

## 33<sup>rd</sup> ENERGY EFFICIENCY COORDINATION GROUP MEETING MINUTES AND CONCLUSIONS

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Wednesday, 8 November 2023, 10:00 - 16:30 GET  
(online)

The 33<sup>rd</sup> Energy Efficiency Coordination Group (EECG) meeting was organised as an online event. It was attended by the representatives of Energy Community Contracting Parties (CPs) - except Albania and Bosnia and Herzegovina, the European Commission (DG ENER), donors' community and IFIs (CEB, EBRD, EIB, KfW) and invited experts and speakers from ECA, Fraunhofer Institute and Habitat for Humanity.

The meeting was chaired by Ms. Katerina Bilbiloska (Ministry of Economy of North Macedonia).

Welcoming and introductory remarks were provided by **Mr. Adam Cwetsch, Head of the European Green Deal Unit** at the Energy Community Secretariat. During his Introductory remarks, Mr. Cwetsch introduced the audience to the major political events that were organised in the previous period, such as the Tirana Summit focusing on the Berlin process, as well as NECP assessment process and other activities such as drafts of two policy guidelines (presented later).

**Energy Community Secretariat (Mr. Borko Raičević)** presented the progress in implementing the EECG Work Programme in 2023. The Work Programme follows new developments and implementation challenges related to Clean Energy Package (EED/Governance), new 2030 targets and integrated planning/reporting, EPBD recast, new labelling and ecodesign regulation, new developments in EU etc. EECG organised series of meeting sessions and workshops to support transposition and implementation of CEP requirements and reported regularly during 2023 on the level of CEP transposition in CPs. EECG discussions and inputs were valuable for production of two policy guidelines in 2023 (on demand reduction measures, as well as on implementation of building renovation strategies), as well as for regional coordination of assistance programmes. ECS also presented ongoing work on annual implementation report, as well as recently published (October 2023) [Energy Community Legal Framework – Volume V](#), containing all recent updates of EnC EE acquis.

**European Commission, DG Energy (Ms. Justine Bernard and Mr. Mathieu Daloze)** provided an update on the recast Energy Efficiency Directive (EED) that came into force in October 2023, while the recast of the Energy Performance of Buildings Directive (EPBD) is in the final negotiation process.

Ms. Bernard presented the key elements of the recast EED. It sets the ambitious target of 11.7% energy reduction in energy consumption by 2030, binding at the EU level, and indicative at the national level.

A share of EE is not currently presented in the energy mix, making EE not so visible. Therefore, new EED establishes the EE first principle and gives it legal status. Now, the principle now to be considered when planning, building, procuring, etc. It also strengthens the exemplary role of the public sector and

puts a stronger focus on alleviating energy poverty. The recast EED also establishes new reporting requirements.

The transposition period is 2 years. EU Commission will support Member States in transposition, with dedicated missions, to establish proper contact with stakeholders, capacity building and TA, as well as financial support for investments. In the beginning of 2024, for key provisions of EED, including for EE first principle and for unlocking private investments, guidance documents will be delivered.

Ms. Bernard also presented EU initiative for a global pledge on EE and RE, supported by IAE and IRENA. In September EU invited EnC countries to join this initiative, and it will be initiated at the e COP28. As regards EE, progress will be tracked according to energy intensity. EU Commission will be present at COP28 EU energy days on 4 December, with possibility for online participation.

*Mr. Daloze* presented the new European Energy Efficiency Financial Coalition (built on the successful work on the Energy Efficiency Financial Institutions Group - EEFIG) which is expected to further strengthen the cooperation between financial institutions, Member States and the Commission on energy efficiency investments and facilitate matching projects in EU Members States with available financing. This will serve as a catalyst for private investments, necessary to achieve the EU climate and energy targets. The Coalition will have three layers. The 1<sup>st</sup> layer: EU commission and MSs – high level. The 2<sup>nd</sup> layer: Group of Experts – EE financing; and the 3<sup>rd</sup> layer: national hubs: to gather all relevant stakeholders (private sector, local and regional stakeholders). The launch is planned for the first quarter of 2024.

### **Conclusions:**

- 1.1. EECG thanked European Commission DG ENER for the updates on the recast of the Energy Efficiency Directive, as well as for providing information on energy efficiency pledge and event planned under COP28.
- 1.2. European Commission DG ENER will share more information with EECG members on global energy efficiency pledge, as well as invitation to attend relevant energy efficiency event planned under COP28 and the EU Energy Days.
- 1.3. EECG thanked on the updates on last developments under the decarbonisation agenda and implementation of the EECG Work Programme 2023 and plans for 2024, as presented by ECS.
- 1.4. EECG continues to serve as a good model of cooperation on implementation of energy efficiency directives in the Energy Community, reporting, and discussion, as well as exchange of best practices. While EECG committed to making the 33<sup>rd</sup> EECG meeting as productive as possible and adapted to the unforeseen shift from a hybrid to an online-only format, EECG strongly recommends organisation of all meetings in hybrid format.

## **2. EECG WORK PROGRAMME**

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**EECG Chair and Expert Area Leader (Ms. Katerina Bilbiloska)** presented [the overview of implementation of the amending EED 2018/2002](#) in all Contracting Parties.

The summary is updated for Kosovo\*, Montenegro, North Macedonia, and Serbia, while for other Contracting Parties data are taken from the last EECG meeting held in June 2023. Most of CPs

prepared drafts of primary law, while those who transposed EED 2018, are now in the process of drafting and adopting bylaws. Concerning the transposition of EED 2018, EE laws were amended in Albania, Moldova, Montenegro, North Macedonia, Serbia, and Ukraine (fully or in the case of Albania and North Macedonia partly transposing amending EE directive 2018/2002), draft amendments finalized in Georgia, and in the process of finalization in Bosnia and Herzegovina and Kosovo\*. The Building Renovation Strategy is currently being adopted only by Serbia, Ukraine has finalised the draft and it is in the process of adoption, while other CPs are in the different phases of development. New or updated labelling regulations were already adopted in 5 CPs.

Some EEGC members provided additional details on the progress.

*Mr. Tsereteli* from the Ministry of Economy and Sustainable Development of Georgia added that minimum energy efficiency requirements were already adopted and applicable from 1<sup>st</sup> July 2023, meaning that new buildings are constructed according to new energy performance standards. Amendments to EE Law are finalised, and by the end of 2023, a draft will be submitted to Parliament for approval.

*Ms. Popova* from the Ministry of Economy Kosovo\* [presented](#) that the draft EE law is prepared, while Law on Energy Performance of Buildings is in the Parliament procedure. Ms. Popova also presented how Energy Support Package of EUR 75 million is spent, also focusing on EE measures. Funds are used for multiapartment buildings – 25 applications are processed, single houses around 3000 houses. 6700 new district heating consumers were connected in the last few years.

Moldova representative, *Ms. Terigradean* from EE Agency informed that according to the prepared draft NECP, which among others includes RES H&C target of 38% by 2030, aiming to increase a share annually by 1.1 ppt, residential fund for renovation of residential buildings will be established, and a national plan for renovating public government buildings is to be prepared, with 3% of renovation rate.

On behalf of Montenegro, *Mr. Nikola Vujosevic* [presented](#) the planned structure and activities of the new Ministry of Energy and Mining (former Ministry of Capital Investments). There will be a new department on energy efficiency. Draft NECP will be prepared by the end of 2023; the University of Montenegro completed training of energy auditors – around 20 new energy auditors, which is a precondition for functional certification of buildings that will start based on updated regulation in January 2024. Building certification software MEEC is in function, and accessible by all interested parties. Rulebooks on minimum energy performance requirements for EE in buildings and certification are in the process of adoption. Eleven new regulations on eco-design and energy labelling in adopted. Study on EE in buildings is to be adopted by the end of 2023. A comprehensive assessment of potential for efficient heating and cooling is in the adoption process.

*Ms. Bibiloska* provided additional information on the progress in North Macedonia. The amendments of EE Law (fully transposing EED 2018) will be adopted by the end of the year. The gap analysis is prepared. Concerning the secondary legislation, several acts are in the finalisation phase (renovation of central government buildings, rulebook on energy performance and energy audit of buildings, the updated rulebook on energy labelling, and preparation of energy efficiency programs in local municipalities, EPCs, etc.). Programs for subsidising solar PVs and solar collectors are ongoing. The preparatory work for the establishment of the Energy Efficiency Fund, with the support of the World

Bank is also ongoing. North Macedonia stressed that they are lacking human capacities, and that it is challenging to find funds for implementing measures.

*Ms. Miomira Lazović* representing the Serbian Ministry of Mining and Energy informed that EE targets are set in draft NECP. A list of public buildings was adopted in 2018, percentage for renovation is still not adopted, but funds are ensured for 27 public buildings from the 2018 list. Alternative measures are the implementation of an energy management system with obligatory measures within designated parties. A project financed by World Bank loan – 15k households to be renovated. A comprehensive assessment of the potential for efficient heating and cooling is prepared and will be adopted soon. Energy labelling is transposed fully, as of 2021 eco-design is implemented for 8 products. Soon all eco-design regulations will be adopted in the next year or two.

*Mr. Alex Boycool* from Ukraine informed that the number of technical regulations have been adopted, including energy management system for municipalities and legal acts for EEOs (under preparation). Draft Building Renovation Strategy has been sent to the Government, along with the implementation plan. Secondary legislation based on EE Law is prepared and will be adopted in December 2021. The EE transformation and decarbonization fund is planned to be established to finance residential buildings. ESCO regulation is also being changed to enable projects to be implemented quickly. Discounted loans are provided to SMEs with the support of the Ministry of Economy.

***Energy Community Secretariat (Mr. Borko Raičević)*** presented the draft policy guidelines on demand reduction measures which include an overview of energy demand reduction measures adopted by the governments of the Energy Community Contracting Parties, relevant governance and policy framework in the Energy Community, as well as best practices and recommendations for further reduction of energy consumption (also in the context of contribution to the achievement of 2030 energy and climate targets). Specific DSR measures focus on empowering citizens and small businesses to save energy, renovation of buildings, integrated EE/RES demand-side measures, metering, and consumption-based billing, etc. EECG reporting on ongoing and planned energy efficiency and demand reduction measures in March and June 2023 served as valuable input for the Policy Guidelines. The draft policy guidelines were presented at the PHLG meetings in 2023 and are planned to be published soon. While already shared for comments prior to the meeting, EECG are invited to check the final document (together with BRS policy guidelines) within two weeks.

***Mr. Nick Haralambopoulos (ECA)*** also presented the draft Policy Guidelines for Putting Building Renovation Strategies into Action that are shared with EECG members from CPs prior to the meeting. One of the key messages is that decarbonisation and climate goals cannot be reached without tackling buildings. Significant challenges and complexity are linked to the renovation of building stock. In the EU, 60% of emissions reduction in buildings is needed. The current renovation rate in the EU is estimated at around 1% annually (likely even lower in the CPs), which needs to be increased by to around 3%. Moreover, a deep renovation (that achieves more than 60% of energy savings) is needed. The fundamental challenge that must be met is to stimulate a step change in demand and match it with delivery capacity by effectively executing the BRS. Policy Guidelines define six steps to successful implementation, after BRS is adopted: 1) create action plans and delivery programmes 2) engage stakeholders 3) sell the case 4) close data gaps 5) create momentum and 6) monitor and review. The five-priority actions should deal to tackling immediate barriers to achieving early phase renovation delivery on a pathway to scale, including developing favourable legal and regulatory framework,

strengthening, and building capacities for building renovation, assessing financing options, awareness campaign etc.

*Ms. Biljana Grbic ECS*, has asked how to ensure the renovation of buildings of energy-poor households, since there is an agreement that consumers should share the costs of investment. *Mr. Haralambopoulos* explained and pointed out that there should have been a dedicated program for energy-poor households.

*Mr. Lazović* from the Serbian Ministry explained that a major challenge in preparing Serbian BRS, was differentiating types of buildings. Action plans for implementing BSR are in the process of development. A challenge is also how to prioritise and implement renovations.

Afterward, CPs took a tour de table to share their **experience in establishing and carrying out monitoring and verification** of energy savings.

*Mr. Tsereteli* informed that Georgia conducted extensive consultations with stakeholders and decided to adopt a monitoring approach that involves questionnaires which will be disseminated to municipalities and data will be inserted into the platform. Additional educational workshops are being developed, three regional workshops will be held at the end of November with regional and local municipalities. Georgia also thanked ECS and Serbia for sharing experience on MVP implementation.

*Ms. Popova* (Kosovo\*) reported that the officer for implementation of this project coordinates 21 (of 38) municipalities that regularly report, as well as banks and EE fund. Municipalities are generally more aware of energy efficiency measures.

*Ms. Terigreaden* from Moldova informed that MRV started in 2018 when legislation and a platform were developed. Around 300 EE measures were implemented by 33 municipalities. A new national system for EE monitoring will be developed and it will consist of 5 subsystems, including energy auditors, MVP, and certification. Local and regional municipalities, electricity producers, TSO, DSO, natural gas companies, district heating systems, and public institutions were also providing data to the MVP system. Currently, there is active collaboration with GIZ on training sessions with public authorities. It is important to have good cooperation with local authorities. The first report will be published until 31 March 2024.

*Mr. Vujosevic* from Montenegro explained that after series of cyber-attacks on Montenegro in the previous period, the MVP system is currently not functioning, and this problem should be solved soon. However, municipalities regularly submit information, and there is evidence that some municipalities are seriously involved in EE measures.

*Ms. Bibiloska* from North Macedonia explained that MVP is set in the EE Law of 2020, and the energy agency is the responsible party for monitoring. A special rulebook is developed, and public consultations are held, but the rulebook is still to be adopted. Despite that municipalities had training on the use of the platform. One of the main issues is where this platform is to be installed because the energy agency does not have enough human and technical capacity. Municipalities are reporting to the energy agency.

*Ms. Lazović* explained that MVP was developed 6 years ago, with TA of GIZ and firstly for public buildings. The main problem was insufficient response by designated parties. MVP was updated and extended with methodological measures. 4 measures are recognized now, 18 measures will be recognised. It should be the main tool for reporting on Article 7. Public procurement should be launched

to procure a new system. The process should be more centralised. An entity that will finance measures, this institution will oversee reporting and inserting data. For the household sector, it will be for example World Bank for projects that WB finances.

### Conclusions:

- 2.1. EECG thanked North Macedonia for the summary presentation on the transposition and implementation of new energy efficiency requirements under the Clean Energy Package, with the focus on the 2018 Energy Efficiency Directive.
- 2.2. ECS thanked Contracting Parties who already contributed with inputs and answers to the Questionnaire on the transposition of Energy Efficiency Directive (EU) 2018/2002 in national legislation of the Energy Community Contracting Parties. As this Questionnaire was shared shortly prior to the meeting, remaining CPs are reminded to complete it and submit it to ECS by the end November 2023.
- 2.3. EECG welcomed the finalisation of work on the new policy guidelines on the energy demand reduction measures in the Energy Community, being prepared as a follow-up to the Ministerial Council conclusions of December 2022. Guidelines provide overview of best practices and a set of recommendations supporting the effective implementation of energy demand reduction measures, with a particular focus on energy efficiency measures and contribution to the achievement of 2030 energy and climate targets in the Energy Community.
- 2.4. EECG thanked REEP for support in drafting and presentation of the new Policy Guidelines focused on the implementation of building renovation strategies. The draft policy guidelines will be available on the [EECG event page](#). EECG is invited to share suggestions on the Policy Guidelines after the meeting, but not later than 24 November 2023.

### 3. Regional Programmes and CP's Initiatives

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**EBRD (Ms. Milena Popović Martinelli) and KfW (Mr. Matija Tadić)** presented updates on [the Regional Energy Efficiency Programme \(REEP\)](#). The next phase should include new support activities related to sustainable heating and cooling, smart solutions, and pilot projects for nearly-zero energy buildings, including multiapartment buildings (MABs). REEP will be also one of the flagship initiatives supporting the new Growth Plan for the Western Balkans, and it is commended for its comprehensive approach by blending donor support, technical assistance, and policy dialogue with investments. EUR 100 million in EU grants, EUR 17 million in other grants, and EUR 455 million in IFI loans. Until now, REEP supported more than 90 policy deliverables in WB CPs.

Since the last EECG in June 2023, new contracts within window on intermediate financing for SMEs & public sector in Serbia 40 million and BiH 30 million; Residential sector – North Macedonia new contracts worth EUR 9 million with ProCredit and Sparkasse. KfW Window Direct financing: Serbia public buildings, second phase of biomass projects. Communication and visibility consultants were selected to strengthen REEP communication strategy. EBRD direct financing is provided for DH in Serbia and BiH, which will be additionally financed by SECO and other IFIs. Policy dialog will be renewed early next year.

Ms. Katarina Bilbolska shared information on the project of EBRD that is implemented in North Macedonia via UNDP, providing loans for SMEs and the residential sector, tackling 7 types of social categories, worth cc EUR 30 million. The uptake was satisfied. There are additional talks on tackling specifically energy poor.

**Mr. Wolfgang Eichhammer from Fraunhofer Institute for Systems and Innovation Research ISI** provided [update on the ODYSSEE-MURE CET LIFE Project 2022-2025 “Monitoring the Energy Efficiency Pillar for Climate Neutrality”](#). Project can support reporting obligations of CPs and relies on two complementary internet databases - one on energy efficiency indicators and one on energy efficiency policies. He informed that all CPs became a part of the Odyssee MURE project 2022-2025; however, CPs are in a different administrative status and/or working progress. The support in capacity building for participating EnC CPs is being provided by different EU partners. The work program 2022-2025 was presented, as well as activities conducted so far, and current administrative status with all CPs. Mr. Eichhammer also informed EECG on the ongoing Webinar Series on the recast EED organised by ODYSSEE-MURE, eceee and Leonardo Academy/Copper Institute. The dates will be shared with the Secretariat and EECG members. Next activities in 2023 and 2024 include finalisation of the open administrative and contractual arrangements, continued work on ODYSSEE-MURE databases, preparation of a first set of country profiles, application of the different ODYSSEE-MURE facilities and 2024 regional seminars.

The presentation concerned social aspects of energy efficiency delivered by **Ms. Elena Milanovksa Habitat for Humanity International, and Mr. Zoran Kostov from Habitat for Humanity Macedonia**. Ms. Milanovksa [presented the Energy Resilience Program](#) which includes energy poverty aspects, support to multiapartment buildings and housing associations. The program is presented in Albania, Kosovo\*, North Macedonia, and Bosnia and Herzegovina. CEE and Western Balkans are in the focus because there are multi-apartment buildings built before the 1990s with poor energy efficiency, prefabricated, low renovation rates, lack of management, and lack of ownership and accountability. The program design includes a country assessment to understand barriers and all circumstances, stakeholders, provide support to stakeholders, awareness raising and knowledge management, and mobilization of investors and capital. Community of Practise addressing Housing Association aims to exchange knowledge, but also capital mobilisation. Setting up a fund with EIB for the renovation of MBA through HoA. Revolving Fund started 10 years ago including the residential energy efficiency pilot phase.

**Mr. Kostov** [presented a project](#) of renovation of multi-apartment buildings in Skopje. Buildings built in 1954 (2 stories, 14 apartments) were rehabilitated in 2010. The next one was in 2012, 14 stories, 112 apartments. The key challenge was to get the consent of the owners. It was renovated with subsidies of municipalities, with soft loans from Habitat. IEE – Energy Efficiency for Low Income Housing Sector project was implemented with USAID in the subsequent years (2015, 2016), with the results better than planned. 65 MBAs were renovated in 12 municipalities. 6 lending models were developed. 20 to 40% of energy savings were achieved. Registry of apartment buildings and apartments (RABA) containing data on construction and characteristics of apartment buildings and building managers. The database is publicly available. The project received in 2018 Energy Globe National Award from the Austrian Chamber of Commerce.

Buildings were selected in partnership with municipalities that had established subsidy schemes, public call was launched for buildings, and those buildings who have the consent of the least 59% were chosen. Each HoA was provided with small loans just to motivate apartment owners.

The Ministry of Economy oversaw energy efficiency, and the EE Law of 2021 contained provisions for a national strategy for the renovation of residential buildings. Housing Law is in competence with the Ministry of Transport, and their participation was needed to enable the renovation, and local authorities had some funds for residential buildings.

**Conclusions:**

- 3.1. EECG thanked EBRD and KfW for providing updates on the recent activities and progress under the REEP programme and planned activities.
- 3.2. EECG thanked the Fraunhofer Institute for cooperation and presentation of the latest updates on the new ODYSEE-MURE CET LIFE project “Monitoring the Energy Efficiency Pillar for Climate Neutrality”. EECG members together with ECS will continue to play an important role the project will continue to interact with EECG/ECS by regularly providing project updates and coordination for successful project implementation.
- 3.3. EECG thanked Habitat for Humanity International and Habitat for Humanity Macedonia for presenting to EECG experiences and ongoing activities in tackling social aspect of EE in Housing Sector, both from regional perspective and detailed presentation of sustainable project successfully implemented in North Macedonia.
- 3.4. The cooperation between EECG and donors’ community and exchange of best practices is very valuable and will continue during implementation of the EECG Work Programme 2023-2024.

The next EECG meeting and workshop are tentatively planned to take place on 14 and 15 March 2024 in Vienna, as hybrid events.