

Financial Support to projects in the area of RES and EE from the perspective of Serbian European Integration Office (SEIO)

Belgrade, 23th October 2014



Few general information about European Integration Office

European Integration Office (hereinafter: SEIO) was established on 14 March 2004 as a Serbian Government office

SEIO generally performs activities relating to the following two interrellated areas:

- □ Coordination of Serbia EU accession process and monitoring of its implementation including translation coordination, communication and training and legal and financial affairs
- Coordination of EU and international donor assistance to Serbia including planning, programming monitoring and reporting on EU funds and development (donor) assistance and cross-border and transnational coordination programmes including support to the Head of the Operating Structure and the national body responsible for IPA II and implementation and Implementation monitoring of the Projects Financed by EU Funds



Briefly about coordination of Serbia EU accession process and monitoring of its implementation

Strategy for association with and accession to the European Union:

_	Chategy for accordance with and according to the European Chieff,
	Monitoring and participating in preparations and negotiations for conclusion and later implementation of the SAA with the EU;
	Coordinating the screening process , further negotiations the harmonization of regulations of the RS with the EU regulations and standards;
	Assistance to ministries and special organizations in the process of legal harmonisation with the EU regulations;
	Monitoring the realization of obligations of ministries and special organizations in the process of EU association and accession;
	Coordination of translation of the EU priority regulations into Serbian and
	vice versa;
	communication and training avtivities



More about SEIO role in coordination of EU funded and international development /donor assistance

LEAD AND COORDINATION ROLE IN MECHANISMS OF COORDINATION:

- Sector for Planning, Programming, Monitoring and Reporting on EU funds and Development Assistance NIPAC TECHNICAL SECRETARIAT
- SECTOR WORKING GROUPS -representatives from line ministries and other beneficiaries as the main actors in programming and project identification, SWG FOR ENVIRONMENT AND ENERGY with a particular focus on country ownership over coordinating aidfunded activities

SWGs contribute to:

identification and prioritisation of projects, ensuring sector and donor coordination, cofinancing and analysis of project implementation.

IMPROVED AID COORDINATION MECHANISM

- □ the Energy Aid Coordination Group formally established
- □ led by the Ministry in charge of of Energy with EU Delegation to the Republic of Serbia and KfW as leading donors and other participating donors: GIZ (Germany), Norway, SECO (Switzerland), JICA (Japan), USAID, USTDA, UNDP, the Netherlands, Slovakia, SIDA (Sweden), World Bank, EBRD and EIB



Few more brief facts about programming, monitoring and reporting of SEIO role in aid coordination...

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PROGRAMMING OF EU/DONOR ASSISTANCE

□ BASED ON NATIONAL, EU AND DONOR STRATEGIC DOCUMENTS - NATIONAL - focus on energy (-three years enrolling Needs assessment documents, recently National priotities for international assistance for the period 2014-2017 with projections until 2020, NPAA 2014-2018, Energy Development Strategy, :), NREAP until 2020, 2nd NEEAP 2013-2015, EU STRATEGIC DOCUMENTS: three years enrolling MIPD ..recent , Country Strategy Paper, REGIONAL/DONOR strategic documents (Sweden, Norway, Swiss etc.)

MONITORING OF EU ASSISTANCE

- regular meetings of Monitoring Committees on different levels under decentralised management of IPA (IPA Monitoring Committee, Sectoral Monitoring Committees (TAIB MC being one of them) and Sectoral Monitoring Sub- Committees (SMSCs).
- 8 SMSCs are functioning within SWGS 8 sectors- one of them SMCS on energy and environment;
- Progress in achieving the target values per indicator set in the relevant sector/project fiches and will be included in the relevant monitoring report and examined at the SMSC and TAIB MC meetings.



Briefly about policy/legislative framework support to projects in RES and EE in energy sector

SUBSTANTIAL POTENTIAL FOR RES IN SERBIA and ...DEMANDING NATIONAL

ENERGY POLICY TARGET IN RES (27% RES in GFEC in 2020 including 10% of biofuels in transport sector)
Promising Government legislative framework (measures to create more favorable regulatory framework for OIE);
New Law on Energy to be adopted until end of 2014 supposed to be aligned with EU third energy package
Law on Rational use of energy
Financial support measures FEED-IN TARIFFS
Decree on Incentives for privileged producers
Regulation on the method of calculating the amount of fees and allocation of fees funds for incentives
Regulation on the procedure and conditions for obtaining the status of privileged producer



The EU, international and bilateral donor community prominent in resourcing projects in RES and EE area of energy sector

European Union, Germany, Czech Republic Japan, Netherlands, Spain, Switzerland, Norway etc. To name just some of them:

- □ Strategic planning, and the foundations of Law on rational use of energy and improving municipal planning in energy efficiency (**Norway**);
- Capacity-building for monitoring and evaluation of energy efficiency policy (Germany);
- ☐ Study of energy management (**Japan**);
- Giving guidance on the implementation of EU renewable energy directives focused on biomass and biofuels, but also biogas and electricity/heat production from organic waste and utilization of geothermal warmth for heating public buildings in Serbia (**Netherlands**);
- ☐ Feasibility study for GHG emission reduction, as well as Development of capacities to use and promote the solar energy in Serbia (Spain).
- ☐ Soft loans have been provided by EBRD, KfW and the World Bank.



Some examples of EU suppport in development of RES and EE in Serbia (completed and ongoing)

- Number of programmes/projects implemented through European Agency for Reconstruction (EAR) in the period 2002 2007 (Energy Audits in Industry, Demonstration projects for Energy Efficiency, Renewable Energy Sources in Public Buildings and District heating, Training for Energy Managers in Industry and Energy Planning at the municipal level;
- □ IPA 2010 Implementation of Energy Component of the National Strategy for Sustainable Development, (Studies on geothermal potential in Serbia and CHP potentials and promotion)
- □ IPA 2012 Development of the Second Action Plan for Energy Efficiency for the period from 2013 to 2015 and the establishment of energy indicators in energy consumption".
- □ IPA 2013 Updating of existing cadastre of small hydropower plants and upgrade the IMIS data base in line with domestic and EU legislation in this area (The updated cadastre will present a more realistic small hydro potential for SHPP construction and thus it will encourage and facilitate investment in small hydro potential.



Some examples of German existing and planned supports to development of RES and EE in Serbia (blending grants and loans)

	Advice on Energy Efficiency (training of energy auditors and know-how transfer on energy efficiency,
	Implementation of regulations of the law on planning and construction regarding energy efficiency via field trials, Intensifying the data collection of the building stock in to define the national program on energy efficiency in the building sector);
	Development of a Sustainable Bioenergy Market in Serbia (introduction of key regulations, labels and guidelines for bioenergy technologies/fuels, increase of local biomass use for energy production DHCin 3 model regions, increase of share of households using efficient wood-based heating technologies and fuels, TA for innovative bioenergy projects in coop with the private sector (e.g. heating in public buildings, biogas, industrial process heat, biomass (CHP) projects implemented
	Rehabilitation of District Heating Systems in Serbia (Technical modernization & institutional transformation of the Program participating DHCs in order to improve the DHCs financial sustainability and better quality of heat supply)
	Energy Efficiency in Public Buildings I and II (comprehensive rehabilitation of number of public educational (school) buildings in order to meet modern energy efficiency standards complemented with WBIF grant funds)
•	Energy Efficiency/Renewable Energy Credit Lines (The programme finances economically sustainable and environmentally friendly energy projects and renewable energy solutions, establishing energy efficiency as a "green" banking product in Serbia for micro, small and medium sized enterprises, private households and municipalities with commercial banks in Serbia);
	Biomass fired cogeneration plant in Subotica (complemented with WBIF grant funds for financing part of tech.documentation)



International/Regional/IFI support to development of RES and EE in Serbia (blending grants and loans)

Serbian Energy Efficiency Project (World Bank IBRD and IDA)

Components A, B and C - replacing the existing oil and coal fired boilers with natural gas fired hot Water and steam boilers; reduce heat and hot water losses and improve energy efficiency by replacing and renovating the heat and steam distribution systems including substations; (Clinical centre Serbia, Belgrade- I phase and clinical centre Nis- II phase, energy efficiency improvements in schools, hospitals and social care institutions across Serbia and TA for former (SEEA) to develop monitoring and evaluation capacity;

Financing Energy Efficiency Investment For Climate Change Mitigation (UNECE)

- Identification and development of investment projects in the private and public sectors at the local level in EE and RES, strengthen energy efficiency and renewable energy policies, promote opportunities for banks and commercial companies to invest in energy efficiency and renewable energy projects through the development of new public private partnership investment funds or financing mechanisms.
- Western Balkans Investment Framework (WBIF) grants in Serbia whose implementation is managed by IFI's/Regional projects (Rehabilitation of District Heating systems in Serbia, Phase IV Program Implementation –second stage-EE Programme in public buildings, Biomass fired cogeneration plant Subotica ,KfW , Sector Study on Biomass-based Heating in the Western Balkans World Bank



IFI/international/multilateral supports the development of RES and EE in Serbia (blending grants and loans)

- Energy Efficiency Finance Facility- EEFF (EU contribution and credit lines and/or risk sharing, extended by the EIB, EBRD, CEB in co-operation with KfW) supports energy efficiency investments and small renewable energy projects providing incentives for the private and public entities in the building and industry sectors;
- Sustainable Energy Financing Facility –SEFF (including WEBSEFF (The Western Balkans Sustainable Financing Facility EBRD provides credit lines to partner banks in the Western Balkans to on-lend to businesses and municipalities wanting to invest in energy efficiency and small-scale renewable energy projects;
- Regional Energy Efficiency Programme For The Western Balkans ("REEPWB) EBRD, Aim to promote a sustainable market for energy efficiency for the public and private sector to support national governments with financing options for the implementation of their National Energy Efficiency Action Plans ("NEEAPs");
- Green For Growth Fund Southeast Europe (KfW and EIB with the support of the EC and the German Ministry For Economic Cooperation and Development –BMZ, grant loans via local banks to small and medium-sized enterprises, private households and municipalities so as to enable them to finance eligible investments in energy efficiency and renewable energies.



THANK YOU FOR YOUR ATTENTION!

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Government of the Republic of Serbia Serbian European Integration Office Sector for planning, programming, monitoring and reporting on EU funds and development aid



FURTHER PROMOTION & DEVELOPMENT OF EE FINANCING FACILITIES



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