVELOPMENT OF MONTENEGRO ON COOPERATION IN
DEVELOPING THE ENERGY SECTOR**

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MEMORANDUM OF UNDERSTANDING

between

**THE MINISTRY OF ECONOMIC DEVELOPMENT
OF THE REPUBLIC OF ITALY**

and

**THE MINISTRY OF ECONOMIC DEVELOPMENT
OF MONTENEGRO**

on COOPERATION IN DEVELOPING THE ENERGY SECTOR

The Ministry of the Economic Development of the Republic of Italy, represented by H.E. Claudio Scajola, and the Ministry of the Economic Development of Montenegro, represented by H.E. Branko Vujovic hereafter referred to as “the Parties” having agreed on the opportunity of enhancing the cooperation, particular in the field of energy, between Italy and Montenegro and within the framework of a stronger cooperation of the electrical systems of Italy and Montenegro and, South East Europe Countries and European Union.

whereas:

- the accession of the Government of Montenegro to the “Treaty establishing the Energy Community”, signed on 25 October 2005 in Athens, in which Montenegro commits itself to implement the European Union’s legal and regulatory framework within the energy sector, with particular reference to the rules for the establishment of a regional electricity market in European Union and its integration with the EU Internal Energy Market;
- the agreement within the Memorandum of Understanding on the cooperation in the field of environmental protection signed on 11 November 2004;
- the interconnection project between Italy and Montenegro, is considered of remarkable importance for Italy, because of the enlargement of the relevant markets, for Montenegro, because of the associated development and reinforcement of its electricity sector, and, indirectly, for South East Europe because of the contribution at integrating the EU Internal Energy Market with the market of the Energy Community of South-East Europe, whereas helping the security of supply for Italy and Europe;
- Stressing that cooperation at all times shall be based on the respect and adherence to the principles and rules of international law;
- Recognizing that Montenegro and the Republic of Italy are Parties to the United Nations Convention on the Law of the Sea of 10 December 1982;
- Recognizing that energy constitutes a motor for both Parties’ economies and is a major driving force for continuous development;
- Intending to extend their cooperation in the energy sector with the aim of increasing cooperation in the sectors of electricity, natural gas and oil;

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- Recognizing the importance of the new sources of clean energy, in particular renewable energy, and energy efficiency in ensuring security of supply and promoting environmental protection and sustainable economic development;
- Recognizing that cooperation between the Parties in the field of energy will contribute to the development of their economies and to the strengthening of the existing amiable relations between the Montenegrin and the Italian Government;
- Acknowledging the European Union Decision 1229/2003/EC for the development of the Trans - European Energy Networks;
- Respecting obligations of the Republic of Italy arising from its membership to the European Union.

Have agreed as follows:

Article 1

The scope of this Memorandum is to establish a framework for the basis of joint cooperation between the Parties in the field of electricity, natural gas and oil, with specific emphasis on development of energy production, transmission capacities, renewable energy sources and energy efficiency, taking into account the provisions of national legislation and international obligations.

Article 2

The Parties shall exchange relevant information, which may be of interest to them or may assist them in making their decisions regarding the purpose of this Memorandum.

The Parties shall enhance collaboration in the following areas of interest:

- promotion of bilateral cooperation in the energy field;
- sharing of experience with regard to the development of the energy sector;
- sharing of experience with regard to the best practices for efficient implementation of the policies and strategies in the energy sector;
- development of transparent mechanisms for increasing energy exchanges in the region (the regional power exchange).
- design of policies for promoting renewable energy and energy efficiency;
- identification of financial mechanisms for facilitating investments in the field of development of the energy transmission and distribution capacities, as well as in the field of renewable energy and energy efficiency;
- design of common actions and projects;
- design of common strategies at international level for further development of renewable energy sources and promotion of energy efficiency;
- financial instruments to promote investments in the field of energy transmission and distribution and for the development of renewable energy sources and energy efficiency
- enhancement of cooperation in the implementation of best practices in the regulation of the energy sector;

Article 3

A Joint Committee composed of representatives from both Parties in order to promote the objectives of this Memorandum is hereby established. The Joint Committee shall meet in Podgorica or in Rome. The place and date of the Joint Committee's meeting will be mutually agreed upon by the Parties. The first meeting of the Joint Committee will be convened within two

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(2) months from the date of the entry into force of the present Memorandum. The Joint Committee can have its subcommittees and working groups.

The composition of the Joint Committee will be defined via an exchange of letters between the Parties, within one month starting from the signature of the present Memorandum. To the meeting of the Working Group each Party can invite representatives of Energy regulators, of the Transmission System Operators and of the energy and network enterprises involved in the projects.

The Joint Committee will hold regular meetings in both Montenegro and Italy. Each party will bear the costs deriving from the mission assigned to the Working Group on its own budget.

Article 4

Each Party commits itself to preserve the confidential character of all the information received from the other side within the framework of the present Memorandum and not to disclose such information to third parties, unless it would be necessary for the development of the Project of Interconnection, and only in case these third parties have confidentiality obligations towards it.

Possible controversies in the interpretation or in the application of the present Memorandum will be solved amicably, preserving the spirit of constructive relationships between the Parties.

Article 5

This Memorandum shall enter into force on the date of signing.

This Memorandum will be valid for a period of five (5) years, starting from the date of its entry into force. The Agreement will be extended automatically for successive 2 (two) year period, unless one of the Parties notifies in writing the other, at least 6 (six) months prior to the expiry of its initial or any subsequent period of validity, its intention to terminate the present Agreement.

This Memorandum may be amended, at any time, upon mutual consent of the Parties.

In witness thereof the duly authorized representatives have signed this Memorandum.

Done in Podgorica, on the 16 June 2009, in two original copies, each in the English languages

Ministry of the Economic Development
of the Republic of Italy

Ministry of the Economic Development
of Montenegro

H.E Claudio Scajola

H.E Branko Vujovic