



Republic of Serbia
MINISTRY OF MINING AND ENERGY

Energy Efficiency Administration – financing of investments

29th EECG meeting,
Vienna, June 21, 2022

Zoran Lakicevic, State Secretary
Ministry of Mining and Energy



New Law on Energy Efficiency and Rational Use of Energy

- ▶ **Law on Energy Efficiency and Rational Use of Energy („Official Gazette RS“ no 40/21 of 22 April 2021)**
 - ▶ IMPROVEMENTS AND AMENDMENTS to the Law on Efficient Use of Energy FOR AN IMPROVED IMPLEMENTATION
 - ▶ The need to **ESTABLISH A SUSTAINABLE FINANCING MECHANISM FOR ENERGY EFFICIENCY**
 - ▶ The need for HARMONIZATION WITH EU REGULATIONS IN THE FIELD OF ENERGY EFFICIENCY in accordance with the EU integration process and the Energy Community:
 - ▶ EED –Directive 2012/27/EU on energy efficiency AMENDED by: Directive (EU) 2018/844, Directive (EU) 2018/2002, Regulation (EU) 2018/1999
 - ▶ EPBD – Directive 2010/31/EU on energy performance of buildings AMENDED by: Directive 2018/844
 - ▶ ELD– Directive 2010/30 energy labeling of products which affect energy consumption REPLACED WITH: Regulation (EU) 2017/1369
 - ▶ Eco-design – Directive 2009/125/EC establishing a framework for the setting of eco-design requirements for energy-related products
- ▶ **Secondary legislation acts**
 - ▶ **Adopted: 20**
 - ▶ **In the adoption procedure: 8**
 - ▶ **Drafted: 10**
 - ▶ **Under preparation: 10**



Establishment of the Administration for Financing and Encouraging Energy Efficiency (I)

Legal status

- ▶ Administration within the MME
- ▶ Legal entity,
- ▶ The director is appointed for a period of 5 years

Sources of financing

- ▶ State budget (fees for EE)
- ▶ Donations and loans

Main responsibilities

- ▶ Grants incentives for EE and monitors the implementation of projects and savings through public calls according to the annual funding program
- ▶ Prepares project proposals for EU, International Financial Institutions and donor funding and implements them
- ▶ Provides information on available EE financing opportunities, information and advice on the possibilities of applying energy efficiency measures
- ▶ Organizes the implementation of activities to raise awareness regarding EE
- ▶ Keeps records, monitors the calculation and payment of fees for improving energy efficiency

Operates based on the secondary legislation:

- ▶ Decree on the program of financing activities and measures for energy efficiency improvements in 2022 (adopted each year)
- ▶ Rulebook on detailed conditions for distribution and use of funds for the implementation of energy efficiency measures



Benefits from the establishment of the EE administration

▶ More funds for EE available in the Budget: **2022 16 mil EUR**

Focus:

- ▶ EE improvement of residential buildings – **for the first time incentives are available to citizens**
- ▶ EE improvement of public buildings

Expected activities in the next years

- ▶ The procurement of EE devices
- ▶ Special programs for vulnerable citizens in the energy sector

▶ The possibility of attracting significant funds from

▶ EU grants

- ▶ 5 M€ - IPA2021 for TA and pilot activities – secured
- ▶ 20 mil EUR IPA2023, 2024 ... for investments -expected

▶ International financial institutions:

- ▶ WB “Scaling Up Residential Clean Energy Project” (SURCE) – 50 mil USD – negotiated in February 2022
- ▶ EBRD “Energy Efficiency Rehabilitation of Residential and Public buildings” – 20 mill EUR +5 mill grant

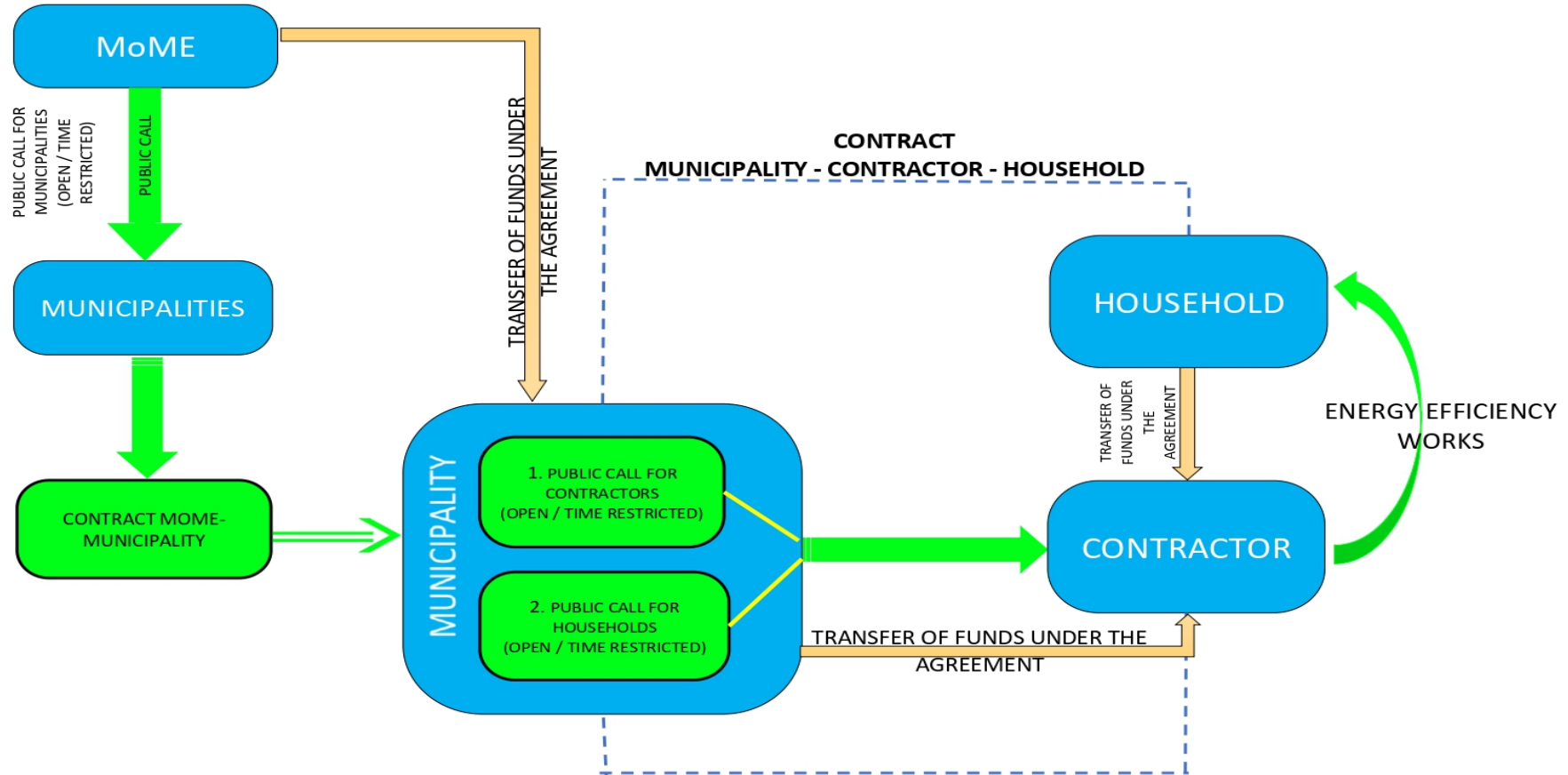
▶ Other donors

▶ Implementation of promotional activities in the field of EE



Support to citizens – scheme for award of the subsidy

FLOW OF FUNDS / CONTRACTING / PUBLIC CALL





Support to citizens – Energy rehabilitation program for family houses, apartments and residential buildings - Pilot project

- ▶ The public call for local self-government lasted from April 21 to May 21, 2021
- ▶ MOME signed contracts with 67 local self-government units on June 25, 2021.
- ▶ The total value of the program is EUR 8.3 million (EUR 1.9 million MOME; EUR 2 million participation of local self-government units and EUR 4.4 million citizens)
- ▶ Allocation of subsidies to citizens is up to 50%, in cooperation with LGUs (25% MOME and 25% LGUs)
- ▶ Over 4,000 contracts have been signed with citizens
- ▶ Expected energy savings are about 48 million kWh per year
- ▶ Reduction of CO₂ emissions of 6000t per year.





Support to citizens – Energy rehabilitation program for family houses, apartments and residential buildings - Installation of solar panels

- ▶ The public call for local self-government lasted from September 3 to October 1, 2021
- ▶ MOME signed contracts with 37 local self-government units on November 5, 2021.
- ▶ The total value of the program is EUR 3.3 million (EUR 835 thousand MOME; EUR 835 thousand participation of local self-government units and EUR 1.6 million citizens)
- ▶ Allocation of subsidies to citizens is up to 50%, in cooperation with LGUs (25% MOME and 25% LGUs)
- ▶ About 500 solar panels are expected to be installed
- ▶ Expected energy savings are about 3 million kWh per year
- ▶ Reduction of CO₂ emissions of 3300t per year.





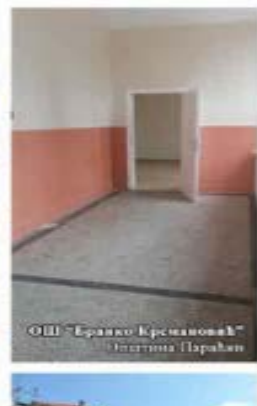
Support to citizens – Energy rehabilitation program for family houses, apartments and residential buildings - 2022

- ▶ The public call for local self-government lasted from February 2nd to February 21st, 2022
- ▶ MOME signed contracts with 151 local self-government units on March 11th, 2022.
- ▶ The total value of the program is EUR 33.9 million (EUR 8.8 million MOME; EUR 8.2 million participation of local self-government units and EUR 16.9 million citizens)
- ▶ In accordance with the level of development, LGUs belonging to the fourth group whose level of development is below 50% of the national average, participate with an amount of at least 30% of funds, while MOME provides 70%. Other LGUs participate with a minimum of 50% of funds, and MOME funds are up to 50%.
- ▶ The estimated number of households participating in the Program is about 20,000;
- ▶ Expected energy savings are 414.652.350,00 kWh per year
- ▶ Reduction of CO₂ emissions of 92.890,60 t per year.





Support to Residential Sector



Support to public buildings - procedure

Announcing a public call to municipalities/cities MME/EEA*

30 days

Evaluation of applications MME/EEA

30 days

Adoption of the evaluation list and contract signing MME/EEA

15 days

Preparation of Designs for construction - LSGU

30 days

Review and approval of the documentation MME/EEA

15 days

Preparation of the documents for the public procurement LSGU

15 days

Approval of the PP documentation MME/EEA

15 days

* Two stage public call possible. 1st year public call and technical evaluation. 2nd year decision on financing and contracts signing with LSGU

Support to public buildings - procedure

Public procurement
LSGU

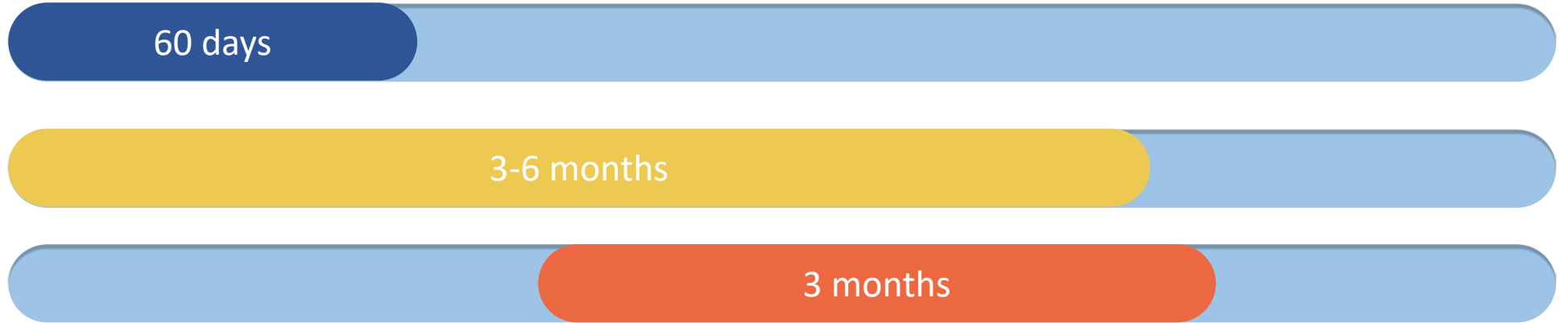
60 days

Works LSGU

3-6 months

Approval of interim
and final invoices
and payment
MME/EEA

3 months





Support to public buildings - results

- ▶ In the period from 2014, seven public calls for financing EE projects for public buildings in local self-government units and city municipalities were realized
- ▶ 107 projects were completed or will be until end of the year,
- ▶ The total investment is about 1,76 billion dinars. From the Budget of the RS about 1,07 billion, UNDP funds in the amount of 56 million dinars and about 630 million funds from local self-government units and city municipalities,
- ▶ Level of subsidy
 - ▶ Non-devastated LSGU: up to 70%
 - ▶ Devastated LSGU: up to 100%
- ▶ Projects mostly included the energy rehabilitation of schools, kindergartens, health centers and municipal buildings, and the plan is to expand the program to sports and other facilities, including sports facilities and halls,
- ▶ CO2 emissions will be reduced by 13.000 tons per year and energy savings of about 22.54 million kWh per year
- ▶ New public call is launched at the beginning of April and finished on the 25th of May,
- ▶ 59 applications were received



Support to public buildings - measures

Budgetary Fund for Energy Efficiency of the Republic of Serbia operated by the Ministry of Mining and Energy of Republic of Serbia from 2014-2021

- subsidies for improvement of energy efficiency in **108 public buildings** (schools, kindergartens, health centers).

Main measures included in the projects:

- Installation of Thermal insulation;
- Installation of PVC joinery;
- **Replacement of solid fuel boiler with pellet boilers or gas boilers;**
- Heating system works (installation of a circulating pump with variable speed, thermostatic valves and heat meters)
- Installation of solar collectors;
- modernization of lighting systems.

29 projects included replacement of solid fuel boilers with pellet boilers.





School in the city of Kruševac



Before rehabilitation



After rehabilitation

Electrotechnical Highschool in the city of Kraljevo



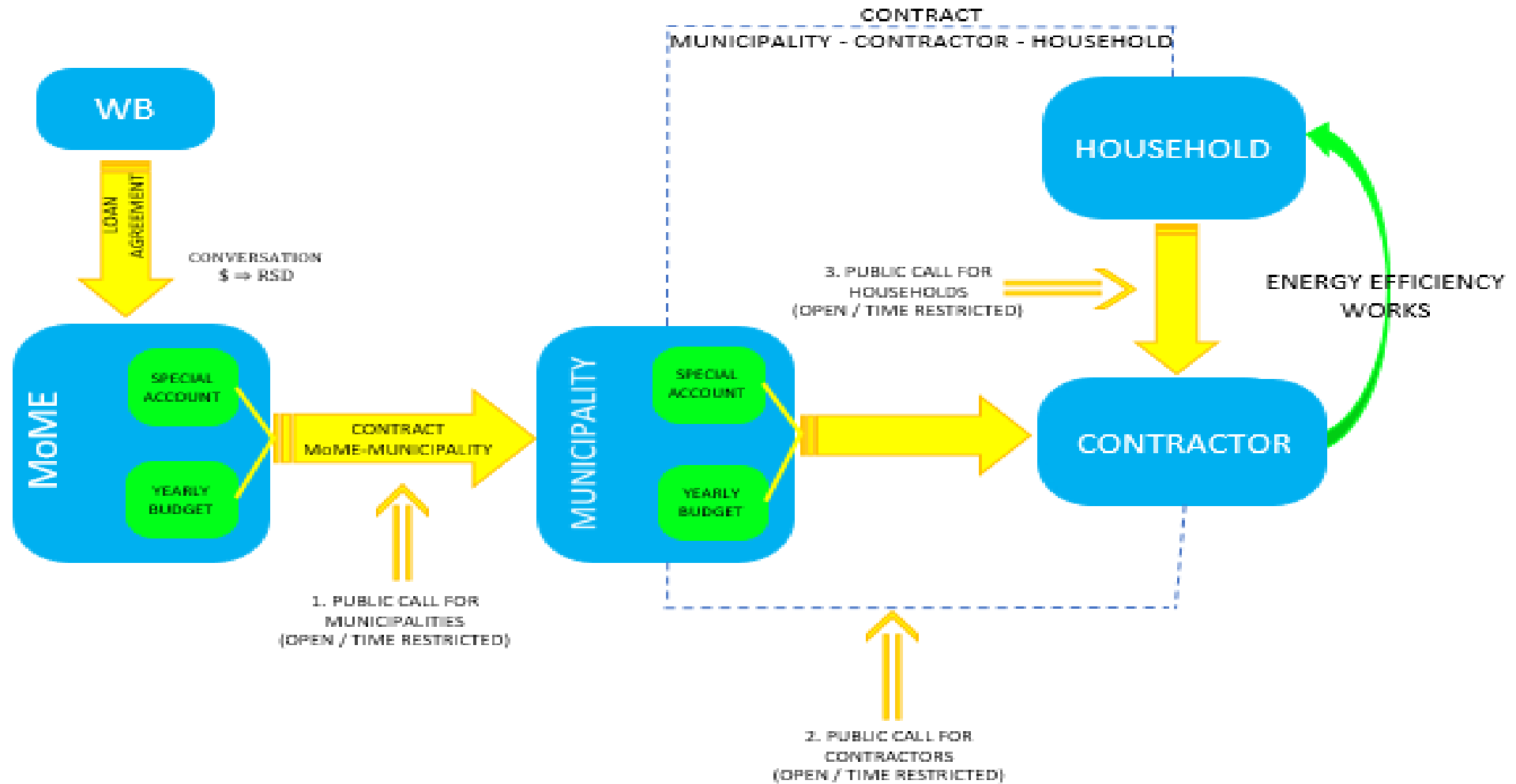
Before rehabilitation



After rehabilitation

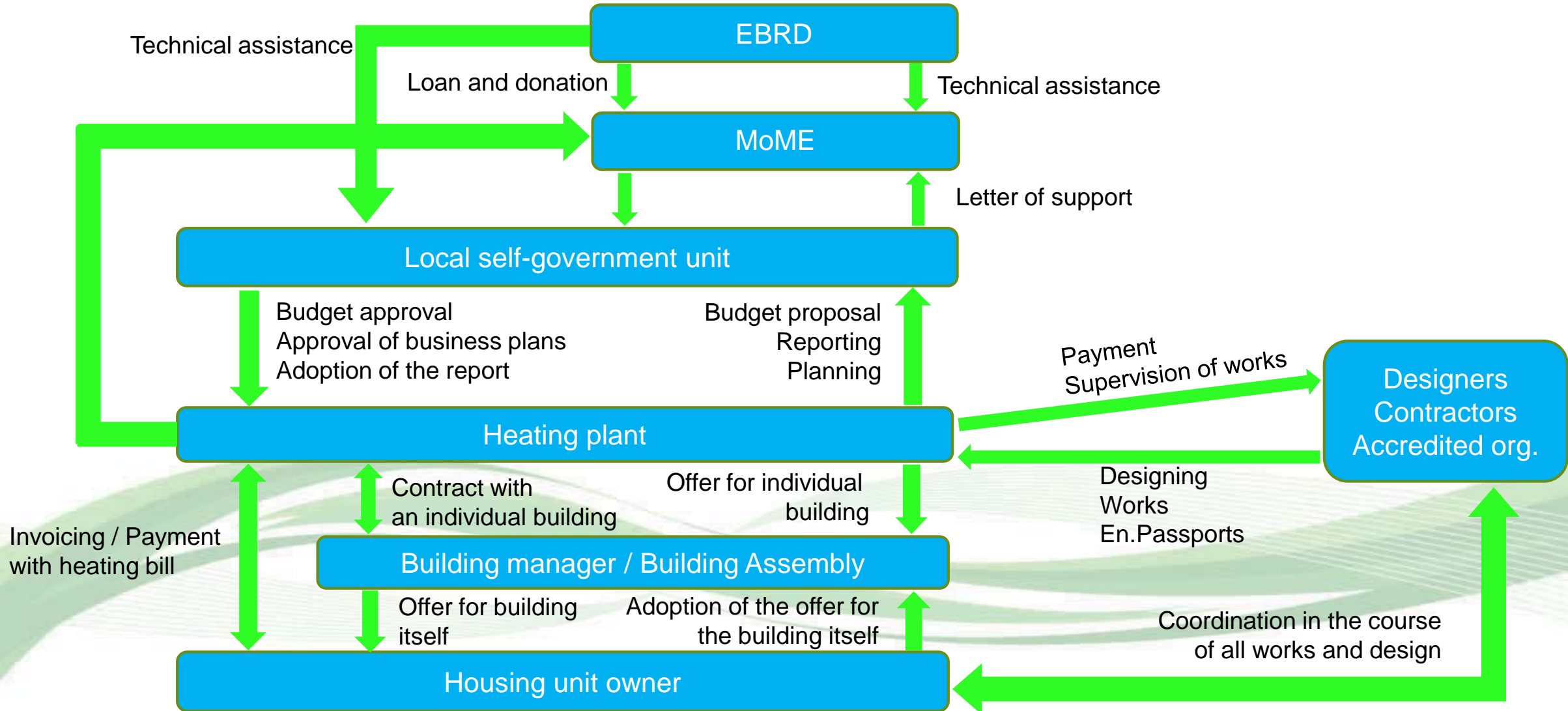


Planned Activities: SURCE Project - WB





Planned Activities: Energy Efficiency Rehabilitation of Residential and Public buildings - EBRD





Central Governmental Buildings

- **Legal requirement:**
- **CENTRAL GOVERNMENT BUILDINGS (CGB)** with individual total usable area greater than 250 m²
 - ▶ each year, the determined percentage of the area of all such buildings is rehabilitated in terms of energy efficiency
 - ▶ rehabilitated buildings must reach properties that cannot be lower than the minimum requirements for energy performance of buildings, according to the Law on Planning and Construction (ZOPI)
- **THE GOVERNMENT, at the proposal of the MME:**
 - adopted: LIST of central government buildings
 - Should adopt ENERGY REHABILITATION PLAN of central government buildings

Project: Energy Efficiency in Central Government Buildings

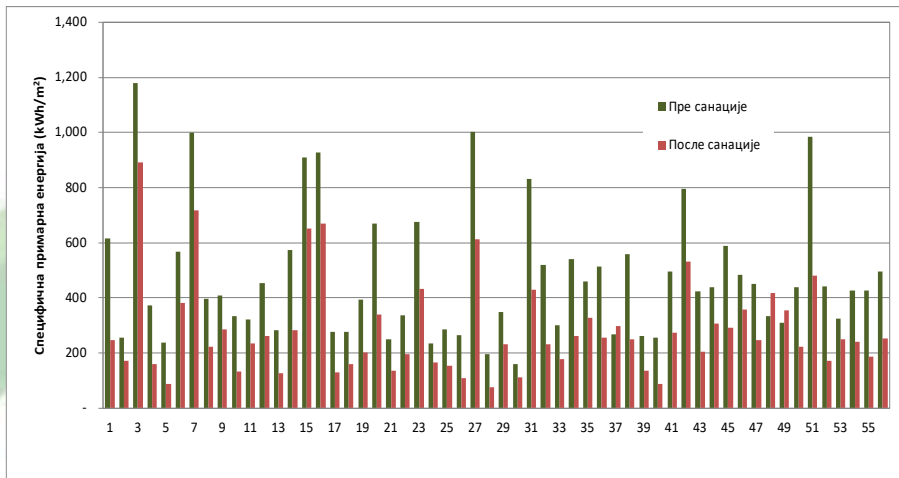
Estimated value: 46,75 mil EUR

So far secured:

- CEB loan 40 mill EUR, WBIF (300.000,00 EYP),
- Slovak Inclusive Growth Account (SIGA)- (400.000,00 EUR)
- Spanish Social Cohesion Account (SCA) (200.000,00 EUR)

Goal: Rehabilitation of 28/56 CGB in order to achieve regulatory requirements aligned with EU acquis

Expected effects: Primary energy and CO₂ emissions savings of around 30% and energy cost reductions of around 20% are expected.





“Rehabilitation of district heating systems in Serbia - Phase V”

- ▶ Value: **32 mil €** (30 мил € development loan KfW-a and 2 mil € grant from Germany through KfW-a)
- ▶ Participants: 7 DHS (Belgrade, Bor, Jagodina, Leskovac, Niš, Negotin and Senta)
- ▶ Aim: More efficient and stable DHS → continual heat supply to all users+ CO2 emissions reduction
- ▶ Scope: The project will include implementation of 16 individual investments and will result:
 - ▶ rehabilitation and construction of a heating pipeline route with a total length of 28.32 km (in 6 cities and municipalities)
 - ▶ replacement of 176 thermal substations and construction of 6 new thermal substations in Bor, Negotino and Senta;
 - ▶ Replacement and installation of 4 new gas boilers, with a total capacity of 20.8 MW in Leskovac, Negotin and Nis, as well as replacement of old burners with new ones on boilers in Leskovac and Nis, with a total capacity of 134.5 MW, and
 - ▶ installation of SCADA system in Toplana Senta and upgrade of the existing SCADA system in Toplana Bor
- ▶ Start of the preparatory phase: **29. Jun 2020**
- ▶ Expected beginning of works: **2022**
- ▶ Expected end: **December 2024**



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THANK YOU FOR YOUR ATTENTION