

The Regional Energy Efficiency Programme for the Western Balkans



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Countries in the Western Balkans have enormous potential to benefit from the greater use of renewable energy and energy efficiency measures. The Regional Energy Efficiency Programme for the Western Balkans (REEPWB) aims to unleash that potential by providing a combination of financing instruments, technical assistance and policy support to create a sustainable market for energy efficiency in the Western Balkans. This includes Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Kosovo, Montenegro and Serbia.

REEPWB supports energy efficiency for both private and public sectors – and encourages the public sector to take a leadership role as stipulated in the countries' National Energy Efficiency Action Plans (NEEAPs).

Background

In 2012, the Western Balkans Investment Framework (WBIF), a joint initiative between the European Union and other international partners approved a €20 million allocation to the EBRD to establish the Regional Energy Efficiency Programme for the Western Balkans (REEPWB). An additional €3.35 million is being contributed from the European Western Balkans Joint Fund.

The programme is built on the success of two forerunners: the Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF); and the Western Balkans Sustainable Energy Financing Facility (WeBSEFF). Both these forerunner programmes successfully combined investment, technical assistance and investment incentives to foster a strong portfolio of energy efficiency and renewable energy projects. They also benefited from a comprehensive institutional capacity-building component, providing targeted consultancy support to address specific weaknesses in the regulatory framework for renewable energy. This led to a significant improvement in the investment environment for renewable energy across the whole region.

The new REEPWB seeks to benefit from this experience by replicating the model while modifying it to best support the participating countries to achieve their sustainable energy objectives as set out in their NEEAPs. REEPWB is made up of three complementary windows of work. These are:

1. Policy dialogue window

A total of €6 million for technical assistance has been set aside for this window which will facilitate intensive policy dialogue with the authorities in the region. The work aims to set up the regulatory frameworks and overcome market barriers that will catalyse investment in energy efficiency and allow energy service company (ESCO) markets to emerge.

2. Credit line facility window (WeBSEFF II)

This window of work consists of a €75 million credit line framework. The credit lines will be extended to local financial institutions for on-lending to smaller scale energy efficiency and renewable energy projects. This finance is accessible by both public and private sector borrowers. The WBIF provides grant funding for technical assistance and investment incentives.

At a glance

Funding for policy dialogue

€6 million

for technical assistance

Sustainable Energy Financing Instruments

€75 million

EBRD funding for credit lines to local commercial banks

€50 million

direct funding for medium-sized sustainable energy investments

up to €17.35 million

grants for technical assistance and investment incentives to support both financing instruments.



3. Direct financing facility window (WeBSEDF)

A total of €50 million has been allocated by the EBRD to replenish WeBSEDF funding. This will be invested in both medium-scale renewable energy and energy efficiency improvements in industrial enterprises. Furthermore, the facility intends to provide financing to ESCO projects. The WBIF provides grant funding for technical assistance and investment incentives.