

May 2025



INVESTING IN A NET-ZERO FUTURE

REGIONAL ENERGY EFFICIENCY PROGRAMME ANNUAL STEERING COMMITTEE ORGANISED IN SKOPJE

“ With over €1 billion invested in energy efficiency and increasing demand for more investments, the Regional Energy Efficiency Programme (REEP), established by the Western Balkans Investment Framework, remains a key instrument for the region's green transition.

This was the conclusion of a meeting held on 19 November in Skopje, gathering key programme stakeholders and financiers, including representatives of the European Commission, the EU Delegations in the region, the European Bank for Reconstruction and Development, the German Development Bank (KfW), and the Energy Community Secretariat.

The stakeholders met to take stock of the programme's achievements to date and discuss its continuation, the growing demand for investments and future grant funding from the EU. [Read more](#) and [watch the video](#)

EU, EBRD, and KfW discuss scaling up investments in energy efficiency in the Western Balkans ”



1,220 GWh/y
energy saved



730kt CO₂/y
avoided,
equal to removing 190,000
number of cars from streets



€1.1 billion
worth of investments
(€184.6m EU grants, €982m
IFI loans)

Total programme results 2013-2024

EBRD pioneers green financing for housing associations in Serbia

In the face of soaring energy prices, many households across the Western Balkans are searching for ways to lower their heating and electricity bills, including those living in multi-apartment buildings. The EBRD is working with local partner banks and donors to provide financing to households and housing associations, supporting investment in energy-saving measures through its [Green Economy Financing Facility \(GEFF\) programme](#) – part of the REEP. [Read more](#)



Erste Bank, one of the EBRD's local partners for the GEFF programme, has become the first bank to issue a green loan to a housing association in Serbia, representing a significant milestone in energy efficiency investments for apartment buildings.

€86,000, has been used to finance improvements to three buildings in the town of Svilajnac. The housing association also received a financial grant of around **€25,000** from the European Union.

€30 million EBRD loan to Serbia for renewable heat generation

Ten cities in Serbia will invest in greening and modernisation of their district heating systems through a project financed with a €30 million loan from the EBRD. Local district heating companies will invest in solar collectors, heat pumps, waste heat, geothermal sources along with related energy-efficiency measures. The project will be supported by donor-funded assistance of up to €12 million mobilised by the EBRD from the [Swiss State Secretariat for Economic Affairs](#), the [European Union](#) under the REEP, and the government of [Austria](#) through the Renewable District Energy in the Western Balkans Programme. With the implementation of planned projects, production of thermal energy from RES in Serbia will be doubled, with a significant increase in energy efficiency and a reduction in carbon dioxide emissions. [Read more](#)

 **10 cities in Serbia will invest in renewable heat generation systems**
Investment: €30 million

115 GWh Renewable Heat Annually:
Significant Environmental Impact

14,600 Tonnes CO₂ Reduction Yearly: Water and Energy Savings



EBRD and EU to support energy efficiency improvements in Montenegrin schools and hospitals

Montenegro is launching a large-scale energy efficiency overhaul of its educational buildings and hospitals, with support of the EBRD and EU through REEP. €20 million EBRD loan and €4 million EU investment grant will finance energy efficiency measures in 23 school and kindergarten buildings and one student dormitory. In parallel, the country will invest in energy-saving measures in three public hospital buildings: the clinical centre in Podgorica, the hospital in Cetinje and the hospital in Bijelo Polje. The works will be financed with a €12 million EBRD loan and €2 million EU investment grant. Work will include the installation of heating, ventilation and air conditioning systems, measures to enhance the performance of the buildings and potentially renewable energy technology (solar photovoltaic). *Read more in the following links:*

[link 1](#)

[link 2](#)

EBRD makes its first
energy efficiency
investment in public
buildings in Montenegro



€12m

The project will improve
energy efficiency for three
hospitals in three cities



€20 million EBRD loan and
€4 million EU grant will
finance energy efficiency
measures in 24 educational
buildings



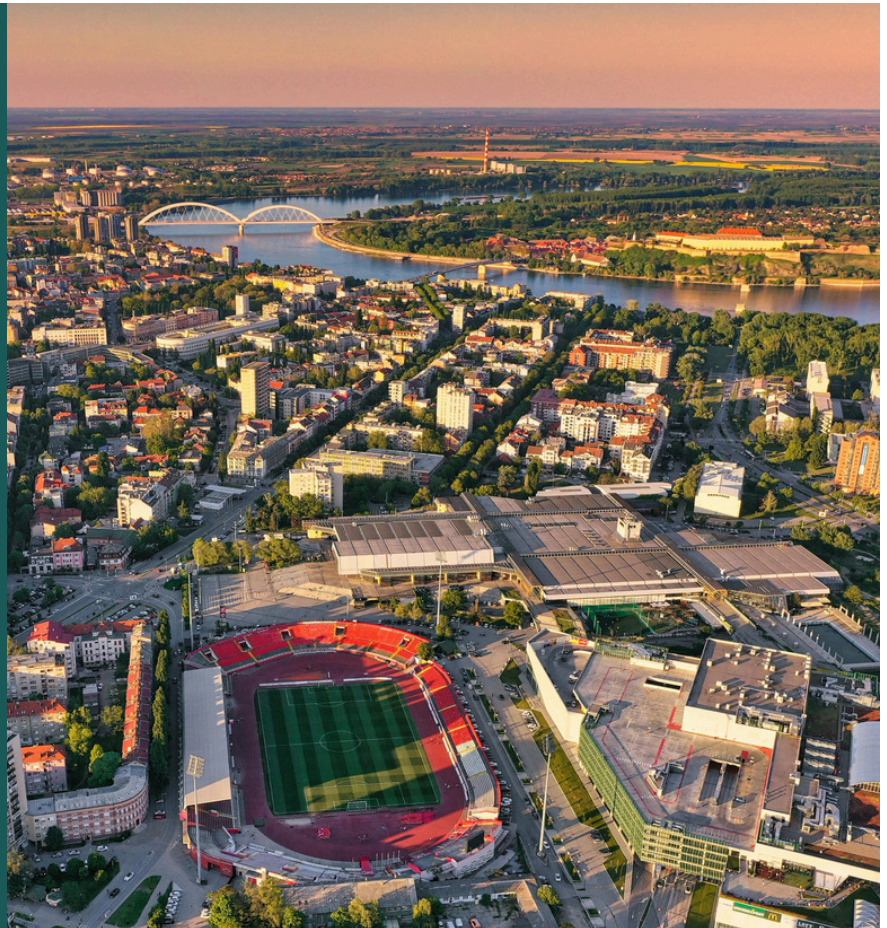
Fresh look and energy efficiency upgrades for 37 public buildings in Sarajevo

Following the successful completion of the first project phase, which saw the renovation of 20 public buildings in Sarajevo, the second phase of energy efficiency upgrades is nearing completion. Work has already been finished on nine out of 17 buildings in this phase, with the remaining eight buildings expected to be completed by the first quarter of 2025. The project is financed with a €2 million EU investment grant and €8 million EBRD loan.

In total, 37 public buildings, including kindergartens, schools, faculties, student dormitories and local outpatient health centres, will have been refurbished part of this project.

Reconstruction of public buildings in Vojvodina set to begin in early 2025

Vojvodina is moving forward with the project to refurbish its public buildings, with tenders for construction and supervision expected to be completed by the first quarter of 2025. Once the tendering process is successfully concluded, construction work will commence shortly thereafter. The project is funded by a €12 million EBRD loan, €2 million EU investment grant and €1.9 million technical assistance package Swedish International Development Cooperation Agency (Sida). The initiative aims to enhance energy efficiency measures in up to 50 public buildings by upgrading heating, ventilation and air conditioning system, installing high-efficiency lighting systems, and replacing inefficient windows with insulated windows. These upgrades are expected to reduce energy costs, lower CO₂ emissions, and improve indoor comfort for buildings occupants.



€50 million EBRD loan and €7 million EU grant to boost energy efficiency in Kosovo's public buildings

Kosovo is gearing up for a large renovation wave which will include up to 400 public buildings occupied by state-owned enterprises and administrative, education and healthcare facilities. The investment will be financed with a € 50 million EBRD loan, € 12.6 million from the government of Kosovo, a € 7 million grant from the European Union through REEP, and € 3 million from the Danish Fund for Kosovo.

EBRD loan to boost energy efficiency in up to 400 public buildings in Kosovo

Energy efficiency and renovation measures in up to

400 public buildings



Energy savings of
30-50%
while substantially reducing greenhouse gas (GHG) emissions.

The project involves implementing energy efficiency and renovation measures, including installing thermal insulation, upgrading or replacing various systems (heating, lighting and electrical), replacing doors and windows, and applying any other necessary structural and comfort measures. Expected energy savings are 30-50% with substantially reduction in greenhouse gas emissions.

Reconstruction begins at the "Steve Naumov" student dormitory

Reconstruction has officially commenced at the "Steve Naumov" student dormitory in North Macedonia, marking a significant step in the country's commitment to improving educational infrastructure. This initiative aims to renovate a total of nine state dormitories. KfW is providing € 20 million loan, while European Union enables grant of € 4.8 million through the REEP. The Ministry of Education and Science is responsible for the Programme implementation. [Read more](#)



Energy-efficient dormitories inaugurated in Albania

The Student City in Tirana now has five renovated dormitories that meet European Union Standards under 'Energy Efficient Rehabilitation of Student Dormitories in Albania' project. In total, 19 student dormitories of the Student City I campus in Tirana will be renovated, benefitting more than 2,600 students. A minimum of 70% of the capacity of the renovated dormitories will be occupied by students with low incomes, thus promoting social infrastructure for underprivileged students. The renovation is supported by a €4.78 million from the European Union through the Western Balkans Investment Framework (WBIF) and €30 million loan and grant package from the German Federal Government through the KfW Development Bank. [Read more](#)



The Student City in Tirana now has five renovated dormitories that meet European Union standards

Two days workshop for Montenegrin media

The Ministry of Energy and Mining of Montenegro, recognizing the crucial role of the media in promoting energy efficiency, organized a two-day workshop for media representatives. The workshop aimed to present the first results and announce the plans for the project 'Promotion of Energy Efficiency in Public Buildings - Greening Public Infrastructure in Montenegro'. The successful completion of the previous two phases and the promising first results of Phase III stand as a testament to country's unwavering commitment to decarbonization.



European journalists visit EU flagship investments in North Macedonia and Albania

The European Union's investments in the Western Balkans continue to bear fruit, as demonstrated during a media trip organised by the European Commission's Directorate-General for Neighbourhood and Enlargement (DG NEAR) from 23 to 27 September 2024. The trip marked the 15th anniversary of the Western Balkans Investment Framework (WBIF), which has played a crucial role in the region's path towards EU integration.

Fifteen journalists from leading European media outlets embarked on five-day tour through North Macedonia and Albania, getting a taste of the EU's considerable investments in infrastructure, energy and social development in all six of the Western Balkan partners, implemented by the WBIF.

[Read more](#)



The journalists witnessed firsthand how Student City One project in Tirana progresses.

[Student City I Masterplan](#)

Ecoloans: Modernising a vegetable farm in Despotovo, Serbia

Slavoljub Nikolić runs a 100-hectare vegetable farm in Despotovo, specialising in onions and potatoes. Producing 6,000 tonnes annually for both domestic and export markets, he modernised his operations after securing an Ecolan backed by the EU and KfW, from UniCredit Bank two years ago. Slavoljub used a €110,000 Ecolan to purchase modern tractors with enhanced hydraulic systems, replacing outdated models from the 1990s. This new equipment allows him to farm larger areas and apply advanced technologies.



Advanced EU machinery applies fertiliser/biostimulants/insecticides simultaneously.

Energy savings, reducing consumption by around 15 MWh annually.

Future plans includes invest in installation of solar panels and digitalisation.



Pablo Obrador Alvarez
Head of Division
Energy Southeast
Europe and Turkey
at KfW

“Energy
efficiency
first”

REEP interview

We're pleased to close this newsletter with our very first REEP interview. In this new section, we're shining the spotlight on the incredible people behind the REEP, who will share their valuable insights and experiences. We hope you'll enjoy this inspiring content.

Pablo Obrador Alvare will be first one featured through flash interview in the 2nd edition of the REEP News update, prepared by EBRD and KfW. The REEP Update is distributed internally across IFIs, with DG Near, EU DELEGATIONS and other partners

What is KfW focus on Energy efficiency in the Western Balkans in 2025?

“KfW is committed to the REEP Programme and partnership with EU and EBRD. Our joint moto is: energy efficiency first. We are ambitious about the REEP future as we see tangible results of 1,220k MWh/y energy saved and avoided 730kt CO2/year since 2013 for signed and closed projects. KfW also supports energy utilities across the region to help them adopt greener practices in partnership with the European Fund for Sustainable Development (EFSD+).”

What are the trends that will contribute to energy efficiency and sustainability in 2025?

“Regional governments are actively collaborating with international financial institutions to fund large-scale renewable projects aiming to enhance energy security, to reduce greenhouse gas emissions, and stimulate economic growth. KfW is, in example, supporting development of the biomass market in Serbia by financing biomass district heating systems in multiple municipalities. We also witness integration of artificial intelligence (AI) in Energy Management. For example, AI systems can analyze environmental factors to adjust heating, ventilation, and air conditioning (HVAC) operations in real-time, leading to significant energy savings.

In addition, industries are adopting cleaner production techniques, energy-efficient equipment, and electrification of processes to lower their carbon footprint. In example, innovations in waste heat recovery, industrial symbiosis, and low-carbon fuel alternatives (like hydrogen) are becoming more present.”

What are the key initiatives and innovations driving the global transition toward renewable energy, energy efficiency, and industrial decarbonization?

“Near Zero Energy Buildings is an important step towards energy efficient future and KfW is supporting WB countries as EU candidates in adopting this and similar standards. In the REEP programme, a number of public buildings are planned to be reconstructed in this sense and we expect to see beginning of the works in 2025 and 2026.”

The REEP Update is a bi-annual newsletter covering the latest news and developments in relation to the Regional Energy Efficiency Programme (REEP) in the Western Balkans. The newsletter is distributed to programme stakeholders, including donors, IFIs and implementing partners.

About REEP

Launched in 2013, the REEP was designed to assist the Western Balkans countries in decarbonising their economies by promoting investments in renewable energy and energy efficiency measures across residential, public and private sectors. The programme combines a comprehensive package of financing from the EBRD, KfW, European Union and other donors.