



# **WB6 Sustainability Charter Monitoring Report**

**Energy Community Secretariat  
March 2018**



## Introduction

Under the Energy Community Treaty, the Western Balkans (Albania, Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Montenegro, Kosovo\* and Serbia) are applying the Energy Efficiency Directives (2012/27/EU, 2010/30/EU, 2010/31/EU) as well as the Renewable Energy Directive (2009/28/EC) with a similar level of ambition and the same binding effect as Member States of the EU. The Western Balkans are also working on the best way for improving their systems for monitoring, reporting and planning their energy and climate policies, aligning them with the Emissions Monitoring Regulation (Regulation (EU) No 525/2013) as well as to start integrating national energy and climate planning. At the Western Balkans Summit held in Paris on 4 July 2016, the endorsement of the Sustainability Charter reiterated Contracting Parties commitment to tap into their high potential for energy efficiency and renewable energy generation by a set of measures to increase the sustainability of national and regional energy markets as well as generation and consumption patterns. At the Trieste Summit on July 12, 2017 Western Balkans leaders acknowledged the need to increase their efforts in order that measures are completed and make a real difference on the ground to attract investments and reap their full benefit, taking into account that a sustainable energy policy and the fight against climate change are intrinsically interlinked.

The Energy Community Secretariat was tasked to support the WB6 in coordinating the process and monitoring the implementation of their commitments. For this purpose, the Secretariat publishes regular progress reports outlining achievements and challenges ahead for the main priority areas:

1. Improving the governance for energy efficiency;
2. Implementing smart support measures that improve the sustainability of energy systems;
3. Fostering climate action;
4. Fostering transparency of sustainable energy markets.

The present report takes stock of progress in the areas covered by the Charter and highlights the achievements made since the Trieste Summit. The analysis and indications included in the report give a sense of the scale of the reform needed. At the same time, catching-up is required in other areas and the measures contained within the Sustainability Charter should be revised to reflect the upcoming priorities, most notably, the preparatory steps needed to integrate energy and climate plans and the establishment of overall 2030 targets for renewables, energy efficiency and greenhouse gas emissions reduction.

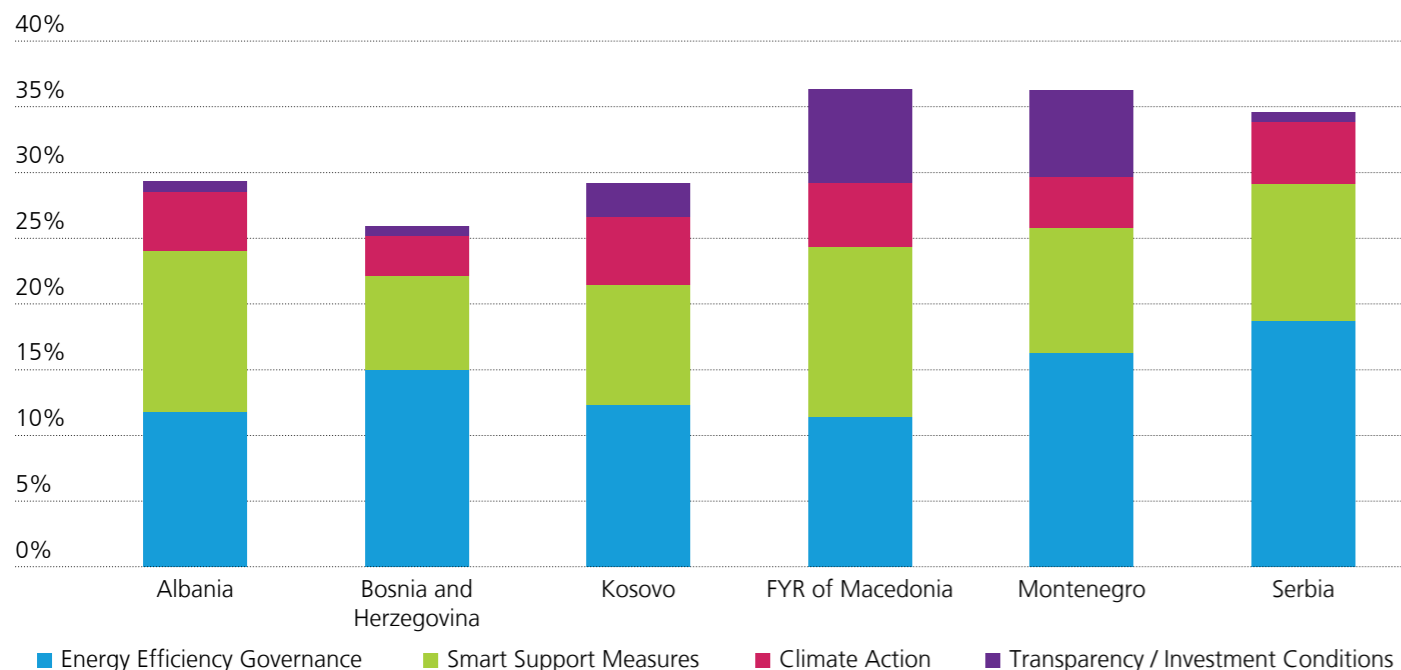
\* This designation is without prejudice to positions on status, and it is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.



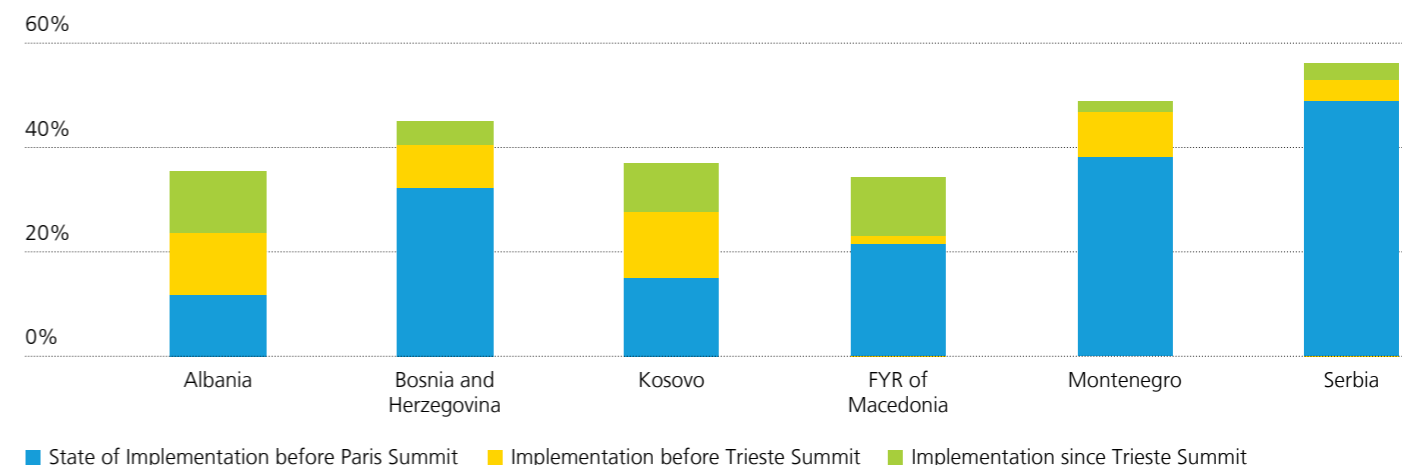
## Executive Summary

This monitoring report finds that progress in a number of measures have been achieved by Western Balkan 6 governments, although more political support is needed to make full use of existing programmes, accelerate the clean energy transition and delivering on the region's climate commitments. The 3rd Energy Efficiency Action Plans have now been adopted by all WB6 and progress were achieved also in transposing the EPBD. On support schemes for renewables, there is an ongoing discussion in many Contracting Parties on how to shift from feed-in tariff to a more competitive, market-based bidding process along with an increasing consideration for the future role of independent power producers and community energy. A process of closer collaboration on climate issues between the Western Balkans and the Energy Community has started through the Energy and Climate Committee (former Climate Action Group), paving the way for the development of National Energy and Climate Plans and coordination on a number of key items of the Paris Agreement work programme.

## Overall Implementation



## I. Improve The Governance for Energy Efficiency



### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO ("energy service companies") contracts, thus developing energy services markets (June 2017)

The participation of private capital through ESCOs provides a vehicle for realizing energy efficiency investments without increasing public debt. The Regional Energy Efficiency Programme in the Western Balkans - Phase II (REEP Plus) extended support to all WB6 to conduct an analysis of their legal framework and prepare contract templates for energy performance contracting and energy supply contracting. Over 27 ESCO projects have been supported with project preparation assistance - covering street lighting, buildings and district heating. Serbia is the most advanced, having adopted secondary legislation and started with implementation. Nevertheless, the market for energy services in all WB6 is in the early stages and needs strong support, both politically and technically. Technical support is available to facilitate the removal of the significant barriers still in place; political will needs reinforcement.

it is supported either by regional programmes (e.g. REEP Plus) or bilateral donors (e.g. KfW in Montenegro). Progress was achieved by Albania, Bosnia and Herzegovina and Kosovo with drafting or updating of secondary legislation. Nevertheless, the EPBD's implementation through secondary legislation is still lagging behind in the large majority of WB6. The Energy Community Energy Efficiency Coordination Group (EECG) coordinates the implementation of the key EPBD requirements.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

The potential for saving energy in the WB6 building sector is as high as 40%, provided that buildings are renovated to meet the minimum energy performance requirements set in the EPBD. WB6 need to design and implement large investment programmes in building rehabilitation envisaging a more "commercial" type of financing, either through ESCOs and/or through national energy efficiency revolving funds. EBRD's Green Economy Finance Facility (GEFF) Programme has been extended to WB6 and in November 2017 started operations in Bosnia and Herzegovina. The Facility provides support to energy efficiency investments in the residential housing sector, including advisory services, to help participating financial institutions and their clients enhance their market practices. Other ongoing programmes in the WB6 target mainly public buildings and are developed in cooperation with International Financial Institutions through lending to governments. No WB6 has submitted a Building Renovation Strategy by the deadline of 31 March 2017, as required under Directive 2012/27/EU. The 3rd Energy Efficiency Action Plans (EEAPs)

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

Directive 2010/31/EU on Energy Performance of Buildings (EPBD) focuses on the utilization of energy efficiency potential in the building sector. The WB6 committed to apply a methodology for calculating the energy performance of buildings and ensure that minimum requirements are set with a view to achieving cost-optimal levels, when constructing new buildings or performing major renovations. This, together with a correctly established system of energy performance certification, serves as a vital information tool and instrument for the transition towards a more energy efficient real estate sector. The work on EPBD implementation is still ongoing in all WB6;



ware adopted by all WB6 parties and include energy efficiency measures and plans in the buildings sector.

**Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal (November 2018)**

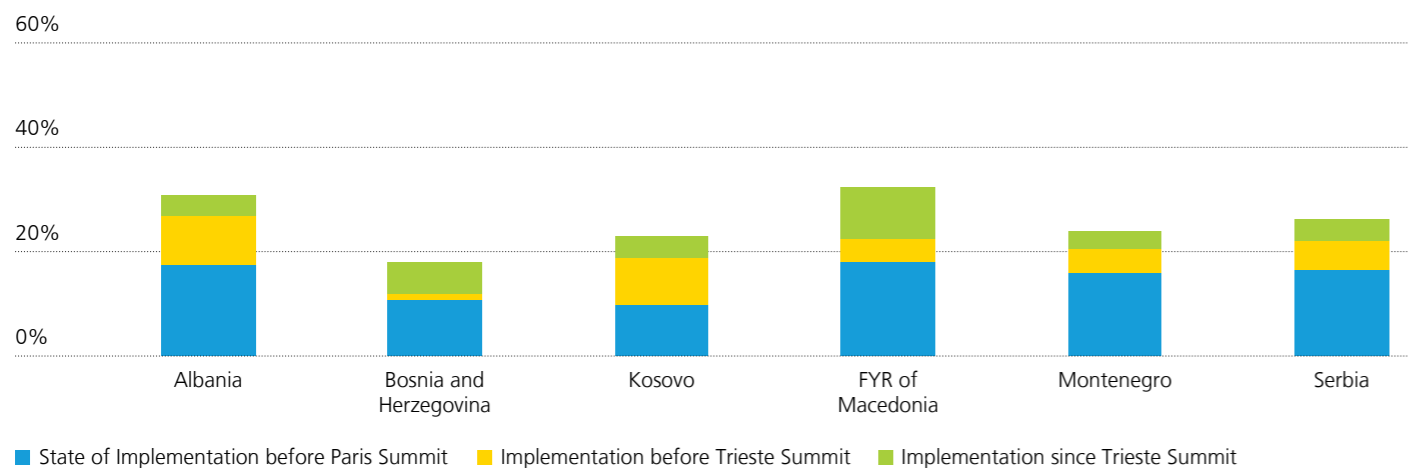
District or central heating and cooling can integrate renewable electricity, biomass, geothermal and solar thermal energy, waste heat and municipal waste, and thus contribute to air quality and climate objectives. District heating systems are present in about 100 cities and towns in the WB6, with an installed capacity of more than 10 000 MWth. The introduction of efficient biomass-based heating could reduce the heating costs by at least 50% across the WB6. In this respect, the EU financed a study and roadmap for efficient biomass-based heating in the Western Balkans (prepared by the World Bank in collaboration with Energy Community Secretariat), published in October 2017. The study provides options and guidance for policy-making and financing in the short term (2020), and medium to long term (until 2030). Some countries are implementing local projects for improving DH systems, but they still need to adopt the methodology and conduct a comprehensive assessment of the potential for the application of efficient DH and cooling systems, according to Directive 2012/27/EU. The 3<sup>rd</sup> EEAPs were adopted in all WB6 (last one was adopted in Albania in December 2017) and include the needed policy measures. The WB6 should also adopt specific legislation and policy measures (e.g. fiscal incentives) to stim-

ulate the uptake of these new technologies.

**Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (June 2018)**

An analysis or process of establishment of national energy efficiency funds and other innovative financing mechanisms for energy efficiency improvement measures is ongoing in all WB6 countries. At the same time, options to better utilize existing financing possibilities are being assessed. Two main regional facilities - REEP Plus and the Green for Growth Fund (GGF) provide a combination of technical assistance and investment support. In addition, REEP Plus extended its policy and investment support to the residential sector with the Green Economy Finance Facility (GEFF) Programme now being extended to all WB6 parties. The Programme is already operational in Bosnia and Herzegovina and is to be launched during 2018 in other countries. Establishment of national energy efficiency revolving funds is recognized as complementary to regional programmes and is advancing in all WB6, especially in Albania, Bosnia and Herzegovina, Kosovo and former Yugoslav Republic of Macedonia. Nevertheless, more country ownership and political support is needed to make full use of the existing regional facilities and develop national instruments for market segments like the public sector, residential buildings, transport, etc.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**



**Designing and implementing market based support schemes for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules (June 2017)**

To ensure cost-effectiveness of renewable energy deployment, the State Aid Guidelines for Environmental Protection and Energy 2014-2020, applicable also in the Energy Community, call for more exposure of renewable energy producers to market signals. Access to support schemes has to be

granted by a competitive auction process where the demand reveals the real cost of individual projects. Three WB6 have made progress in this reporting period. Albania opened a call for tender on "Support to the Government for Development of Solar Powered Capacities". Bosnia and Herzegovina established a working group to support the design of market-based support. Former Yugoslav Republic of Macedonia, via the draft Energy Law, is preparing the introduction of premiums as a measure of support, which will be applicable to most technologies and awarded on the basis of a tender procedure through auction.

**Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)**

Until now, energy law and policy across Europe has been built to support a centralized energy system where citizens were regarded as passive consumers. To move away from this model and focus on individuals and communities as the driving force behind the low carbon transition, citizens should be able to exercise their rights in the political, economic and social dimension of energy policy. Recent interventions in Albania have opened the way for the network to receive energy input produced by business and households based on a net energy measurement scheme of up to 500kW. At the same time, the new draft Energy Law of former Yugoslav Republic of Macedonia is expected to introduce the possibility for micro and small enterprises and households to build rooftop photovoltaic installations for electricity generation and transfer excess electricity produced to the energy system. The Policy Guidelines on the Grid Integration of Prosumers recently issued by the Energy Community are meant to support self-consumption schemes in becoming fully operative in all Contracting Parties.

**Developing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)**

Citizens need to be at the centre of the energy system; they have to be informed, engaged and activated. To this end, as stated in Article 14 of Directive 2009/28/EC, information and guidance and training programmes are crucial to make the legal frameworks on renewables easier to comprehend, to build local capacity as well as to promote the uptake of renewable energy technologies. The Western Balkans should ensure that information, guidance and support measures for renewable energy deployment is made available to all relevant actors, including individual citizens. Progress in this direction is expected in a number of Contracting Parties. Once former Yugoslav Republic of Macedonia adopts the new draft Energy Law, the Ministry of Economy will be tasked to prepare and publish information and guidelines for the use, support mechanisms and promotion of

renewable energy sources. The introduction of a public registry for administrative procedures and business conditions is foreseen by the newly adopted decree on the implementation of the energy strategy of Serbia. Moreover, the Sustainability Forum established by the Energy Community will continue to increase awareness of concrete community action on renewables and on the role of consumers.

**Including energy efficiency and use of renewable resources in the curriculum in education and offering professional training (June 2019)**

An urgent demand exists for more post-graduate trained staff, specialized in renewable energy technologies and energy efficiency. The establishment of dedicated university and professional programmes in these sectors will provide students with appropriate expertise and higher employability, filling the gap between the high demand for specialists on energy efficiency and renewables and the skills currently available on the job market. Energy efficiency and renewable energy is highly important for the future economic development of the Western Balkan region. Most of the Western Balkans are progressing well under this measure, offering a number of first or second-degree study programmes on the topics of sustainable energy, energy efficiency and renewables. A pioneer educational platform named the 'Network of Knowledge Labs for Sustainable and Resilient Environments' has been launched in Belgrade, in collaboration with EU Erasmus Mundus and several WB6 universities. It supports higher education programmes to addresses sustainability and resilience to climate change. The Energy Community Secretariat, in partnership with leading universities (also) in the Western Balkans, organizes every year the Energy Community Summer School, promoting the development of participants' competences in all topics related to energy through a dedicated multi-disciplinary programme. Former Yugoslav Republic of Macedonia hosted the 2017 edition, while in 2018 will take place in Split, Croatia.

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

Using waste as an energy source maximizes the energy output and contributes to achieving environmental and climate change objectives, while also improving the security of energy supply. The WB6 face the common challenge to manage their waste with an appropriate strategy, segregation and recycling system, through which a significant quantity can be diverted from landfills for material recovery and for conversion into a resource for electricity and heat generation, as in waste-to-energy. Beyond electricity and heat production, there are a number of advantages to considering waste-to-energy in the Western Balkan, e.g. the significant reduction of waste volumes and landfill space, especially important for urban areas.



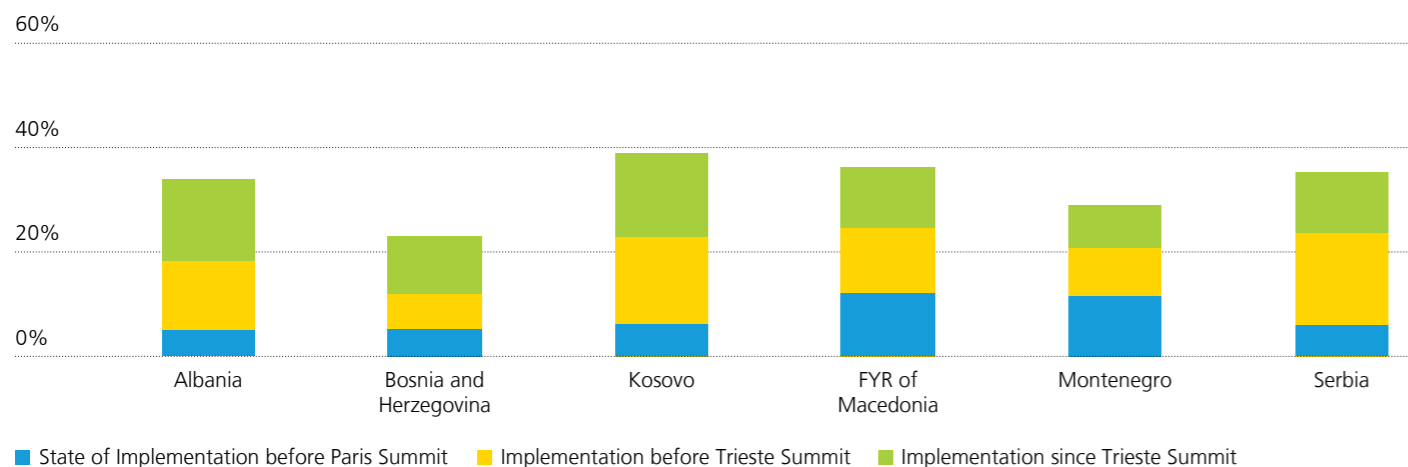
Albania's waste treatment infrastructure has taken a huge step forward with the country's first waste-to-energy 2.85 MW power plant of Elbasan becoming fully operational in June 2017. The European Investment Bank's (EIB) support to the waste-to-energy PPP project in the Serbian city of Vinca is under discussion.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

The WB6 shall ensure that certification, accreditation or equivalent qualification schemes are available for providers

of energy services, energy auditors, energy managers and installers of energy-related building elements or small-scale renewable installations. Despite some ongoing activities in the region (especially related to developing national skills for energy audit and certification of buildings), the WB6 are still lacking qualified experts. It is recommended to take a coordinated approach to the requirements established in different directives (energy efficiency and renewable energy). The Energy Community Secretariat – through the Energy Efficiency and Renewable Energy Coordination Groups – is facilitating regional cooperation and harmonisation of legislation in this respect, also by participating to the creation of an online database of certification and qualifications schemes for small-scale renewables technologies operating across Europe.

**III. Foster Climate Action**



**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013**

Regulation (EU) No 525/2013 includes a number of important provisions for monitoring and reporting greenhouse gas emissions, including, but not limited to: establishing GHG emission inventories, developing low-carbon development strategies, improving national systems for reporting on policies and measures and for reporting on projections of anthropogenic greenhouse gas emissions. Following the Energy Community Ministerial Council (Pristina, 14 December 2017), the Contracting Parties formally adopted the Recommendation on preparing for the development of integrated National Energy and Climate Plans (NECPs) proposed by the European Commission, which aims to streamline multiple monitoring and reporting obligations on climate and energy, reduce the administrative burden and enhance transparency in all energy actors. With regards to national legislation in the area of climate, the Albanian draft law on climate change will be adopted by December 2018, Serbia's advanced draft had

been submitted to public consultation in February 2018, while Montenegro's draft climate law is in an initial stage.

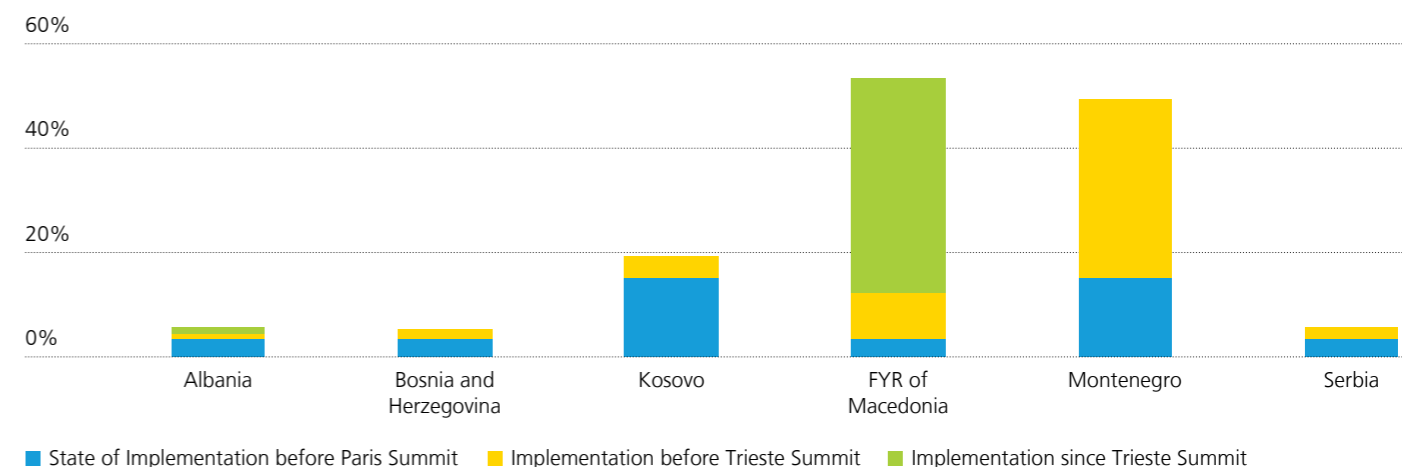
**Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations**

National reporting on implementation under the UNFCCC has been instrumental in tracking progress towards the convention's objectives. Reporting obligations of the WB6 (non-Annex I) include the submission of National Communications on climate change (NCs), Biennial Update Reports (BURs), National Adaptation Programmes of Actions (NAPAs), etc. With few exceptions, countries are generally fulfilling their reporting obligations to the UNFCCC. Albania, Bosnia and Herzegovina, Serbia and, most recently, former Yugoslav Republic of Macedonia and Montenegro, have ratified the Paris Agreement. A process of closer collaboration on climate issues between the Contracting Parties and the Energy Community has started through the Energy and Climate Committee (for-

mer Climate Action Group). The Committee has agreed to focus on the MMR, the preparatory steps for the development of the NECPs and to exchange information and coordinate

on a number of key items of the Paris Agreement work programme and COPs preparations.

**IV. Transparency of Energy Markets**



**Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets**

In most of the WB6, no progress was recorded during the reporting period. The only notable exception is the former Yugoslav Republic of Macedonia, which has designated a focal point for cooperation with the Secretariat. A working group led by the Cabinet of the Deputy Prime Minister in charge of economic departments has already started working on the roadmaps for implementing measures meant to increase investor confidence. The private sector in Albania seems increasingly confident in the Energy Community's Dispute Resolution and Negotiation Centre as a fora for solving energy disputes. At the opposite end, authorities from Serbia, Kosovo and Bosnia and Herzegovina have so far refused to

cooperate with the Secretariat in the area of transparency of sustainable energy markets.

**Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner**

A concerted approach is missing in this respect in most of the WB6. Investors have to navigate through bureaucratic and cumbersome systems with no or little support. All the WB6 should immediately establish single administrative contact points for investors.



## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO (“energy service companies”) contracts, thus developing energy services markets (June 2017)

The 2<sup>nd</sup> National Energy Efficiency Action Plan was adopted in December 2017, albeit with considerable delay. The plan includes measures to support the development of model contracts and the market for energy services. The 2015 Energy Efficiency Law introduced the ESCO concept and energy performance contracting. However, the adoption of the by-law to introduce ESCO market procedures and model contracts, and establishment of the energy efficiency fund to support ESCO projects in the public sector are still pending. The model contracts and legal gap analysis have been drafted in March 2018 with international technical assistance. PPP legislation should be improved to introduce energy efficiency criteria and facilitate ESCO service contracting in the public sector. Multi-annual budgeting should be allowed by the Ministry of Finance.

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

Following the entry into force of the Law on Energy Performance of Buildings in November 2016, there was little progress with respect to the adoption of secondary legislation to enable the Directive’s implementation. In 2017, energy efficiency in buildings, previously falling under the responsibility of several institutions, was brought under the competence of the newly established Ministry of Infrastructure and Energy. In November 2017, the Ministry established a technical working group to prepare a methodology for calculating the energy performance of buildings, minimum energy performance requirements and certification procedures. The working group is supported by the Secretariat.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy

### sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

The focus of the 2<sup>nd</sup> National Energy Efficiency Action Plan is the buildings sector and measures for public and residential buildings rehabilitation. It also envisages a 2% annual renovation rate of central government buildings. However, only a limited number of renovation projects has been implemented to date. Local banks started providing credit lines for energy efficiency measures in the residential sector. The recently established Energy Efficiency Agency and planned Energy Efficiency Fund should contribute to the implementation of this measure.

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal (November 2018)

Albania has no district heating or cooling systems. There was no progress with respect to the transposition and implementation of the relevant provisions of Directive 2012/27/EU on Energy Efficiency, i.e. adoption of a methodology and carrying out of a comprehensive national assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling. Albania should amend the 2015 Energy Efficiency Law to include these requirements.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (June 2018)

The regulation on the national energy efficiency fund to support the implementation of the Energy Efficiency Action Plan, as required by the 2015 Energy Efficiency Law, was drafted, but its adoption is pending. Besides the Fund, Albania should establish additional financing mechanisms to support energy efficiency investments (including energy efficiency criteria in public procurement and private sector investments/ESCOs) and better utilise available financing provided by regional assistance programmes.

## I. Improve the Governance for Energy Efficiency

Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO contracts, and with this, developing energy services markets	
Fully implementing the Energy Performance in Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes	
Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources	
Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal	
Analysing the establishment of appropriate financing mechanisms, including, if feasible, a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially in the public sector	
<b>Total</b>	

## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules

Based on a Memorandum of Understanding (MoU), the European Bank for Reconstruction and Development (EBRD) and the former Albanian Ministry of Energy and Industry (now Ministry of Infrastructure and Energy) are currently cooperating on setting up a regulatory framework for solar power and the subsequent development of solar power projects. In January 2018, EBRD opened a call for tender on “Support to the Government for Development of Solar Powered Capacities” to assist the Ministry in the implementation of a competitive bidding process for up to 100 MW of solar PV capacity in Albania.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects

Recent interventions of the Ministry of Infrastructure and Energy and the Energy Regulatory Authority have opened the way for the network to receive energy input produced by businesses and households of up to 500kW based on a net energy measuring scheme. Nonetheless, the scheme is not yet functional and the bidirectional meter necessary for the scheme’s implementation should be installed at the consumers’ expense.

**Developing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources** Information sharing and application procedures continue to fall under the responsibility of the Ministry. The National Centre for Energy Applications designated for this purpose is still not functioning.

**Including energy efficiency and use of renewable resources in education and offering professional training** Albanian universities offer a great number of programmes



on energy efficiency and renewables, among them the first joint master's programme on renewable energy offered by the Faculty of Agriculture and Environment at the Agricultural University of Tirana and the Faculty of Mechanical Engineering at the Polytechnic University.

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors**

Albania's waste treatment infrastructure has taken a huge step forward with the country's first waste-to-energy 2.85 MW power plant located in Elbasan becoming fully operational in June 2017. The project, supported by the country's government, is diverting part of Elbasan's waste from land-fill to energy recovery. Discussions on the construction of a waste-to-energy plant in the city of Fier are still ongoing. In addition, the Albanian government has selected a Netherlands-based company to build a waste-to-energy plant in Tirana, which is currently in the testing phase.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

Albania made progress in drafting a regulation that aims to define the categories, conditions and qualification requirements for energy auditors and energy managers and putting in place the necessary training programmes, as required by the 2015 Energy Efficiency Law. Requirements for the training of experts for energy performance certification of buildings are set by the 2016 Law on the Energy Performance of Buildings. Also, the Law on the Promotion of the Use of Energy from Renewable Sources refers to certification schemes and criteria for installers of small-scale biomass furnaces and stoves, solar PV and solar thermal systems, shallow geothermal systems and heat pumps. However, implementation of these schemes still requires finalisation and adoption of a package of secondary legislation.

**III. Foster Climate Action**

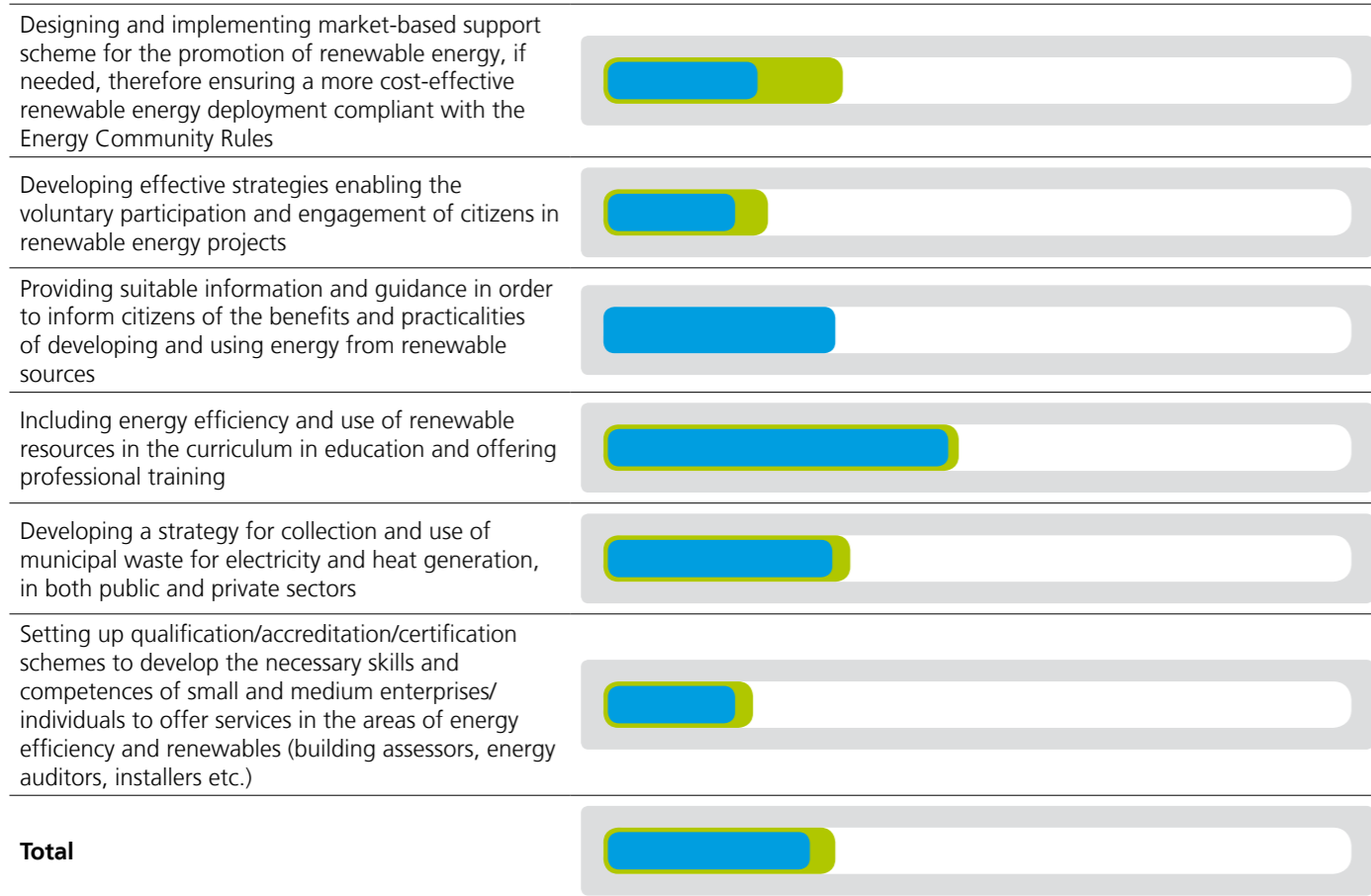
**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013**

The Law on Climate Change and the Decision on Greenhouse Gas Monitoring Mechanism Regulation (MMR) have not been officially adopted yet. Both drafts were subject to a public consultation in March 2017 and their adoption is now foreseen by December 2018. Following the 15th Ministerial Council of the Energy Community and the adoption of the Recommendation on preparing for the development of integrated National Energy and Climate Plans (NECPs), Albania should start building the analytical, institutional and regulatory preconditions for the development of the plans in 2018. Albania has expressed its willingness to start integrating its energy and climate planning, building on its National Energy Strategy, which already includes a reference to this.

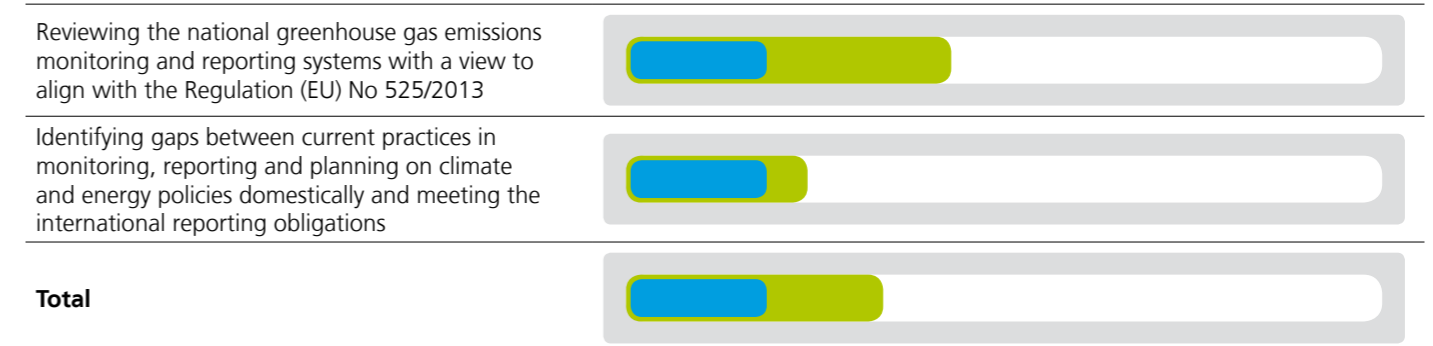
**Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations**

Albania is a Non-Annex-I party to the UNFCCC and ratified the Paris Agreement in July 2016. The country is reporting relatively regularly to the UNFCCC. Its NDCs are currently under revision to include data on land use, land-use change and forestry (LULUCF). A National Climate Change Strategy and its two annexes (Mitigation and Adaptation Plans) went for public consultation in April 2017 and will be adopted in the third quarter of 2018.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**



**III. Foster Climate Action**





#### IV. Foster Transparency of Sustainable Energy Markets

##### Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets

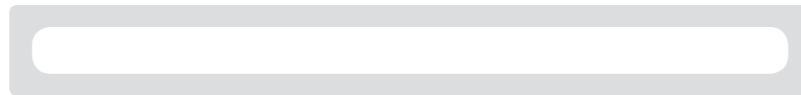
A focal point for cooperation with the Secretariat has not yet been nominated, even though the relevant deadline has passed a year ago (March 2017). To date, no progress has been achieved in the area of investment promotion when it comes to the adoption of a national roadmap with measures aimed at increasing investor confidence in the energy sector of Albania. The Albanian private sector shows, however, confidence in the Secretariat's Dispute Resolution Centre, as companies active in the energy sector turn to the Centre to mediate their disputes.

##### Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner

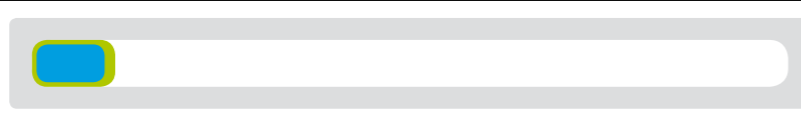
There are several public authorities in Albania tasked to deal with foreign investment (the National Agency of Natural Resources, the Albanian Investment Development, the Investment Council). A concerted approach is still missing. One of the priorities for the next period should be the establishment of a single administrative contact point for investors.

#### IV. Foster Transparency of Sustainable Energy Markets

Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets



Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner



**Total**







## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO (“energy service companies”) contracts, thus developing energy services markets (June 2017)

The energy efficiency laws of both entities recognize ESCOs and energy performance contracting. Republika Srpska has adopted an ESCO-enabling regulation, while Federation of Bosnia and Herzegovina is drafting it. However, the country does not have all the required pre-conditions for the creation of an ESCO market in place. The Energy Efficiency Action Plan of Bosnia and Herzegovina (adopted in December 2017) included measures for further removal of regulatory and legal barriers, including measures to amend public-private partnership legislation, introduce multi-year budgeting and improve state level public procurement procedures to enable the use of energy efficiency criteria suitable for ESCO projects.

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

Directive 2010/31/EU was transposed in Federation of Bosnia and Herzegovina by the 2017 Energy Efficiency Law, the 2013 Law on Physical Planning and Land Utilization and several by-laws. In Republika Srpska, the key requirements of Directive 2010/31/EU were transposed by the 2013 Law on Physical Planning and Construction, including the setting of minimum energy performance requirements of new and existing buildings, certification of buildings and energy audits of buildings. Both entities are now working on an update of the relevant secondary legislation. There are no activities related to the transposition and implementation of Directive 2010/31/EU in the Brcko District.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

A comprehensive programme for energy efficiency improvements in the residential sector was launched in November 2017 by the EBRD Green Economy Financing Facility. Bosnia and Herzegovina is also implementing several projects for rehabilitation of public buildings, supported by the establish-

ment of an energy management system in the public sector. Work on establishing energy efficiency obligation schemes in Bosnia and Herzegovina with a focus on energy efficiency improvements in the residential sector is ongoing. Following previous work and publication of a typology of residential buildings, the typology of public buildings was finalized and published in October 2017. The country initiated the process of developing long-term renovation strategies.

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal

Bosnia and Herzegovina has 22 district heating systems, with around 12% of households connected. There is currently no district heating system in Brcko District. In Bosnia and Herzegovina, the issue of district heating and cooling is regulated only on local level. The EEAP, adopted in December 2017, includes planned activities on state and entity levels to develop legislation, conduct studies and develop a methodology for a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling, based on a cost-benefit analysis and implementation of measures for development of energy efficient district heating and cooling infrastructure. In February 2018, Bosnia and Herzegovina initiated a study on renewables (focus on biomass, geothermal energy and concentrated solar) and their utilization by different technologies, including district or central heating and cooling systems.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (November 2018)

An Energy Efficiency Revolving Fund (EERF) was set up in 2016 within the existing Environmental Protection Fund in Federation of Bosnia and Herzegovina to finance projects in public and residential sectors, industrial processes, energy production and distribution and renewable energy use. The EERF offers soft loans and regularly publishes calls for proposals. In Republika Srpska, the Environmental Protection and Energy Efficiency Fund can finance energy efficiency projects, mostly in the form of grants. The setting up of an EERF is envisaged by Republika Srpska’s EEAP.

## I. Improve the Governance for Energy Efficiency

Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO contracts, and with this, developing energy services markets	
Fully implementing the Energy Performance in Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes	
Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources	
Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal	
Analysing the establishment of appropriate financing mechanisms, including, if feasible, a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially in the public sector	
<b>Total</b>	

## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, where needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules (June 2017)

A working group for designing market-based support schemes in Bosnia and Herzegovina was established. In January 2018, a kick-off workshop took place, focusing on how to reform the current system of incentive schemes in line with Energy Community principles. The following main activities of the working group were agreed: development of three options for market-based support schemes, including a detailed concept on the degree of incentives and quantitative analysis of costs, fees and local value added incentives.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)

At national level, no strategy or legislation is in place for citizens’ participation in renewable energy projects. The ENZA II

project, launched in February 2017 and ended in December 2017, focused on educating local farmers to supply manure to be used in biogas power plants in the area of Prijedor and Nemila and assisted also in the preparation of documentation necessary for establishing energy cooperatives. It will continue in 2018 with ENZA III, with the organization of the first crowdfunding conference dedicated exclusively to energy cooperatives in Bosnia and Herzegovina. The community of Nemila, which held several constitution meetings already, will possibly launch their first energy cooperative within 2018.

### Developing suitable information, awareness-raising, guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)

A one-stop shop does not exist yet and burdensome administrative procedures remain a major barrier for all investors, including citizens. Foreign companies and donors have published some guides in order to provide information to investors willing to develop energy projects.



**Including energy efficiency and use of renewable resources in education and offering professional training (June 2019)**

The University of Zenica and the University of Mostar participate in Renewable Energy Studies in Western Balkan Countries (RESI), within the Tempus programme. The master's programme "Renewable Energy Sources" launched by the Faculty of Mechanical Engineering of the University of Mostar is ongoing.

Three new laboratories (solar, geothermal and wind energy) were also established within the frame of RESI (Faculty of Engineering, University of Mostar).

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

Implementation of the Law on Waste Management remains poor and recycling is still not implemented in a systematic

manner and not managed at city level.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

There are ongoing training programmes for experts on energy audit and energy performance certification of buildings in both entities, as well as activities to improve energy management skills in the public buildings sector, including trainings on energy management and use of software tools. Further development and implementation of programmes for training and accreditation of installers and energy managers is planned under the Energy Efficiency Action Plan adopted in December 2017.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**

Designing and implementing market-based support scheme for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community Rules	
Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects	
Providing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources	
Including energy efficiency and use of renewable resources in the curriculum in education and offering professional training	
Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors	
Setting up qualification/accreditation/certification schemes to develop the necessary skills and competences of small and medium enterprises/ individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.)	
<b>Total</b>	

**III. Foster Climate Action**

**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with Regulation (EU) No 525/2013 (March 2018)**

For the time being, Bosnia and Herzegovina does not have a clearly defined system for data collection and processing, quality assurance and control of input data, or a reporting and monitoring system. In order to align with the MMR, the country should put in place institutional arrangements and proper legal regulations to fully define the competences and responsibilities in this area at national level.

Identifying gaps between current practices in monitoring,

reporting and planning on climate and energy policies domestically and meeting the international reporting obligations (March 2018)

Bosnia and Herzegovina is reporting regularly to the UNFCCC and ratified the Paris Agreement in March 2017. It is currently preparing its NDC Implementation Plan, which should guide the reduction of emissions in the following years. Preparation of the Fourth National Communication (NC4) and the Third Biennial Update Report (BUR3) on greenhouse gas emissions is in its inception phase. Collection of data up to the year 2017 and submission of reports in 2020 and 2021 respectively are expected.

**III. Foster Climate Action**

Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013	
Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations	
<b>Total</b>	

**IV. Foster Transparency of Sustainable Energy Markets**

**Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets**

No focal point for cooperation with the Secretariat has been established in Bosnia and Herzegovina so far.

**Strengthening the capacity of national administrative authorities to oversee and govern the national and re-**

**gional sustainable energy markets in an independent, proactive and transparent manner**

No progress has been made in the last reporting period. The administrative system remains cumbersome and investors find it difficult to conduct business in Bosnia and Herzegovina. The Foreign Investment Promotion Agency should develop and implement measures to facilitate access of foreign investors to the market.

**IV. Foster Transparency of Sustainable Energy Markets**

Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets	
Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner	
<b>Total</b>	



## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO ("energy service companies") contracts, thus developing energy services markets (June 2017)

The 2011 Energy Efficiency Law omits provisions on ESCOs and energy services market development. The draft of the new Law on Energy Efficiency submitted to the Secretariat in February 2018 addresses this. The 3<sup>rd</sup> EEAP, adopted in August 2017, includes measures for the development of an ESCO market. The REEP Plus programme currently supports Kosovo by analysing the existing legal gaps related to public procurement, public private partnerships, budgeting, etc. and developing model ESCO energy performance and energy supply contracts.

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

Directive 2010/31/EU was transposed by the adoption of the Law on Energy Performance of Buildings in December 2016. Most of by-laws remain to be adopted. The only by-law being adopted (in February 2018) is rulebook on inspection of heating and air conditioning systems in buildings). The by-law on the energy performance certification procedure recently completed the public consultation process and is ready for adoption, while others (on the methodology and software for calculating the energy performance of buildings and minimum energy performance requirements) are yet to be put for public consultation.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

Kosovo is implementing an energy efficiency programme for

the rehabilitation of public buildings, while the launch of a new comprehensive investment programme for energy efficiency in the residential sector is planned for March 2018. The 3<sup>rd</sup> EEAP adopted in August 2017 and draft Energy Efficiency Law envisage preparation of long-term building renovation strategies, setting the annual targets for renovation of central government buildings and a programme for renovation of residential buildings to achieve minimum energy performance requirements (including the renewable component).

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal (November 2018)

District heating represents approximately 5% of the heat supply. The largest part of district heating in Pristina is based on the supply of excess heat from lignite-fuelled thermal power plant "Kosovo B". The remaining two district heating plants (Gjakova and Mitrovica) are based on heavy fuel oil, but only Gjakova is in operation. Projects on improving Pristina's district heating systems and building a new cogeneration plant based on biomass in Gjakova are ongoing. Activities to develop a methodology or conduct a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling are envisaged in the 3<sup>rd</sup> EEAP. The draft Energy Efficiency Law includes these requirements as well.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (June 2018)

Work on establishing an energy efficiency revolving fund together with a supporting legal framework, namely via the revised Energy Efficiency Law, is ongoing. The fund's operation manual and governance is to be developed and adopted as part of a regulation under the new Energy Efficiency Law.

## I. Improve the Governance for Energy Efficiency

Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO contracts, and with this, developing energy services markets



Fully implementing the Energy Performance in Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes



Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources



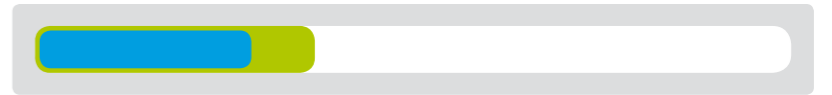
Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal



Analysing the establishment of appropriate financing mechanisms, including, if feasible, a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially in the public sector



Total



## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, where needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules

Market-based support schemes for the promotion of renewables have not been introduced in Kosovo yet. Renewables are not being extensively deployed. Small hydro, wind, solar PV, and biomass are still supported by feed-in tariffs, while solar heating is not considered yet.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)

At least two administrative instructions foresee citizens' engagement in the energy system through micro generation from renewables and net-metering. However, concrete implementation is weak, since administrative and permitting procedures are lengthy and *de facto* prevent the full engagement of small businesses and households in energy production.

### Developing suitable information, awareness-raising, guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)

A draft regulation for the establishment of a one-stop shop is yet to be approved. Lack of information on benefits and practicalities of using renewables is addressed by the Ministry of Economic Development through an awareness raising campaign; however, limited access to capital and complex authorization procedures for water, forests and land use persist and continue to prevent the development of renewable energy projects.

### Including energy efficiency and use of renewable resources in education and offering professional training (June 2019)

Kosovo has great potential for the cost-effective deployment of renewable energy. It is therefore essential to ensure the continuation of sustainable energy programmes at technical



universities (e.g. Faculty of Mechanical Engineering, University of Pristina) and to fill the gap between the high demand for specialists on energy efficiency and renewables and the skills currently available on the job market with new, dedicated master's programmes.

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

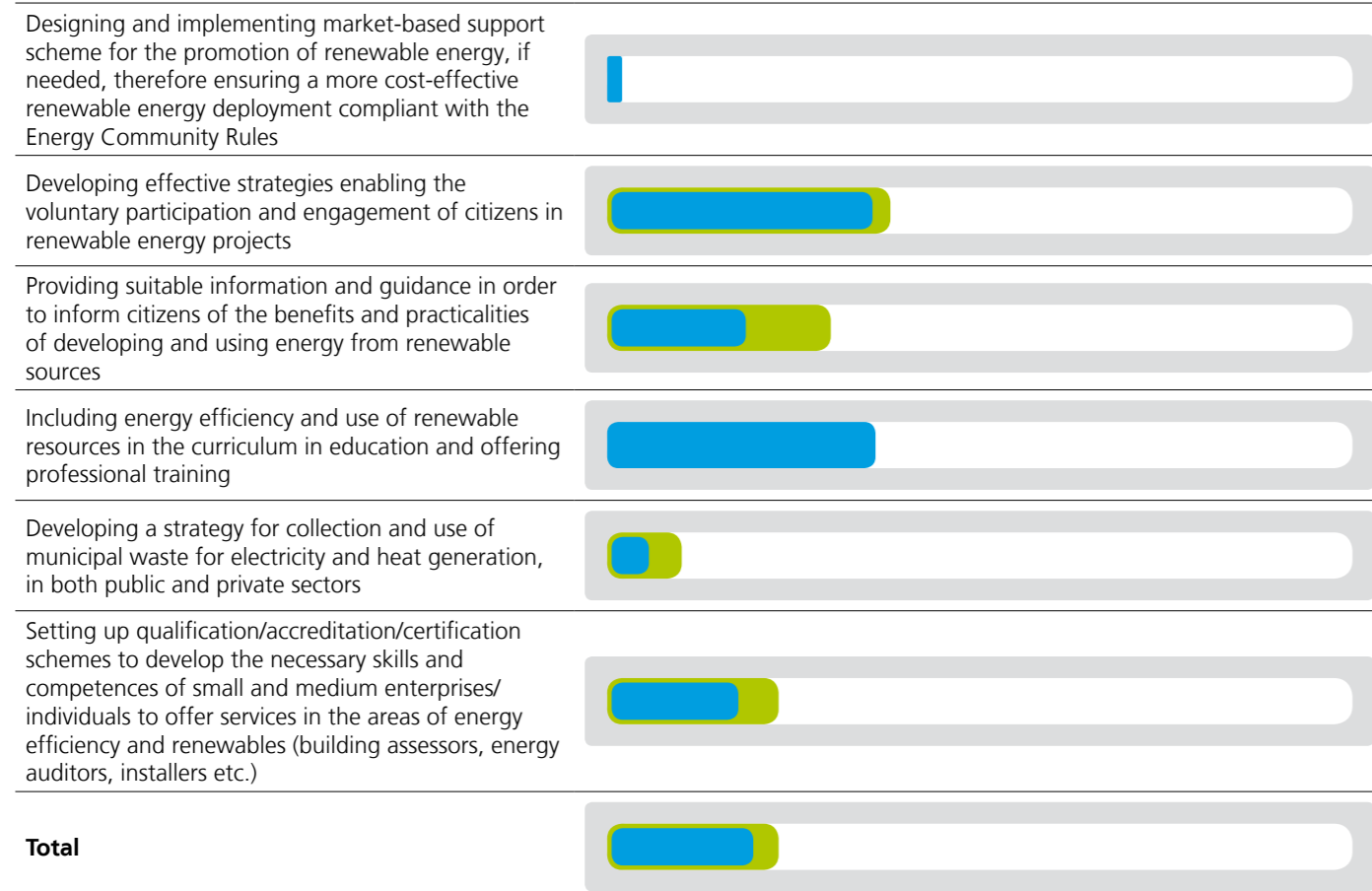
Kosovo's Strategy on Waste Management for 2013-2023 does not focus specifically on waste-to-energy. However, the Waste Law includes provisions on the use of waste for energy production.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises /individuals to offer services in the areas of energy efficiency and renewa-**

**bles (building assessors, energy auditors, installers etc.) (June 2018)**

The 2016 Law on Energy Performance of Buildings includes requirements for the licensing of experts dealing with energy certification of buildings and the inspection of systems. The first training of trainers for use of energy performance calculation software was organised in August 2017. Training and certification for energy auditors and energy managers are required by the Energy Efficiency Law and further regulated by secondary legislation. A Commission for certification of energy auditors and managers was established to manage the system. The "Kosovo Energy Efficiency Project" (KEEP) provides capacity buildings for municipal energy managers, and will also support the Ministry of Economic Development to establish an accredited scheme for training and certification of energy auditors. The project to support certification of PV installers and engineers is planned to start soon.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**



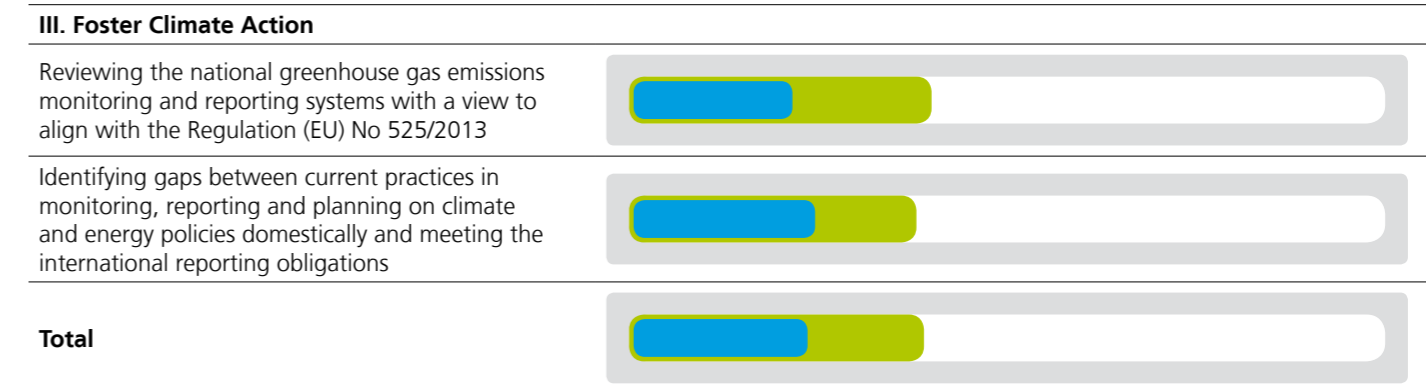
**III. Foster Climate Action**

**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013 (March 2018)**

The preparation of a GHG Inventory for the period 2014-2015 is completed. Kosovo has already made some progress in developing a national system for monitoring and reporting GHG estimates for historical and projected trends as required by Administrative Instruction no. 09/2015. All institutions responsible for the transmission of GHG data were notified of their obligation to send GHG data to the Kosovo Environmental Protection Agency (KEPA), which collects and prepares data records by reference year.

**Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations (March 2018)**

Despite Kosovo not being a party to the UNFCCC and therefore not having official reporting obligations, it has the responsibility to respond to the Paris Agreement reporting requirements as one of the Parties of the Energy Community Treaty. Kosovo receives technical assistance for developing a long-term national climate strategy, designing effective and efficient policies and measures and compiling a robust and transparent GHG inventory.



**IV. Foster Transparency of Sustainable Energy Markets**

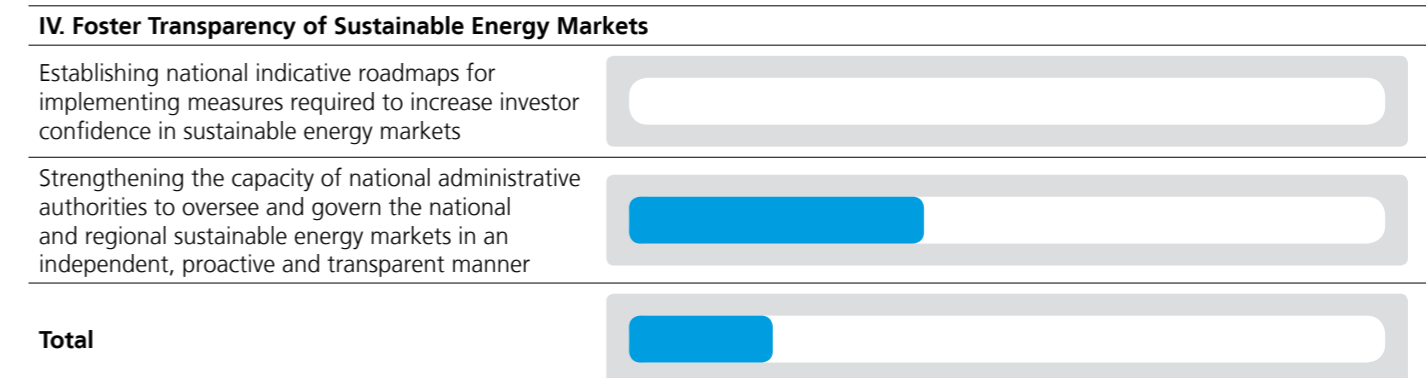
**Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets**

No focal point for communication with the Secretariat has been established and the work on the adoption of a national roadmap has not yet started.

**authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner**

No list of national administrative authorities has been compiled and no single administrative contact point for investors has been nominated by Kosovo. Investors seeking to invest in Kosovo can approach the Investment Promotion Agency of Kosovo.

**Strengthening the capacity of national administrative**





## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO (“energy service companies”) contracts, thus developing energy services markets (June 2017)

The energy services market is not developed, and existing legislation (the Energy Law) covers the ESCO concept only superficially. The draft Energy Efficiency Law prepared by the Secretariat and submitted to the Ministry of Economy in August 2017 would transpose the relevant articles of Directive 2012/27/EU.

The Energy Agency received technical assistance aimed at analysing the existing legal framework on public budgeting, financing of municipalities and public procurement. The first phase, completed in August 2017, delivered proposals on ESCO model contracts and amendments of the existing regulation. The next phase of the project will focus on adoption of relevant provisions in the new Energy Efficiency Law and PPP Law, improvement of public procurement procedures and ESCO pilot projects.

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

Directive 2010/31/EU has been partially transposed by the Energy Law and the 2013 Rulebook on Energy Performance of Buildings. New regulations on minimum energy performance requirements for buildings, national calculation methodology, energy performance certification of buildings and inspection of heating and air-conditioning systems have been drafted but their adoption is pending. The Secretariat is supporting the Ministry of Economy in drafting a new Energy Efficiency Law to transpose Directives 2010/31/EU and 2012/27/EU.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

The National Programme for Energy Efficiency in Public Buildings (NPEEPB) was developed in 2011 to ensure large-scale refurbishment of public buildings, but was implemented only partially. The 3<sup>rd</sup> EEAP, adopted in July 2017, envisages the implementation of an updated NPEEPB, but only after the estab-

lishment of a national energy efficiency fund. The EEAP also envisages the preparation of a strategy for mobilising long-term investments in residential and public buildings, which is currently being developed by the Ministry of Economy. Under existing government subsidy programmes for households, the Ministry published calls for installation of energy efficient windows and solar thermal systems in 2017. The launch of a new comprehensive investment programme for energy efficiency in the residential sector is planned for April 2018.

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal

The existing district heating system in Skopje, supplied by natural gas, has an installed capacity of 660 MW, representing approx. 7% of the total heating demand. An additional 240 MW could be supplied with wood chips to multi-storey apartment buildings, replacing approx. 19% of electric heating. A district heating system based on waste heat from the thermal power plant in Bitola is under construction.

The Ministry of Economy initiated an ongoing technical assistance project to prepare a methodology and conduct a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling. The country is participating in several relevant Horizon 2020 projects, including the CoolHeating project, which promotes implementation of small modular renewable heating and cooling grids.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (November 2018)

The establishment of an energy efficiency fund is envisaged by the existing Energy Law and the draft Energy Efficiency Law. Once in place, the fund is planned to disburse financial support to the public and private sectors when implementing obligations under the law and help foster the development of an ESCO market. However, the government has not taken a decision on the structure of the energy efficiency revolving fund yet. Ongoing activities, supported by technical assistance, are focused on analyzing the options for establishment of a revolving energy efficiency fund and preparatory work to finance projects in public buildings.

## I. Improve the Governance for Energy Efficiency

Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO contracts, and with this, developing energy services markets	
Fully implementing the Energy Performance in Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes	
Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources	
Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal	
Analysing the establishment of appropriate financing mechanisms, including, if feasible, a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially in the public sector	
<b>Total</b>	

## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules (June 2017)

The Government of former Yugoslav Republic of Macedonia has drafted a new Energy Law. An important novelty is the introduction of premiums as a measure of support, which will be applicable to most technologies and awarded on the basis of a tender procedure through auctions. The selection of the most suitable bidders, who will acquire the right to use premiums, will be done by a commission formed by the Government. In the second half of 2018, the Government of former Yugoslav Republic of Macedonia is expected to announce a public call for awarding 3-4 locations for the construction of photovoltaic power plants with a capacity of 20-25 MW, which will be provided with state land and connection to the electricity grid. The second phase of the construction of the wind power plant Bogdanci (currently with installed capacity of 36.8 MW) will be completed, resulting in 13.2 MW of

additional capacity and production of around 35 GWh. In addition, two new wind power plants are expected to be built with a capacity of 36 MW and 14 MW. The Government is also expected to announce a public call for the construction of wind power plants with a capacity of 50 MW using feed-in premium at locations for which there is already a determined potential for wind energy production.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)

The new draft Energy Law introduces a possibility for micro and small enterprises and households to build rooftop photovoltaic installations for electricity generation (own consumption) and to transfer excess electricity produced to the energy system. A governmental programme for partially reimbursing the costs of purchased and installed solar thermal collector systems to households has been successfully carried out in 2017. Its continuation has been foreseen in the budget of the Ministry of Economy for 2018.



**Developing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)**

According to the draft Energy Law, the Ministry of Economy should prepare and publish on its website (www.economy.gov.mk) information and new investor guidelines for the use, support and promotion of renewable energy sources, as well as simplified procedures for the construction of new renewable energy plants. Two information centres on renewables and energy efficiency established by the City of Skopje and the Energy Agency are presently active.

**Including energy efficiency and use of renewable resources in education and offering professional training (June 2019)**

Former Yugoslav Republic of Macedonia has a rich educational offer on sustainability and energy management. Several universities (South East European University of Skopje, SS. Cyril and Methodius University, Goce Delcev University in Stip) offer first-degree studies specialized in renewable energy sources, energy efficiency and environmental studies.

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

The country has started to implement an integrated waste management system, based on the Law on Waste Management (revised in 2016) and the National Waste Management

Strategy (up to 2020). Nonetheless, municipal waste is still mainly disposed of in landfills and there are no major ongoing projects on waste-to-energy; as reported previously, some examples of biogas plants using farm waste to produce electricity exist at rural level (e.g. Bitola, Veze Sharri).

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

The training and accreditation of energy auditors and experts for monitoring and verification of energy savings is ongoing, and follows the requirements of the Law on Energy, the rule-book on energy audit and the programme for training and examination of energy auditors. Former Yugoslav Republic of Macedonia is also participating in the project "Build Up Skills", dedicated to the professional training of craftsmen and other on-site construction workers and system installers in the building sector and small renewable installations. Since 2016, a programme launched by the Ministry of Economy provides a possibility for businesses to apply for a subsidy for training and/or for the implementation of the ISO 50001 standard for energy management. Harmonization of legislation and implementation of certification schemes or equivalent qualification schemes for installers of small-scale renewable systems, in accordance with Directive 2009/28/EC, is still missing.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**

Designing and implementing market-based support scheme for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community Rules	
Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects	
Providing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources	
Including energy efficiency and use of renewable resources in the curriculum in education and offering professional training	
Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors	
Setting up qualification/accreditation/certification schemes to develop the necessary skills and competences of small and medium enterprises/ individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.)	
<b>Total</b>	



### III. Foster Climate Action

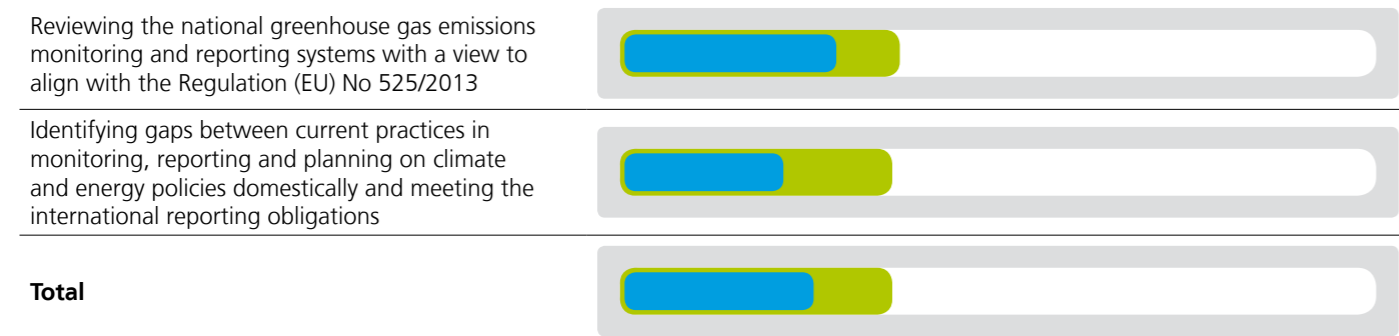
#### Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013 (March 2018)

Former Yugoslav Republic of Macedonia ratified the Paris Agreement in November 2017. In 2016, the country has adopted a recommendation on the Monitoring Mechanism Regulation (MMR) 525/2013. In order to enforce the MMR, a list of priority actions and a concrete timeframe for their implementation should be adopted. Also, following the 15th Ministerial Council of the Energy Community and the adoption of the Recommendation on preparing for the development of integrated National Energy and Climate Plans (NECPs), former Yugoslav Republic of Macedonia should make sure to integrate climate considerations and building the analytical, institutional and regulatory preconditions for the development of the plans in 2018.

#### Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations (March 2018)

In order to enable the implementation of the NDCs, the reporting obligations to UNFCCC to be met via monitoring, reporting and verification (MRV) and their legal and institutional basis were mapped and analysed, along with the current electronic data systems for the NDCs relevant sectors. The country received assistance to establish a monitoring and reporting system on the implementation of mitigation and adaptation policies and measures. Additionally, a demonstration exercise was introduced to explain how the proposed MRV system is going to function in practice.

#### III. Foster Climate Action



### IV. Foster Transparency of Sustainable Energy Markets

#### Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets

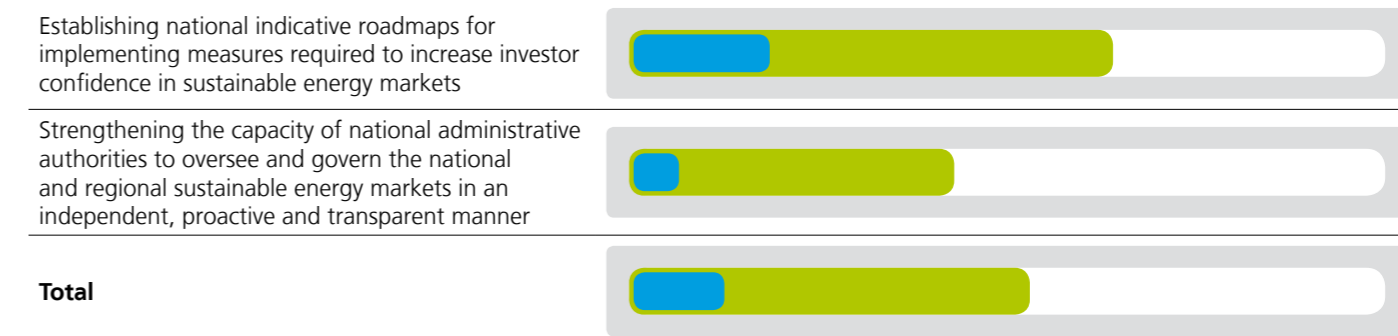
In July 2017, the General Secretariat of the Government of the former Yugoslav Republic of Macedonia (Cabinet of the Deputy Prime Minister in charge of economic departments) was designated as the Secretariat's focal point on establishing roadmaps to increase investor confidence. However, no work on the roadmaps has commenced yet. In parallel, the working group led by the General Secretariat of the Government and composed of representatives of the Ministry of Finance, the Ministry of Economy, the Ministry of Environment and Physical Planning, the Ministry of Transport and Communications, as well as ministers without portfolio in charge of foreign investments and the Agency for foreign investments and export promotion was established to work on the adoption of the roadmap. Communication with the Secretariat in the sphere

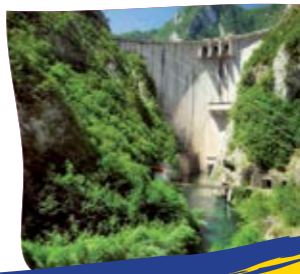
of investment promotion could be improved.

#### Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner

The list of authorities in charge of investment protection and promotion has already been compiled; this includes the General Secretariat of the Government of the former Yugoslav Republic of Macedonia (Cabinet of the Deputy Prime Minister in charge of economic departments), the Ministry of Finance, the Ministry of Economy, the Ministry of Environment and physical planning, the Ministry of Transport and communications and the Agency for foreign investments and export promotion. A single administrative contact point for investors is still to be established.

#### IV. Foster Transparency of Sustainable Energy Markets





## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO (“energy service companies”) contracts, thus developing energy services markets (June 2017)

The energy services market is in the process of development. Montenegro has adopted an enabling legal framework (provisions in the Law on Efficient Use of Energy) and drafted model contracts for energy performance contracting in public buildings, water supply systems and public lighting. Draft amendments to the Public Private Partnership Law, which are the key missing legislative requirements for ESCO investments in the public sector, need to be adopted. The 3<sup>rd</sup> National Energy Efficiency Action Plan of 2016 envisages the further promotion of ESCO participation in public sector energy efficiency projects, with implementation of pilot projects, completion of an enabling legal framework and supporting financial mechanisms.

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for ge scale buildings rehabilitation programmes (June 2017)

Directive 2010/31/EU has been partly transposed through the 2014 Law on Efficient Use of Energy, and the adopted rule-books cover the calculation methodology, minimal energy performance requirements and energy performance certification of buildings. The process of improving the building inventory, calculation software and analysis of cost-optimality of current performance requirements is ongoing.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

During this reporting period, Montenegro continued implementing several successful projects for public and residential building rehabilitation in cooperation with international and local partners. The Ministry of Economy coordinates the im-

plementation of these programmes. An operational plan for energy efficiency improvement of state administration bodies for 2018 has been prepared and should be adopted soon. The 2016 decree on reconstruction of official buildings set a 1% reconstruction target for central government buildings, prioritizing buildings with the lowest energy performance. A three-year plan for reconstruction of central government administrative buildings (2017-2019) was adopted by the government in December 2016. A comprehensive building renovation programme (and strategy) should be developed, especially for the residential sector.

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal

There are no district heating systems in Montenegro. The main heating sources are biomass and electricity. The measures for promotion of high-efficient cogeneration and new district heating and cooling systems have been incorporated in the 2016 Action Plan of the Energy Development Strategy of Montenegro. Progress in this area was achieved with the finalization of a study evaluating the potential for application of high-efficient cogeneration and introduction of district systems for heating and cooling. This should be followed-up by the preparation of an action plan and the adoption of supporting by-laws under the Energy Law.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (November 2018)

Since 2006, a budget line called “Energy Efficiency Fund” is allocated each year from the state budget. The fund supports measures under the Energy Efficiency Action Plan. Given the small yearly allocations, the impact is limited and much smaller than the overall budget needed for implementation of the 3<sup>rd</sup> NEEAP (2016-2018). The Ministry of Economy is analysing options for financing of energy efficiency projects, including the possible establishment of a national energy efficiency fund.

## I. Improve the Governance for Energy Efficiency

Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO contracts, and with this, developing energy services markets	
Fully implementing the Energy Performance in Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes	
Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources	
Assessing in details the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal	
Analysing the establishment of appropriate financing mechanisms, including, if feasible, a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially in the public sector	
<b>Total</b>	

## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules (June 2017)

Montenegro keeps on supporting renewable electricity producers through the guaranteed purchase of electricity at feed-in tariffs for a period of 12 years. No timeline has been defined for introducing auctions.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)

Montenegro is working on the development of a national framework to support the greater use of energy efficiency technologies and renewables by private and public stakeholders. The Ministry of Economy continued to provide interest-free loans for the procurement and installation of modern biomass heating systems (pellet, briquette) for households. On the basis of six tender procedures, 18 concession processes for small hydropower plants are going forward. On windmills,

Krnovo was constructed and Možura is expected to be constructed in the first half of the year.

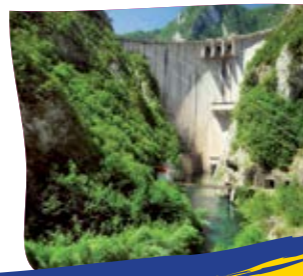
### Developing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)

The Ministry of Economy, the Ministry of Sustainable Development and Tourism and the Montenegro Investment Promotion Agency (MIPA) provide information on permitting, construction and licensing on their respective websites. There is no one-stop shop yet.

### Including energy efficiency and use of renewable resources in education and offering professional training (June 2019)

The University of Montenegro launched in 2014 a dedicated master’s programme on energy efficiency and renewables. The Ministry of Economy has conducted trainings for professionals on performing energy audits of heating and air conditioning systems in the course of 2017.





**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

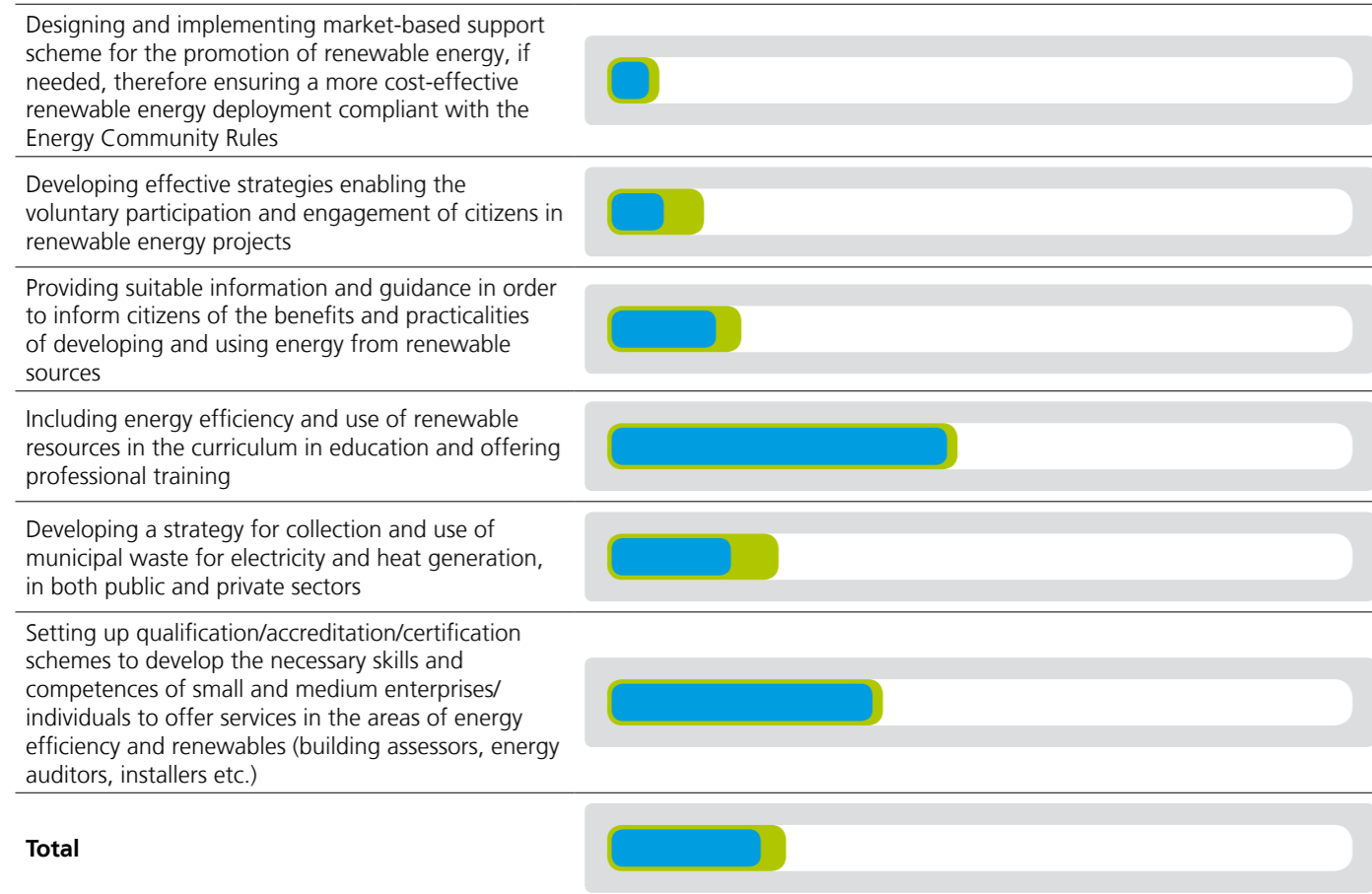
Montenegro has a National Strategy on Waste Management until 2030 and a State Action Plan on Waste Management for the period 2015-2020. Rehabilitation of unregulated disposal sites is progressing and some recycling installations are operational (e.g. Podgorica, Nikšić), nevertheless waste (co-) incineration plants still do not exist.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer**

**services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

In January 2018, Montenegro organised a training for market inspectorate staff to strengthen the implementation of energy labelling of products and eco-design requirements. Training of energy auditors and building assessors is ongoing since 2009, regulated by a rulebook updated in 2015. Registers of experts, as well as eligible dealers and installers, are being regularly updated and published online. In addition, the development of a system for training and accreditation of installers and energy managers is planned under the 3<sup>rd</sup> Energy Efficiency Action Plan.

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**



**III. Foster Climate Action**

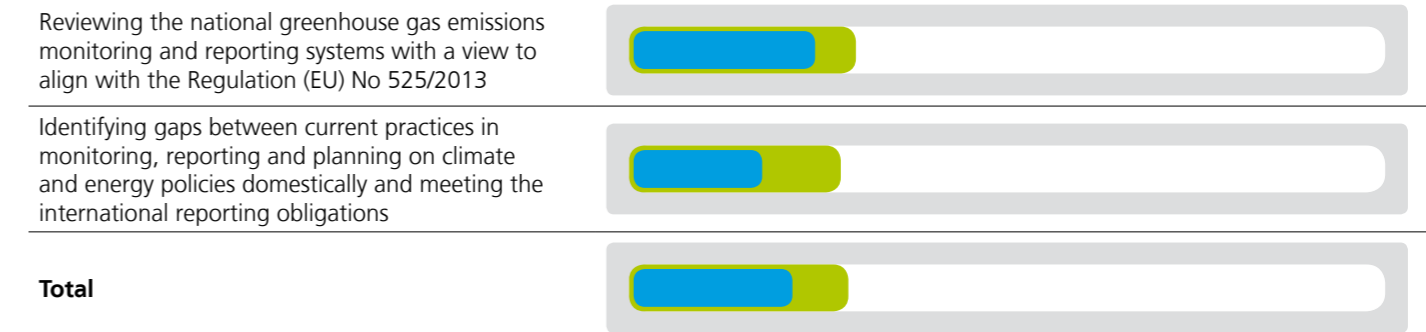
**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013 (March 2018)**

The annual data collection plan for the preparation of an inventory of greenhouse gas emissions for 2018 was adopted. Montenegro is expected to adopt a Climate Protection Law by the end of 2018. This law will ensure harmonization of national legislation with the acquis on climate change and climate protection, regulate the functioning of the National Monitoring System for Reporting as well as emission trading.

**Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations (March 2018)**

To fulfil Montenegro's obligations towards the United Nations Framework Convention on Climate Change (UNFCCC), it prepares the Third National Communication on Climate Change (NC3) and the Second Biennial Update Report on Climate Change (BUR2). The country also develops a concept for the national monitoring, reporting and verification (MRV) system. Montenegro receives technical assistance to prepare for the implementation of the ETS.

**III. Foster Climate Action**



**IV. Foster Transparency of Sustainable Energy Markets**

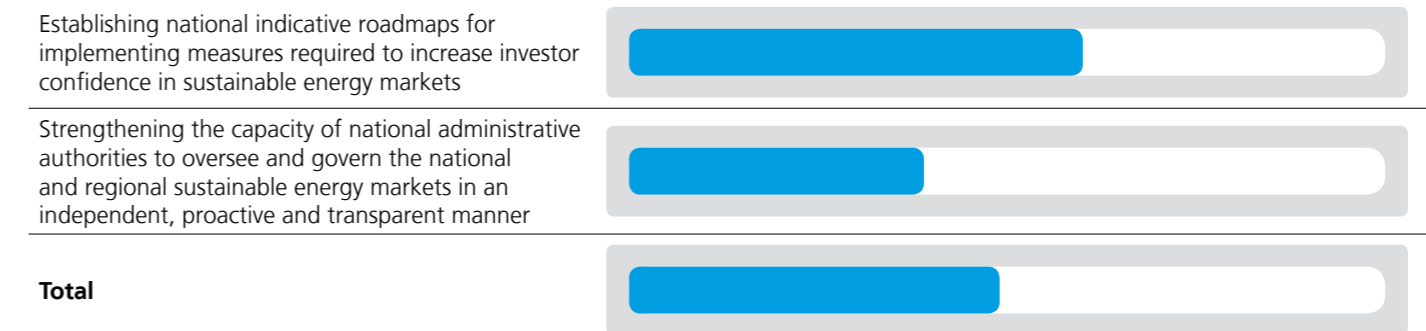
**Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets**

The Department for Investment within the Directorate for Transformation and Investments in the Ministry of Economy was designated as a focal point and the local authorities were eager to engage in the investment enhancement and promotion process. However, actual work on an investment promotion roadmap has not yet started.

**Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner**

Information in English for potential investors is available at <http://www.biznizona.me/en/>. Nonetheless, the information is not being regularly updated to reflect new developments. As with other Contracting Parties, no list of national administrative authorities has been compiled and no single administrative contact point for investors has been nominated.

**IV. Foster Transparency of Sustainable Energy Markets**





## I. Improve the Governance for Energy Efficiency

### Removing legal and regulatory barriers through amending or developing new legislation that will enable and promote ESCO (“energy service companies”) contracts, thus developing energy services markets (June 2017)

Serbia has developed an enabling legal framework for energy performance contracting in public lighting and buildings (incl. an ESCO rulebook with model contracts). The Law on Efficient Use of Energy defines the ESCO concept, sets rules for ESCO projects and provides the overall legal framework for energy performance contracting. The Law on Housing and Building Maintenance introduced the ESCO model of financing in the residential sector. The first ESCO public lighting projects are ongoing, while projects in district heating and buildings are in planning phase. The ESCO model can be further improved as a result of lessons learnt from implementation, upgraded legislation, strengthened institutional capacities and coordination, better tendering procedures and parallel promotional and informational activities (incl. a dedicated web section).

### Fully implementing the Energy Performance of Buildings Directive, especially in area of setting minimum energy performance standards as a pre-requisite for large scale buildings rehabilitation programmes (June 2017)

The Law on Planning and Construction, the Law on Efficient Use of Energy, the Rulebook on Energy Efficiency of Buildings and the Rulebook on Conditions, Content and Manner of Issuance of Certificates of Energy Performance of Buildings transpose key requirements of Directive 2010/31/EU. Minimum energy performance requirements have been set and, until now, more than 2.000 certificates have been issued. In 2018, the Ministry of Construction, Transport and Infrastructure will update the current legislation in order to transpose and implement additional requirements of Directive 2010/31/EU, including cost-optimal level calculations, revision of minimum energy performance requirements and energy performance certification system.

### Establishing well targeted programmes for public and residential buildings rehabilitation to the minimum energy performance and beyond, with particular focus on increasing the use of locally available renewable energy sources (decentralized solar-thermal heating, efficient biomass heating, high efficient heat pumps etc.) (March 2018)

Programmes for rehabilitation of public buildings (schools and hospitals) are ongoing. The state Budgetary Fund for Energy Efficiency is financing energy efficiency measures in public buildings and up to now has enabled incentives for 38 energy efficiency projects in 32 Serbian municipalities. Preparation of the inventory and programme for renovation of central

government buildings is ongoing. Serbia has already prepared a typology of residential buildings and the supporting energy efficiency investment software. The priority should be the creation of long-term renovation strategies and new rehabilitation programmes for residential buildings, as well as increased use of locally available renewable energy sources.

### Assessing in detail the possibilities for developing new or converting existing district or central heating and cooling systems using renewable energy, such as biomass or geothermal (November 2018)

In Serbia, 64% of heating energy is produced by central and district heating (DH) systems, and 58 municipalities have DH systems, the majority of which use fossil fuels (natural gas, coal, and heavy fuel oil). Serbia has the greatest potential in the Western Balkans in terms of biomass, with the possibility to replace 50% of the fossil fuel in DH with biomass. Three stages of the Programme for Rehabilitation of DH Systems in Serbia (with rehabilitation of 8 DH systems) have now been implemented. The fourth stage is ongoing, with the rehabilitation of 20 DH systems already completed and of one additional DH system to be finalized in 2018. The preparation of the fifth phase and a separate programme to focus on the promotion of biomass and geothermal energy use have been initiated. A pilot project for the use of solar energy for DH has been implemented in the city of Pancevo. Serbia should adopt the required methodology and conduct a comprehensive assessment of the potential for the application of efficient DH and cooling systems according to Directive 2012/27/EU. The 3<sup>rd</sup> Energy Efficiency Action Plan includes these and additional measures for reduction of primary energy consumption.

### Analysing options for the establishment of appropriate financing mechanisms, including a state level fund for co-financing of energy efficiency measures in line with the Energy Efficiency Directive 2012/27/EU, especially for the public sector (June 2018)

The state Budgetary Fund for Energy Efficiency is operational since 2014. It can finance energy efficiency measures in different sectors, but it is currently open mainly to municipalities. Given the large scale of energy efficiency investments needed, the fund has a small impact and should be expanded. The decision on the amount allocated is made by the Ministry of Finance on a yearly basis and implemented in calls for projects by the Ministry of Energy and Mining. This system does not allow for effective monitoring and timeline guarantee. In order to improve the situation, the Ministry of Mining and Energy has started implementation of an Instrument for Pre-Accession Assistance (IPA) project to analyse and improve the operation of the Fund (focusing on improving existing reg-

ulation and implementation practices), describe operational procedures and develop guidelines, templates for public calls,

trainings for municipalities, proposals to diversify financing options, etc.

## I. Improve the Governance for Energy Efficiency

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## II. Implement Smart Support Measures Improving Sustainability of Energy System

### Designing and implementing market based support schemes for the promotion of renewable energy, if needed, therefore ensuring a more cost-effective renewable energy deployment compliant with the Energy Community rules (June 2017)

The introduction of market-based support schemes is not foreseen until 2019. However, the decree on the implementation of the energy strategy, adopted in November 2017, includes a reference to market-based principles. One joint financial fund for the renewable energy sector is also foreseen by the decree.

### Developing effective strategies enabling the voluntary participation and engagement of citizens in renewable energy projects (June 2018)

There is no specific legislation on citizen participation in renewable energy projects. However, the decree on the implementation of the energy strategy, adopted in November 2017, includes reference to equal treatment of public and private investors. In addition, general legislation on cooperatives is

wide enough to include community power initiatives.

### Developing suitable information and guidance in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources (June 2018)

The only available tool for information and guidance to citizens remains the website of the Ministry of Energy and Mining. The introduction of a public registry for administrative procedures and business conditions is foreseen by the newly adopted decree on the implementation of the energy strategy. In addition, the decree includes a reference to informing citizens on the benefits and practicalities of developing and using energy from renewable sources.

### Including energy efficiency and use of renewable resources in education and offering professional training (June 2019)

The project “Creating the Network of Knowledge Labs for Sustainable and Resilient Environments” (KLABS) is a pioneer



educational platform that addresses sustainability and resilience to climate change in Western Balkan higher education. Serbian universities offer a great number of educational programmes on sustainable energy, among them a Programme on Energy-Efficient and Green Architecture by the University of Belgrade and a Master's Programme on Energy Efficiency, Renewable Energy Sources and Environment Protection by the State University of Novi Pazar.

**Developing a strategy for collection and use of municipal waste for electricity and heat generation, in both public and private sectors (November 2018)**

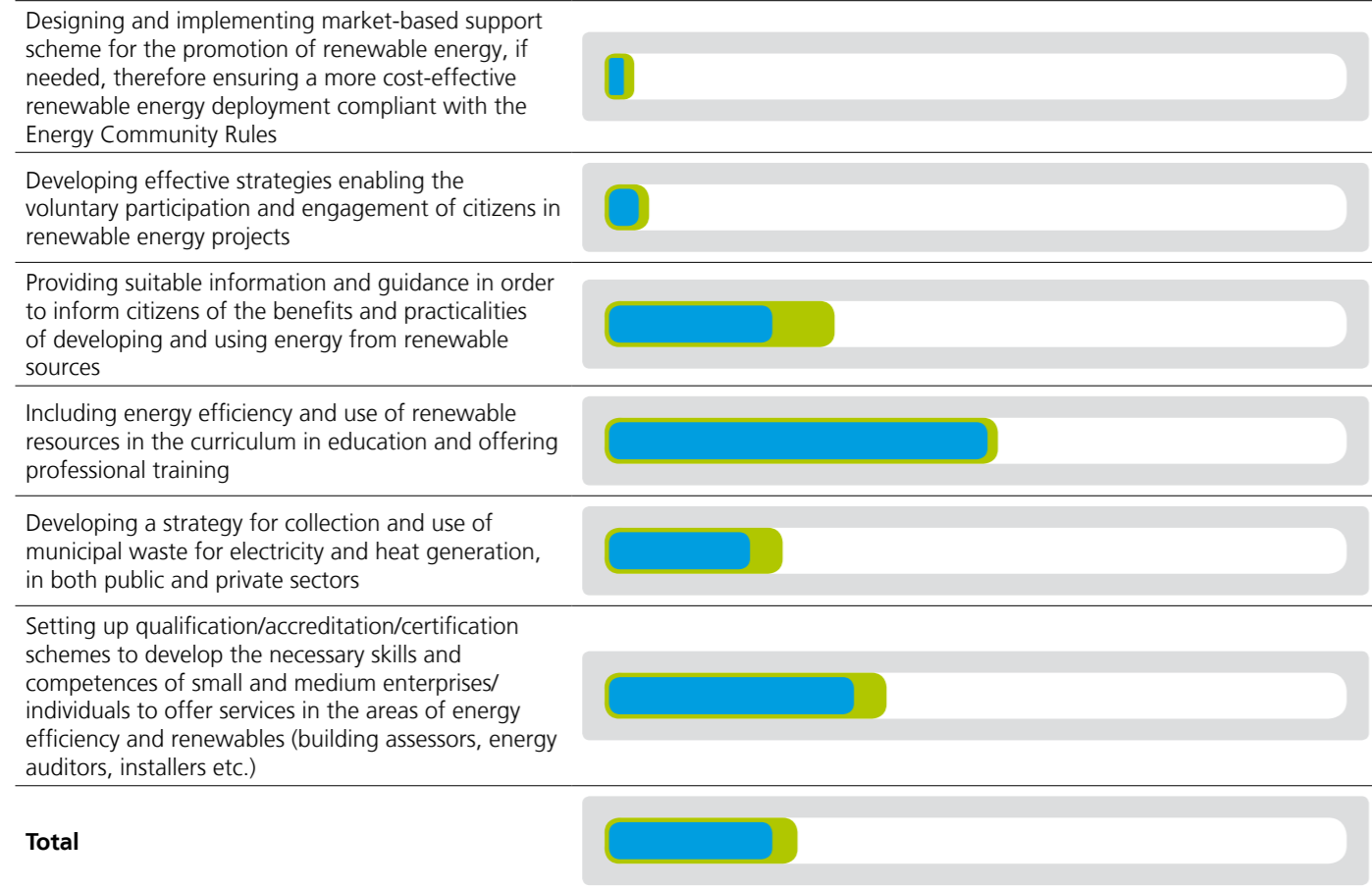
The Waste Management Strategy of Serbia (2010-2019) refers to the incineration of waste, its energy use and integrated approaches to waste management (reduction, re-use and recycling). The decree on incentive measures for renewable energy sources includes public support for using municipal

waste as fuel. The European Investment Bank's (EIB) support to the waste-to-energy public-private partnership (PPP) project in Vinca, developed by the City of Belgrade, is under discussion.

**Setting up qualification / accreditation / or certification schemes to develop the necessary skills and competences of small and medium enterprises / individuals to offer services in the areas of energy efficiency and renewables (building assessors, energy auditors, installers etc.) (June 2018)**

So far, 10 trainings for energy managers were conducted: 3 for energy managers in municipalities, 5 for energy managers in industry and 2 for energy managers in buildings. Nine examinations for energy managers were organized – 3 per each sector (municipalities, industry and buildings). The Ministry of Mining and Energy has issued 172 licenses for energy managers (66 in the municipality sector, 81 for industry and 25 in the buildings sector).

**II. Implement Smart Support Measures Improving Sustainability of Energy Systems**



**III. Foster Climate Action**

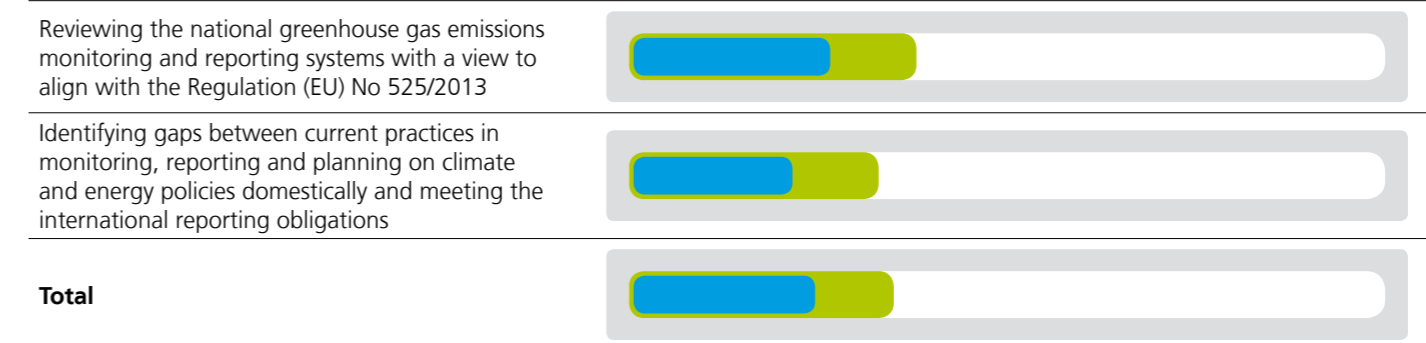
**Reviewing the national greenhouse gas emissions monitoring and reporting systems with a view to align with the Regulation (EU) No 525/2013 (March 2018)**

Serbia's draft Climate Change Law, elaborated by former Ministry of Agriculture and Environmental Protection (MAEP), is now finalized. A public consultation process on the law has started in February 2018. Following the new institutional set-up, the Ministry of Environmental Protection is now responsible for environment and climate. Discussions on climate action are regularly taking place in the framework of a working group, which includes also members of civil society. The EU-Serbia twinning project on the "Establishment of a mechanism for implementation of Monitoring Mechanism Regulation (EU) No 525/2013" has been finalized. It supported to establish institutional and procedural arrangements for the implementation of the MMR and to strengthen the administrative capacities of the relevant institutions on climate change.

**Identifying gaps between current practices in monitoring, reporting and planning on climate and energy policies domestically and meeting the international reporting obligations (March 2018)**

The Law on the Paris Agreement ratification was adopted on 29 May 2017. Two National Communications on Climate Change (NC1, 2010, NC2, 2017) and one Biennial Update Report (BUR1, 2016) were submitted to the UNFCCC. Preparations of the National Climate Change Strategy and Action Plan started in July 2016 and are advancing. They will identify priority emissions reduction measures and define the responsible institutions for specific options together with timelines for implementation and overall financial resource requirements. The Strategy will also provide a framework for adaptation policies addressing the priority areas of agriculture, forestry and water management.

**III. Foster Climate Action**





#### IV. Foster Transparency of Sustainable Energy Markets

##### Establishing national indicative roadmaps for implementing measures required to increase investor confidence in sustainable energy markets

Serbia has missed all the deadlines under this chapter and refuses to cooperate. A focal point for transparency issues has not been established and therefore work on the roadmap has not yet commenced. The Secretariat found it almost impossible to establish a line of communication with the Serbian authorities, which so far provided no input on substance.

##### Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner

Foreign investors in Serbia have to navigate the system without the benefit of a single administrative contact point. In order to identify the national authority best placed to act as a single administrative contact point, a list of national administrative authorities exercising functions in the investment protection sector should be compiled as soon as possible.

#### IV. Foster Transparency of Sustainable Energy Markets

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Strengthening the capacity of national administrative authorities to oversee and govern the national and regional sustainable energy markets in an independent, proactive and transparent manner	<div style="width: 10%; background-color: #0070C0; height: 15px; display: inline-block;"></div>
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