

# Western Balkans Regional Energy Efficiency Programme (REEP)

Violeta Kogalniceanu, ECS  
Marinela Kalemi, EBRD  
Nigel Jollands, EBRD

WBIF Steering Committee  
16 December 2015



This project is funded by  
the European Union

The Programme is  
funded by EU IPA and  
the European Western  
Balkans Joint Fund, and  
implemented by EBRD  
in cooperation with the  
Energy Community  
Secretariat



**European Bank**  
for Reconstruction and Development



# REEP – delivering sustainable energy in the Western Balkans



**Ivan Stojakovic**  
Manager, Woodmaster

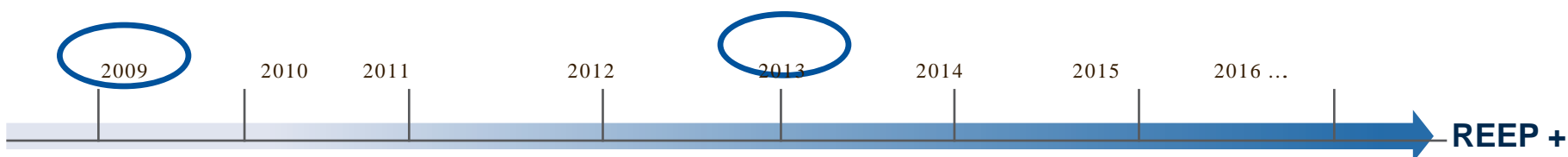
Video

# Contents

---

- **Emergence & Overview** of Regional Energy Efficiency Programme (REEP) in the Western Balkans
- **Finance**
  - Western Balkans Sustainable Energy Finance Facility (WeBSEFF)
  - Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF)
- **Policy dialogue** and **Technical Assistance**
  - ESCOs: legislative support and project preparation
  - Policy support: EPBD, EE goods procurement, utilities
- **Future directions**

# Emergence of REEP in the Western Balkans



Since 2009, the EBRD has provided dedicated regulatory assistance and financing to energy efficiency (EE) and renewable energy (RE) projects in the Western Balkans.



The Western Balkans Sustainable Energy Financing Facility (WeBSEFF) for small-scale EE/ RE projects in commercial sector



The Western Balkans Sustainable Energy Direct Financing Facility (WeBSEDF) for medium-sized EE/ RE projects in commercial and municipal sector

**Regional Energy Efficiency Programme** in the Western Balkans with WBIF support of **€23.35m**

**Building on success** of WeBSEFF and WeBSEDF, the REEP was launched to support the sustainable energy transformation of the whole region in a comprehensive manner.

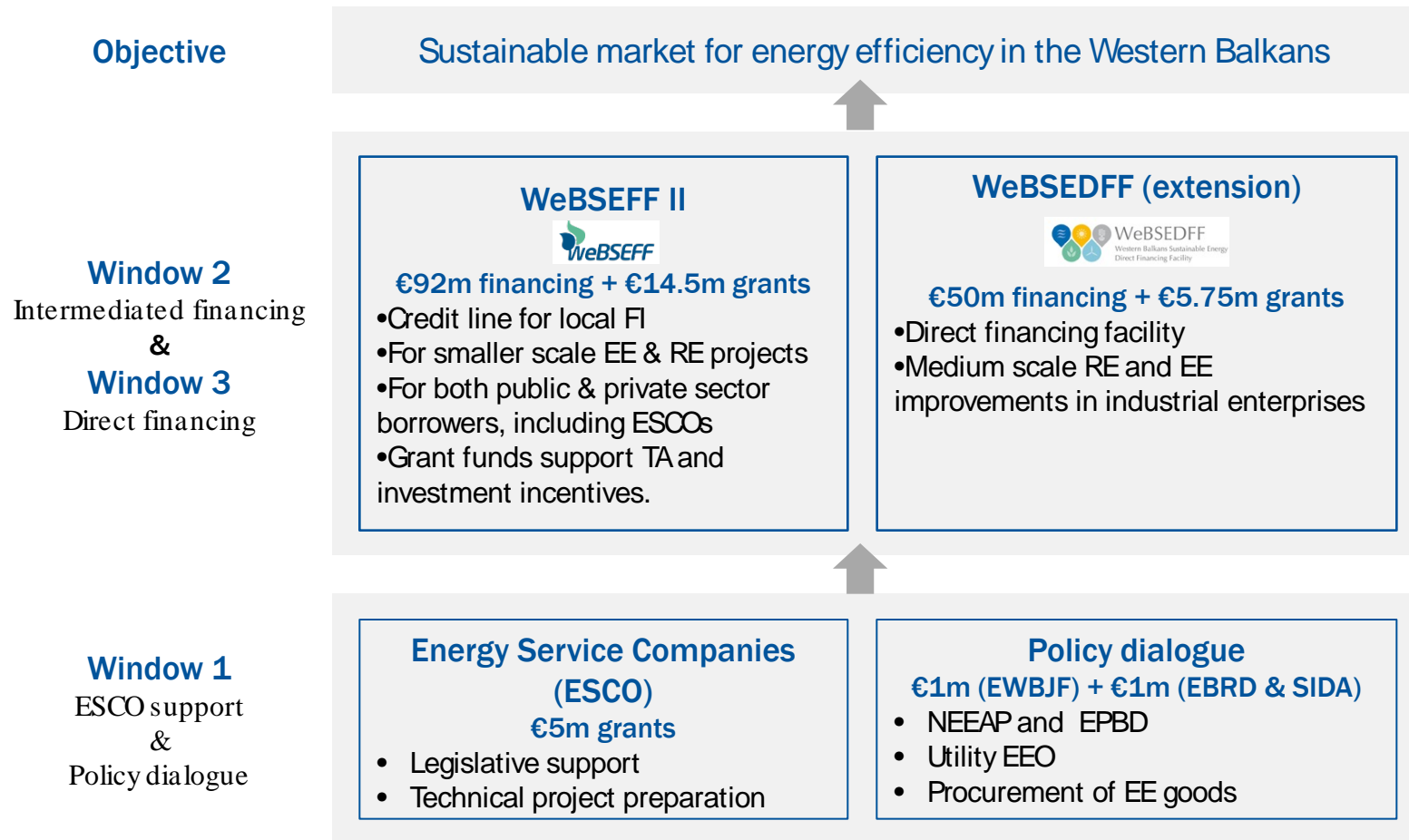
**EBRD and Energy Community Secretariat:**

- Prepared the concept jointly
- Implementing REEP in partnership

REEP proving to be **successful model of regional cooperation** between the EU, the EBRD, the ECS and BENEFICIARIES: deeply engaged through Technical Working Groups, and the Energy Efficiency Coordination Group.

# REEP Overview

REEP is an **integrated package** of **finance, technical assistance** and **policy dialogue**, implemented jointly with the **Energy Community Secretariat**

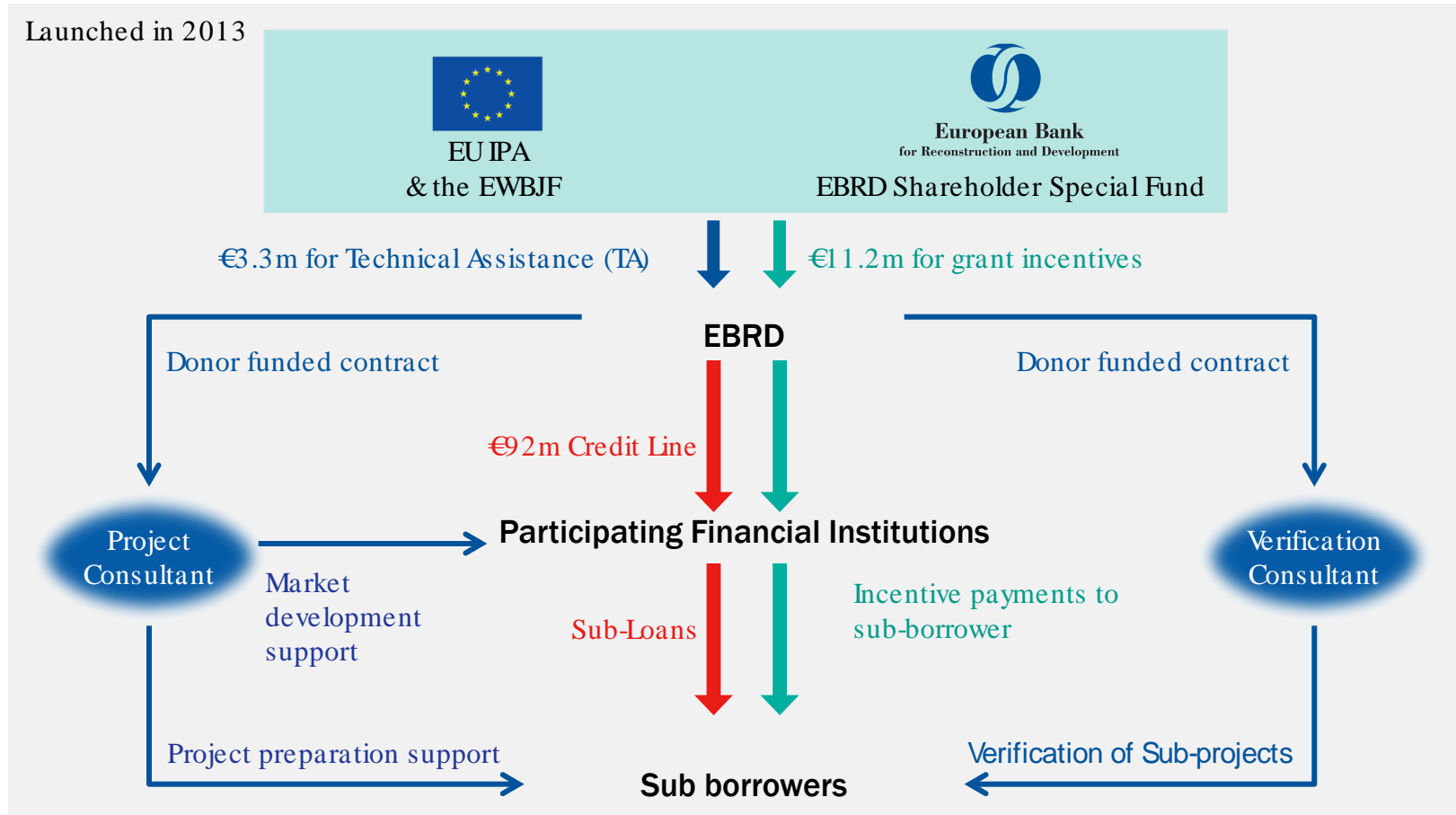


# Window 2: WeBSEFF II

## Business model



Launched in 2013



# Window 2: WEBSEFF II – Results

## ACHIEVEMENTS

Total CO<sub>2</sub> savings 205,028 t/yr

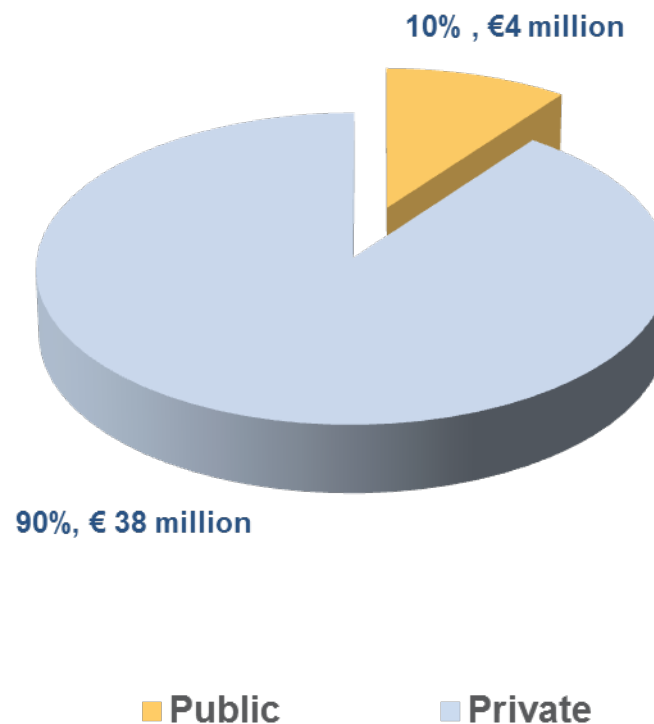
Total energy savings 386,668 MWh/y

Approved loan amount EUR 42 mln

Current pipeline value EUR 26 mln

Still to allocate EUR 24 mln

## WeBSEFF II – Portfolio by Sector



# Window 2: WeBSEFF II case study

## A biomass boiler investment pays off in 2 years

### CLIENT

A jam producer that uses LFO and electricity for heating and jam production was looking for ways to reduce its energy costs.

### PROJECT

- Investing in a biomass boiler that can run on a plum residues and wood pellets
- Insulating walls, ceilings and the cooling chamber
- Replacing doors and windows

### FINANCIAL STRUCTURE

Total Investment	€247,200
EBRD loan	€149,600



### EXPECTED IMPACT

- Production cost savings: €140,300/ year
- Payback period: 1.7 years
- Emission reductions: 700 tCO<sub>2</sub>/ year
- Waste reductions: Instead of being wasted, plum stones are utilised as a source of energy.
- Other benefits: thermal comfort in the workplace



# Window 3: WeBSEDFF II - Progress update

## Financial structure

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

## Progress

- 4 projects financed to date for a total of €17.9m (SHPP, biomass and biogas)
- 2 more projects approved for a total of €10.2m (SHPP)
- 3 projects in the pipeline, with indicative loan amount of €6.0m (biogas, solar PV)
- CO<sub>2</sub> emissions saved: 308,606 tonnes/year  
+ 22,821 (for the approved projects)



# Donor visibility



# Window 1: Policy Dialogue

## The role of Energy Community Secretariat

### The Energy Community Secretariat

- **Facilitates** the implementation by bridging between beneficiaries, EBRD, the Consultant and the European Commission.
- **Works** with the beneficiaries to implement the legal and regulatory framework and sector reforms (price, market liberalisation, etc.) that support energy efficiency investments.
- **Convenes** three times a year an Energy Efficiency Coordination Group to discuss progress in REEP and share lessons and models of implementation.
- **Monitors** the beneficiaries progress and takes action through the dispute settlement procedure against the beneficiaries that are lagging behind the implementation of the energy efficiency acquis, thus providing support to REEP.

# Window 1: EE policy dialogue

## Technical assistance assignments

EPBD implementation support

Procurement of EE goods

Utility scheme (EEO) and tariff design

NEEAP development support

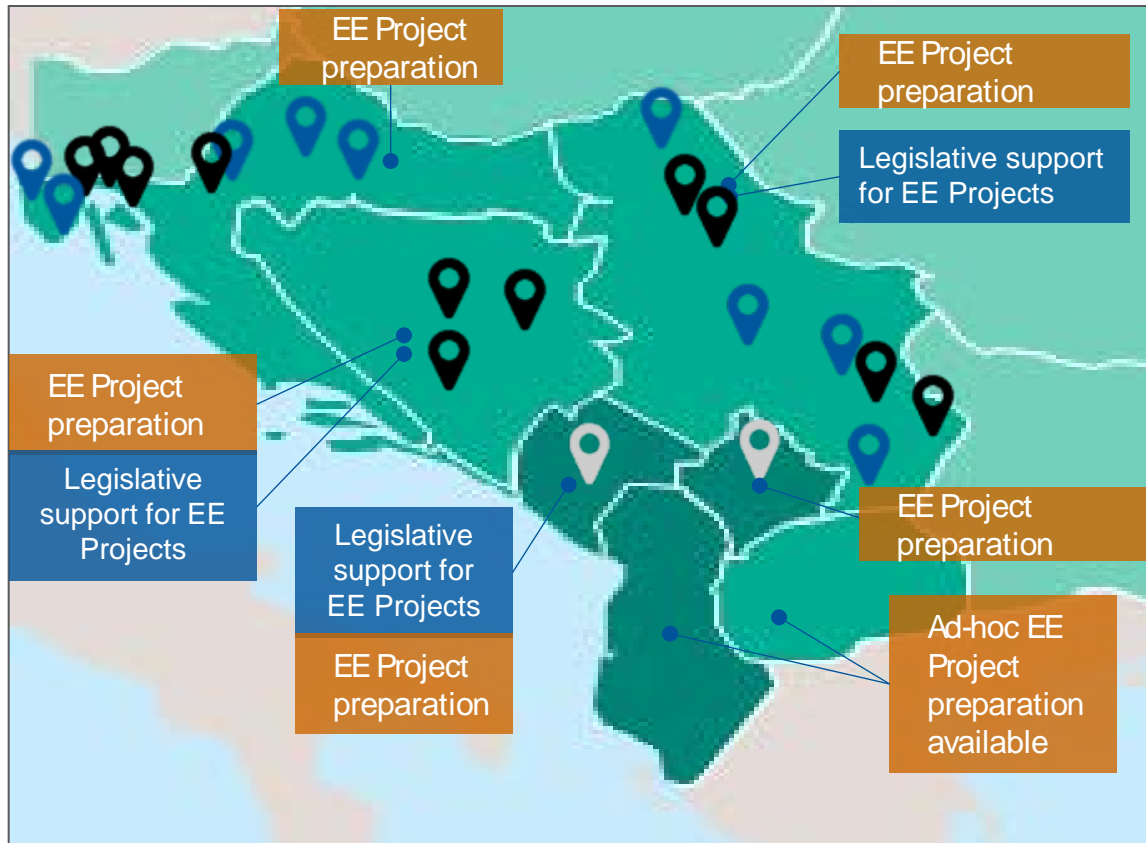
 TA assignments completed

 TA assignments ongoing



# Window 1: ESCO & Policy dialogue

## Policy dialogue and TA assignments



### TC project preparation for ESCO projects:


- 9 tenders prepared by REEP
- 11 tenders under preparation by REEP


### Policy dialogue


Legislative support for EE Projects

### TC assignments


Energy efficiency (EE) Project preparation

 Street lighting tenders prepared by REEP

 ESCO tenders under preparation by REEP

 Feasibility/scoping studies prepared by REEP

# Next steps

- REEP  'REEP+'
  - Building on REEP success: continuing and evolving
  - Penetrating a very difficult market: residential energy efficiency and small renewable energy applications
  - Blending approach: €15m from EU and additional funds from other donors for TA and investment incentives to be blended with the EBRD's financing
  - Continuing WEBSEFF & direct lending
  - Leveraging bilateral EBRD donors' co-financing for Policy dialogue



# Thank you



- Holger Muent
- Caroline Clarkson
- Marinela Kalemi
- Nigel Jollands

EBRD, One Exchange Square  
London, EC2A 2JN  
United Kingdom  
[www.ebrd.com](http://www.ebrd.com)



- Violeta Kogalniceanu, ECS