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Western Balkans
Investment Framework
WBIF
BUILDING THE EUROPEAN FUTURE TOGETHER

Global
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for Reconstruction and Development

KfW



Regional Energy Efficiency Programme (REEP) in Serbia

KEY FIGURES

In Serbia, the programme is advancing the transition to clean energy in district heating systems across ten small and medium-sized cities. Investments focus on replacing fossil-fuel-based systems with modern technologies that utilise renewable energy sources such as solar thermal, heat pumps, urban and industrial waste heat, and geothermal energy. In addition, 85 public buildings will undergo energy-efficiency renovations, including the installation of 125 solar panels on rooftops. The programme also facilitates financing for small businesses through local banks, supporting over 440 projects with a total investment of €50 million. In the next phase, an additional 300 SMEs are expected to benefit. Moreover, nearly 8,000 households have adopted energy-saving measures with financing obtained through the GEFF credit line.



Total projects funding
€378 million



Loans
€225 million



WBIF grants
€31 million

Beneficiaries



8,061

Households
(achieved)



585

SMEs
(achieved)



85

public
buildings
(target)

Main achievements



Energy saved
399,922 MWh/y



Emissions avoided
161,508 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 Serbia

Direct Financing to Public Sector

Development of the Biomass market in the Republic of Serbia

IFI	KfW
LOCATION	Five municipalities in Serbia
LOAN	€20m
WBIF GRANT	€9m
OTHER GRANTS	€0.92m EU IPA, €2m BMZ
TOTAL PROJECT FUNDING	€31.9m
DESCRIPTION	Switch from fossil fuels to biomass in district heating systems in up to five municipalities.

Renewable district energy Serbia

IFI	EBRD
LOCATION	10 municipalities in Serbia
LOAN	€3m
WBIF GRANT	€1.5m investment grant
OTHER GRANTS	€8,9m SECO and Austria
TOTAL PROJECT FUNDING	€41.9m
DESCRIPTION	The investment foresees a switch from fossil fuels to renewable energy systems (heat pumps, geothermal, solar thermal, data centre, etc) in 10 district heating companies and accompanying energy efficiency measures.

Promotion of Energy Efficiency in Public Buildings in Serbia

IFI	KfW
LOCATION	Country wide
LOAN	€50m
WBIF GRANT	€21.5m
OTHER GRANTS	€2m BMZ, €4.1m EU IPA
TOTAL PROJECT FUNDING	€77.6m
DESCRIPTION	Rehabilitation and energy efficiency retrofit of 35 public buildings, including introducing Nearly Zero-Energy standards to at least two and installing 125 solar panels on rooftops.

Vojvodina Public Buildings

IFI	EBRD
LOCATION	Vojvodina
LOAN	€12m
WBIF GRANT	€3.3m
OTHER GRANTS	€400,000
TOTAL PROJECT FUNDING	€14.6m
DESCRIPTION	Energy efficiency measures in up to 50 buildings in Vojvodina, in administrative, educational and healthcare facilities.

Direct Financing to Private Sector

Biogas power plant

IFI	EBRD
LOCATION	Bač
LOAN	€8.3m

WBIF GRANT	€380,000
TOTAL PROJECT FUNDING	€8.6m
DESCRIPTION	Two biogas projects of 3.55 MW (total).

Legend:  Status completed  Status ongoing



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REEP investments in Serbia

Intermediated Financing

Promotion of Investments in Energy Efficiency and Renewable Energy in the Banking Sector - Eco Loans Phase I

IFI	KfW
LOCATION	Country wide
LOAN	€5m
WBIF GRANT	€5m
TOTAL PROJECT FUNDING	€55m
DESCRIPTION	440 SMEs invested in energy-efficiency upgrades in cooperation with local partner banks. Implemented between October 2018 and October 2021.

Low Carbon Energy Facility

STATUS	Expected to start in Q4 of 2025
IFI	KfW
LOCATION	Country wide
LOAN	€43m
WBIF GRANT	€4.3m
TOTAL PROJECT FUNDING	€47.3m
DESCRIPTION	The project aims to support SMEs with loans and grant incentives for investments in energy-saving upgrades.

Intermediated financing to SMEs (WebSEFF II)

IFI	EBRD
LOCATION	Country wide
LOAN	€27.4m in sub-loans
WBIF GRANT	€1.9m
TOTAL PROJECT FUNDING	€29.3m
DESCRIPTION	Financing on-lent to SMEs in cooperation with Banca Intesa and Komercijalna Banka. 145 SMEs benefited from the support.

Intermediated financing to the municipal sector (WebSEFF II)

IFI	EBRD
LOCATION	Country wide
LOAN	€6.2m in sub-loans
WBIF GRANT	€661,284
TOTAL PROJECT FUNDING	€6.8
DESCRIPTION	39 beneficiaries received financing on-lent by Banca Intesa.

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

IFI	EBRD
LOCATION	Country wide
LOAN	€33.5m in sub-loans
WBIF GRANT	€4.4m
OTHER GRANTS	€865,026
TOTAL PROJECT FUNDING	€37.9m
DESCRIPTION	Intermediated financing to residential sector. Over 8,000 households benefited from loans and grants for both energy efficiency and renewable energy on-lent through six partner financial institutions: NLB Komercijalna, Erste, UniCredit, ProCredit, Intesa, 3Banka.

Legend:  Status completed  Status ongoing



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REEP investments in Serbia

ESCO and policy dialogue

Public ESCO



IFI	EBRD
LOCATION	Country and municipal level
TOTAL PROJECT FUNDING	€25m
DESCRIPTION	11 projects supported across 9 municipalities.

Policy dialogue



IFI	EBRD
LOCATION	Country and municipal level
WBIF GRANT	€1m
DESCRIPTION	12 policy deliverables completed (8 formally adopted/accepted). Beneficiaries: Ministry of Mining and Energy; Ministry of Construction and Infrastructure.

Case studies

EBRD pioneers green financing for housing associations in Serbia

Through EBRD Green Economy Financing Facility (GEFF), households and housing associations can access financing for energy-saving investments. In a pioneering move, 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. That first loan, which totaled around €86,000, has been used to finance improvements to three buildings

in the town of Svilajnac, helping to replace outdated fuel-fired boilers with a modern, energy-efficient heating system. The housing association also received a financial grant of around €25,000 from the European Union.

Supporting small businesses to invest in energy efficiency

Supporting local business to grow and invest in energy saving measures was the main objective of the KfW Eco Loan Project. Slavoljub Nikolić's farm in Despotovo is one of the many good examples under project. Thanks to a €110,000 loan, Nikolić's 100-hectare farm invested in new machinery and energy-saving methods, boosting yields, reducing energy use by 15 MWh

per year, cutting fuel by up to 30%, and lowering CO2 emissions by 3.4 tons—demonstrating rapid, sustainable progress that would not be possible without such financing.



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