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Western Balkans  
Investment Framework **WBIF**  
BUILDING THE EUROPEAN FUTURE TOGETHER

Global  
Gateway

**European Bank**  
for Reconstruction and Development

**KfW**



# Regional Energy Efficiency Programme (REEP) in Montenegro

## KEY FIGURES

In Montenegro, three major hospitals in Bijelo Polje, Cetinje and a Clinical Centre of Podgorica will be refurbished with improved energy-efficiency measures thanks to financing secured through REEP. The Programme also supports large-scale energy efficiency investments in 46 educational public buildings, mainly schools, but also student dormitories and one home for elderly, some of which have already been successfully reconstructed. In cooperation with two local partner banks, households can obtain financing for investments in energy efficiency measures through Green Economy Financing Facility (GEFF). Technical assistance and policy dialogue support is provided to relevant government bodies helping them to improve the country's energy regulatory framework and align it with the EU acquis.



Total projects funding  
**€104 million**



Loans  
**€82 million**



WBIF grants  
**€12.6 million**



**180**

Households  
(achieved)



**46**

education public  
buildings  
(target)



**3**

healthcare public  
buildings  
(target)

## Beneficiaries

## Main achievements



Energy saved  
**48,722 MWh/y**



Emissions avoided  
**13,429 tCO2/y**

## About the programme

Launched in 2013 under the WBIF, the Regional Energy Efficiency Programme (REEP) supports the Western Balkans' green transition by combining EBRD and KfW financing with EU and donor grants to deliver policy support, technical assistance, and targeted green investments.



To date,  
through **REEP**,  
the **Western  
Balkans  
countries**

have received over

**€1.1 billion**

in EBRD, KfW loans,  
and EU incentive grants.



# REEP investments in Montenegro

## Direct Financing to Public Sector

### Energy efficiency in public buildings – Greening Public Infrastructure in Montenegro



IFI	<b>KfW</b>
LOCATION	Country wide
LOAN	<b>€45m</b>
WBIF GRANT	<b>€4.7m</b>
OTHER GRANTS	<b>€0.92m</b> EU IPA, <b>€2m</b> BMZ
TOTAL PROJECT FUNDING	<b>€59.7m</b>
DESCRIPTION	Renovation of 19 schools, one home for elderly and one student dormitory. The project will help reduce energy consumption by 7,700 MWh and CO2 emissions by 4,200 tones annually.

### Education energy efficiency project



IFI	<b>EBRD</b>
LOCATION	Country wide
LOAN	<b>€20m</b>
WBIF GRANT	<b>€4m</b>
OTHER GRANTS	<b>€215,000</b>
TOTAL PROJECT FUNDING	<b>€24m</b>
DESCRIPTION	Energy efficiency retrofit of 24 schools and kindergarten buildings, and one student dormitory.

### Hospitals Energy Efficiency Project



IFI	<b>EBRD</b>
LOCATION	Podgorica, Cetinje and Bijelo Polje
LOAN	<b>€12m</b>
WBIF GRANT	<b>€2.8m</b>
OTHER GRANTS	<b>€270,000</b>
TOTAL PROJECT FUNDING	<b>€15m</b>
DESCRIPTION	Energy efficiency retrofit in three public hospital buildings in Podgorica, Cetinje and Bijelo Polje.

## Direct Financing to Private Sector

### Small hydro power plant Bistrica



IFI	<b>EBRD</b>
LOCATION	Bijelo Polje
LOAN	<b>€4.2m</b>
WBIF GRANT	<b>€420,000</b>
TOTAL PROJECT FUNDING	<b>€4.6m</b>
DESCRIPTION	Construction of one electricity generating unit with the capacity of 3.5 MW in the vicinity on Bijelo Polje. Planned annual production is 11,32 GWh.



## Intermediated Financing

### Intermediated financing to the residential sector (Green Economy Financing Facility – GEFF)



IFI	<b>EBRD</b>
LOCATION	Country wide
LOAN	<b>€768,959</b> in sub-loans
WBIF GRANT	<b>€117,178</b>
TOTAL PROJECT FUNDING	<b>€886,137</b>
DESCRIPTION	180 households benefited from loans and grants for energy efficiency and renewable energy on-lent through two partner financial institutions: CKB and NLB.

Legend: Status completed Status ongoing



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# REEP investments in Montenegro

## ESCO and policy dialogue

### Public ESCO



IFI	<b>EBRD</b>
LOCATION	Country and municipal level
DESCRIPTION	EnPC produced. Supported the drafting of the EnPC templates.

### Policy dialogue



IFI	<b>EBRD</b>
LOCATION	Country and municipal level
WBIF GRANT	<b>€662,000</b>
DESCRIPTION	15 policy deliverables completed including comprehensive set of strategic documents, regulations, and rulebooks. All formally accepted/ adopted. Transposition of key EU directives such as the Energy Efficiency Directive, the Energy Performance of Buildings Directive into Montenegro's regulatory framework.



Legend: Status completed Status ongoing



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## Case studies

### Improving energy efficiency in hospitals and educational buildings

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).

### Promotion of energy efficiency in public buildings – Greening public infrastructure in Montenegro

Montenegro's Ministry of Energy is implementing the project that should enhance energy efficiency in public buildings across social and educational sector. The project, financed with a EUR 45mn KfW loan and EUR 4.7mn EU investment grant from REEP, covers 20 buildings: 18 schools, one home for elderly and one

student dormitory totaling 80.000 square meters. The Project targets public buildings from 1930s – 1980s, struggling with inefficient heating, poor insulation, leaky roofs and inadequate windows, leading to mold, highly energy use and discomfort. Energy consumption is high and user comfort is compromised, while

many of the objects are nearing the end of their economic and technical lifespan. Expected impacts include reduced energy consumption by 8.000 MWh/year, reduced CO<sub>2</sub>eq by 4500 t/y. Schools that have already been successfully refurbished stand as a testament to improved living and working conditions.



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