



EU funding for Energy Efficiency – latest news

Energy Efficiency Coordination Group, 14 November, 2018

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Western Balkans Regional Energy Efficiency Programme (REEP)

- **Action promoter:** EBRD and KfW in cooperation with the Energy Community Secretariat
- **Budget:** EUR 30 million (15 million EBRD, 15 million KfW)
- **Goal:** To continue supporting public buildings and households energy efficiency investments, raising awareness and increasing technical capacity and buildings energy efficiency supply chains.
- **Justification:** The model of integrated Windows offering policy dialogue, technical assistance, direct and intermediated financing has been successful in transforming market conditions and in developing and implementing investments. As the programme continues to evolve, there is a need to both consolidate its most effective aspects and introduce new elements that can enhance the programme, plug any existing gaps and reflect new priorities.
- **Timeline:** Programming exercise ongoing for 2019.



Western Balkans Regional Energy Efficiency Programme (REEP)

Overview and funding needs

Window 1 ESCO support and Policy Dialogue (EBRD): REEP continues to provide Policy Dialogue related to the Energy Efficiency Directive, Energy Performance of Buildings Directive and Energy Service Companies (ESCO) in the Western Balkans. *No additional funding is requested at this stage.*

Window 2 Intermediated Finance (EBRD): REEP is providing significant energy efficiency support to SMEs, the public sector and the residential sector. Although support for the residential buildings energy efficiency was launched in 2017, there is high demand for this programme and the current EUR 85m EBRD financing envelope is expected to be oversubscribed within 2018. **It is proposed to enhance this Window with EUR 10 m of IPA funding to enable a further EUR 50 million (indicatively) of EBRD financing.**



Western Balkans Regional Energy Efficiency Programme (REEP)

Overview and funding needs

Window 3: Direct Lending (EBRD): REEP continues to provide direct support to projects with ESCo companies involvement. *No additional funding is requested at this stage.*

Window 4 : Lending for Public Buildings Energy Efficiency (EBRD and KfW): REEP would continue to provide individual sovereign/sub-sovereign loans and grants to interested countries to finance municipal or nation-wide energy efficiency renovation schemes. Funding would be passed to the relevant public entity owning and operating the targeted buildings and monetary savings generated by improved efficiency will be used to partly repay the investment. **It is proposed to further enhance this Window with EUR 20 million (EUR 5 million – EBRD and EUR 15 million – KfW).**



Transition towards the low emissions and climate resilient economy

- **Action promoter:** DG CLIMA (on behalf of DG NEAR)
- **Budget:** EUR 2 million
- **Goal:** To support WB6 to build their capacity for the implementation of the 2015 Paris Climate Agreement and for the development of low emissions and climate resilient economies; To enhance the regional exchange of information, best practices, peer-to-peer reviews, experience and awareness-raising towards the implementation of commitments under the Paris Climate Agreement.
- **Justification:** The action is needed to continue the support to the implementation of the 2015 Paris Agreement on Climate Change in the Western Balkans (and Turkey) and help the transition towards the low emissions and climate-resilient economy.
- **Timeline:** Contracting phase.



Transition towards the low emissions and climate resilient economy

Main activities

- Continue supporting **development of climate policies/legislation** towards implementation of the Paris Agreement
- Continue supporting **mainstreaming of climate change** into other policy areas
- Continue supporting work on **greenhouse gases (GHG) inventories** and support for **preparation of inventory reports**
- Continue strengthening **monitoring, reporting, accreditation and verification (MRAV)** requirements targeted at operators, authorities and verifiers under the EU Emissions Trading System (ETS)
- Continue support to **adaptation action**



Assistance to climate action and energy efficiency - other facilities

Western Balkans Investment Framework (WBIF)

- Until 2017 it provided 65 grants worth 105m EUR of (1.8bn EUR investment volume) for ENV and 59 grants worth 172m EUR (4.2bn EUR investment volume) for ENER
- <https://www.wbif.eu/content/stream//Sites/website/library/WBIF-2017-Annual-Report.compressed.pdf>

Green for Growth Fund (GGF)

- Additional C shares worth EUR 20 M for WB6 region subscribed in January 2018
- Some 51 ongoing TA projects (capacity development of financial institutions, impact analysis and energy audits etc.)
- 16 621 sub-borrowers; EUR 242.2 M cumulative sub-loans disbursement; 982,776 MWh/yr of energy savings; 296,303 tCO₂/yr reduction to date.



Energy Efficiency brochure

Update: needed – brochure dates back to 2016, most often downloaded document from the WBIF website

Content: relevant data to be updated and new content to be added, ex. on renewable energy (incl. hydropower), climate change – Clean Energy brochure?. Potential other relevant topics: tariffs, new guarantee instrument.

Wider picture: include information on programmes run by governments, IFIs and other donors.

Timeline: January/February to include data for 2018. Brochure could be released around the 10 years anniversary of WBIF.

<https://www.wbif.eu/news-and-events/new-wbif-publication-financing-energy-efficiency-investments-in-the-western-balkans->



Thank you!