

The billion euro question

What has been
achieved with the
EU's Western
Balkans Energy
Support Package?

JULY 2025

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**Co-funded by
the European Union**

This material was produced with the financial support of the European Union. Its contents are the sole responsibility of CEE Bankwatch Network and do not necessarily reflect the views of the European Union.



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This publication has been financed by the Swedish International Development Cooperation Agency, Sida. Responsibility for the content rests entirely with the creator. Sida does not necessarily share the expressed views and interpretations.

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Executive summary

In November 2022, the European Commission announced a EUR 1 billion Energy Support Package for the Western Balkans to mitigate the immediate effects of the energy crisis and accelerate the energy transition in the region.¹

EUR 500 million was to be disbursed via the Western Balkans Investment Framework (WBIF),² and the other half took the form of budget support to assist vulnerable families and small and medium-sized enterprises (SMEs). Since it consisted of reprogrammed funds from the Instrument for Pre-Accession Assistance (IPA), it was also claimed³ it would contribute to the Green Agenda for the Western Balkans.

Its success was to be measured by indicators from country Action Plans,⁴ but the versions published by the European Commission were indicative and unfinished. They significantly differed from the final versions published in Serbia and Montenegro, and several were at least partly missing indicators and lacked internal consistency. Many indicators were not well thought through and some could not be linked to the activities in question.

For Albania, Bosnia and Herzegovina, Kosovo and North Macedonia we were not even able to find the final versions of the Action Plans adopted by the governments online.

Ninety per cent of the budget support was disbursed between February and May 2023,⁵ and the original plan was that the remaining EUR 50 million would be made available in early 2024 upon successful implementation of the Action Plans.⁶

Given the short notice at which funds were reprogrammed, the very high upfront pre-financing and lack of public participation in the process, this report aims to establish what has been done in the two years since the first disbursement and to what extent the Package has achieved its goals.

¹ Directorate-General for Neighbourhood and Enlargement Negotiations, '[Berlin Process Summit: EU announces €1 billion energy support package for the Western Balkans and welcomes new agreements to strengthen the Common Regional Market](#)', *European Commission*, 3 November 2022.

² WBIF, '[Energy Support Package for the Western Balkans](#)', 5 December 2022.

³ See country action plans in footnote 4.

⁴ The Commission's Implementing Decisions and annexes with the action plans can be found as follows: [Albania](#), [Bosnia and Herzegovina](#), [Kosovo](#), [Montenegro](#), [North Macedonia](#), [Serbia](#).

⁵ European Commission, '[The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#)', *European Commission*, 9 June 2023.

⁶ European Commission, '[The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#)'.

This has proven shockingly difficult. Even though it is a feature of the budget support model to concentrate on indicators and not track spending, a lack of even indicative funding allocations for the measures created an accountability gap, as it is impossible to tell in some cases what the main priorities were.

A majority of the planned measures seem to have lacked additionality, and only a minority can be said to have contributed to the Green Agenda for the Western Balkans.

Although the stated aim of the Package was to support vulnerable consumers, in some of the countries (e.g. Albania) the measures only covered existing schemes and their existing users, or provided one-time payments with no longer term effect (Montenegro, Serbia). North Macedonia appears to have subsidised *all* household electricity bills by giving money straight to the state-owned electricity generator, ESM, instead of targeting the vulnerable.

Montenegro and Serbia included ‘energy security’ measures in their Action Plans, which appear to have included direct fossil fuel subsidies via the purchase of oil stocks and in the case of Montenegro, also adapting an existing storage facility. This is extremely far from supporting vulnerable consumers and contributing to the Green Agenda.

The Action Plans also included pieces of legislation, strategic documents and/or renewable energy auctions which the countries were either already obliged to implement under the Energy Community Treaty or had started preparing with donor support before the Package was announced. In some cases the deadlines had already passed, meaning the countries were rewarded for doing what they were already obliged to do long ago.

Only a minority of measures are likely to have a real impact on energy savings, energy efficiency and increasing resilience through small-scale renewable energy installations. All the countries seem to have offered at least some incentives for insulation, efficient heating devices and/or small-scale renewable installations, but in too many cases these represented a minority of spending.

Overall, much too much money was allocated for spending in an extremely short-term way, just supporting bills, and ultimately the electricity generation and trading companies.

Out of EUR 1 billion, we could only make a direct connection with advancing the Green Agenda for EUR 163.1 million funds being spent, mostly consisting of direct WBIF investments.

For the budget support, the situation was even worse. We could only be reasonably sure that EUR 41.1 million out of EUR 500 million has really been spent on measures with long-term benefits.

This means on one hand a lack of publicly available information and accountability regarding the Package, and on the other hand, it is likely that significant IPA 2023 funds were spent in a way that did not benefit the Green Agenda, leaving fewer funds available for much-needed tasks in the coming years.

In a region where the Commission regularly laments the lack of rule of law and the prevalence of corruption and nepotism in its annual enlargement reports, it is unclear how it seemed reasonable to disburse 90 per cent of the funding upfront.⁷ This limited the value of the indicators, on which only the final 10 per cent depended, and gave the impression of them being a mere formality, especially for Albania where none of the measures seem to have been additional to ones which had already been started or committed to.

Reporting has been extremely patchy. While Montenegro's government has provided update reports on the Package, these are unclear in terms of spending and real progress. In Kosovo and Bosnia and Herzegovina, some information is available online on energy efficiency and small-scale renewables incentives, and Kosovo's energy strategy implementation reports provide further data. In Albania, North Macedonia and Serbia it was extremely difficult to find online information about implementation.

According to the Action Plans, to evaluate the Package, the Commission will form a Reference Group, but it is not clear if this is to be done for each beneficiary country separately or overall. We could not find any evidence that this has been done yet.

The EU's increased reliance on reform-based programmes such as the Reform and Growth Facility for the Western Balkans makes these issues even more pertinent. Although with much smaller proportions of pre-financing, the success of these also relies on well-set activities and indicators, public participation transparency, regular reporting and accountability. Without this, much larger sums than the Package are at risk of being spent unwisely.

The WBIF part of the Package succeeded in selecting mostly reasonable infrastructure projects which are likely to contribute to the region's energy transition. But their implementation is, expectedly, taking many years and it is unclear whether the rush to provide emergency funds for such projects was justified.

The WBIF credit lines looked promising in principle, but as no information is published on what their uptake rate and results were, it is hard to give an assessment. The link between the IFC's credit line – which was only launched in December 2024 – and the energy crisis is also tenuous. The situation is similar for the Regional Energy Efficiency Programme (REEP), implemented by the EBRD and KfW, for which we could not find online which projects were linked to the Package.

The EUR 230 million in guarantees approved under the Western Balkans Guarantee Facility – i.e. the EFSD+ in the Western Balkans – raises several questions. It is unclear whether including this in the Emergency Support Package added value, since the EFSD+ had already been set up in 2021. Some of the programmes, like the IFC's Better Futures Programme, are barely mentioned online, while the KfW guarantee appears to

⁷ This was also the view of the consultants carrying out monitoring in Bosnia and Herzegovina, who wrote: 'No disproportionately large upfront disbursement should be the case again as was in this case. This contradicts the accountability vis-à-vis responsibilities for compliance and fulfilment of agreed Targets; Similarly, disbursement against Variable Tranches should bear a justified proportion to the nature and scope of the Indicators and their Targets'. Cowater, Draft Aide-mémoire, Contract 300078595 – SIEA-2018-20950 – Review of the Energy Support Package for State and Resilience Building Contract (SRBC) in Bosnia and Herzegovina, *European Commission*, 7 October 2024.

have started operating only in June 2024. So their timeliness in overcoming the energy crisis was questionable.

As a result of these findings, the report's short-term recommendations underline the need for the Commission to disclose systematic information on the results of the Package, clarify the plans for its evaluation, and involve civil society in the process.

Western Balkan governments also need to publish updates on what has been spent and achieved with the Package and include civil society representatives in country-level evaluations. They also need to work on securing funds to extend incentive schemes for insulation, efficient heating devices and small-scale renewables.

For future EU funding in the region, the report recommends much lower limits for upfront disbursement; more meaningful indicators and closer linkage with disbursement; avoiding double-counting measures already started or committed to under other processes; including spending allocations in action plans, even if only indicative; and publishing the final versions of the plans. Requiring that the countries carry out public – not selective – consultations on planned measures and draft action plans is also a must, as well as regular, public reporting.

Increased transparency is also needed in WBIF-financed activities. Planned WBIF projects need to be published at least a month before approval, to allow time for any concerns or suggestions to be raised. Once implemented, a breakdown on the uptake, technology spread and results from credit lines should be published at least annually, and information on REEP projects expanded to include their start and end dates, results and where applicable, environmental due diligence. Guarantees should be included in funding packages only where they have clear added value, and regular reporting is needed on what they have achieved.

Introduction

In November 2022, the European Commission announced a EUR 1 billion Energy Support Package for the Western Balkans to mitigate the immediate effects of the energy crisis and accelerate the energy transition in the region.⁸

Half of this – EUR 500 million – was to be disbursed via the Western Balkans Investment Framework (WBIF). Several grants and guarantees were approved in December 2022, as explained in the next section.⁹

⁸ Directorate-General for Neighbourhood and Enlargement Negotiations, '[Berlin Process Summit: EU announces €1 billion energy support package for the Western Balkans and welcomes new agreements to strengthen the Common Regional Market](#)', *European Commission*, 3 November 2022.

⁹ WBIF, '[Energy Support Package for the Western Balkans](#)', 5 December 2022.

The other half was designed as budget support for direct assistance measures to vulnerable families and small and medium-sized enterprises (SMEs).

This was based on country-level Action Plans outlining how the governments intended to address the energy crisis. Indicative versions of these were published in December 2022 as part of the Commission's implementing decision.¹⁰

The funds were not new, but represented reprogrammed 2023 grants under the EU's Instrument for Pre-accession Assistance (IPA),¹¹ while the guarantees were issued under the pre-existing European Fund for Sustainable Development Plus (EFSD+).¹²

Despite their emergency nature, the country Action Plans claimed that the grants would contribute, among others, to Window 3 of the IPA funds, on the *Green agenda and sustainable connectivity*.

Between February and May 2023, the European Commission disbursed EUR 450 million, 90 per cent of the overall EUR 500 million budget support.¹³ In mid-2023, the Commission provided a short summary of each country's actions and stated that the remaining EUR 50 million would be made available in early 2024 upon the successful implementation of the Action Plans.¹⁴

It is now 2025 and the worst of the energy crisis has long since passed, yet only scattered information can be found online about the implementation of the Package. This is particularly worrying given the high levels of corruption and nepotism in the countries, the short notice at which funds were reprogrammed and the lack of public participation in the process.

This report aims to bring this information together and assess as far as possible:

- What the money has been spent on;
- Which indicators were achieved; and
- The extent to which the Package may have contributed to protecting vulnerable consumers, saving energy and advancing energy transition as part of the Green Agenda.

¹⁰ The Commission's Implementing Decisions and annexes with the action plans can be found as follows: [Albania](#), [Bosnia and Herzegovina](#), [Kosovo](#), [Montenegro](#), [North Macedonia](#), [Serbia](#).

¹¹ European Commission, [Instrument for Pre-accession Assistance \(IPA\) III - Performance](#), accessed 3 July 2025.

¹² European Commission, [European Fund for Sustainable Development Plus](#), accessed 3 July 2025.

¹³ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#), European Commission, 9 June 2023.

¹⁴ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#).

Given the paucity of information available, it also looks into the governance of the funds and asks whether the EU's financial interests are adequately protected by such a model, providing conclusions and recommendations for further action and future funding.

This is particularly pertinent in view of the EU's increased reliance on reform-based programmes such as the Reform and Growth Facility for the Western Balkans, which although with much smaller pre-financing sums, also rely on well-set activities and indicators, public participation transparency, regular reporting and accountability for their success.

Country overviews

Albania

As a country almost entirely dependent on climate-vulnerable hydropower, Albania was hit by the energy crisis mainly due to drought. But the result was the same as for its more coal-dependent neighbours: having to import large quantities of electricity at more or less the same time as everyone else and thus paying very dearly for them. Albania's Action Plan estimated that it had spent EUR 360 million in electricity imports in 2022 up until October, with over EUR 200 million injected in the form of budgetary support, in an effort to protect householders and businesses from increased energy prices.¹⁵ World Bank estimates suggested that around EUR 200 million or even more would be needed from the state budget in 2023.¹⁶

Albania received EUR 80 million under the Energy Support Package, of which 90 per cent was disbursed in May 2023.¹⁷ It is unclear whether any public consultation was held on the planned activities. In November 2024, the final 10 per cent tranche of EUR 8 million was disbursed.¹⁸

What was planned

Albania's Action Plan¹⁹ concentrates mostly on direct support for households and SMEs, with some measures to advance renewable energy development. It can be summarised as shown in the table below.

However, most of the baselines and target indicators are missing from the Action Plan published by the Commission, and were still to be finalised before the financing agreement was signed. Only in a July 2023

¹⁵ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Albania for 2023, Action Document for State and Resilience Building Contract for Albania, Annual Action Plan](#), 5 December 2022.

¹⁶ *Ibid.*

¹⁷ European Commission, [‘The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region’](#).

¹⁸ Response by the EU Delegation to Albania to an information request by Bankwatch, 2 July 2025.

¹⁹ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Albania for 2023, Action Document for State and Resilience Building Contract for Albania, Annual Action Plan](#).

report by the Energy Community Secretariat²⁰ can we see more of the indicators, which have also been included in the table below.

Table 1: Summary of Albania's Action Plan under the Energy Support Package²¹

Direct outputs	Induced outputs	Outcomes	Indicators
Continued subsidies for households to counter the price increase of energy bills Continued support to vulnerable categories of people that are beneficiaries of economic aid schemes with an allowance for energy supply	Measures to support households and vulnerable groups are put in place to fight against energy poverty	Socio-economic impact of energy crisis is mitigated, with a special focus on vulnerable households	Baseline: 1,107,214 households (2022) benefiting from subsidy support Target: Equal or more (end 2023) Baseline: Number of beneficiaries of allowance for energy supply 11,200 persons (2022) Target: Equal or more (end 2023)
Support to SMEs to reduce the effects of the energy prices in order to ensure sustainability of their economic activity and prevent increase of unemployment	Support measures to SMEs are in place to protect them from increased electricity market prices	Socio-economic recovery and economic growth for SMEs are supported to cope with the combined negative effects of the rise in energy prices and the COVID-19 crisis	Not known
Legislative changes to promote of use of energy from renewable energy sources Progress in development and implementation of projects for diversification of renewable energy	A short to medium term energy resilience strategy/action plan is developed	Albania's mid- and long-term objectives of energy resilience are supported, including increasing energy efficiency and promoting the use and diversification of	Baseline: Changes to law on renewable energy sources not adopted (2022) Target: Law adopted by the Parliament fully aligned with EU Directive 2018/2001 (2023)

²⁰ Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#), Energy Community, 13 July 2023.

²¹ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Albania for 2023](#), Action Document for State and Resilience Building Contract for Albania, Annual Action Plan.

production through solar and/or wind Promotion of solar energy for water heating for households		renewable energy sources	Baseline: Shortlist made of companies interested in wind auction (2022) Target: Auctions for wind turbines finalised (2023) Baseline: 0 (2022) Target: 2,000 (2023)
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The overall impact was to be measured by the following very broad indicators, only the latter two of which relate to the Green Agenda:

- Annual growth rate of real GDP per capita (connected with Sustainable Development Goal (SDG) 8.1.1)
- Proportion of population below the international poverty line by sex, age, employment status and geographic location (urban/rural) (SDG 1.1.1)
- Renewable energy share in the total final energy consumption (SDG 7.2.1)
- Energy Intensity Level of Primary Energy (SDG 7.3.1)

It is hard to see how a causal link can be made between the Package and these indicators.

A closer look at the planned actions and output indicators shows the challenges of designing an emergency programme which is supposed to produce concrete results in just one year. Certainly if the Albanian government had initiated completely new activities with the support of the Package, they could hardly have been implemented so quickly. But continuing with existing activities raises questions about the Package's additionality and ability to achieve its goals:

- The subsidies schemes for households and vulnerable customers were already in place before the Energy Support Package was developed. Although the Action Plan text says (p. 21) '*The activities will aim to (...) increase the capacity to deliver such basic services to its population in the fiscal year 2023 and in particular to the vulnerable groups and to extend such actions to cover more vulnerable households and consumers*', there is no commitment in the indicators to concretely expand the number of people supported.

Thus, the main change here was that the schemes presumably cost more for the government because the electricity prices were higher than usual. This could represent added value of the Package in principle, except that the measures consisted entirely of short-term relief on bills – only the separate solar thermal programme below could help some households to lower their bills more

consistently. Moreover, it is not clear how the measure for households was targeted at those most in need.

- For SMEs, the Action Plan explains that the support was introduced as a result of the crisis, but before the Package. The Package could relieve the burden on the government but not provide additional relief to end users. Again, the programme was aimed at short-term alleviation but not at investments in energy efficiency.
- Albania was obliged to update its renewables law in line with the 2018 EU Renewable Energy Directive by 31 December 2022, so it should have already been done before the implementation period for the Package started.²²
- The prequalification for Albania's first wind auction was launched in 2021, with technical support from the EBRD, and had already been completed by late 2022 when the Package was announced.²³ So although the final auction results were only announced in 2023, the process was already well in motion before the Package. Several solar projects were also under development before the Package was announced, and the 140 megawatt (MW) Karavasta project had already broken ground.²⁴
- The incentives scheme for rooftop solar thermal on households had already opened its first round in early October 2022, before the Package was announced, and covered 2,000 households.²⁵ So this does not seem to have been an additional measure compared to what the Albanian government had already started to do.

It would have been additional if more households could be supported due to the Package, or if a second call was launched soon after the first one. But this was not the case: although it was announced in December 2023 that a new round would open soon,²⁶ it happened only in February 2025²⁷ – long after the activities under the Package had finished. It is not clear why it took this long, as the first one was widely reported to be a success.²⁸

²² Energy Community Secretariat, [Energy Community acquis](#), accessed 4 July 2025.

²³ Joel Cela, [‘Albania announces results of first onshore wind auction’](#), *European Bank for Reconstruction and Development*, 26 July 2023.

²⁴ Voltalia, [‘In Albania, Voltalia launches the construction of the Karavasta project, the largest solar power plant in the Western Balkans’](#), *Voltalia*, 1 July 2022.

²⁵ Alice Taylor-Brace, [‘Albania launches first phase of solar subsidy scheme’](#), *Euractiv*, 5 October 2022; Igor Todorović, [‘Albania to subsidize solar thermal collectors for households with up to 70%’](#), *Balkan Green Energy News*, 3 October, 2022.

²⁶ Euronews Albania, [‘Application for 2,000 solar panels for water heating to reopen soon’](#), *Euronews*, 19 December 2023.

²⁷ Nen Si, [‘2000 Families to Benefit from Solar Panels, Government to Reopen Applications on February 24’](#), *Euronews Albania*, 7 February 2025.

²⁸ See e.g. Monitor.al, [‘Solar panels for water heating, second call opens for 2 thousand families’](#), *Monitor.al*, 4 February 2025.

Overall it looks like the indicators were set up to be as failsafe as possible, which meant they lacked additionality. Even if they had been additional, only the one on solar collectors could influence energy intensity, and only very marginally due to its limited scale.

Another issue is the complete lack of clarity about what the EUR 80 million would actually be spent on. Although the Package was designed to provide a flexible response to the crisis that concentrates on indicators rather than tracking every single euro, failure to provide even indicative information on this represents a major accountability gap.

Looking at the planned activities, and given the World Bank's estimate cited above on possible budget needs for support for households and SMEs, most or all of the EUR 80 million could easily have been spent on this.

What has been implemented

We haven't found any ex-post information published online by the Commission on what was done under the Package in Albania. In its June 2023 press release on the topic, the Commission briefly reiterated what was in the country's Action Plan²⁹ and its 2023 and 2024 enlargement reports for Albania provide only one-line references to the Package.³⁰

Nevertheless, on request, the EU Delegation to Albania has provided a list of the '*key elements monitored during the period of implementation through the SRBC³¹ implementation and wider policy dialogue on Energy*', which includes the following information directly connected to the Energy Support Package.³²

Measures implemented in Albania under the Energy Support Package³³

Implementation of measures to mitigate the immediate socio-economic impact of the energy crisis:

- The government continued to support all Universal Service Supply customers through subsidy support to overcome increases in market prices.
- The government continued to support vulnerable group customers in 2023 to be able to bear the effect of energy price increases.

Continuation of support to medium voltage customers to ensure business continuity:

- Of 7,100 customers connected to the medium voltage network, about 50 per cent are SMEs, which continued to be protected by the government from high energy prices until 31st December 2023.

²⁹ European Commission, '[The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#)'.

³⁰ European Commission, '[Commission Staff Working Document Albania 2024 Report](#)', 30 October 2024; European Commission, '[Commission Staff Working Document Albania 2023 Report](#)', 8 November 2023.

³¹ State and Resilience Building Contract – the type of contract which was used for the Energy Support Package.

³² The list has been edited for clarity and brevity and elements not directly connected to the Package have been deleted.

³³ Response by the EU Delegation to Albania to an information request by Bankwatch, 2 July 2025.

Implementation of the short to medium term energy resilience strategy and action plan:

- Monthly energy consumption of public buildings was reduced by 12 to 15 per cent during 2023. The average energy consumption in 2023 decreased by 4.3 per cent for budgetary consumers and by 4.4 per cent for non-budgetary consumers.
- Power generation capacity increased through photovoltaic plants, i.e. the Karavasta photovoltaic plant with installed capacity of 140 MW started to operate by February 2024.

Progress under the policy area of Green and climate change strategy:

- The updated Law on Renewable Energy Sources was adopted by the Parliament and fully aligned with Directive (EU) 2018/2001.³⁴
- The first auction for wind turbines was completed.
- 2,000 solar water heaters were installed through the incentive scheme for households.
- The Albanian Power Exchange – ALPEX Security of Supply is in operation.
- National Energy and Climate Plan adopted including climate and energy targets as part of the 2030 decarbonisation roadmap, and as proposed by the European Commission.³⁵

The point on public buildings is interesting as it was not included as an action or indicator in the Action Plan, yet it appears to represent a specific value-added action that had the potential to help mitigate the energy crisis.

It appears that Albania has met all its direct output indicators, but given that they comprised already ongoing activities, this is not surprising. No information on whether it met the impact indicators appears to be publicly available, but these indicators are anyway so broad that it would be almost impossible to demonstrate whether the Package contributed to them.

According to Albania's Action Plan, to evaluate the Package,

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join.

However, it is not clear if this is to be done for each beneficiary country separately or overall, and it is not clear whether it has been done for Albania.

Albania: overall assessment

³⁴ This is debatable, as the Energy Community Secretariat's 2024 Implementation Report states that 'Additionally, the country must urgently transpose the sustainability and [greenhouse gas] emissions saving criteria for biofuels, bioliquids, and biomass fuels as outlined in [the Renewable Energy Directive II (RED II)].' Energy Community Secretariat, [2024 Implementation Report](#), Energy Community, November 2024.

³⁵ The last two measures were not planned in the version of the Action Plan published by the Commission, and as of mid-July 2025, the updated NECP has been drafted but not adopted

Although Albania's Action Plan contained some worthwhile activities such as incentivising solar thermal for households, carrying out a wind auction and increasing the share of solar energy, it is hard to understand what additionality the Package provided, apart from making more money available for existing bill subsidisation schemes.

Given the fact that most or all of the activities had already started before the Package was announced, it is unsurprising that Albania managed to meet its output indicators. This, together with the fact that 90 per cent of the funds were disbursed upfront, suggests that the indicators were a mere formality.

Apart from the renewables diversification measures, the activities relied heavily on subsidising electricity bills, and went wider than vulnerable customers to include other households and SMEs. It is hard to assess whether this represented proportionate relief during the energy crisis, but the question has to be asked whether the greatest beneficiaries were indeed those whose bills were subsidised or the electricity generation and trading companies whose pockets the money ended up in.

The short-term nature of these measures is also a concern. Although the solar thermal scheme seems to have been a success, there is a massive difference in the number of households and SMEs receiving support to pay their bills (>100,000) compared to the 2,000 households that benefited from the solar scheme. So the Package has not significantly increased the resilience of most vulnerable customers by increasing their energy efficiency or installing small-scale renewable energy.

A report by the Energy Community Secretariat from October 2024 also confirms our observation that *'there are no specific policies to address the root causes of energy poverty. The only instruments being applied consist of compensation schemes in the form of cash benefits for households in need.'*³⁶

Given that the measures all started before the announcement of the Package, it is also hard to see how it has contributed to energy transition under the Green Agenda or the impact indicators on renewable energy and energy intensity.

Ultimately, we have not been able to identify how exactly the EUR 80 million for Albania was allocated or spent and how much of this made a positive impact on energy transition. The way the Package was set up, with its focus only on indicators, also created an accountability gap by failing to require the publication of even approximate information on how the money was actually used.

The Energy Community Secretariat has mentioned annual figures for some of the measures – EUR 8 million for the solar thermal programme and a total of 22.2 million for low-income households^{37,38} – but it is not

³⁶ Energy Community Secretariat, [Addressing energy poverty in the Energy Community Contracting Parties – Factsheets on status and policies and measures](#), Energy Community, October 2024.

³⁷ Described as 'vulnerable' in the table from the Action Plan, i.e. the measure with 11,200 recipients in 2023.

³⁸ Energy Community Secretariat, [Addressing energy poverty in the Energy Community Contracting Parties – Factsheets on status and policies and measures](#).

clear whether the latter figure referred to 2023 when energy prices were higher, or rather a yearly average. Overall we can only conclude that EUR 8 million was most likely used for lasting measures to increase households' energy efficiency – albeit ones already prepared before the Package was announced – while EUR 22.2 million or more may also really have supported vulnerable households but in a very short-term way. The remainder may also have responded to a real need in households and SMEs, but too little information is available to assess this.

Bosnia and Herzegovina

As a net electricity exporter with very low gas dependence, Bosnia and Herzegovina (BiH) did not experience a significant electricity crisis in 2021 to 2023, though heating prices increased.³⁹ Still, part of its 2023 IPA funds were reprogrammed to be part of the Energy Support Package, under which it received EUR 70 million.

The draft Roadmap / Action Plan was published, with a consultation supposedly finished on 31 December 2022.⁴⁰ However, it is unlikely that the wider public knew about this as it says only that a direct invitation was sent to those on the list of interested parties, and on the page with the document⁴¹ there is no information about the date of publishing or a deadline set. A report from the consultation says it ran from 16 to 31 December, and, unsurprisingly considering the timing, received no inputs.⁴² The version published for consultation was significantly different from the one published by the European Commission.⁴³ In addition, BiH's Action Plan was adopted on 22 December 2022 by the BiH Council of Ministers,⁴⁴ so before the consultation finished.

³⁹ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023, Action Document for State and Resilience Building Contract for Bosnia and Herzegovina, Annual Action Plan](#), European Commission, 5 December 2022.

⁴⁰ [Ekonzultacije.ba](#), Akcioni plan/Mapa puta za Ugovor o paketu energetske podrške za državu i izgradnje otpornosti u okviru Instrumenta za pretpristupnu pomoć (IPA III za 2023. godinu) - Ministarstvo vanjske trgovine i ekonomskih odnosa BiH, consultation finished 31 December 2022.

⁴¹ Ministarstvo vanjske trgovine i ekonomskih odnosa BiH, [Akcioni plan/Mapa puta za Ugovor o paketu energetske podrške za državu i izgradnje otpornosti u okviru Instrumenta za pretpristupnu pomoć \(IPA III za 2023. godinu\)](#), undated, accessed 7 July 2025.

⁴² Ministarstvo vanjske trgovine i ekonomskih odnosa BiH, [Izvjestaj o održanim konsultacijama sa zainteresiranom javnošću](#), 17 January 2023.

⁴³ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023, Action Document for State and Resilience Building Contract for Bosnia and Herzegovina, Annual Action Plan](#).

⁴⁴ BiH Council of Ministers, [Održana 84. vanredna telefonska sjednica Vijeća ministara BiH](#), 22 December 2022.

We have not found a local language version of the final document online, only the English one published by the Commission.⁴⁵ From information posted by the Federation of BiH (FBiH) government, FBiH was to receive 66 per cent, Republika Srpska 33 per cent and Brčko District one per cent.⁴⁶

The financing agreement was signed in April 2023 and 90 per cent of the funding was disbursed in May 2023.⁴⁷ According to the Action Plan, the indicative implementation period was 24 months from the signing of the agreement.

What was planned?

The logic of BiH's Plan as published by the Commission is different to Albania's and the most concrete indicators are under outcomes, but it can be summarised as follows.

Table 2: Summary of Bosnia and Herzegovina's Action Plan under the Energy Support Package⁴⁸

Induced outputs	Outcomes	Indicators
<p>Targeted measure to support the socially vulnerable population in place⁴⁹</p> <p>Continued existing measures to subsidise electricity/utility bills for energy poor consumers</p>	<p>1. Increased access of vulnerable households to immediate energy poverty mitigation measures</p>	<p>Baseline: 0 targeted measures for vulnerable population (2022)</p> <p>Target: Introduction of 1 new measure (2023)</p> <p>Baseline: Three existing subsidies measures for energy poor households (2022)⁵⁰</p> <p>Target: Continuation (2023)</p> <p>Baseline: 25% of vulnerable households receiving financial support to overcome the price increase of 2022/23 energy bills for heating (2022)</p> <p>Target: 96% of vulnerable households receiving financial support to overcome the price increase of 2022/23 energy bills for heating (2023)</p>

⁴⁵ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023, Action Document for State and Resilience Building Contract for Bosnia and Herzegovina, Annual Action Plan.](#)

⁴⁶ FBiH government, [Informacija o budžetskoj podršci EU za energetske potrebe u Federaciji BiH](#), 1 June 2023.

⁴⁷ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region.](#)

⁴⁸ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023, Action Document for State and Resilience Building Contract for Bosnia and Herzegovina, Annual Action Plan.](#)

⁴⁹ It is not very clear what kind of measure.

⁵⁰ The Action Plan does not define the difference between vulnerable and energy poor.

Financial incentive mechanisms adopted to increase energy savings and reduce greenhouse gas emissions in residential buildings	2. More efficient and rational use of energy resources in the residential sector	Baseline: 0 residential buildings receiving grants (2022) Target: 4,000 residential buildings receiving grants for energy efficiency (2023)
Financial incentive mechanisms adopted to increase energy savings and reduce greenhouse gas emissions in micro, small and medium-sized enterprises (MSMEs) Increased access to financial services and products to energy poor households, and resource efficiency investments (residential sector and MSMEs)	3. Increased access to reliable energy and resources efficient affordable commercial facilities (focused on MSMEs)	Baseline: 0 mechanisms for MSMEs (2022) Target: 2 new mechanisms (2023) Baseline: 0 EUR available (2022) Target: EUR 70 million available in total (2023) Baseline: 0 MSMEs receiving grants for energy efficiency (2022) Target: 400 MSMEs receiving grants for energy efficiency (2023)
Policy and regulatory framework are upgraded to allow for increased investments in the sectors of intervention and in facilitating the implementation of investment projects by private as well as public stakeholders Progress on implementation of the National Energy Action Plan ⁵¹	4. Establishment of a legislative framework on electricity allowing for the establishment of a power exchange and participation in market coupling	Baseline: Limited progress on measures from the Action Plan aimed at upgrading the policy and regulatory framework Target: 'Significant progress' Baseline: 0% implementation of the National Energy Action Plan Target: 100% of the measures fully implemented Baseline: Amendments drafted but not adopted (2022) Target: Adoption of the amendments prepared by the Energy Community Secretariat (Q2 2023)

In addition, the overall impact was to be measured by some very broad indicators:

- Annual growth rate of real GDP per capita (SDG 8.1.1)
- Energy Intensity Level of Primary Energy (SDG 7.3.1)

The support measures for energy efficiency could in principle contribute to the latter goal, which also contributes to the Green Agenda, but it is hard to imagine that a direct statistical link could be established for either indicator, given the limited scale of the programmes.

BiH's Action Plan was only slightly clearer than Albania's in indicating what the EUR 70 million would be spent on, as it shows that the full sum would be used for subsidy schemes, but does not distinguish how it

⁵¹ It is not clear what this is – the Integrated Energy and Climate Plan which is not adopted yet, the Energy Efficiency Action Plans, or something else.

would be divided between energy efficiency measures for residential buildings, those for SMEs, measures for vulnerable consumers, and existing subsidies for electricity bills for those deemed to be in energy poverty. Although the Package was designed to concentrate on indicators rather than tracking every single euro, failure to provide even indicative information on this represents a major accountability gap.

Bosnia and Herzegovina approached the Action Plan somewhat differently from Albania, trying to introduce some new schemes, in addition to using the funds for existing ones. Although this made it highly likely that implementation would take longer – which was also allowed under the contract – all the targets were still for 2023.

- According to the Action Plan, the three existing programmes for support to energy poor households cover the Federation of BiH as a whole (electricity), Sarajevo Canton (electricity and heating) and Brčko District (unclear).⁵² The former have been in place since 2011 and 2014 respectively, while the latter is reviewed annually. Therefore, in all three cases the only additionality was that the Package could cover increased costs due to higher electricity and heat prices.
- Also, the Federation of BiH had no definition of vulnerable customers and while Republika Srpska had, exact criteria for obtaining the status of a vulnerable customer had not been defined in the secondary legislation.
- The planned programmes for energy efficiency in residential buildings and SMEs were completely new and thus represented significant additionality.
- The exact legislation to be transposed is not defined in the Action Plan. But given the amount of electricity-market-related legislation pending in BiH under the Energy Community Treaty,⁵³ it seems likely that this was a pre-existing obligation, not something additional.
- It is a mystery what the ‘National Energy Action Plan’ mentioned in the table above refers to. To the best of our knowledge, BiH (or its entities) has no such document. So it is not clear whether it was realistic to try to fully implement it in the space of one year.

Overall, BiH’s Action Plan seems to have been somewhat more ambitious than Albania’s – employing a mixture of additional and non-additional measures. But the lack of clarity on the exact legislation to be adopted and on the ‘National Energy Action Plan’ is unacceptable, as it makes it impossible to independently track implementation.

⁵² European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023, Action Document for State and Resilience Building Contract for Bosnia and Herzegovina, Annual Action Plan](#). More information is also available in Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

⁵³ Energy Community Secretariat, [2024 Implementation Report](#).

What has been done?

We haven't found any ex-post information published online by the Commission on what was done under the Package in BiH. In its June 2023 press release on the Package, the Commission briefly reiterated what was in the country's Action Plan⁵⁴ and its 2023 enlargement report mentions the Package in passing, but provides no implementation details.⁵⁵ The 2024 report does not appear to mention the Package at all.⁵⁶

On request, the EU Delegation to BiH has provided an executive summary of an aide memoire on implementation, whose cut-off date was 30 June 2024.⁵⁷ This does not include a measure-by-measure assessment but concludes that:

- *'Based on three out of the four general conditions not fulfilled, the Review Mission recommends no disbursement;*
- *Regarding the Specific Conditions, out of 21 Targets only 9 have been fulfilled (43%). Most of the unfulfilled ones concern legal frameworks, procedural and strategic objectives'.*⁵⁸

From what we have been able to find via desk research, out of EUR 70 million, overall EUR 20 million was allocated for energy efficiency measures for residential buildings and companies.⁵⁹ This suggests that around EUR 50 million was either used to support utility bills or just subsumed into wider budgets and used for unrelated purposes.

Regarding the first measure, on new support schemes for vulnerable customers, an April 2023 report by the Ministry of Foreign Trade and Economic Relations (MOFTER) cited by the Energy Community Secretariat⁶⁰ stated that in 2022, the government of Sarajevo Canton adopted a decision to support the most financially vulnerable people due to the increase of energy prices.⁶¹ In October and November 2022, it supported 39,000 pensioners with the lowest pension and 1,410 recipients of financial social assistance, for which BAM

⁵⁴ European Commission, ['The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region'](#).

⁵⁵ European Commission, [Commission Staff Working Document Bosnia and Herzegovina 2023 Report](#), 8 November 2023.

⁵⁶ European Commission, [Commission Staff Working Document Bosnia and Herzegovina 2024 Report](#), 30 October 2024.

⁵⁷ Cowater, Draft Aide-mémoire, Contract 300078595 – SIEA-2018-20950 – Review of the Energy Support Package for State and Resilience Building Contract (SRBC) in Bosnia and Herzegovina, *European Commission*, 7 October 2024, provided to Bankwatch on 13 February 2025 in response to an information request. Although the document is dated October 2024, it is visible from the text that it was updated in December 2024. The full aide-mémoire is restricted.

⁵⁸ We could only find 15 in the Action Plan, and not all of these are included in our table above due to repetition. It is not clear whether the Action Plan was changed later or whether these actions are defined somewhere else as well.

⁵⁹ Fond za zaštitu okoliša Federacije BiH, [Priopćenje za medije – Uz podršku Evropske unije i Fonda za zaštitu okoliša Federacije BiH, građani Federacije BiH dobili su priliku da neposredno iskoriste prednosti mjera energetske efikasnosti](#), 25 October 2024.

⁶⁰ We have not been able to find the original MOFTER report online.

⁶¹ Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

4,283,500 (around EUR 2,141,750) was allocated.⁶² MOFTER concluded that the target had been met. But it isn't clear how, as the budget support contract was only signed in April 2023, several months later than the figures cited by MOFTER.

In addition to this, MOFTER cites several activities in both the Federation of BiH and Republika Srpska aimed at new support for vulnerable consumers,⁶³ however this only goes up to June 2023.

In July 2023, it was reported that neither Republika Srpska (RS) nor the Federation had started distributing the funds from the Energy Support Package but that RS had extended its criteria on who would be eligible for support.⁶⁴ Its previous list had around 36,000 people, whereas the Commission expected around 50,000 to 60,000 people to benefit in this entity. BAM 32 million (EUR 16 million) had reportedly been allocated for this purpose in Republika Srpska,⁶⁵ but we have not been able to find official sources for this.

To sum up, progress on the implementation of the first measure, introducing new support for vulnerable consumers, remains unclear, as we have not managed to find reports from either entity that cover the part of 2023 after the contract for the Package was signed.

On the second measure, funding existing schemes, MOFTER reports that the existing Federation of BiH programme continued, and that 96 per cent of the target had been met. But it's not clear which target, as the one in the Action Plan was only 'continuation' of three programmes, without a specific number of beneficiaries. And all the figures it cites are from 2022 or the first two months of 2023, again before the financing contract was signed.⁶⁶

In addition to this, in Brčko District, the budget for 2023 was reported to have allocated BAM 850,000 (EUR 434,890) for subsidies to vulnerable consumers under the existing programme.⁶⁷ While it is debatable how additional this was compared to what Brčko would have allocated anyway, the spending could at least partly be considered to fall within the implementation period of the Energy Support Package. So on this measure, we have been able to trace only less than half a million euros allocated by Brčko District and nothing else.

The situation with the third and fourth measures is a lot clearer, but still with some discrepancies. In August 2023, BAM 12.9 million (around EUR 6.5 million) in grant co-financing for 2,600 households was announced

⁶² *Ibid.*

⁶³ Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

⁶⁴ Dejan Šajinović, [Vlada RS proširila spisak: Pomoć EU će dobiti do 60.000 građana](#), *Nezavisne Novine*, 23 July 2023.

⁶⁵ *Ibid.*

⁶⁶ Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

⁶⁷ *Ibid.*

via the FBiH Environmental Protection Fund for thermal insulation of households; replacement of joinery; and installation of new pellet or condensing boilers, heat pumps or solar collectors for hot water.⁶⁸

Two calls were issued for households, in 2023 and 2024, resulting in 6,292 applications, of which 2,966 were approved, supposedly using all the available funds. By late October 2024, contracts worth BAM 10.6 million (EUR 5.3) – less than the full amount – had been signed. For MSMEs, 807 applications were received for two calls, resulting in 401 approvals and the signature of contracts worth BAM 10.1 million (EUR 5.05 million).⁶⁹

In June 2025, the FBiH Fund for Environmental Protection issued a press release with the overall funds allocated through the Package. It allocated a total of BAM 24,964,912 (around EUR 12,482,456), of which around half each for MSMEs and residential buildings. In total, 391 out of 683 applicant MSMEs and 2,852 out of 6,292 applicant households received the funds. Due to contract cancellations and lower than contracted spending in some cases, the remaining funds – BAM 467,508 for SMEs and BAM 392,244 for households – will be returned to the Federation's budget.⁷⁰

In Republika Srpska, the Fund for Environmental Protection and Energy Efficiency had an allocation of BAM 5,808,815 (around EUR 2,904,408) for residential buildings and BAM 2,290,579 (around EUR 1,145,290) for MSMEs.⁷¹ This was less than the originally announced BAM 12 million (EUR 6 million)⁷² and it is not clear what happened to the rest.

It opened calls for energy efficiency measures in residential buildings and MSMEs on 18 December 2023,⁷³ and for residential buildings again on 29 August 2024.⁷⁴ For the first call for residential buildings, the results

⁶⁸ FBiH government, '[12.9 miliona KM za ublažavanje negativnog socio-ekonomskog uticaja energetske krize](#)', *Vlada Federacije Bosne i Hercegovine*, 24 August 2023.

⁶⁹ Fond za zaštitu okoliša Federacije BiH, '[Priopćenje za medije – Uz podršku Evropske unije i Fonda za zaštitu okoliša Federacije BiH, građani Federacije BiH dobili su priliku da neposredno iskoriste prednosti mjera energijske efikasnosti](#)', *Fond za zaštitu okoliša Federacije BiH*, 25 October 2024.

⁷⁰ Fond za zaštitu okoliša Federacije BiH, '[Fond za zaštitu okoliša FBiH iz sredstava proračunske podrške EU dodijelio 24.964.912,45 KM za projekte energetske efikasnosti](#)', *Fond za zaštitu okoliša Federacije BiH*, 30 June 2025.

⁷¹ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, '[Јавни конкурс ... за дојелу средстава из буџетске подршке Европске уније за провођење мјера енергетске ефикасности у стамбеним објектима и микро, малим и средњим предузећима за 2023. Годину](#)', accessed 3 July 2025.

⁷² Dejan Šajinović, '[Vlada RS proširila spisak: Pomoć EU će dobiti do 60.000 građana](#)'.

⁷³ *Ibid.*

⁷⁴ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, '[Отворен јавни конкурс](#)', 29 August 2024.

were announced in several installments⁷⁵ and for the second one they were announced in October 2024,⁷⁶ both together with lists of those selected. The decision on the selected MSMEs is also available online.⁷⁷

Overall, the Fund reports having accepted 1,297 applications and allocated BAM 5,805,976 out of BAM 5,808,815 originally earmarked for residential buildings, with just BAM 2,839 left, though it does not state when the information was published. Almost 40 per cent of the funds were allocated for facade insulation, with a further 39 per cent for external joinery, 11 per cent for heat pumps and smaller amounts for other measures.⁷⁸

Almost all the funds for MSMEs were also allocated: out of BAM 2,290,579, BAM 2,284,079 was allocated to 56 companies, with only BAM 6,499 left. By far the most popular measure was solar photovoltaic installation, with nearly 61 per cent allocated for it, followed by 26 per cent for heat pumps.⁷⁹

Brčko District received BAM 1,232,173 (around EUR 616,087) from the package, of which BAM 176,025 was for an energy efficiency programme for residential buildings for 2023. A call was published towards the end of the year but no money was spent in 2023. In addition, BAM 29,250 (or around EUR 14,625) was spent for SMEs in 2023.⁸⁰ In 2024, BAM 15,597 (around EUR 7799) was spent on one MSME, out of a planned three, and BAM 167,531 (around EUR 83,766) was spent on 36 households.⁸¹

So overall, around EUR 12.5 million was spent in the Federation of BiH for energy efficiency / renewables in residential buildings and MSMEs, just over EUR 4 million in RS, and – up till the end of 2024 – less than EUR 100,000 in Brčko District. It is not clear what happened to the other EUR 3.4 million of the originally announced EUR 20 million for energy efficiency measures.

⁷⁵ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, [Јавни конкурс ... за дојелу средстава из буџетске подршке Европске уније за спровођење мјера енергетске ефикасности у стамбеним објектима и микро, малим и средњим предузећима за 2023. Годину](#).

⁷⁶ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, [ОДЛУКА о избору корисника средстава Фонда по Јавном конкурс за дојелу средстава из буџетске подршке Европске уније за спровођење мјера енергетске ефикасности у стамбеним објектима, за 2024. Годину](#), 3 October, 2024.

⁷⁷ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, [ОДЛУКА о избору корисника средстава Фонда по Јавном конкурс за дојелу средстава из буџетске подршке Европске уније за спровођење мјера енергетске ефикасности у постојећим објектима, системима и процесима, а који се односе на повећања енергетске ефикасности у микро, малим и средњим предузећима за 2023. Годину](#), 14 February 2024.

⁷⁸ Fond za zaštitu životne sredine i energetske efikasnost Republike Srpske, [Јавни конкурс ... за дојелу средстава из буџетске подршке Европске уније за спровођење мјера енергетске ефикасности у стамбеним објектима и микро, малим и средњим предузећима за 2023. Годину](#).

⁷⁹ *Ibid.*

⁸⁰ Government of Brčko District, [Izveštaj o radu Vlade Brčko Distrikta Bosne i Hercegovine za 2023. godinu](#), Government of Brčko District, March 2024.

⁸¹ Government of Brčko District, [Izveštaj o radu Vlade Brčko Distrikta Bosne i Hercegovine za 2025. godinu](#), Government of Brčko District, May 2025.

As the Action Plan target for MSMEs was 400 for the whole of BiH it seems this was reached, albeit in 2024. The target for residential buildings was 4,000, and was also reached in 2024.

Regarding the legislative measures and fulfilment of the mysterious National Energy Action Plan, it remains unclear to this day whether they have been fulfilled due to the unclear descriptions of them given in the Action Plan.

Bosnia and Herzegovina: Overall assessment

BiH's Action Plan – or at least the version published by the Commission – contained a mixture of non-additional support for existing bill subsidisation schemes and new, additional measures for vulnerable customers and energy efficiency. It also contained a legislative measure and one on implementation of the 'National Energy Action Plan', which are too unclear for their additionality to be assessed.

Although – unlike the Albanian Action Plan – the BiH Plan includes indicators for all the outputs, it is still extremely hard to track implementation of the bill support and legislative elements because they are not clearly enough described in the Plan. For example, one new support scheme for vulnerable consumers is planned, but it is not clear in which entity.

These issues could have been resolved in a public consultation, however the consultation was held at the end of December, in parallel to the Action Plan being adopted by the BiH Council of Ministers, so was completely meaningless.

MOFTER's report, cited by the Energy Community Secretariat in its July 2023 overview of crisis measures for energy poverty,⁸² does not help matters much as it enumerates activities done before the contract for the Package was even signed with BiH in April 2023.

The energy efficiency measures are much easier to track than the others since both entities' environmental protection funds issued public calls and provided public information on how many people benefited, how much funding was allocated and how much remained unspent. The RS environmental protection fund also provided the names of the beneficiaries and a breakdown of the technologies supported.

It is highly unfortunate that the energy efficiency measures for residential buildings and MSMEs received only a minority of the funding and, at EUR 16.6 million, this was even less than the EUR 20 million originally reported as having been allocated.

As of mid-July 2025, the final tranche has not been disbursed, so the total sum received so far by BiH from the package is EUR 63 million. From this, if we subtract EUR 16.6 million we can deduce that between EUR

⁸² Energy Community Secretariat, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

46.4 and 53.4 million may have been used for short-term bill subsidisation – around three times much as was used for energy efficiency measures.

As well as the short-term nature of the bill subsidies, they are notable for the lack of transparency surrounding them. Compared to the energy efficiency programmes, it is much harder to find information on what happened to the funds.

The Commission clearly ensured regular monitoring of BiH's progress against its indicators, albeit via consultants.⁸³ But it would be more useful if the results were fully disclosed, as the executive summary does not give an activity-specific breakdown.⁸⁴

Ultimately, we have only been able to identify that around EUR 16.6 million of the EUR 70 million allocated for BiH was most likely spent in a way that will help households and MSMEs in the mid- to long-term and help advance the energy transition in the country. The remainder of the spending remains mostly unclear. The Action Plan's focus on indicators created an accountability gap by failing to require even indicative figures on how the money was planned to be used and how it was used in the end.

Kosovo

After years of previous governments failing to invest in realistic new electricity generation capacity, Kosovo's dependence on its two ageing coal power plants left it highly vulnerable during the energy crisis. The version of Kosovo's Action Plan published by the Commission showed that between the end of 2021 and late 2023, the government had allocated around EUR 120 million to subsidise electricity price increases for vulnerable households, businesses and electricity distributors but had managed to pay out only around EUR 66 million until September 2022.⁸⁵

Kosovo received EUR 75 million under the Energy Support Package, of which 90 per cent was disbursed in March 2023.⁸⁶ As far as we know, no public consultation was held on the planned activities. Selected civil

⁸³ Cowater, Draft Aide-mémoire, Contract 300078595 – SIEA-2018-20950 – Review of the Energy Support Package for State and Resilience Building Contract (SRBC) in Bosnia and Herzegovina, *European Commission*, 7 October 2024, provided to Bankwatch on 13 February 2025 in response to an information request. Although the document is dated October 2024, it is visible from the text that it was updated in December 2024.

⁸⁴ The full aide-mémoire is restricted.

⁸⁵ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Kosovo* for 2023, Action Document for State and Resilience Building Contract for Kosovo, Annual Action Plan](#), 5 December 2022.

⁸⁶ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#).

society groups were invited to a consultation meeting in December 2022 on the Package.⁸⁷ An interesting feature in Kosovo was that civil society groups were also invited to take part in the design of the measures.⁸⁸

According to the EU Delegation in Kosovo, implementation of the Package was monitored by a Steering Committee established by the government,⁸⁹ which consisted of the Ministry of Economy, Ministry of Finance, Kosovo energy efficiency fund, National IPA Coordinator and the EU Office.⁹⁰

As of mid-July 2025, the final 10 per cent tranche of EUR 7.5 million has been requested by Kosovo, but will be disbursed only after an assessment of whether the indicators have been fulfilled.⁹¹

What was planned?

The version of Kosovo's Action Plan published by the European Commission⁹² does not seem to be the final one and contains some inconsistencies. For example, there is no induced output connected to the awareness-raising campaigns and no direct outputs connected to the improved governance framework. But the main actions in the published draft are as below.

Table 3: Summary of Kosovo's Action Plan under the Energy Support Package⁹³

Direct outputs	Induced outputs	Outcomes	Indicators
1. Direct financial support is provided to vulnerable / energy poor households;	Increase socioeconomic well being of consumers with a focus on vulnerable consumers	More efficient and rational use of energy resources to generate an effective climate resilient low-carbon economy and society	Baseline: Number of included households – 36,000 (2022) Target: Around 200,000 (2023 and possibly 2024)

⁸⁷ Ministry of Economy of the Republic of Kosovo, '[The Ministry of Economy held a consultation meeting with NGOs about the emergency package of 75 million from the EU](#)', *Ministry of Economy*, 12 December 2022.

⁸⁸ Ministry of Economy of the Republic of Kosovo, '[Joint public call for NGOs to participate in the process of designing measures as part of emergency packages](#)', *Ministry of Economy*, 24 January 2023.

⁸⁹ Government Decision no 20/145 of 7 June 2023.

⁹⁰ Response from the EU Delegation in Kosovo to a request by Bankwatch, dated 14 July 2025.

⁹¹ Response from the EU Delegation in Kosovo to a request by Bankwatch, dated 14 July 2025.

⁹² European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Kosovo* for 2023, Action Document for State and Resilience Building Contract for Kosovo, Annual Action Plan](#).

⁹³ Ibid.

2. Improved green housing facilities;	Financial incentive mechanism is set up by KEEF for residential consumers	Baseline: Total final energy consumption 1,596 kilotonnes of oil equivalent (ktoe) (2021) Target: 1,709 ktoe (2024)	Baseline: 0 mechanisms Target: 1 new one Baseline: 1,000 single houses (2022) Target: Additional 1,000 single houses and 5 to 10 public multi-apartment blocks for vulnerable households (2024) of which at least 10 per cent are women-led households
3. Increased access to financial services and products to households and commercial entities to support renewable energy and resource efficiency investments.	Financial incentive mechanism is optimised by the Kosovo Credit Guarantee Fund for MSMEs		Baseline: Indicatively 2 SMEs, exact number to be confirmed (2022) Target: Around 540 MSMEs of which at least 30 per cent (to be confirmed) are women-led (2024)
4. Strengthened awareness of households and commercial entities to enable/undertake/manage renewable energy and energy efficiency investments or projects	None mentioned		Baseline: 1 campaign (2022) Target: 2 campaigns (2023/2024)
Adoption of the Law on Renewable Energy Adoption of the new Law on Environmental Impact Assessment	Improved governance framework allowing for the diversification of energy supplies in a sustainable manner		Adopted law Adopted indicators

As with the other countries, the impact indicators are very broad and it is hard to see how they could be directly linked with the implementation of the Package.

- Percentage of renewable energy/electricity generated

- GDP growth level

The percentage of renewable energy should in principle increase due to the facility for MSMEs and the adoption of the law on renewable energy, but only the former could be numerically linked to the Package.

We have not found the version of the Action Plan adopted by Kosovo online, but the EU Delegation's Kosovo Projects portal⁹⁴ shows a set of activities somewhat different from the Plan published as an annex to the Commission Implementing Decision.⁹⁵

Planned activities from KosovoProjects.eu

Objective 1 (not stated)

Measure 1: Direct financial support to the most vulnerable and socially disadvantaged households for the winter period (EUR 25 million)

Measure 2: Incentivising energy savings from household consumers (EUR 15 million)⁹⁶

Measure 3: Supporting individual household consumers including vulnerable consumers by increasing energy efficiency of residential units and buildings (EUR 20 million)

Measure 4: Supporting household consumers including vulnerable consumers in investing in energy-efficient household appliances and renewable energy systems (EUR 10 million)

Measure 5: Incentivising energy savings from MSMEs (EUR 5 million)⁹⁷

Objective 2: Set up an energy resilience strategy

Measure: Adopt a short to medium term energy resilience strategy / action plan. A series of strategies, laws and regulations will be drafted and adopted throughout 2022-2023 in order to embed an energy resilience strategy and enable related short-, medium-, and long-term actions.

Objective 3: Green transition

Measure: Green transition strategy (addressing structural issues) – adoption of the national energy and climate plan (NECP), district heating systems in municipalities, and strengthening regional cooperation and market functioning; competitive auction for renewable energy sources; and improving the flexibility of the electricity system.

The subsidies schemes were also announced to the public by the Kosovo government in April 2023.⁹⁸

⁹⁴ European Union Office in Kosovo, European Union Special Representative in Kosovo, [KosovoProjects.EU](https://koso.projects.eu), undated, accessed 7 July 2025.

⁹⁵ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Kosovo* for 2023, Action Document for State and Resilience Building Contract for Kosovo, Annual Action Plan](#).

⁹⁶ This likely refers to the programme offering a subsidy to consumers who lowered their electricity consumption more than 5 per cent (in kWh) in comparison with the same month of the previous year.

⁹⁷ This refers to investments in energy efficiency and small-scale renewables, based on the calls issued by the Ministry for Economy. See for example [here](#) and [here](#).

⁹⁸ Ministry of Economy of the Republic of Kosovo, [‘Measures in the amount of 75 million EUR of the EU introduced; Call for application for municipalities for multi-apartment social housing opened’](#), Ministry of Economy, 7 April 2023.

More funds were allocated for additional and long-term measures in Kosovo than in Albania and Bosnia and Herzegovina. The EUR 35 million for investments in renewable energy and energy efficiency for households and MSMEs were the most meaningful actions as they also help to keep energy consumption down in the medium and long term.

The energy saving incentive for households was also an interesting initiative, however it is not clear to what extent it fitted in the scope of the Package timewise. A January 2024 interview with the Head of Cooperation at the European Union Office in Kosovo⁹⁹ suggested it had ended in March 2023, the same month as the funds were disbursed for Kosovo, though a later government report said it ran until April.¹⁰⁰

The support for vulnerable consumers was short-term and aimed only at relieving the burden of electricity bills. Its main additionality was in supporting a higher number of people than had previously been the case.

The measures under Objectives 2 and 3 outlined above are less clear, as in some cases they do not specify which exact action should be undertaken. Some parts also refer to activities that were already obligatory for Kosovo under the Energy Community Treaty, or those for which preparations were already ongoing, such as introducing renewable energy auctions.

What has been implemented?

We have not found any official reports by the European Commission or the Kosovo government on the implementation of the package per se, but the interview mentioned above¹⁰¹ and the government's reports on its energy strategy implementation plan¹⁰² both provide some information. We have also added other data where available.

- Subsidies were provided to consumers who saved energy from 22 December 2022 – March/April 2023 compared to the same months of the previous year (see comment above on whether the timeline fits the Package). The EU Delegation to Kosovo said in its interview that this benefited almost 200,000 households,¹⁰³ although the government later mentioned 300,000.¹⁰⁴ In any case, the government said that as a result of its subsidy call, 14 gigawatt hours (GWh) less electricity was

⁹⁹ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)', *Europe House Kosovo*, 25 January, 2024.

¹⁰⁰ Ministry of Economy of the Republic of Kosovo, '[Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#)', *Ministry of Economy*, April 2025.

¹⁰¹ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)'.

¹⁰² Ministry of Economy of the Republic of Kosovo, '[Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#)'.

¹⁰³ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)'.

¹⁰⁴ Ministry of Economy of the Republic of Kosovo, '[Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#)'.

used than the previous year, and as a result EUR 1.8 million of the state budget was saved by not having to buy imported energy.¹⁰⁵

- In April 2023, the Kosovo Energy Efficiency Fund opened a call for local authorities for subsidised insulation of multi-apartment buildings.¹⁰⁶ Energy efficiency measures in 22 social housing buildings with 785 families were signed in November 2024, worth EUR 5.5 million.¹⁰⁷ In April 2025 it was reported that 28 contracts had been signed altogether for this call, with 25 more signed afterwards.¹⁰⁸
- In August 2023, subsidy programmes for efficient appliances and solar thermal installations for households¹⁰⁹ and for insulation of households¹¹⁰ were launched. According to a government report, 1,811 applicants for household insulation have had funds dispersed worth a total of EUR 6.7 million, with estimated energy savings of 4.4 ktoe per year.¹¹¹
- In September 2023, a one-year programme for protection of vulnerable consumers through subsidies for their electricity bills was launched. The government reported that 61,247 families were subsidised, at a cost of EUR 15,025,733.¹¹²
- Also in September 2023, a public call was launched for energy efficient heating devices for households.¹¹³

¹⁰⁵ Ministry of Economy of the Republic of Kosovo, [‘Kurti and Rizvanolli launch the new Subsidy Call to support 10,000 families’](#), Ministry of Economy, 22 September 2024.

¹⁰⁶ Kosovo Energy Efficiency Fund, [Thirrja Publike për Aplikime është e hapur për përfitimin e masave të efijencës së energjisë në ndërtesat sociale shumëbanesore në pronësi të komunave në Kosovë](#), FKEE, 12 April 2023.

¹⁰⁷ Ministry of Economy of the Republic of Kosovo, [‘€5.5 million investment for 785 families in the implementation of energy efficiency measures for social multi-apartment buildings’](#), Ministry of Economy, 1 November 2024.

¹⁰⁸ Ministry of Economy of the Republic of Kosovo, [Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#).

¹⁰⁹ Ministry of Economy of the Republic of Kosovo, [‘As of today, Citizens can apply for subsidies for efficient household appliances and solar systems for heating sanitary water’](#), Ministry of Economy, 18 August 2023.

¹¹⁰ Ministry of Economy of the Republic of Kosovo, [‘Commencement of application for subsidies for external thermal insulation, thermal insulation of roofs, and replacement of external windows and doors’](#), Ministry of Economy, 8 August 2023.

¹¹¹ This may not be the final figure but the report is unclear in some aspects. Ministry of Economy of the Republic of Kosovo, [Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#).

¹¹² *Ibid.*

¹¹³ Ministry of Economy of the Republic of Kosovo, [‘Opening of Public Call for Efficient Heating Devices Subsidy’](#), Ministry of Economy, 22 September 2023.

- A call for heating equipment for MSMEs was launched on 22 November 2023,¹¹⁴ aiming to support around 1,000 businesses with energy efficiency measures.¹¹⁵
- A call for subsidies for wood for vulnerable consumers was launched in December 2023,¹¹⁶ with 20,000 households on social assistance reportedly benefiting.¹¹⁷
- Two calls for subsidies for households were launched: for solar water heating systems (20 applicants) and for efficient home appliances (washing machines, dishwashers, fridges), with around 5,000 applicants.¹¹⁸
- In February 2024, calls for support for MSMEs to install solar thermal systems¹¹⁹ and MSMEs and households to install solar photovoltaics¹²⁰ were opened. In October 2024 it was announced that 445 households had applied, of which 29 had been confirmed for investments worth EUR 45,750 and the remaining ones were being checked. For photovoltaics for MSMEs, in the first phase, 67 applications were received, of which eight beneficiaries had been confirmed (EUR 44,200 investment value) and the remaining ones were being verified.¹²¹
- In May 2024, a call for support for household solar thermal systems was opened.¹²²
- In August 2024, the Kosovo Energy Efficiency Fund launched a second call for energy efficiency measures for households.¹²³ In April 2025 it was reported that 806 agreements had been signed so far, with EUR 2,836,511 spent.¹²⁴

¹¹⁴ Ministry of Economy of the Republic of Kosovo, '[Micro, Small, and Medium Enterprises Can Now Apply for Efficient Heating Equipment Subsidies](#)', *Ministry of Economy*, 22 November 2023.

¹¹⁵ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)'.

¹¹⁶ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)'.

¹¹⁷ *Ibid.*

¹¹⁸ Europe House Kosovo, '[The impact of the EU Energy Support Package in Kosovo](#)'.

¹¹⁹ Ministry of Economy of the Republic of Kosovo, '[Opening of the Public Call for Installation of the Sanitary Water Heating Solar System](#)', *Ministry of Economy*, 16 February 2024.

¹²⁰ Ministry of Economy of the Republic of Kosovo, '[Call for Photovoltaic System for Generation of Electricity Self-Consumption Launched, Household Consumers and MSMEs Can Apply Now](#)', *Ministry of Economy*, 6 February 2024.

¹²¹ Ministry of Economy of the Republic of Kosovo, '[Call for Photovoltaic Solar Systems Subsidies Closed](#)', *Ministry of Economy*, 1 October 2024.

¹²² Ministry of Economy of the Republic of Kosovo, '[The call for support for family consumers in renewable energy systems – Solar system for heating sanitary water is open](#)', *Ministry of Economy*, 24 May 2024.

¹²³ Ministry of Economy of the Republic of Kosovo, '[Launch of the Public Call for subsidizing insulation of individual residential houses](#)', *Ministry of Economy*, 26 August 2024.

¹²⁴ This may not be the final figure but the report is unclear in some aspects. Ministry of Economy of the Republic of Kosovo, '[Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#)'.

- In September 2024, a call for efficient heating systems for individual houses was opened, aiming to support 10,000 families.¹²⁵ In April 2025 it was reported that in the four calls made altogether for households and MSMEs for heating equipment and renewables, a total of 32,937 beneficiaries had received subsidies.¹²⁶

The government and Kosovo Energy Efficiency Fund have obviously been very active in setting up these schemes, but their final status and spending is only partly known.

In addition, the law on environmental impact was adopted in December 2022, before the Package funds were disbursed, and the law on renewable energy was adopted in April 2024, after quite a long delay. Since both of these were drafted before the Package was prepared, they cannot be considered additional, and the same goes for the renewables auction. The National Energy and Climate Plan has been drafted but not yet adopted, but the other planned strategic and legislative measures published by the EU Delegation in Kosovo are not clear enough to assess.

Kosovo: Overall assessment

Compared to most of the other countries, we have been able to gain a clearer overview of what has been done in Kosovo under the Package. The emphasis of Kosovo's Action Plan was on a mixture of short-term measures to assist vulnerable consumers and stimulate temporary energy savings, and longer-term measures to incentivise energy efficiency or install small-scale renewable energy. The fact that both the EU Delegation in Kosovo and the government published information about the planned allocations for each programme helped considerably. However, unclarity remains about the legislative and strategic measures due to differences between versions of the lists of measures published.

Despite some information on implementation being published by the government, it is also difficult to track how much money has actually been spent on what. Unlike in some of the other countries, the planned allocations were clear, but from the figures above, we can see around EUR 15 million was spent on the short-term bill subsidisation scheme for vulnerable customers (compared to EUR 25 million planned), and around the same amount spent on various energy efficiency and small-scale renewables schemes (compared to EUR 35 million planned). But these are unlikely to be the total figures. We also know the energy savings stimulation scheme was carried out in 2022 to 2023, but we don't know if exactly EUR 15 million was spent on it as planned, or a different figure, and how much of it came from the Package.

As the final tranche of the Package has not yet been approved for Kosovo as of mid-July 2025, the sum disbursed so far is EUR 67.5 million. From this, although it is clear that the government and Kosovo Energy Efficiency Agency have been extremely active in implementing incentive measures for energy efficiency and

¹²⁵ Ministry of Economy, '[Kurti and Rizvanolli launch the new Subsidy Call to support 10,000 families](#)'.

¹²⁶ Ministry of Economy of the Republic of Kosovo, '[Progress report for 2024 of the Kosovo energy strategy implementation programme for the period 2022 to 2025](#)'.

small-scale renewables, we can only be reasonably sure where EUR 30 million has gone. It is not clear whether this is primarily a reporting issue or whether it has taken longer than planned to spend the funds.

Ultimately, we have only been able to trace that around EUR 15 million of the EUR 75 million allocated for Kosovo was most likely spent in a way that will help households and MSMEs in the mid- to long-term and help advance the energy transition in the country, though we can estimate from the number and scope of activities done that it was much more in reality.

In addition, EUR 15 million has been reported for the vulnerable customers programme, which was additional to previously existing support, but provided only short-term relief. So although it contributed to the goals announced by the Commission, it cannot be said to contribute to the Green Agenda.

The EU Delegation in Kosovo clearly made some effort to communicate to the public what was being done, though this could have been done more regularly. The government's practice of reporting on implementation of the energy strategy action plan, which also includes information on these measures, is also helpful, but incomplete, and some of the figures could be more clearly presented to avoid ambiguity.

Montenegro

Montenegro received EUR 30 million under the Energy Support Package, of which the first tranche of direct budget support, EUR 27 million, was disbursed in March 2023,¹²⁷ and the second tranche of EUR 3.5 million was recorded in the main account of the Treasury on 29 December 2023.¹²⁸ This in principle means that Montenegro fulfilled all the indicators used to monitor the implementation of the Package, which were agreed with the European Commission and adopted by the Government of Montenegro through the Roadmap for the 2023 Action Plan – Energy Support Package.¹²⁹

As well as the version of the Action Plan published as part of the Commission Implementing Decision,¹³⁰ the Roadmap adopted by the Montenegrin government on 20 January 2023 is available online.¹³¹ An update¹³²

¹²⁷ European Commission, [‘The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region’](#).

¹²⁸ State Audit Institution, Montenegro, [Izveštaj o reviziji Predloga zakona o završnom računu budžeta Crne Gore za 2023. godinu](#), October 2024.

¹²⁹ Government of Montenegro, [Informacija u vezi sa dodjeljivanjem direktne budžetske podrške Evropske komisije Crnoj Gori za prevazilaženje energetske krize](#), April 2023.

¹³⁰ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Montenegro for 2023, Action Document for State and Resilience Building Contract for Montenegro, Annual Action Plan](#), 5 December 2022.

¹³¹ Government of Montenegro, [Informacija u vezi sa dodjeljivanjem direktne budžetske podrške Evropske komisije Crnoj Gori za prevazilaženje energetske krize](#).

¹³² Government of Montenegro, [Informacija u vezi sa dodjeljivanjem direktne budžetske podrške Evropske komisije Crnoj Gori za prevazilaženje energetske krize](#).

was officially adopted on 8 May 2023 and contains a table more clearly showing which parts were to be funded through the Package.

It remains unclear whether any public consultation was conducted regarding the planned activities. On 1 September 2023, Bankwatch submitted an inquiry to the Ministry of Capital Investments, asking whether a public debate had been held on the Roadmap. Although the Ministry responded on 9 September, it did not provide a consultation report or any direct confirmation that consultations had been held, saying that the process was organised as in other countries according to EU requirements and not saying directly that they happened and never responding after that.

What was planned?

The version of Montenegro's Action Plan published by the Commission¹³³ is not final. Some indicators are missing, and none of the baselines or targets have dates. It can be summarised as follows.

Table 4: Summary of Montenegro's Action Plan under the Energy Support Package

Direct outputs	Induced outputs	Outcomes	Indicators
1.1.1 Vulnerable social groups identified 1.1.2 Client-oriented approach is defined for vulnerable social groups identified for subsidies 1.1.3 Funds are made available for electricity bill subsidies 1.2.1 SMES are identified 1.2.2 Client-oriented approach is defined for vulnerable SMEs for applying for subsidies 1.2.3 Funds are made available for electricity subsidy	1.1 Vulnerable social groups receive subsidised electricity bills to mitigate the negative effects of the energy crisis 1.2 SMEs receive subsidised electricity bills to mitigate the negative effects of the energy crisis	1. To mitigate the immediate socio-economic impact of the energy crisis on vulnerable households and vulnerable economic stakeholders	Baseline: 0 persons in need benefitted from electricity bill subsidy Target: 20,160 persons (no year cited) Baseline: 0 SMEs in need benefitted from electricity bill subsidy. Target: X SMEs ¹³⁴ The other indicators are binary, showing that the pre-Package situation is 'no' and the target one 'yes'.

¹³³ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Montenegro for 2023, Action Document for State and Resilience Building Contract for Montenegro, Annual Action Plan](#).

¹³⁴ The number of SMEs targeted had not been filled in the version published by the Commission and no year added.

2.1.1 Funds are made available for the installation of solar panels	2.1 Increased possibilities for enabling access to renewable sources of energy	2. Reforms that address sources of vulnerability in the energy sector are promoted	Most of the indicators are binary and without dates, stating only that the baseline is 'no' and the target is 'yes', 'approved' or 'satisfactory progress'.
2.2.1 Implementation of new law on strategic oil reserves	2.2 Obligations from Directive 2009/119 (minimum stocks of crude oil and/or petroleum products) are implemented		
2.3.1 Preparatory work for the National Energy and Climate Plan	2.3 Strategic framework for national energy and climate plan is defined		
2.4.1 Preparatory work for regulation of day-ahead market in electricity	2.4 Preparation for implementation of day-ahead market in electricity		
2.5.1 Terms of reference for study on energy transition	2.5 Energy transition in the country is defined		

Similar to the other countries, the impact indicators are very broad and it is hard to see how they could be directly linked with the implementation of the Package. They also do not specify the degree of change expected.

- 1.1 GDP growth
- 1.2 Percentage of citizens below the poverty line
- 2. Percentage of renewable energies in the energy grid (*sic*).

The adopted Roadmap looks quite different to the one published by the Commission, and includes several vaguely defined measures for which no budget is allocated. It also mixes items paid for by the Package with other measures. The ones included in the Package are distributed across four key areas:

1. Bill subsidies for vulnerable groups – around EUR 8.5 million. One-time financial assistance to be provided to:

- 40,550 beneficiaries of the lowest pension (EUR 6,082,500)
- 219 beneficiaries of temporary compensation from the Pension and Disability Insurance Fund of Montenegro (PIO Fund) (EUR 32,850)
- 454 beneficiaries of financial compensation for veterans (EUR 68,100)
- 6,350 families receiving material security benefits (EUR 2,222,500)

2. Energy efficiency and small-scale renewables – EUR 13 million

This included:

a) around EUR 8 million under the Energy Efficient Home programme for:

- Biomass heating systems (e.g. pellets, briquettes)
- Heat pumps and multisplit systems
- Thermal insulation and energy-efficient windows and doors.

b) around EUR 3.5 million for energy efficiency in the tourism sector, around 30 tourism businesses, with grants ranging from 30 to 70 per cent of project costs.

c) EUR 1.5 million for modernisation in industry, targeting up to 10 SMEs in the processing industry for innovative technologies and modernisation.

3. Reconstruction/adaptation of the oil storage depot at Bar – around EUR 7.5 million

4. Software to enable the launch of a day-ahead market – around EUR 1 million

The largest proportion of the funds was allocated for long-term investments in energy efficiency and small-scale renewables and the investment in a day-ahead market can also be considered important for increasing the reliability and resilience of the electricity system.

But EUR 7.5 million of the emergency fund intended specifically for mitigating the energy crisis was, controversially, earmarked for building reserves of oil derivatives and reconstructing storage facilities for emergency fuel supplies.¹³⁵ While energy security is broadly connected to energy resilience, this specific use of funds raises serious concerns about deviation from the core purpose of the EU support, which was to provide targeted relief during the energy crisis, particularly for vulnerable households and businesses affected by high energy prices. The crisis mainly centred around gas and electricity, not oil.

Moreover, Montenegro was obliged to comply with Directive 2009/119/EC on minimum stocks of crude oil and/or petroleum products by 1 January 2023.¹³⁶ This means not only were EU funds to be used to fulfil a minimum legal requirement, but they were to be used to fulfil it after the legal deadline.

The adaptation of the state-owned storage facilities at the Bar terminal, with a total capacity of 17,600 m³, is estimated to cost EUR 1.8 million, while the remaining EUR 5.7 million was designated for purchasing oil derivative reserves – a straightforward fossil fuel subsidy.¹³⁷

¹³⁵ *Ibid.*

¹³⁶ Energy Community Secretariat, [Energy Community acquis](#), accessed 3 July 2025.

¹³⁷ Government of Montenegro, [Izveštaj o realizaciji utroška sredstava direktne budžetske podrške Evropske komisije za prevazilaženje energetske krize za dio sredstava raspodijeljen Ministarstvu energetike](#), December 2024.

Prioritisation of these measures risks setting a precedent where crisis-designated funds are used to fill budget gaps for buying fossil fuels, delayed reforms or infrastructure upgrades, rather than to directly respond to the ongoing hardships of communities. The strategic relevance of this expense in the context of an energy crisis not directly related to oil derivatives is questionable. Without a clear, measurable impact on immediate affordability, supply stability, or protection of consumers, this measure cannot be credibly framed as an emergency intervention.

The measure to support vulnerable energy consumers is also questionable, although it was additional to other existing schemes.

Two main subsidy schemes have been implemented since 2019. The first, regulated by the Ordinance on Supplying Electricity to Vulnerable Consumers, applies to a relatively small number of households – approximately 400 to 700 – who are entitled to a 50 per cent subsidy on monthly electricity bills, capped at 600 kWh of consumption. Vulnerable energy consumers are defined in the Energy Law, which identifies them based on a combination of social and health-related criteria.¹³⁸

The second, broader scheme – the Electricity Bill Subsidisation Program – covers 17,000 to 21,000 households, who receive monthly subsidies of up to EUR 24 for electricity bills. Eligibility is tied to beneficiaries of social welfare, users of social housing, war veterans receiving material support, and recipients of disability benefits. The programme costs approximately EUR 2.8 million annually.¹³⁹

The 2023 support through the Package was additional to these, and took the form of a one-off cash payment, with total costs of EUR 8.5 million: 40,000 low-income pensioners, 219 recipients of temporary pension top-ups, and 454 war veterans were to receive EUR 150 each, and approximately 6,350 families receiving material social assistance were to receive EUR 350 each. This emergency support used different criteria from the regular monthly schemes and was implemented as a short-term relief measure. However, it did not address the structural causes of energy poverty¹⁴⁰ nor provide lasting protection against energy price volatility. The one-off nature of the payment meant that beneficiaries received limited and temporary assistance, with no follow-up support or integration into broader social policy frameworks.

¹³⁸ Parliament of Montenegro, [Zakon o energetici](#), March 2025.

¹³⁹ Energy Community, [Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package](#).

¹⁴⁰ *Ibid.*

What has been implemented?

In December 2024, the Government of Montenegro released a report on direct budget support for overcoming the energy crisis,¹⁴¹ but it doesn't provide clear information on how much of the funds had been spent by then.

The information relates to blended programmes that were not funded only by the Package,¹⁴² making it difficult to sort out what had been spent, apart from the EUR 8.5 million for one-time aid to pensioners and social welfare recipients, which had been fully spent. All other expenditures were either ongoing or reallocated.¹⁴³

The table below shows allocated funds and the available information on actual spending, where identifiable.

Table 5: Montenegro's spending until December 2024

EU support category	Allocated funds (EUR)	Spent funds (EUR)
Support to pensioners and social protection beneficiaries	8.5 million	8,406,950
Energy efficiency improvement	13 million	Spending ongoing; detailed spending not fully disclosed (see breakdown below)
a) Households	8 million	Programme implementation in progress; no clear data on spent amounts (4,500+ applicants)
b) Tourism	3.5 million	Evaluations ongoing; no clear data on spent amounts
c) Industry	1.5 million	Programme ongoing; funds allocated, spending details not available (32 companies applied)

¹⁴¹ Government of Montenegro, [Izveštaj o realizaciji utroška sredstava direktne budžetske podrške Evropske komisije za prevazilaženje energetske krize za dio sredstava raspodijeljen Ministarstvu energetike](#).

¹⁴² Government of Montenegro, [Rezultati rada ministarstva energetike, October 2024; Izveštaj o radu i stanju u upravnim oblastima Ministarstva energetike za 2024. godinu](#), March 2025.

¹⁴³ *Ibid.*

Support for forming and maintaining mandatory oil reserves (line added from indicators)	7.5 million	No exact spent total disclosed – part of the final 10 per cent tranche and the adoption of a new law would be needed for this.
Support for day-ahead electricity market implementation (line added from indicators)	1 million	500,000 (one year subscription for software service)
Total	30 million	9.1 million or more (approx.)

Montenegro: Overall assessment

Montenegro's planned measures are additional to what was being done before the Package, but not all are appropriate for emergency funding that was claimed to support vulnerable consumers and advance the Green Agenda. The oil stocks measure is particularly inappropriate as it represents a blatant fossil fuel subsidy and supports Montenegro to fulfil a legal obligation it is already late with. The vulnerable consumers measure, although additional to pre-existing schemes, was also questionable, as it was a one-off payment with no longer-term impact. The energy efficiency, small-scale renewables and day-ahead market measures have much more potential to contribute to the Green Agenda and bring down energy costs in the medium and long term.

We have not found any evidence of a public consultation during the process of drawing up Montenegro's Action Plan, and the final version differed considerably from what the Commission published, partly because it also included measures funded from other sources. Unlike most of the other countries, Montenegro has published implementation reports, which help to trace progress with activities but hardly at all with spending.

A state audit report on the Proposal of the Final Budget Account of Montenegro for 2023¹⁴⁴ concluded that it was not possible to determine the exact amount or the purpose for which the energy support package was spent. It found that within the budgetary units implementing the budget support programme, there was no clear labeling of schemes or activities that would allow a traceable connection between the EU funding source and its intended or actual expenditure.

Although the European Commission did not require such a direct link, as the energy support package relies on fulfilling indicators, not on specific spending, this practice was found to be non-compliant with Point 144 of the Instructions on the Operation of the State Treasury, which requires the Ministry of Finance to maintain accurate records in the Treasury's General Ledger.

¹⁴⁴ State Audit Institution Montenegro, [Izveštaj o reviziji Predloga zakona o završnom računu budžeta Crne Gore za 2023. godinu](#), State Audit Institution Montenegro, October 2024, p. 98.

Specifically, it must ensure clear and transparent accounting of all donor funds, specifying each amount received per programme or project, and linking the funds to the respective spending units and final beneficiaries. The Ministry of Finance also did not comply with Point 147 of the same Instructions, which mandates the opening of a separate account for each Financial Agreement or European Commission Decision. These accounts are intended to ensure traceability of the funds withdrawn under the EU pre-accession assistance framework.

Based on these findings, the State Audit Institution recommended that the Ministry of Finance consider aligning the records of donor-funded direct budget support with budget expenditures linked to the implementation of the Action Plan, following the energy support package funding agreement. However, at the time of reporting, there is no available information indicating whether this recommendation has been implemented.

North Macedonia

North Macedonia was already in a vulnerable condition before the energy crisis started because its lignite reserves were diminishing and were of low quality. Coal-fired electricity production was in decline and the country relied on a gas-fired CHP in Skopje to cover a significant portion of electricity generation. Since the increasing prices of fossil gas were the main reason for the energy crisis, the impact on the country's energy system was almost instantaneous. Between September and November 2021, the country was constantly drawing power from the European network without approval, just to keep the system going, which led to multiple warnings from regulators and payments in excess of EUR 15 million every month.¹⁴⁵

The government's response was to pay for massive coal imports, to restart a heavy oil-powered plant and to subsidise gas imports for the CHP. After an official energy crisis was proclaimed in November 2021, up until May 2023, the government transferred around EUR 358 million (MKD 22 billion) directly to the state-owned electricity production company Elektrani na Severna Makedonija (ESM) for this purpose.¹⁴⁶

North Macedonia signed the financing agreement for EUR 80 million from the Energy Support Package at the beginning of March 2023, based on an Action Plan outlining the planned activities.¹⁴⁷ The government received 90 per cent of the funding before the end of the month, disbursed as direct budget support.¹⁴⁸ The last available information from the EU Delegation in North Macedonia, provided in response to an

¹⁴⁵ Ognjen Chancharevikj, '[Ramadani from MEPSO exclusively for Telma: MEPSO will pay 15 million euros in one month due to unauthorized imports from the European network](#)', *TV Telma*, 24 October 2021.

¹⁴⁶ See [table](#) of all budget support transfers to ESM during the energy crisis by the Government of The Republic of North Macedonia. Data extracted from the portal [open.finance.gov.mk](#) managed by the Ministry of Finance of The Republic of North Macedonia.

¹⁴⁷ European Commission, [Action Document for State and Resilience Building Contract for North Macedonia](#), *European Commission*, March 2023.

¹⁴⁸ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#).

information request in July 2025, is that the remaining 10 per cent had not been requested by the government yet.¹⁴⁹

No public information could be found regarding holding any kind of public consultations on the Action Plan. Some media outlets have mentioned a Roadmap for the implementation of the Action Plan, but it is not available anywhere online.

What was planned?

The grant of EUR 80 million was intended as support for subsidies for electricity bills of citizens, public service providers and companies, as well as state investments for energy transition, renewable energy sources and energy efficiency.

The Action Plan contains very specific measures with indicators under induced outputs, which can be easily linked to the expected outcomes, but neither of these can be easily connected to the direct outputs.¹⁵⁰ The outcomes also have indicators that are not aligned with the indicators in the outputs, e.g. 190,000 households are foreseen to receive support as part of output 2.2., and only 5,000 households are ‘benefiting’ from the measures contributing to outcome 2.

Table 6: Summary of North Macedonia’s Action Plan under the Energy Support Package¹⁵¹

Induced outputs	Outcomes	Indicators
1.1. Strategic framework for the energy policy refined	1. Accelerated energy transition to a sustainable climate neutral economy and energy security	Number of strategic documents adopted Baseline: n.a. Target: 3 (2025)
1.2. Legislative framework updated		Number of legal acts adopted Baseline: n.a. Target: 5 (2025)
1.3. Institutional framework strengthened		Number of sector institutions reorganised Baseline: 0 (2022) Target: 5 (2025)
1.4. Improved access to finance for investments in energy efficiency and prosumers		Renewable energy generation capacity installed (MW) with EU support Baseline: 180 MW (2022) Target: >500MW (2025)

¹⁴⁹ Response from EU Delegation to North Macedonia to an information request from Bankwatch, July 2025.

¹⁵⁰ Fiscal space for reallocation of funds to vulnerable stakeholders created; ‘National Energy Action Plan’ implemented; communication policy on ‘energy sobriety’ put in place; and enhanced policy dialogue on energy policy through the national Sector Working Group on energy, encompassing all stakeholders.

¹⁵¹ European Commission, [Action Document for State and Resilience Building Contract for North Macedonia](#), European Commission, March 2023.

		Number of households benefiting from financial support for energy efficiency measures Baseline: 30 (2022) Target: >2000 (2024)
2.1. Ensured continuity in the delivery of public services to the population	2. Energy users are protected from the increase in energy prices	Number of public service providers receiving support for energy bills (schools, health care, municipalities) Baseline: 0 (2022) Target: >650 (2023)
2.2. Enhanced system protecting the most vulnerable women, men and children and other energy users		Number of households receiving support for energy bills Baseline: 46,000 (2022) Target: >190,000 (2023) Number of companies receiving support for energy bills Baseline: 0 (2022) Target: >800 (2023)

The measures under the second outcome seem to be directly derived from the existing government plan to mitigate the impact of the crisis, which mostly focused on subsidies for energy bills, some municipal energy efficiency projects, and soft measures like value-added tax (VAT) refunds and exemptions.

In addition to the indicators in the table, the overall impact was to be mostly measured by broad indicators, some of which have very little to do with the actions from the Plan:

- Macro-economic indicators stable
- Annual growth rate of real GDP - baseline: 3.2 per cent (2019); target: >4 per cent (2027)
- Employment rate 20-64 years of age - baseline: 50.4 per cent (2020), 49 per cent (women), 68.9 per cent (men); target: >64.5 per cent (2027), 52.5 per cent (women), 75.5 per cent (men)
- At risk of poverty rate - baseline: 21.8 per cent (2020); target: <18 per cent (2027)
- Renewable energy share in the total final energy consumption - baseline: 18.1 per cent (2018); target: >22 per cent (2024).

The Action Plan offers additional details on some of the outputs. Output 1.1. is linked to the adoption of a Just Transition Action Plan, National Green Agenda Action Plan, Updates of the Energy Strategy reflecting

the targets for coal phase-out, inclusion of hydrogen as the fuel for the future, investment in storage and battery, and a revised National Energy and Climate Action Plan.

Output 1.2. is linked to adoption of upgraded prosumer legislation, amendments to the Law on Energy Efficiency, amendments of the Law on Energy, and full alignment with the Clean Energy Package including legislation on renewables. These legislation updates are already part of the obligations towards the Energy Community Treaty and they should have been already done by the end of 2022, before the Energy Support Package was signed and disbursed.

Regarding Output 1.3., on top of the reorganisation of state institutions, the establishment of a National Energy Efficiency Fund is foreseen as well. The Fund has been planned for years, if not decades, so it is not something new and additional that has been introduced with the Action Plan.

The indicators for Output 1.4. are almost impossible to track. Although there is a surge of new renewables projects in North Macedonia, there is no way to measure how many of them happened because of the direct budget support, while those which happened with other EU funding should not be counted as an indicator for this Package. The increased installation of new PV and wind power plants is happening organically by private investors because of the financial viability of these projects and the legal framework which was put in place years ago.

All of the institutional and legislative changes were already planned, and some were even beyond their deadlines for implementation. Some have added value to the implementation of the Green Agenda, but this Action Plan does not offer any additional support to speed up that process.

Output 2.1. is solely intended to *'support financially municipalities, and public service providers such as educational establishments, public health institutions and public utilities which have been severely hit by the energy crisis and face high electricity bills'* through support for those energy bills.¹⁵²

The action under Output 2.2 is written as direct support for energy bills for households and companies. An additional explanation offered clarification that the companies were planned to be strategic food producers. In the Action Plan, there is a distinction between general households and vulnerable categories, but in the indicators of the output this distinction does not exist.

Direct support for electricity bills for any consumer can hardly be considered a long-term solution to the reasons why the country was so strongly impacted by the energy crisis. This is a quick fix that was mostly done for the benefit of ESM and their continued fossil fuel use. As such, they have contributed to stalling the decarbonisation efforts and the implementation of the Green Agenda in that aspect.

¹⁵² European Commission, [Action Document for State and Resilience Building Contract for North Macedonia](#).

Energy subsidies in North Macedonia not targeted at vulnerable consumers

After the support package was disbursed, until the middle of March 2024, the electricity bills for **all households** included a table (see Figure 1) explaining the subsidy for electricity. The explanation states that 91.51 per cent of the bill is subsidised through ESM. However, as can be seen from the sample bill, the amounts for spent electricity and for distribution fees are not reduced in the bill itself and remain same as the regulated price, which means that this support was actually money directly paid to ESM. Even assuming that this was done to keep electricity production prices low, this is quite different from ‘households receiving support’ as it is written in the Action Plan.

Figure 1: Extract from electricity bill in North Macedonia

Фактура за период 12.08.2023 - 13.09.2023

	ДЕН
Надомест за потрошена електрична енергија	378,37
Надомест за пренос и дистрибуција на електрична енергија	285,92
ДДВ 18%	119,57
Комунална такса за јавно осветлување	184,00
Износ за плаќање по фактура со рок до 07.10.2023	968,00
Вкупно за плаќање	968,00

СУБВЕНЦИЈА ОД ВЛАДАТА НА РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА

Владата на Република Северна Македонија преку државниот производител ЕСМ ги субвенционира сметките за електрична енергија во висина од 91,51% за сите домаќинства во земјата.

Субвенцијата која ја обезбедува Владата преку ПРИМЕР е следна:

Износ на сметка (во денари)	Субвенција од Владата (во проценти)	Субвенција од Владата (во денари)	Износ на сметка без субвенција од Владата (во денари)
2.000	91,51%	1.830,2	3.830,2
3.500		3.202,9	6.702,9
5.000		4.575,5	9.575,5

Извор: пресметката е на Владата на Република Северна Македонија согласно последната одлука на РКЕ

Скенирајте го кодот за точниот износ на субвенцијата од Владата на Република Северна Македонија за Вашата сметка

Податоци од бројило 12.08.2023 - 13.09.2023

Бројило/тарифа	Период	Стара	Нова	Конст.	Пресметана	Одобрена	Вкупна
		состојба	состојба		количина	количина	
	12.08.2023 - 13.09.2023	21870,2000	21949,1000	1,0000	78,9000	78,9000	kWh
	12.08.2023 - 13.09.2023	8643,5000	8673,6000	1,0000	30,1000	30,1000	kWh

Надомест за потрошена електрична енергија *

Бројило/тарифа	Период	Блок	Вкупна количина	Ед.цена	Вкупно денари
	12.08.2023 - 13.09.2023	Блок 1	78,9000	4,2609	336,19
	30,1000		1,4013	42,18	
Вкупно					378,37

Надомест за пренос и дистрибуција на електрична енергија

Бројило/тарифа	Период	Вкупна количина	Ед.цена	Вкупно денари
	12.08.2023 - 13.09.2023	78,9000	2,6230	206,96
	12.08.2023 - 13.09.2023	30,1000	2,6230	78,96
Вкупно				285,92

This is especially problematic because ESM was already receiving hundreds of millions of euros as direct budgetary support – money that was spent in a non-transparent way for fossil fuel purchases. A report on the country’s preparedness to mitigate the energy crisis from the State Audit Office from June 2023¹⁵³ even concludes that the budgetary support was not spent as intended, and the company was shifting the amounts to other unlisted expenditures without government approval. The report analyses the period from 2021 to 2022, before the energy support package was disbursed, and there is a separate chapter addressing the EUR 280 million budgetary support given to ESM during that period. Out of that amount, 46 per cent was spent on purchases of coal, heavy oil and gas; 31 per cent for electricity imports; 13 per cent paid to the transmission system operator for balancing costs; and 10 per cent for salaries, loans and other liabilities.

The fossil fuel purchases were particularly problematic since they were done through contracts with companies that were either controversial or established particularly for this purpose. From the beginning of 2022 until May 2025, EUR 283 million was spent just on coal purchases, mostly from neighbouring countries. Investigative journalists followed the breadcrumbs and linked some of the companies with people close to the government at the time.¹⁵⁴ Prosecution procedures have started as well, based on allegations that the heavy oil purchases were linked with money laundering.¹⁵⁵

As of July 2025 it remains unclear how this support was operationalised. However, there is no reason to believe that such practices stopped when the Package was being implemented, and if the finances were transferred directly to ESM, they have very likely become part of the same non-transparent and corruptive schemes.

¹⁵³ North Macedonia State Audit Office, [КОНЕЧЕН ИЗВЕШТАЈ ЗА ИЗВРШЕНА РЕВИЗИЈА НА УСПЕШНОСТ „ПОДГОТОВНОСТА НА ЕНЕРГЕТСКИОТ СИСТЕМ ДА СЕ СПРАВИ СО ЕНЕРГЕТСКА КРИЗА](#), North Macedonia State Audit Office, June 2023.

¹⁵⁴ Investigative Reporting Lab, [‘Од грчкиот јарген што горел во Македонија, парите „исчадиле“ кај Вице Заев во Бугарија’](#), Investigative Reporting Lab, 3 June 2025.

¹⁵⁵ Investigative Reporting Lab, [‘Ратко Капушевски перел пари преку набавката на мазут за ТЕЦ Неготино’](#), Investigative Reporting Lab, 11 March 2025.

What has been implemented?

The preparation and adoption of relevant strategic documents has been going slowly. Out of the four listed in the Action Plan, only a Just Transition Roadmap has been adopted as of July 2025. The updated National Energy and Climate Plan is expected to be publicly consulted before the end of the year, but it is unclear if it will be adopted in 2025. There have been no public mentions of the start of preparations of a National Green Agenda Action Plan. With the regional Green Agenda Action Plan set to be updated in 2025, it is unlikely there will be any progress on a national level before that.

The legislation updates are also significantly delayed and only the new Law on Energy was adopted in May 2025. The remaining legislation is significantly delayed although drafts of updates to the Law on Energy Efficiency and the new Law on Renewable Energy were consulted with the public in the winter of 2023/2024. The new government that took office after that decided to start over again and completely redo the draft laws.

In 2024, a Ministry of Energy, Mining and Mineral Resources was established, which can be considered 'Reorganisation and strengthening the state institutions dealing with Energy Policy', but this is far from the target of five institutions reorganised. The establishment of the Energy Efficiency Fund, which is also part of this measure, was done only on paper through amendments of legislation, and it is not yet operational although funding has been available for years through a World Bank project.¹⁵⁶

Any new renewable energy projects can not be clearly linked to the measures in the Action Plan and it is unclear how many of them are done with EU support and were completed within the Package implementation period. The WBIF's website also offers a limited insight as to the projects that are relevant as its project profiles are not regularly updated. Regarding the energy efficiency measures for households, the country is not publishing any implementation reports for the support schemes.

There is no public information available with details of how the support for institutions was operationalised and how many of them benefited through it. The same is the case for companies.

The only indication for how the finances from the support package have been spent are the electricity bills for households, but even in those it is not clear how much was the support provided by the support package. In any case, unless some substantial funding was used for the energy efficiency measures, it seems that most of the EUR 80 million was being used as support for electricity bills.

As part of the measures to address the energy crisis, in November 2022 the country adopted a Law on Financial Support of Socially Vulnerable Categories of Citizens to Deal with the Energy Crisis.¹⁵⁷ The support in the Law ranges from EUR 12 to EUR 50 monthly, depending on the income of the household. However,

¹⁵⁶ World Bank, [North Macedonia Public Sector Energy Efficiency Project](#), World Bank, accessed on 7 July 2025.

¹⁵⁷ Ministry of Labor and Social Policy of the Republic of North Macedonia, [Закон за финансиска поддршка на социјално ранливи категории на граѓани за справување со енергетската криза](#), Official Gazette of the Republic of North Macedonia no. 246, 16 November 2022.

this measure as given in the Law was planned for four months and it was effectively finished by the time the support package was disbursed to North Macedonia. All beneficiaries from this support were published publicly (without the amounts),¹⁵⁸ which was never the case for the companies that received financial support.

In the response to the information request mentioned above, the EU Delegation in North Macedonia responded that the spending of the support package is the full responsibility of the government of North Macedonia, and they do not monitor it.¹⁵⁹ They will have more detailed information only when the government requests the second tranche of the remaining 10 per cent. However, based on the progress of the non-financial measures, this is not going to happen soon, which has left the Delegation in the dark for more than two years. The Delegation also indicated that an evaluation of this and other EU funded budget support operations in North Macedonia is planned to be contracted in late 2025, but without any details what it will encompass.

Every other detail as to how the money was spent remains unavailable to the public. Whether and how much this support package helped the country in weathering the energy crisis remains unclear.

However, based on the fulfilment of the measures to a point that it is possible, it can be said that most of them have not been completed and they had no impact on how the crisis was managed. The direct support to ESM was the only thing that can be measured for the entire duration of the crisis, and this was plagued by many scandals.

North Macedonia: Overall assessment

As the above analysis shows, information on anything related to the implementation of the support package is very limited. The only government website that offers any information on the Action Plan¹⁶⁰ is that of the Ministry of European Affairs, but it does not offer any information on its implementation.

Even with that limited information, it is visible that the main objectives have not been achieved yet and that the money was mostly used to cover part of the subsidies already planned by the government. This means that nothing additional was achieved through the measures, and the funding just became part of the already existing pot of money intended for ESM and maybe some other public utilities or institutions.

The improvements of the legislative and strategic framework are still not completed. The changes of the institutional set-up have also caused a temporary reduction in transparency with some of the information that was already available through the Ministry of Economy now not published on the new Ministry of Energy website.

¹⁵⁸ Fakulteti.mk, [‘Објавени се списоците со корисници на финансиска поддршка поради енергетската криза’](#), *Fakulteti.mk*, 6 December 2022.

¹⁵⁹ Response from EU Delegation to North Macedonia to an information request by Bankwatch, July 2025.

¹⁶⁰ Ministry of European Affairs of the Republic of North Macedonia, [IPA 2021 - 2027](#), accessed 7 July 2025.

The action has not contributed at all to achieving the targets of the Green Agenda. On the contrary, the financial support channeled to ESM was most likely used to support its existing fossil fuel operations. The company is now moving forward with the opening of a new coal mine¹⁶¹ and undermining any progress previously made in decarbonisation and just transition.

Overall, the action had no impact on speeding up any reforms, it did not address any particular vulnerable groups directly and it is unclear how it contributed to investments in renewables and energy efficiency.

Serbia

Serbia suffered from the energy crisis mainly due to domestic problems with coal supply and technical failures at its antiquated coal power plants. Nevertheless, by late 2022, the Energy Community's risk assessment of the security of energy supply for the season 2022/2023 in Serbia was considered 'low to medium'.¹⁶² A particular issue has been Serbia's dependence on Russian gas.¹⁶³

The Commission Implementing Decision from December 5, 2022 cited the aim of assisting Serbia:

*in reducing the socio-economic impact of the rising energy prices, in particular on small and medium sized enterprises and households, and to strengthen the Government's overall capacity to deliver tailor-made services to vulnerable households and support the long-term socioeconomic recovery, energy security, and energy transition of Serbia.*¹⁶⁴

In December 2022, the government adopted a 'Roadmap for Energy Support',¹⁶⁵ following a proposal from the Ministry of Energy and Mining, which sets out the objective of improving supply security through the development and enhancement of Serbia's electricity infrastructure, particularly by increasing the technical capacities of generation, transmission, and distribution systems to mitigate the energy crisis.¹⁶⁶ The Roadmap was open for online public consultations for 14 days,¹⁶⁷ and, unlike in some of the other countries, is available online.¹⁶⁸

¹⁶¹ Davor Pehchevski, '[Black wool over the EBRD's eyes](#)', CEE Bankwatch Network, 13 May 2025.

¹⁶² European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Serbia for the year 2023](#), 5 December 2022, 8.

¹⁶³ *Ibid.*

¹⁶⁴ European Commission, [Commission Implementing Decision of 5.12.2022 on the financing of the annual action plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Serbia for 2023](#), 5 December 2022, 2.

¹⁶⁵ Conclusion No. 05 312-10849/2022-1 of 22 December 2022.

¹⁶⁶ Ministarstvo rudarstva i energetike, [Mapa puta za podršku energetici](#), 22 December 2022.

¹⁶⁷ eKonsultacije.gov.rs, [НАЦРТ Мапе пута за подршку енергетици - Пакет уговора за подршку државама и изградњи капацитета отпорности](#), 8 December 2022.

¹⁶⁸ Ministarstvo rudarstva i energetike, [Mapa puta za podršku energetici](#).

Serbia is the largest recipient of the budget support component, receiving EUR 165 million directly from the first EUR 500 million tranche. The initial payment of EUR 148.5 million, representing 90 per cent of the allocated EUR 165 million, was disbursed in February 2023,¹⁶⁹ at which point managing the funds became the responsibility of the Serbian government.¹⁷⁰

The criteria for disbursing the budget support were the following:¹⁷¹

- Satisfactory progress in the implementation of the National Energy Crisis Roadmap to address the consequences of the socio-economic impact of the energy crisis.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

As of mid-July 2025, the final 10 per cent (EUR 16.5 million) has not yet been disbursed to Serbia. According to the EU Delegation, Serbia requested an extension of the implementing period, for which an agreement was signed on 6 June 2025, prolonging the budget support until 13 August 2025. The payment request is expected to be submitted after the expiry of the implementing period.¹⁷²

What was planned?

The version of Serbia's Action Plan published by the Commission is quite confusing. There are two main areas of activity – immediate crisis support and activities to ensure security of supply, but the outcomes are not very well connected to the direct and induced outputs.

¹⁶⁹ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#).

¹⁷⁰ Response from EU Delegation to Serbia to information request from Bankwatch, 6 February 2025.

¹⁷¹ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Serbia for the year 2023](#), 29.

¹⁷² Response from EU Delegation to Serbia to information request from Bankwatch, 11 July 2025.

Table 7: Summary of Serbia's Action Plan under the Energy Support Package¹⁷³

Direct outputs	Induced outputs	Outcomes	Indicators
1.1. Support measures for SMEs and vulnerable households are implemented	1. Targeted measures to support vulnerable customers (households and SMEs) are put in place	1. Counteract the immediate and short-term negative impact of the energy crisis on Serbia, with a special focus on vulnerable customers (households and SMEs)	Baseline: 70,000 SMEs benefit from favourable prices under guaranteed electricity supply measure, ensuring business continuity. Target: The same number or more Baseline: 68,000 vulnerable households benefited from crisis support measures (November 2022) Target: The same, or fewer households are vulnerable Baseline: Energy Crisis Roadmap not implemented Target: Implemented
1.2. Activities to ensure security of supply conducted 2.1. Steps for adoption of a strategic framework conducive to reforms in the energy sector is initiated 2.2. Effective implementation of the Law on Renewable Energy	2. Regulatory steps to support Serbia's energy security and energy transition are taken	2. Continue to support Serbia's objective of green energy transition with steps towards increasing security of supply and energy efficiency	Baseline: 35 days of state-owned oil stocks Target: 37 days. Baseline: Storage capacity on Nov. 1 (beginning of the heating season) 80 per cent Target: 80 per cent Baseline: % of gas interconnector with Bulgaria project implemented Target: the same Baseline: Publication of the call for first round of auctions for new renewable capacity not done Target: Done Baseline: National Energy and Climate Plan not adopted Target: Adopted Baseline: Energy Sector Development Strategy not adopted Target: Adopted

¹⁷³ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Serbia for 2023](#).

			Baseline: Energy balance for 2023 not adopted Target: Adopted Baseline: Decree on Balancing for Renewable Energy not adopted Target: Adopted
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The overall impact indicator is more concrete than for other countries: Number of days with planned power cuts due to restrictions arising from the energy crisis. However it may be difficult to achieve with the proposed measures as they do not relate to short-term electricity supply.

Although the second outcome mentions both green energy transition and energy efficiency, the Action Plan published by the Commission does not include any measures for either. Instead, it concentrates on non-additional short-term measures to cushion vulnerable consumers and SMEs from high energy prices, on fossil fuel subsidies to ensure oil stocks, and on non-additional legislative and strategic measures which needed to be done irrespective of the Package.

The EU for You portal in Serbia also provides information only on bill subsidies for vulnerable consumers and SMEs, and on large infrastructure projects financed via the WBIF portion of the Package.¹⁷⁴

However, in the measures announced by the Ministry of European Integration announced in February 2023 when the contract was signed,¹⁷⁵ incentives for short-term energy savings as well as energy efficiency and small-scale renewables were included. Confusingly, the measures cited in the announcement are not all the same as the ones in the Roadmap adopted two months earlier by the government.

- 1. Subsidies for vulnerable households.** This funding was to support vulnerable households through subsidies for electricity, heating, and gas bills. In 2023, it was planned that over 190,000 Serbian households would benefit from this support — three times more than in the previous year.¹⁷⁶ For example, a two-person household saw its monthly district heating bill reduced by around 50 per cent, saving approximately RSD 1,721 (around 15 EUR) monthly by applying to the local government.¹⁷⁷

¹⁷⁴ EU za tebe, [EU energy support for Serbia](#), undated, accessed 3 July 2025.

¹⁷⁵ Ministry of European Integration, [EU aid of EUR 165 million for Serbia's energy sector](#), 14 February 2023.

¹⁷⁶ EU za tebe, [Subsidies for energy vulnerable households](#), undated, accessed 3 July 2025.

¹⁷⁷ *Ibid.*

2. **Support for SMEs.** Around 70,000 SMEs benefited from this measure in 2022 and around the same number was expected in 2023.¹⁷⁸
3. **Energy savings.** Promoting energy savings by offering incentives to electricity consumers to reduce their consumption.
4. **Competition in the gas and electricity markets.** Unbundling and certifying all gas operators, liberalising the gas market, and organising auctions for renewable electricity producers.
5. **Energy security.** Co-financing key projects and adopting investment plans in the electricity, oil, and gas sectors.
6. **Energy efficiency and renewable energy.** Subsidising households in multi-apartment buildings to carry out energy efficiency improvements, and provides support for installing solar panels and heat pumps in private homes, SMEs, and public facilities.

What has been done?

According to the state auditor, a payment of EUR 148.5 million was made to Serbia on 28 February 2023 for budget support, and following the government's adoption of the *Program for the Allocation and Use of Subsidy Funds for "Elektrodistribucija Srbije" LLC for 2023 covering the relocation of metering points and replacement of metering devices*,¹⁷⁹ the Ministry of Finance transferred a total of RSD 4.6 billion (EUR 39.2 million) to an account entitled 'Measures to Mitigate the Consequences of the Energy Crisis,' and a total of RSD 1 billion (EUR 8.7 billion) to an account entitled 'Energy Vulnerable Customers.' But the Roadmap does not mention metering devices. The State Audit Institution confirmed that the Package donation was properly recorded and reported.¹⁸⁰ These two measures together accounted for approximately EUR 48 million.

According to a February 2025 response to Bankwatch from the EU Delegation to Serbia,¹⁸¹ monitoring of the Roadmap is done every six months, and the Ministry of Mining and Energy provides regular reports based on the Roadmap indicators. The report from July 2024 demonstrated that out of the 24 indicators of the Roadmap, a total of 14 (58.3 per cent) had been achieved. In addition, for seven indicators (29 per cent), the authorities reported that the activities had been achieved to a great extent.¹⁸²

¹⁷⁸ EU za tebe, [Small and Medium Enterprises](#), undated, accessed 3 July 2025.

¹⁷⁹ Based on Conclusion No. 05 401-9049/2023-1 of 5 October, 2023.

¹⁸⁰ Државна ревизорска институција, [Извештај о ревизији финансијских извештаја Министарства финансија, Београд, за 2023. годину](#), 24 June 2024, 26.

¹⁸¹ Response from EU Delegation to Serbia to information request from Bankwatch, 6 February 2025.

¹⁸² *Ibid.*

Yet since June 2023 when the European Commission published a press release confirming that 90 per cent of the funds had been disbursed to the countries,¹⁸³ no further information that would directly trace the progress and implementation related to the Energy Support Package in Serbia has been found. The EU For You portal states that 190,000 households were reached by bill subsidies in 2023, but with no details on the costs.¹⁸⁴ It is unclear where and how the remaining funds have been allocated, and how the funds named as ‘Measures to Mitigate the Consequences of the Energy Crisis’ have been used.

An analysis on the extent to which the indicators and targets in the Action Documents have been met will only be submitted after the expiration of the implementation period.¹⁸⁵ According to the EU Delegation to Serbia, an ex-post evaluation will be carried out by independent consultants contracted by the Commission, once the contract is completed. Following the last disbursement, a brief final report needs to be prepared, after which the budget support evaluation can take place, including the setting up of the Reference group.¹⁸⁶

Serbia: Overall assessment

While the Energy Support Package was hailed for its role in both dealing with the energy crisis and speeding up the green transition, it has instead largely contributed to deepening existing dependencies on fossil fuels in Serbia. Adopting relevant laws and strategies and achieving the obligations under the Energy Community Treaty is expected of Serbia regardless of the Support Package. For instance, while the National Energy and Climate Plan of the Republic of Serbia was adopted, it was considered a target of one of the measures on the Green Transition objective of the Roadmap. But the legal and strategic advancements can hardly be considered to be an achievement of the Energy Support Package.

Support for vulnerable households was considered to be one of the main objectives of Serbia’s Roadmap, also highlighted in the June 2023 press release of the European Commission. Yet the allocated funds present only a small portion of the overall funding, while it remains unclear how the rest of the funds were used in reality. It is also unclear whether vulnerable households directly benefited from this measure as the only two indicators stated in the Roadmap are the establishment of the legal framework and definition of criteria to support vulnerable households, and the number of households which were recipients of the support.

The objective of improving energy security through the measure of realising significant infrastructure projects was then largely centred around fossil fuels. One of the targets was the completion of the Serbia-Bulgaria gas interconnector which commenced in 2021 while another target was to adopt an investment

¹⁸³ European Commission, [The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region](#).

¹⁸⁴ EU za tebe, [Subsidies for energy vulnerable households](#), undated, accessed 3 July 2025.

¹⁸⁵ Response from EU Delegation to Serbia to information request from Bankwatch, 11 July 2025.

¹⁸⁶ *Ibid.*

plan in the oil and gas sector with associated budget to develop and upgrade existing energy infrastructure that mitigates the energy crisis. It is unclear whether this specific investment plan was adopted.¹⁸⁷

Overall, it remains unclear to what extent has the Energy Support Package had a tangible impact on the energy sector in Serbia beyond short-term and unsystematic measures. While it was primarily intended as a crisis-mitigation measure, the importance of the sustainability of the funding was made clear in the Action Document, with the aim of supporting Serbia's 'long term energy resilience'.¹⁸⁸ Instead, it has likely further contributed to fossil fuel dependence while providing little to no information to the public on how the funds have been spent.

EUR 500 million under the Western Balkans Investment Framework

This component of the Energy Support Package was approved very quickly in early December 2022.¹⁸⁹ As usual with WBIF projects, no information was available in advance on its website about which projects had been proposed, so the public had no chance to raise any concerns.

WBIF grants under the Energy Support Package

WBIF grants totalling EUR 170 million were approved for investment projects and grant components of credit lines, as follows:¹⁹⁰

- A 100 MW photovoltaic plant on a former coal ash dump, Kosovo, due to start installation in 2025 (EUR 33.1 million grant);¹⁹¹
- A 30 MW solar thermal plant for Prishtina's district heating, Kosovo, for which tendering opened in February (EUR 22.5 million grant);¹⁹²
- The rehabilitation of six hydropower plants in the Mavrovo, Crn Drim and Tikves systems, North Macedonia – current status unclear (EUR 11.2 million grant);
- Phase 2 of the Bogdanci wind farm (13 MW), North Macedonia, for which a project agreement was signed with KfW in February 2025 (EUR 9.3 million grant);¹⁹³

¹⁸⁷ Ministarstvo rudarstva i energetike, [Mapa puta za podršku energetici](#), 22 December 2022.

¹⁸⁸ European Commission, [Annex of the Commission Implementing Decision on the Annual Action Plan contributing to the Western Balkans Energy Support Package in favour of the Republic of Serbia for 2023](#), 33.

¹⁸⁹ WBIF, [Energy Support Package for the Western Balkans](#), 5 December 2022.

¹⁹⁰ For more information on the projects, see WBIF, [Energy Support Package for the Western Balkans](#).

¹⁹¹ Uran Haxha, [‘Kosovo’s KEK eyes 2026 start for 100 MW solar project’](#), *Energetika.net*, 26 March 2024.

¹⁹² Igor Todorović, [‘Termokos opens tender for solar thermal system for Prishtina heating’](#), *Balkan Green Energy News*, 5 February 2025.

¹⁹³ Angel Dimoski, [‘ESM and Germany’s KfW bank sign agreements on two renewable energy projects’](#), *MIA*, 11 February 2025.

- Reconstruction of the Vlasina hydropower plant, Serbia, which was due to start in spring 2025,¹⁹⁴ but no more recent information is available (EUR 16.1 million grant);
- Kostolac wind farm in Serbia (66 MW), currently under construction (EUR 31.2 million grant);¹⁹⁵
- The European Bank for Reconstruction and Development (EBRD) Go Green Programme, supporting small and medium enterprises (SMEs) (EUR 25 million grant);¹⁹⁶
- The International Finance Corporation (IFC) Western Balkans Climate Programme, supporting MSMEs and the issuance of green bonds (EUR 17 million);¹⁹⁷
- Cassa Depositi e Prestiti's Green Finance for Inclusion programme, again supporting MSMEs (EUR 10 million).¹⁹⁸

Around EUR 100 million was also approved for the Regional Energy Efficiency Programme (REEP), implemented by the EBRD and KfW, which supports investments by households, SMEs and public authorities.¹⁹⁹

Fortunately, the investment projects are likely to make a substantial contribution to sustainable energy sector decarbonisation.

But the results from the credit lines are less clear, as information on the recipients is not disclosed to the public, and the IFC's programme only started in December 2024, two years after the grant component was approved.

The scope of REEP is also set precisely enough that it should result in significant energy efficiency benefits, however the programme lacks clear information on its investments, such as the start and end dates, information on sub-projects, environmental due diligence and results of individual projects.²⁰⁰ So based on the publicly available information, we cannot assess which REEP grants have been awarded via the Energy

¹⁹⁴ EU Delegation in Serbia, '[EBRD i EU podržavaju prelazak Srbije na čistu energiju](#)', *European External Action Service*, 6 February 2025.

¹⁹⁵ Blic, '[Izgradnja vetroparka "Kostolac" teče punom parom! Montirano osam vetrogeneratora: Završeno je betoniranje svih 20 temelja](#)', *Blic*, 28 January 2025.

¹⁹⁶ Jelena Pajić, '[EBRD and EU support green and sustainable transition in Bosnia and Herzegovina](#)', *EBRD*, 31 October 2025.

¹⁹⁷ Very little information is available about this online, and it only seems to have started operating in December 2024. See WBIF, '[Blending and Guarantees](#)', January 2025.

¹⁹⁸ WBIF, '[CDP in the Western Balkans: New financing opportunities for SMEs](#)', 29 February 2024.

¹⁹⁹ WBIF, '[Energy Support Package for the Western Balkans](#)'.

²⁰⁰ WBIF, '[Regional Energy Efficiency Programme \(REEP\)](#)', *WBIF*, undated, accessed 3 July 2025.

Support Package. Certain grants, such as supporting the development of the biomass market in Serbia²⁰¹ raise questions with regard to their overall sustainability.²⁰²

In addition, guarantees worth EUR 230 million²⁰³ were approved under the Western Balkans Guarantee Facility, which is the name for the EFSD+ in the Western Balkans. It is unclear whether including this in the Emergency Support Package added any extra value, since the EFSD+ had already been set up in 2021.

In any case, the guarantees covered the following:

- HI-BAR EFSD+ Guarantee for Energy Transition, led by the EBRD
- Municipal, Infrastructure and Industrial Resilience Programme, led by the EBRD
- Connectivity, led by the European Investment Bank (EIB).
- Better Futures Programme (BFP), led by the IFC
- Supporting a Market-Oriented Green Transformation in the Eastern Neighbourhood and Western Balkans, led by KfW
- Risk Sharing Instrument for Energy Efficiency, Renewable Energy and Digital Projects, led by the EIB.

These guarantees cover different types of loans and target audiences, with the HI-BAR and EIB examples explored more in the text boxes below. These were the only ones where we were able to discern to some extent what has been guaranteed.

The Better Futures Programme is barely mentioned on the IFC's website²⁰⁴ and it is unclear whether it has issued any guarantees yet, while the KfW guarantee appears to have started operating only in June 2024.²⁰⁵

It is understandable that such processes take time, but it suggests that, at the time of approval in December 2022, they were far from ready to make a contribution to overcoming the energy crisis or advancing a transformation of the sector.

Overall it appears that the EFSD+ guarantee figures were added to the Emergency Support Package to make the figures sound more impressive, rather than because they added value.

²⁰¹ WBIF, [Commissioner Várhelyi visits Serbia and Montenegro](#), WBIF, 20 May 2024.

²⁰² Nataša Kovačević, Pippa Gallop, [Unmasking the biomass dilemma in Serbia and Bosnia and Herzegovina](#), CEE Bankwatch Network, January 2025.

²⁰³ Since the provisioning rate of EFSD+ guarantees is 50 per cent, this allowed for guarantee coverage of up to EUR 419 million. WBIF, [Energy Support Package for the Western Balkans](#).

²⁰⁴ IFC, [Blended Concessional Finance in Cross-Cutting Areas](#), accessed 26 February 2025.

²⁰⁵ WBIF, [Blending and Guarantees – Overview of Active WBIF Programmes for Private Sector](#), WBIF, European Union, September 2024.

The EBRD HI-BAR EFSD+ Guarantee

This Guarantee supports the *‘energy and energy-intensive industrial sectors to support REPowerEU efforts of faster green energy transition and enhanced energy security.’*

This includes *‘large (utility-scale and corporate) renewable energy and energy storage infrastructure, grid and network investments, zero/low-carbon fuels (including green hydrogen), low carbon materials, development of critical raw materials value chains, e-mobility technology and carbon capture, utilisation or storage.’*²⁰⁶

This suggests that most such investments would indeed contribute to a sustainable energy transition, but carbon capture and storage (CCS) raises concerns. CCS has had decades to prove itself commercially and it has not done so – except for the counterproductive purpose of enhanced oilfield recovery.²⁰⁷ As an energy-intensive technology which has not proven its ability to securely store carbon in the long-term, it should not receive public funds.

‘Low-carbon fuels’, ‘low-carbon materials’ and ‘critical raw materials value chains’ also raise potential sustainability and governance concerns, but the descriptions are too broad to say whether they are appropriate to assist a sustainable energy transition or not.

In reality, a check of the EBRD’s website suggests that only two investments with a HI-BAR EFSD+ guarantee have been approved by the EBRD Board so far, in November 2024 and January 2025.²⁰⁸ These are credit lines for SMEs. The EBRD’s website mentions EFSD+ in the project names, which if done consistently can help to track which projects have been subject to guarantees.

However, the EBRD does not publish a breakdown of final beneficiaries of credit lines, so unless the EU reports on the results of the HI-BAR guarantee, we will never know what it helped to achieve.

The other aspect which stands out is that these first credit lines were approved by the EBRD two years after the guarantee was approved by the WBIF. It is understandable that such processes take time and this is not a criticism of the EBRD, but raises more questions about the decision to include this in an emergency package.

The Connectivity and Risk Sharing Instrument for Energy Efficiency, Renewable Energy and Digital Projects EFSD+ guarantees

The Connectivity guarantee aims at supporting *‘municipalities, including utilities, independent power producers, local and international corporates, SMEs and commercial banks with investments in the renewable energy, energy efficiency, transport and digital sectors.’*

The Risk-sharing instrument aims at boosting medium-sized investments of EUR 15 to 20 million in energy efficiency, renewable energy and digital sectors promoted by special purpose vehicles, corporates and sub-sovereign entities (e.g. municipalities).

²⁰⁶ Since the provisioning rate of EFSD+ guarantees is 50 per cent, this allowed for guarantee coverage of up to EUR 419 million. WBIF, [Energy Support Package for the Western Balkans](#).

²⁰⁷ Institute for Energy Economics & Financial Analysis, [Carbon Capture and Storage – An unproven technology that cannot meet planetary CO2 mitigation needs](#), accessed 26 February 2025.

²⁰⁸ EBRD, [Project Summary Document: FIF - WB YiB II - Union Bank \(EFSD+1\)](#), 6 December 2024; [Project Summary Document: FIF- PRS - ProCredit Bank Serbia \(EFSD+2\)](#), 31 October 2024.

A list of EIB investments in the Western Balkans with EFSD+ guarantees is included in Annex 1, however it is unclear whether it is complete. The Bank's project summaries²⁰⁹ include a reference to EFSA+, but not in the same place in each one, so they are easy to miss.

It is also impossible to tell which ones are counted under the Energy Support Package and which are not.²¹⁰ Some appear irrelevant to the energy crisis or transition, such as a hospital in Banja Luka and air traffic control in Serbia and Montenegro, but it could be that they are covered by other EFSD+ guarantees outside the Package.

Overall, it remains unclear what value the guarantee component of the Energy Support Package has added to EIB operations in the Western Balkans, compared to the previously existing EFSD+.

Summary of what we know so far

Overall there is a severe dearth of information available on the spending and results from the Package. Although we have been able to understand the Action Plans enough to assess approximately what measures were foreseen, assessing what was implemented is a different story.

Analysing the effectiveness of short-term measures to support vulnerable consumers in each country would need a much more in-depth assessment by specialists in this field, and although we have expressed concerns about some of them above, we have not given them a definitive rating.

But since driving forward the Green Agenda was one of the main justifications in the Action Plans for using IPA funds, we tried to roughly categorise the spending to assess how much of it seems to have gone towards investments that will contribute to this goal, but even this is very difficult.

Out of EUR 1 billion, we could only make a direct connection with advancing the Green Agenda for EUR 163.1 million funds being spent, mostly consisting of direct WBIF investments. Out of the budget support, the situation was even worse. We could only be reasonably sure that EUR 41.1 million out of EUR 500 million has really been spent on measures with long-term benefits.

- ✓ EUR 123 million WBIF investment projects
- ⌘ EUR 52 million credit lines
- ⌘ EUR 100 million REEP
- ⌘ EUR 230 million EFSD+ guarantees
- ✓ EUR 8 million Albania solar thermal programme 2000 households
- ⌘ EUR 72 million Albania

²⁰⁹ For a list of EIB projects in the Western Balkans 2022 to 2025, see [here](#). Most are labelled in the project summaries as being subject to an EFSD+ guarantee.

²¹⁰ It is not specified which of the guarantees applies, though judging by the loan volume, most or all seem to be under the Connectivity one.

- ✓ EUR 16.6 million BiH residential and SME energy efficiency/renewables measures
- ? EUR 53.4 million BiH
- ✓ EUR 15 million Kosovo residential and SME energy efficiency/renewables measures
- ? EUR 60 million Kosovo
- ✓ EUR 0.5 million Montenegro day-ahead software
- ? 30 million Montenegro
- ? EUR 80 million North Macedonia
- ? EUR 160 million Serbia

Most likely more has been spent on highly worthwhile measures, particularly from REEP, but without adequate disclosure of basic information on which projects have been implemented via the Package, we cannot assess this.

In addition, we identified some measures of particular concern such as oil derivatives storage in Montenegro and Serbia, as well as non-targeted subsidies for energy bills in North Macedonia. However, as it has not been confirmed how much has been spent on such measures, we do not attempt to quantify them here.

Conclusions and recommendations

More than 2.5 years after the EU's Energy Support Package for the Western Balkans was announced, and two years after disbursement took place, only scattered information is available on how the funds were actually spent and what impact they had.

In the cases of Albania, Bosnia and Herzegovina, Kosovo and North Macedonia, we have not even managed to find the countries' final national Action Plans / Roadmaps online.

The versions published by the Commission were not only indicative, but significantly differed from the final versions published in Serbia and Montenegro. Several were at least partly missing indicators and lacked internal consistency between different levels of outputs and outcomes. Many of the indicators were not well thought through and some, particularly the impact ones, could not be linked to the activities in question. The need for speed cannot be allowed to trump basic standards of professionalism.

Even though it is a feature of the budget support model to concentrate on indicators and not spending, a lack of even indicative funding allocations for the measures created an accountability gap, as it is impossible to tell in some cases what the main priorities were.

A majority of the planned measures seem to have lacked additionality, and only a minority can be said to have contributed to the Green Agenda for the Western Balkans – as pledged in the Action Plans.

Although the stated aim of the Package was to support vulnerable consumers, in some of the countries (e.g. Albania) the measures only covered existing schemes and the existing number of users of those schemes, or provided one-time payments with no longer term effect (Montenegro, Serbia). North Macedonia appears to have subsidised *all* household electricity bills by giving money straight to the state-owned electricity generator, ESM, instead of targeting the vulnerable.

Montenegro and Serbia included ‘energy security’ measures in their Roadmaps, which appear to have included direct fossil fuel subsidies via the purchase of oil stocks and in the case of Montenegro, also adapting an existing storage facility. This is extremely far from supporting vulnerable consumers and contributing to the Green Agenda.

The Action Plans also included various pieces of legislation, strategic documents and/or renewable energy auctions which the countries were anyway either obliged to implement under the Energy Community Treaty or had started preparing with donor support before the Package was announced. In some cases the deadlines had already passed for transposing the legislation, meaning that the countries were essentially rewarded for doing what they were already obliged to do long ago.

Only a minority of measures would have a real impact on energy savings, energy efficiency and increasing resilience through small-scale renewable energy installation. Kosovo’s incentive to reduce electricity bills for those who saved energy compared to the previous year was an interesting and successful initiative, although it is unclear to what extent it overlapped with the Package implementation period. All of the countries seem to have offered at least some incentives for insulation, efficient heating devices and/or small-scale renewable installations, but in too many cases these were a minority in terms of the spending.

Overall, much too much money was allocated for spending in an extremely short-term way, just supporting bills, and ultimately the electricity generation and trading companies.

Out of EUR 1 billion, we could only make a direct connection with advancing the Green Agenda for EUR 163.1 million funds being spent, mostly consisting of direct WBIF investments. Out of the budget support, the situation was even worse. We could only be reasonably sure that EUR 41.1 million out of EUR 500 million has really been spent on measures with long-term benefits.

This means on one hand a lack of publicly available information and accountability regarding the Package, and on the other hand, it is likely that significant IPA 2023 funds were spent in a way that did not benefit the Green Agenda, leaving fewer funds available for much-needed tasks in the coming years.

In a region where the Commission regularly laments the lack of rule of law and the prevalence of corruption and nepotism in its annual enlargement reports, it is unclear how it seemed reasonable to disburse 90 per

cent of the funding upfront.²¹¹ This limited the value of the indicators, on which only the final 10 per cent depended, and gave the impression of them being a mere formality, especially for Albania where none of the measures seem to have been additional to ones which had already been started or committed to.

There is varying evidence of close monitoring by the EU Delegations in the region. In response to information requests from Bankwatch in January and June 2025, only the Delegation in Albania provided an overview of which indicators had been met, while the Delegations in Serbia and Bosnia and Herzegovina also provided a more general view on this, the latter including a summary of a consultants' report. The other Delegations stated that they are monitoring closely, but provided only broader information on the Package.

In any case, such information should not be available only on request. While Montenegro's government has provided update reports on the Package, these are not clear in terms of spending and real progress. In Kosovo and Bosnia and Herzegovina, information is available online on energy efficiency and small-scale renewables incentives, and in Kosovo to some extent on other elements of the Package, including through reporting on the implementation of the country's energy strategy. But some aspects are missing or presented in a confusing manner. In Albania, North Macedonia and Serbia it was extremely difficult to find any online information about implementation.

According to the Action Plans, to evaluate the Package:

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join.

However it is not clear if this is to be done for each beneficiary country separately or overall, and it is not clear whether it has been done.

These issues are particularly relevant in view of the EU's increased reliance on reform-based programmes such as the Reform and Growth Facility for the Western Balkans. Although with much smaller proportions of pre-financing, these also rely on well-set activities and indicators, public participation transparency, regular reporting and accountability for their success. Without this, much more than EUR 500 million is at risk of being spent unwisely.

²¹¹ This was also the view of the consultants carrying out monitoring in Bosnia and Herzegovina, who wrote: 'No disproportionately large upfront disbursement should be the case again as was in this case. This contradicts the accountability vis-à-vis responsibilities for compliance and fulfilment of agreed Targets; Similarly, disbursement against Variable Tranches should bear a justified proportion to the nature and scope of the Indicators and their Targets'. Cowater, Draft Aide-mémoire, Contract 300078595 – SIEA-2018-20950 – Review of the Energy Support Package for State and Resilience Building Contract (SRBC) in Bosnia and Herzegovina, *European Commission*, 7 October 2024,

The WBIF part of the Package succeeded in selecting mostly reasonable infrastructure projects which are likely to contribute to the region's energy transition. But their implementation is, expectedly, taking many years and it is unclear whether the rush to provide emergency funds for such projects was justified.

The WBIF credit lines looked promising in principle, but as no information is published on what their uptake rate and results were, it is hard to give a definitive assessment. As the IFC credit line was only launched in December 2024, again it seems hard to make a clear link with responding to a crisis.

The EUR 230 million in guarantees approved under the Western Balkans Guarantee Facility – i.e. the EFSD+ in the Western Balkans – raises several questions. It is unclear whether including this in the Emergency Support Package added value, since the EFSD+ had already been set up in 2021. Some of the programmes, like the IFC's Better Futures Programme, are barely mentioned online, while the KfW guarantee appears to have started operating only in June 2024. So at the time of approval in December 2022, they were far from ready to make a contribution to overcoming the energy crisis or advancing a transformation of the sector.

Recommendations

To the European Commission:

- Clarify the plans to evaluate the Package, ensure civil society is involved, and publish a summary of the evaluation.
- Publish more information on what was achieved or not by the Package.
- Avoid upfront disbursement of more than 10 to 15 per cent of funds in future.
- Require that the countries carry out public consultations on planned measures and draft action plans.
- Ensure the additionality of all measures provided in action plans and avoid double-counting measures already required by the Energy Community Treaty, EU accession process, or those being undertaken with assistance from international financial institutions, such as renewables auctions.
- Pay more attention to meaningful indicators which can be clearly linked to the measures in question.
- Ensure action plans more clearly state how disbursements of tranches will be linked to indicators.
- Ensure action plans include at least indicative spending allocations.
- Avoid publishing incomplete action plans which do not align with what is adopted by the countries themselves. If this is for some reason needed, publish also the final versions.
- Require the governments to issue public reports, not only those to the Commission, including information on activities, spending and results.
- Do more to accurately inform the public what is being done with EU funds.

- Ensure planned WBIF projects are published at least one month before approval, to allow time for any concerns or suggestions to be raised.
- Publish a breakdown on the uptake, technology spread and results from credit lines.
- Publish information on all REEP projects' start and end dates, results and where applicable, environmental due diligence.
- Include guarantees only if there is a clear added value and report more regularly on what they have achieved.

To the Western Balkan governments:

- Publish regular updates on what has been spent and what has been achieved with the Package.
- Include civil society representatives in country-level evaluations of the Package.
- In those cases where incentive schemes for insulation, efficient heating devices and small-scale renewables were introduced, work on securing funds for their extension.

Annex 1 – EIB loans guaranteed under the Emergency Support Package

KEK Solar PV – Global Gateway <https://www.eib.org/en/projects/pipelines/all/20220274>

DBNM Loan for SMEs, Mid-Caps and Green Transition – only 30 per cent for climate action and environmental sustainability <https://www.eib.org/en/projects/all/20220407> – released August 2022 but signed in 2023.

Corridor VIII rail - Eastern Section MK

<https://www.eib.org/en/projects/all/20230032>

Serbia Corridor X Railways FL – Global Gateway <https://www.eib.org/en/projects/pipelines/all/20210445>

Corridor VIII Rail Phase 1 - Albania <https://www.eib.org/en/projects/all/20170608>

Smart metering Serbia <https://www.eib.org/en/projects/all/20200695>

Banja Luka Medical Complex <https://www.eib.org/en/projects/all/20190319>

Air Traffic Control Upgrade II <https://www.eib.org/en/projects/all/20230860>

Municipal water infrastructure North Macedonia <https://www.eib.org/en/projects/all/20180837> - EFSD+ but signed 23 November 2022

EPS Green Financing <https://www.eib.org/en/projects/all/20220716>

Poklečani wind farm <https://www.eib.org/en/projects/all/20220241>²¹²

Municipal infrastructure works on Gate to Alps <https://www.eib.org/en/projects/all/20180022>

Montenegro Railways rehabilitation <https://www.eib.org/en/projects/all/20200001>

Vlašić wind farm: <https://www.eib.org/en/projects/all/20190843>

²¹² The project is highly controversial and subject to legal challenges due to the Federation of BiH's failure to require an environmental impact assessment, despite its location partly overlapping with a protected area.