



ENERGY TRANSITION AND CLIMATE MITIGATION IN KOSOVO

KSV/024



SECTOR | Environment and climate change

AGENCY | LuxDev

DURATION | 36 months (November 2023 - October 2026)

TARGET GROUPS

Ministries and energy sector of Kosovo

INSTITUTIONAL ANCHORAGE

Ministry of Economy

SECTORIAL POLICIES AND REFERENCE STRATEGIES

- Energy Strategy 2022-2031;
- National Energy and Climate Plan.

BUDGET | EUR5.5 million

ALA ARBEK LLAJSHITICA



The Western Balkans is one of the regions in Europe most heavily affected by the impact of climate change, and this trend is projected to continue, with estimates suggesting that temperatures will increase by 1.7 – 4.0° C, and even exceeding 5.0° C by the end of the century, depending on the global effort to reduce greenhouse gasses emissions. Kosovo, in particular, has been experiencing more frequent and severe droughts and floods. Energy production – highly reliant on fossil fuels – and inadequate waste management contribute to severe air pollution and environmental degradation and negatively impacts the health of the country's citizens, impeding Kosovo's long-term development prospects.

Therefore, the energy sector is among the priority areas in the framework of sustainable and inclusive growth, with a particular focus on Kosovo's Green Agenda which is a key priority area in the framework of Kosovo's Energy Strategy for 2022-2031. The Green Agenda is a manifesto for Kosovo's transformation to address the growing environmental and climate challenges by placing sustainable development, resource efficiency, nature protection and climate action at the centre of all economic activities and turning these challenges into opportunities.

EXPECTED CHANGES/RESULTS

The overall objective of the Energy transition and climate mitigation in Kosovo project is to contribute to a sustainable economic growth by supporting innovation, inclusiveness and social development in a greener Kosovo. By supporting clean energy efforts in the country, the project aims to enhance the environmental sustainability of the energy sector while also driving economic growth and social progress.

The specific objective of the project is to promote and facilitate the adoption of energy efficiency and renewable energy sources in Kosovo's transition to clean energy.

By supporting the adoption of energy efficiency practices and renewable energy sources, the project aims to optimise energy consumption, reduce carbon emissions, and foster a sustainable and environmentally friendly energy sector.

With this specific objective, the project addresses two serious challenges in the country: the inefficient energy use and the low proportion of renewables in electricity generation. The specific objective aligns with the commitment of the national Energy Strategy to move to a more efficient energy consumption model and ambitious targets of achieving a total renewable energy capacity of 1,600 MW by 2031, up from less than 300 MW at the start of the project, resulting in a potential reduction of CO₂ emissions by over 650,000 t/annum. Further, the project will actively support the transposition of the European Union Fourth Energy Package, including the National Strategy for Renovation of Buildings, which aims to reduce energy consumption by more than 25%, leading to further CO₂ emissions reduction of over 500,000 t/annum.

The project will focus on three results:

- the implementation of renewable energy and energy efficiency measures is improved through increased support to the ministries and other relevant institutions involved;
- the regulatory framework for renewable energy and energy efficiency is strengthened;
- the access to financial mechanisms for small-scale renewable energy and energy efficiency measures has improved.

MAIN ACTIONS

- revision of major legal document finalised;
- business model under development for Kosovo Energy Efficiency Fund;
- capacity needs assessment undergoing;
- strong coordination with national and international partners;
- terms of reference for most project activities (including support for the project implementation unit for new renewables sources and National Strategy for Renovation of Buildings) developed, signed by beneficiaries and currently undergoing procurement.

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