

REEP & REEP Plus update

Regional Energy Efficiency Programme for the Western Balkans

Funded by the European Union



In cooperation with the
Energy Community Secretariat



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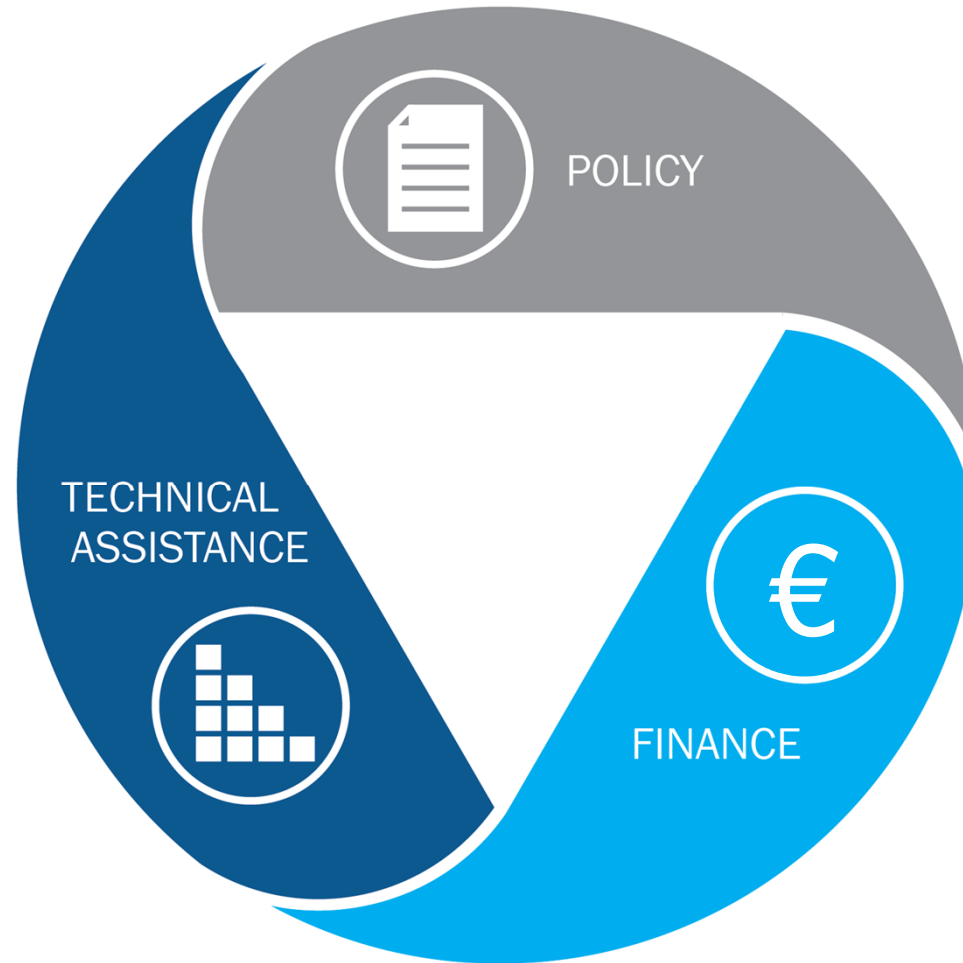
Vienna

19 March 2018





European Bank
for Reconstruction and Development


The REEP Business Model



The REEP & REEP Plus Structure

	Finance	Credit Line WeBSEFF	Credit Line GEFF-WB	Direct WeBSEDF	Direct Municipalities
	Incentives	€92m	€85m	€50m	€20m
		€11.2m	€17.5m	€5.75m	€2m

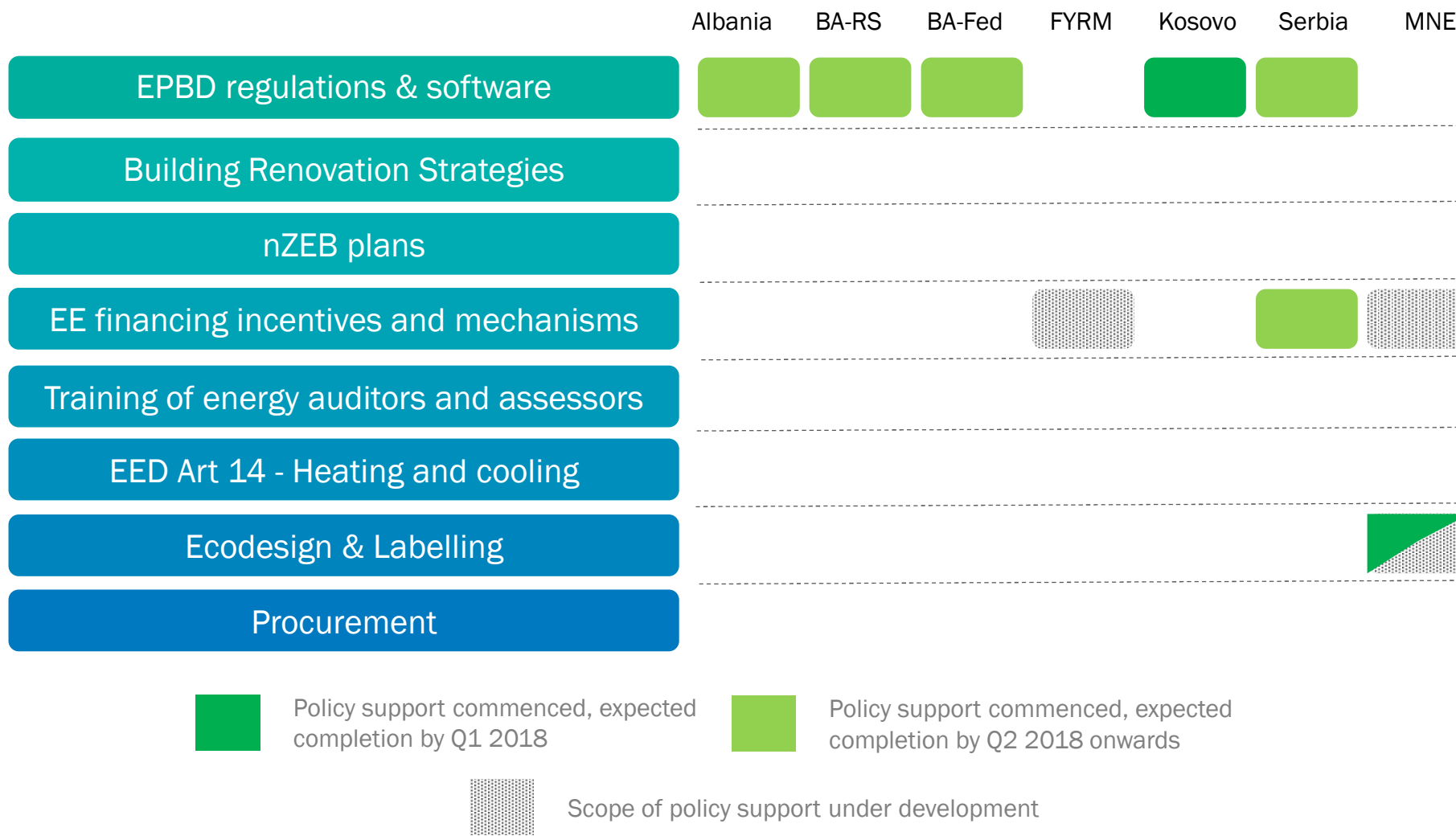
	Technical Assistance	REEP	REEP Plus
		€0.3m - WBIF	€3.3m - Austria
		€3.5m - EBRD SSF	€1.3m - EBRD SSF
			€1.8m - WBIF

	Policy Dialogue	REEP	REEP Plus
		€1m - WBIF	€2.5m - EU IPA

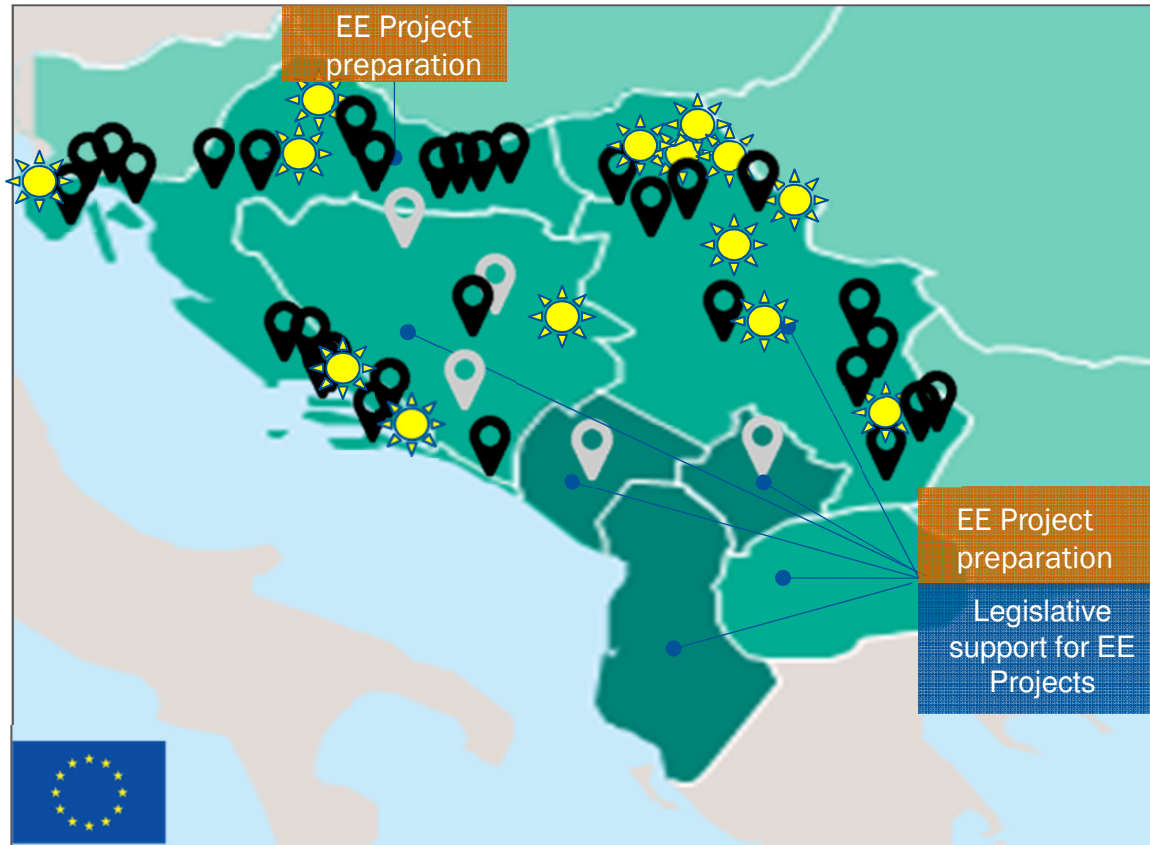
REEP policy adoption status and highlights in last period



We are well into the implementation phase of REEP Plus in most countries and preparing new assignments



REEP ESCO Project Preparation



Legal gap analysis and contract templates for energy performance (EnPC) and energy supply (ESC) prepared for all WB countries

REEP supporting preparation of projects for >EUR 70m investments

Outcome of ESCO project and policy support

Bosnia Herzegovina

- 1 hospital EE project
- 3 district heating ESCO projects
- 1 street lighting ESCO project

Serbia

- 19 street lighting ESCO projects approved
- 9 building and 1 district heating ESCO projects

Croatia

- 18 street lighting ESCO projects

Project preparation

Energy efficiency (EE) Project preparation



Tendered, contracted or implemented



Feasibility studies done



Tenders under preparation

ESCO policy work

Legislative support for EE Projects

Legal analysis and ESC, EnPC contract templates prepared for all Western Balkan countries.

REEP Finance: WEBSEFF II

ACHIEVEMENTS 2013 - Jan 2018

Countries	Bosnia & Herzegovina, Croatia, FYR Macedonia and Serbia.
Local Banks	9 banks (2 BiH, 3 Croatia, 2 Serbia, 2 FYR Macedonia)
Total Financing provided to PFIs	EUR 92m
Total signed sub-loan amount to date	EUR 78.5m – Banks in all four countries have achieved ~ 86% utilisation so far
Total no. of sub-projects to date	300
Current pipeline value	EUR 3.9m (7 Sub-projects)
Total CO ₂ savings	116,540 t/year
Total equivalent primary energy savings (MWh/y):	498,458 MWh/year
- (which includes Renewable energy capacity added)	54 MW

REEP Finance – GEF- Western Balkans

Engagement of local banks

8 credit lines signed

with banks in BiH, FYR Macedonia and Kosovo

11 banks have expressed their interest

in Albania, BiH, FYR Macedonia, Montenegro and Serbia (**7 have signed** Mandate Letters with EBRD)

Country	Signed (€m)	Pipeline (€m)	Total (€m)
Albania	0.0	11.0	11.0
Bosnia & Herzegovina	17.0	5.0	22.0
FYR Macedonia	4.0	4.5	8.5
Kosovo	8.5	0.0	8.5
Montenegro	0.0	5.0	5.0
Serbia	0.0	30	30
Total	29.5	55.5	85

REEP Finance – GEF- Western Balkans

Implementation update since last EECG meeting:

- *Regional hubs:* office in **Belgrade** opened in January 2018; 2nd regional hub office to be established in **Tirana** by end-March
- *Visibility events:*
 - *Launch events:* **Sarajevo** (November 7th, 2017); **Kosovo** (March 13th, 2018);
 - *Vendor workshop* held in **Pristina** in December 2017
 - *GEFF marketing campaigns:* 1st flight marketing campaign in BiH (November 2017);

Implementation planned in next quarter

- Launch events: **Skopje** (April 17th, 2018); **Belgrade** (end-May 2018)
- March/April 2018: launching marketing campaigns with banks in BiH (2nd flight), **Kosovo** (1st flight) and FYROM (1st flight)
- Case studies (<http://ebrdgeff.com/>): first success stories from BiH to be published on GEF BiH website in March 2018



Investment example

The Client

Sector	Residential
Location	East Sarajevo, BiH
Description	Family house – Lalović Family



Investments

Investment cost	€1,360
Investment measures	<ul style="list-style-type: none">• Installation of biomass boiler
Reasons for investment	To switch to a more energy efficient heating system (from wood and coal burning previously) and generate energy and cost savings

Results

Financial results	<ul style="list-style-type: none">• 30% cost savings expected per year• Payback: 2 years
Operational results	<ul style="list-style-type: none">• Energy savings on heating• Improved living comfort• Enhanced appearance of the house

REEP Finance Direct Lending: WeBSEDF II

Financial structure

Direct finance	€50m
Incentives	€5.75m
Technical cooperation	€1.3m



Progress

- **7 projects approved** to date for a total of €31.9m (SHPP, biomass and biogas)
- **1 project in the pipeline**, with indicative loan amount of €4.0 - €5.0m (biomass CHP) with expected CO₂ emissions saved: 7,000 tonnes/year

Results

- 25.9 MW installed, equivalent to the annual electricity needed by the street lighting systems of cities the size of Sarajevo, Tuzla and Mostar combined
- CO₂ emissions saved: 339,826 tonnes/year

Issues

- Continuing challenge with identifying suitable ESCO projects for financing
- The renewable energy part is almost fully invested: will allow ramp up of activities under REEP Plus

REEP Finance: Direct Lending to Municipalities

Background:

- **EUR 20 million** EBRD financing for up to 4 projects, with **EUR 2 million** grant co-financing available (ca. 10% grant)
- To be utilized for direct loans to states, cities or municipal companies to improve EE in public buildings (i.e. schools, hospitals, government buildings)

Progress to March 2018:

- **Marketing** has commenced in 2017
- **First pilot project approved by the EBRD Board January 2018:** the EBRD will support the EE retrofit of the Zenica regional hospital in Bosnia Herzegovina – the second biggest energy user in the Canton. Total estimated investment of EUR 13.6 million supported by a sovereign EBRD loan of EUR 10 million and EUR 1 million EU investment grant. Technical assistance under the REEP ESCO window has enabled the preparation of the project.

Upcoming Activities:

- Signing of first EBRD loan agreements is anticipated in April 2018.



Thank you



EBRD

- Nigel Jollands
- Toivo Miller
- James Falzon
- Ana Bachurova
- Beata Paroczai
- Marinela Kalemi
- Nikolay Angelov
- Gabriella Ricketts
- Veronika Spacapan
- Sara Lawson
- Caroline Clarkson



ECS

- Violeta Kogalniceanu
- Borko Raicevic

Economic Consulting Associates

- Nick Haralambopolous
- Alex Pramagioulis
- David Williams