



**An EU Funded Project**

**Support to IFI Coordination in the Western Balkans and Turkey**

**Energy efficiency support mechanisms  
active in the Western Balkans**

**IFI Coordination Office**

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# Purpose

- To map, compare and analyse the various Energy Efficiency support mechanisms including technical assistance and financial schemes such as credit lines, in the Western Balkans funded by EC, IFIs, bilateral donors and commercial sources

# Context

- EU Directives setting out emission reduction targets
- Growth of support mechanisms for technical assistance and to help fund Energy Efficiency measures
- National Energy Efficiency Action Plans outlining national targets and measures to meet energy efficiency targets

# Approach Adopted

- A short assignment aimed at an initial mapping of Energy Efficiency funds and TA mechanisms currently available in the Western Balkans, and looking at their ;
- Source of Funds
- Amount of money available in each fund
- Purpose of the fund (activities it will finance)
- Financial structure (loans, grants/blended)
- Distribution (via banks or other intermediaries or directly to end beneficiary)
- Beneficiary of funds (public organisations, SMEs, Individuals/homeowners)

# Summary of Funds & Mechanisms

- 27 Funds Identified
  - 9 Regional
  - 18 Country Specific
- Total in excess of €1.4 billion – is this enough to address needs?
- Difficult to comment without fully costing national measures
- Most funds include some technical assistance

# Regional Funds

Fund Name	Source of Fund	Value of Fund	Purpose of Fund	Financial Structure	Distribution	Beneficiary of Fund
WeBESCLF	EBRD	€60m	<ol style="list-style-type: none"> <li>1. Industrial Energy Projects</li> <li>2. Building Sector EE</li> <li>3. Renewable Energy</li> </ol>	Loans	Banks	SMEs
WeBSCDF	EBRD	€50m	<ol style="list-style-type: none"> <li>1. Energy Projects</li> <li>2. Renewable Energy</li> </ol>	Loans	Directly to end beneficiary	Private Industrial Cos. & SMEs
EE21	United Nations Economic Commission for Europe (ONU)	\$7.5m But includes funds for 2 EU countries	<ol style="list-style-type: none"> <li>1. Source of financing with dedicated investment funds;</li> <li>2. Training to help establish bankable project proposals;</li> <li>3. Institutional and policy reforms;</li> <li>4. Establishing network of energy efficiency managers;</li> </ol>			Regional, sub-regional, country-oriented and interregional projects.

# Regional Funds (2)

Fund Name	Source of Fund	Value of Fund	Purpose of Fund	Financial Structure	Distribution	Beneficiary of Fund
European Clean Energy Fund	UNECE	€250m	<ol style="list-style-type: none"> <li>1. Cogeneration, fuel switching, boilers refurbishment, district heating rehabilitation, street lighting renovation;</li> <li>2. Renewable energy: wind, solar, bio-fuels, biomass;</li> <li>3. Create a financing facility for interaction with development and commercial lenders;</li> </ol>	Funding on Commercial terms	FEEL Office	Financing of large scale projects

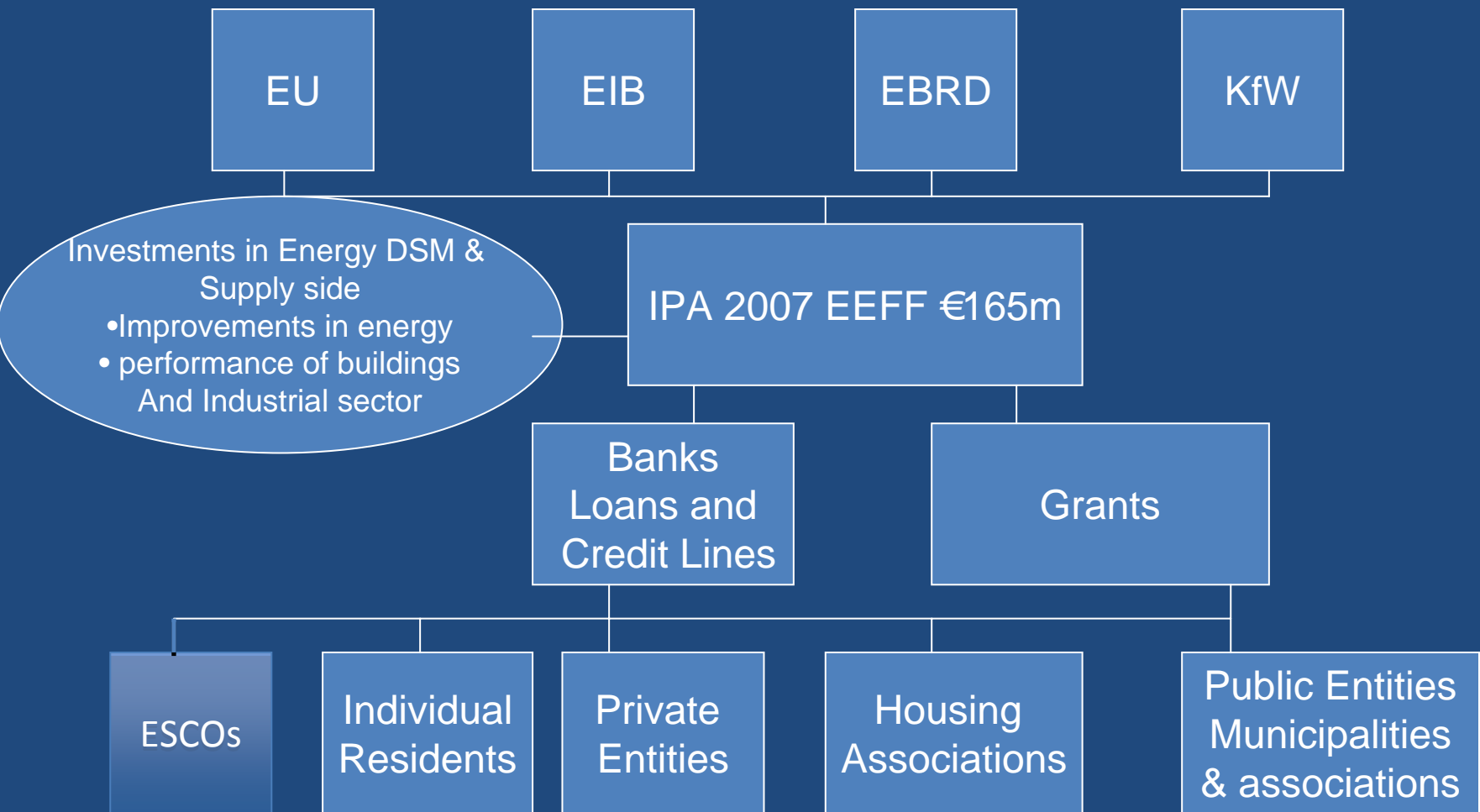
# Regional Funds (3)

Fund Name	Source of Fund	Value of Fund	Purpose of Fund	Financial Structure	Distribution	Beneficiary of Fund
IPA 2007 Energy Efficiency Finance Facility (EEFF) CRIS Number 2007/019-340 (2008- 2016)	The EIB, the EBRD, and the CEB in co-operation with KfW.	€165m	Investments in energy demand side management contributing to improvements in energy performance of the buildings and industry sector	1. Credit line; 2. Community contribution (investment incentives may finance up to 25% of the investment cost)	Banks, end beneficiary.	Private entities, individual residents, housing associations, public entities (municipalities and their associations) ESCOs .
Green for Growth Fund (GGF Fund) Southeast Europe Energy Efficiency Fund ( called before as the “SE4F Fund”), Investment company with variable shared capital (“SICAV”)	European Investment Bank (EIB), KfW and the European Commission.	€20m	Promote investments in energy efficiency and renewable energies for private and public entities. Harmonize and coordinate donor initiatives.	Medium to long-term senior loans; Subordinated loans; Letters of credit; Guarantees; Mezzanine debt instruments; Local debt securities; Direct investment, TA	Financial Institutions; Non-Financial Institutions.	Households; Homeowner Associations Companies, including ESCOs and RE companies; Municipal & public entities

# Regional Funds (4)

Fund Name	Source of Fund	Value of Fund	Purpose of Fund	Financial Structure	Distribution	Beneficiary of Fund
SYNERGY	USAID CRES	?	Regional Assessment of Renewable Energy; Energy Efficiency in Residential and Public Buildings; Strategic Planning for Renewable and Energy Efficiency;	Project Financing	Direct to final beneficiary	Municipalities (public buildings; Private Individuals (Residential/low income/affordability)
Open Regional Fund – Energy Efficiency and Renewable Energies	GTZ	€57m				
Special Fund for Energy Efficiency in SMEs	KfW	€63M	1. Energy-Efficient Construction; 2. Energy-Efficient Rehabilitation;	Loan	Banks	SME's , Housing

# Example of IPA 2007 EEFF



# Initial findings

- Geographical range
  - 9 Regional Funds
  - Some countries, i.e. Serbia (€485m+), Croatia (€ 190m+), FYR Macedonia (€ 100m+) and Montenegro (€ 25m+) have their own additional country specific funds
- Funds vary in size from €200K - €250M, many loan based but often with TA and energy audits, some with grants
- Activities generally clear, range from broad based e.g. improve energy efficiency of buildings, to specific, e.g. investments in solar, bio-fuels, biomass
- Funds available for renewables *and* energy efficiency

# Initial Findings (2)

- Some funds offered through banks do not advertise availability, some have difficult terms and conditions (intermediaries mainly local banks with branches cross country)
  - Conditions for end users vary from fund to fund and bank to bank. Generally funding offered at below market rates
  - Little uniformity of conditions between banks offering same funds
- Who are the end users?; these include municipalities and other owners of public buildings, SMEs and individuals/householders and ESCOs

# Summary

- A large range of funds are now available in the region
- Some governments have introduced national funds to help to reach national targets
- Next step can be to continue the efforts of supporting access and distribution
- EU Directives, NEEAPs, EE support mechanisms can be even closer linked