

# Western Balkans Regional Energy Efficiency Programme (REEP)

Energy Efficiency Coordination Group  
Online, 23 June 2021



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the European Union

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**European Bank**  
for Reconstruction and Development

**KFW**



# Agenda

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- REEP overview and results
- REEP implementation: lessons learned
- Q&A

# REEP Overview

€78.8m  
EU grants

€23.9 m  
other grants

€527 m  
IFI project finance

Objective: Sustainable Market for energy efficiency in the Western Balkans

## 2 Intermediated Financing



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- Credit lines to local banks for project finance
- For SME & public sector projects (small scale RE & EE)



- Credit lines to local banks for project finance
- For residential sector projects

## 4 Direct Lending to Public Sector

- Project finance to States, cities, municipal companies
- For public building EE



## 3 Direct Financing



- Project finance to private sector (incl. ESCOs)
- For medium scale RE and EE

## 1a ESCO Support

- Legislative support
- Technical project preparation

## 1b Policy Dialogue

- EED, EPBD legislation and strategic documents
- Policy implementation support

WINDOWS



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# What has REEP delivered to-date?

Financing

SIGNED  
**EUR 251m**  
in credit lines w/ 30 PFIs

SIGNED  
**EUR 132m**  
direct lending

Beneficiaries

**700+ cities**

**> 980 SMEs**

**7,100+ households**

**~120 p. buildings**

Impacts

ENERGY SAVINGS

**808,000 MWh/y**  
~ 1/3 North Macedonia's  
residential electricity  
consumption

AVOIDED

**494,000 t CO<sub>2</sub>/year**  
~ removing 102,000 cars  
from the road

INSTALLED

**120 MW**  
renewable energy  
capacity



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# Recent activities - updates since last EECG (March'2021)

## Intermediated financing

### SME & public sector

- ✓ + EUR 1.7m new sub-loans
- ✓ + 8 new sub-loans



### Residential

- ✓ New signings: Raiffeisen Kosovo, Ohridska Banka; Erste Serbia
- ✓ + EUR 7.5m new sub-loans
- ✓ + 1,463 new sub-loans



### SME & public sector

- ✓ + EUR 3.5m new sub-loans
- ✓ EU-funds exhausted; waiting for replenishment



## Direct financing

### Public buildings

- ✓ Progressing pipeline 4 projects – expecting signing this year



### Public buildings

- ✓ MNE: Tender ongoing; PIU established
- ✓ NMK: Tender ongoing, PIU recruiting
- ✓ ALB: EUR 26m signed Q2'21; 5 student dormitories, tender Q3'21
- ✓ NZEB Consulting Contract with Fraunhofer signed
- ✓ REEP replenishment: prep. Studies



### District Heating

- ✓ SRB: Solar DH study is about to start



## Policy

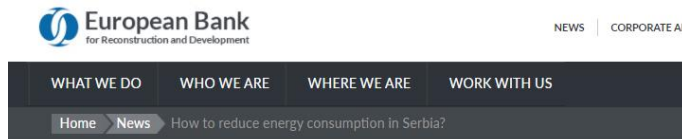
- ✓ New assignment started: Eco-design regulations, Bosnia and Herzegovina
- ✓ EPBD harmonization – Phase 1 completed in North Macedonia, BiH-Federation



# Communication and donor visibility - latest impact stories

Nikola Radenovic from Belgrade invested in solar panels, financed from **EBRD GEFF** credit line.

<https://youtu.be/iYZK39CfUTI>



## How to reduce energy consumption in Serbia?

By Bojana Vljacic

25-May-2021

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EBRD credit line and EU, Austria and WBIF grants promote energy efficiency

Case studies on KfW's and WBIF's websites:

1. [Bosnia: Microloans to improve energy efficiency](#)
2. [Serbia: more light, lower costs](#)
3. [Serbia: New building for packaging factory saves energy](#)
4. [Introduction of Nearly Zero-Energy Buildings in the Western Balkans](#)

Bosnia: Microloans to improve energy efficiency



The Bosnian entrepreneur Alessandro Marjanovic from the small town of Prijedor.

KfW supports businesses in the Balkan countries with microloans for energy-efficient refurbishment. The microloans help to save electricity and thus costs, as well as to reduce greenhouse gas emissions. The loans are financed by the EU's REEP Plus programme, in which KfW is participating with EUR 50 million.

Today's Focus: Lessons Learned

# Policy

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- Policy development success depends on institutional capacity and decision-making capability
- Raise beneficiary capacity to deal with complex obligations: The EE policy framework governs complex obligations, and requires strategic decisions with cross-sectoral implications
- Continuous donor coordination should identify synergies and overlaps
- Knowledge transfer is critical for awareness-raising and implementation
- Expressed market demand facilitates policy development and implementation



# Financing

- PFIs - unfamiliarity of implementing grant-funded green retail financial products
  - Intensive training to retail loan officers
  - Simplified verification process
- End-borrowers/market: low awareness of investment in residential green technologies
  - Market awareness events, also tailored for each PFI
  - Collaboration with national government
  - Harmonization with REEP Window 1 (policy) to create demand
- Public buildings EE – progress to achieve “visible” results
  - Importance of having a well-functioning PIU

# Thank you

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## Presenters

- Ana Bachurova, Associate, Energy Efficiency and Climate Change, EBRD
- Remon Zakaria, Lead, Associate Director, Energy Efficiency and Climate Change, EBRD
- Oliver Jünger, Senior Portfolio Manager, Energy and Mobility Southeast Europe, KfW
- Burkhard Markgraf, Senior Portfolio Manager, Sustainable Econ. Dev., Southeast Europe, KfW

## Team

- Yasuko Goto, Principal, Financial Institutions, EBRD
- Beata Paroczai, Associate, Energy Efficiency and Climate Change, EBRD
- Meran Lukic, Principal, Sustainable Infrastructure Group, EBRD
- Nigel Jollands, Lead, Associate Director, Energy Efficiency and Climate Change, EBRD
- Simon Martz, Portfolio Manager, Energy and Mobility Southeast Europe, KfW
- Lydia Glock, Portfolio Manager, Energy and Mobility Southeast Europe, KfW
- Matija Tadic, Project Coordinator, KfW Office Belgrade

# Annex

# Proposed REEP Replenishment Overview

Window 1a



## ESCO Support TA



Legislative & project preparation support

Window 1b



## Policy Dialogue TA



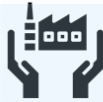
Policy support

Window 2

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## Intermediated Financing through local banks



RE & EE projects in SMEs



EE and RE in the residential sector



EE in the municipal sector



Window 3



## Direct Financing to Private Sector (project and corporate finance)



Small and Medium scale  
RE & EE projects



EE and RE in the residential sector



Window 4

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## Direct Financing to Public Sector (sovereign/sub-sovereign)



EE and RE in buildings



Sustainable heating and cooling



Innovation and smart solutions



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