



EU support for Energy projects in the Western Balkans

State of Play – ongoing programmes & investment projects

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Overview

- I. **Energy Support Package** for the Western Balkans 2022
- II. EU support through the **WBIF**
- III. EU support through **regional programmes**

I. Energy Support Package (1)

3 November 2022: WB Berlin Process Summit

Two main components:

- **Immediate term measures:** EUR 500 million budget support to:
 - Balance the increase of energy prices for businesses and energy sector.
 - Keep energy prices affordable for vulnerable households.
- **Short to medium term measures:** EUR 500 million through WBIF to:
 - Advance on energy diversification, renewable energy generation and gas and electricity interconnections.
 - Support the energy transition of the business sector and energy efficiency installations.



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I. Energy Support Package (3)

EUR 500 million through **WBIF** to support the region with **short to medium term measures** to advance the energy transition and energy security:

- Replenishment of the energy efficiency support scheme **REEP** for the WB: additional **EUR 100 million** to finance energy efficiency measures in the public and private sectors.
- **EUR 170 million** public and private sector **blending investments in the energy sector** (e.g. electricity and gas interconnectors; renewable energy generation; electricity transmission systems)
- **EUR 230 million in guarantees** to support investments in energy transition and security

The above is expected to leverage investments of around EUR 2.5 billion.

II. EU support through the WBIF

Regional Energy
Efficiency Programme



Investment Grants &
TA for Public Sector

Private sector blending & EFSD+

II. EU support through the WBIF Public sector blending

Since its inception in 2009, the WBIF supported **project preparation / implementation with TA** for public sector blending with EUR 61 million of grant support

Total **investment grant** support provided for energy sector reached EUR 256 million

Total EU support provided to the **REEP** amounts to EUR 182 million

*These amounts include the most recent / IPA III supported grants as well
(December 2022)

II. EU support through the WBIF Public sector blending

Six renewable energy investments

- Two solar **photovoltaic plants** in Kosovo.
- Two **wind parks farms** in North Macedonia and Serbia.
- Rehabilitation of two **hydropower plants** in North Macedonia and Serbia.

This comes on top of six energy projects approved by the WBIF board in 2021 and 2020 in Serbia, Albania and North Macedonia.



II. EU support through the WBIF Public sector blending

*Energy sector EIP**

#	Projects	Lead IFI	WBIF grant (m EUR)	Total cost (m EUR)	Beneficiary	Approval
1	Rehabilitation of Fierza Hydropower Plant	KfW	9	49	Albania	Dec 2020
2	Solar4Kosovo – Photovoltaic Plant	KfW	33	105	Kosovo*	Jan 2023
3	Solar4Kosovo II – Solar District Heating	KfW	22	82	Kosovo*	Jan 2023
4	Oslomej 2 and Bitola Solar Photovoltaic Power Plants	EBRD	5	31	North Macedonia	Apr 2022
5	Bogdanci Wind Park Phase 2	KfW	9	30	North Macedonia	Jan 2023
6	Rehabilitation of Six Hydropower Plants Phase 3	KfW	11	36	North Macedonia	Jan 2023
7	Trans-Balkan Corridor: Serbia – Montenegro – Bosnia and Herzegovina 400 kV Interconnection	KfW	9	41	Serbia	Apr 2022
8	Advanced System for Remote Meter Reading Phase 1A	EBRD	8	40	Serbia	Apr 2022
9	Reconstruction of Vlasina Hydropower Plant	EBRD	16	78	Serbia	Jan 2023
10	Kostolac Wind Farm	KfW	31	145	Serbia	Jan 2023

**in addition two projects supported by bilateral donors of the WBIF; Vau i Dejës Floating Solar Photovoltaic Power Plant (€2.7m grant), Oslomej 1 Solar Photovoltaic Power Plant (€1.6m)*

II. EU support through the WBIF Public sector blending

Energy sector - Connectivity Agenda

#	Projects	Lead IFI	WBIF grant (m EUR)	Total cost (m EUR)	Beneficiary	Approval
1	Albania – North Macedonia Power Interconnection: Grid Section in Albania	KfW	14	70	Albania	Dec 2015
2	Trans-Balkan Electricity Corridor: Grid Section in Montenegro	KfW	26	129	Montenegro	Dec 2015
3	Albania – North Macedonia Power Interconnection: Grid Section in North Macedonia	EBRD	12	52	North Macedonia	Dec 2015
4	Project of Mutual Interest: North Macedonia – Greece Gas Interconnector	EIB	13	55	North Macedonia	Dec 2019
5	Trans-Balkan Electricity Corridor: Kragujevac – Kraljevo Grid Section in Serbia	KfW	7	30	Serbia	Dec 2015
6	Trans-Balkan Electricity Corridor: Obrenovac – Bajina Bašta Grid Section in Serbia	KfW	13	90	Serbia	Dec 2019
	Total		85	426		

II. EU support through the WBIF Public sector blending

Most recent energy sector TA grants

#	Projects	Lead IFI	WBIF grant (m EUR)	Total cost (m EUR)	Beneficiary	Approval
	Kolubara A Photovoltaic Power Plant	EBRD	0.9	80	Serbia	Jan 2023
	Morava Photovoltaic Power Plant	EBRD	0.9	50	Serbia	Jan 2023
	Solar Thermal and Heat Pump Generated Renewable Energy Integration into Novi Sad District Heating System	EBRD	0.7	91	Serbia	Jan 2023

II. EU support through the WBIF Regional Energy Efficiency Programme

REEP blends policy support with loans, technical assistance and incentives to **support energy efficiency and renewable energy investments** in the public and private sectors in the Western Balkans

- Support public authorities to prepare and implement energy efficiency projects
- Credit lines through partner financial institutions
- Lending to state entities and municipalities for public buildings
- Policy Dialogue Support

Regional Energy Efficiency Programme (REEP)

2022 replenishment:

€**100**m¹
additional EU grant funding

€**541**m
expected leverage

Up to end 2021:
€**78.8**m
EU grant contribution

€**630**m
total investment mobilised

¹ This is a round up figure.

PARTNERS:



II. EU support through the WBIF EFSD+ and Private sector blending

6

guarantees

Up to

€22.2m

EU technical assistance grant

Up to

€419m¹

guarantee coverage

3

flagships endorsed

€50m¹

WBIF EU grants

€395m

estimated investment

Title of the PIP	Lead IFI	Guarantee coverage for WB (up to)	TA allocation for WB (up to)
HI-BAR	EBRD	50m €	2.5m €
Municipal, Infrastructure & Industrial Resilience Programme (Resilience)	EBRD	50m €	2.5m €
Connectivity	EIB	34m €	1.7m €
Risk-sharing instrument for EE, RE and Digital	EIB	45m €	3.5m €
Better Futures Program (BFP)	IFC	40m €	2m €
Supporting Market-Oriented Green Transformation in the ENI and WB6	KfW	200m €	10m €

Title of the PIP	Lead IFI	Investment Grant amount
SME Go Green Program: Access to finance – green sustainable agri-business	EBRD	25m €
WB Climate Program: Access to finance – green climate, green bonds, local currency	IFC	17m €
Green Finance for Inclusion: Access to finance – green sustainable agriculture	CDP	10m €

II. EU support through the WBIF

Timeline for Ongoing Calls

Public Sector Blending

- Launch: 8 November 2022
- Pre-notification deadline: 31 January 2023
- Submission deadline: 24 February 2023
- Endorsement deadline: 10 March 2023
- Screening (until): 14 April 2023
- 1st Paris Group Meeting: 20 April 2023
- Assessment (until): 19 May 2023
- 2nd Paris Group Meeting: 23 May 2023
- 35th PFG: 24-25 May 2023
- **Endorsement of projects: OBB 29-30 June 2023**

Private Sector Blending

- Launch: 5 December 2022
- Submission deadline: 24 February 2023
- Screening (until): 14 April 2023
- 1st Paris Group Meeting: 20 April 2023
- Bilateral Consultation (until): 19 May 2023
- 2nd Paris Group Meeting: 23 May 2023 (if needed)
- 35th PFG: 24-25 May 2023
- **Endorsement of projects: OBB 29-30 June 2023**

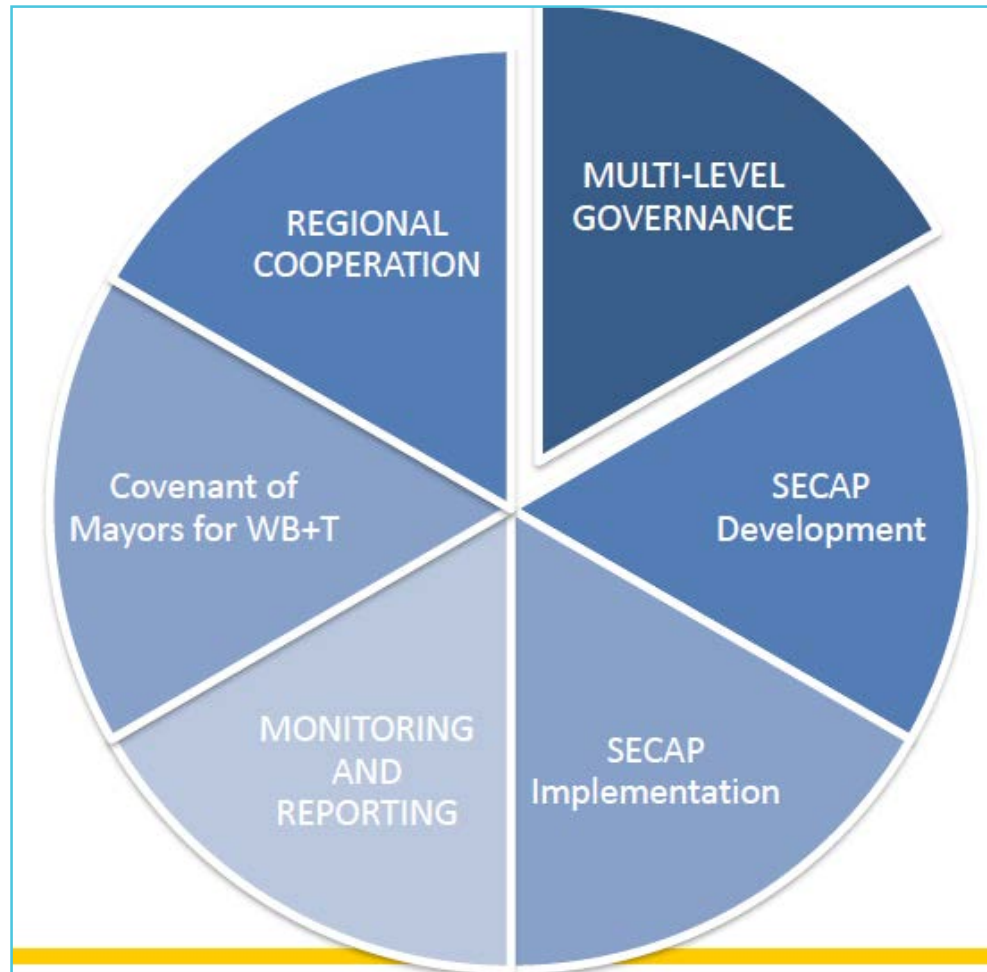
III. EU support through regional programmes

Covenant of Mayors for Climate and Energy in the Western Balkans and Türkiye

Climate Neutral and Smart Cities Mission (Horizon Europe): Podgorica (MNE), Sarajevo (BiH), Elbasan (ALB)

Coal Regions in Transition in the Western Balkans and Ukraine

EU4Energy Transition: Covenant of Mayors (CoM) in the Western Balkans and Türkiye



Volume; EUR 9.3 million (co-funded by Germany)

Duration; 1 March 2021 to 28 February 2025

Implementing Partners: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Central Project Management Agency (CPMA)

EU4Energy Transition: Covenant of Mayors (CoM) in the Western Balkans and Türkiye

- Support to development and implementation of Sustainable Energy and Climate Action Plans
- Small-scale energy efficiency and renewable energy projects
- Examples:
 - (1) Roof insulation on a cultural centre in Berane, MNE
 - (2) PV to supply water pumps for agriculture in Roskovec, ALB
 - (3) PV for a wastewater treatment plant in Vevcani, NME



Thank you



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