

CLIMATE SUPPORT FACILITY (CSF)

Western Balkans Plus (WeBa+) Program



SERBIA COUNTRY BRIEF

The WeBa+ program has helped Serbia advance its green transition by supporting renewable energy development, energy efficiency and affordable energy supplies for vulnerable communities, the just transition in coal mining, air quality management and the circular economy, and green finance institutional frameworks. These efforts have strengthened institutional capacity, informed larger World Bank investments, and laid the groundwork for more resilient, low-carbon economic development.

The Western Balkans Plus (WeBa+) Program under the World Bank's Climate Support Facility (CSF) is exclusively supported by the Austrian Federal Ministry of Finance (BMF) and has the objective to advance climate and green growth priorities in the Western Balkans and other countries in Europe and Central Asia. Since its inception in December 2020, the WeBa+ Program supported 41 grants representing a total commitment of US\$ 8.8M. By being linked to World Bank lending, Program funding supports critical phases of operational readiness including upstream analysis, design, implementation and monitoring and evaluation. Austria's contribution to the WeBa+ Program has helped inform US\$ 791M in World Bank financing in the region.¹

This Country Brief summarizes ongoing and closed activities under the WeBa+ Program aimed at supporting climate and green growth priorities in Serbia.

WeBa+ Program Support to Serbia at a Glance

10**Number of grants
(active and closed)****US\$ 1.2M****Funding
(active and closed)****US\$ 388K****Funding
(active)****US\$ 203M****World Bank lending informed**

Grant Title	Approval Date	Status	Amount	Linked World Bank Lending Operation
Support for Energy Transition	Nov 2024	Active	US\$ 200K	Scaling-Up Residential Clean Energy Project (SURCE) (US\$ 50M) and Additional Financing (pipeline)
Support to Ministry of Environmental Protection for Green Transition DPO	Mar 2024	Active	US\$ 150K	Second Serbia Green Transition Development Policy Loan (US\$ 160M)
Resilient Cities and Urban Heat	Dec 2023	Active	US\$ 38K ²	N/A
Low-Carbon Response to the Energy Crisis in the Western Balkans	Jan 2023	Closed	US\$ 83K ³	First Serbia Green Transition Programmatic Development Policy Loan (US\$ 160M) Second Serbia Green Transition Programmatic Development Policy Loan (US\$ 160M)
People- and Community-Centered Approaches to Just Transition in Coal Mining	Feb 2022	Closed	US\$ 197K	Serbia Managing a Mining Sector Transition for Future Development Project (US\$ 70M, dropped)
Green Finance Diagnostics and Roadmaps	June 2021	Closed	US\$ 95K ⁴	N/A
Transforming Crop Residue Management for Improved Air Quality	Mar 2022	Closed	US\$ 350K	Serbia Competitive Agriculture Project (SCAP) (US\$ 50M)
Stakeholder Engagement Platform and Social Dimensions of Green Growth Analysis in the Western Balkans	Dec 2021	Closed	US\$ 7K ⁵	N/A
Behavioral Insights for Air Quality Management and Energy Efficiency in the Western Balkans	Nov 2021	Closed	US\$ 32K ⁶	Scaling-Up Residential Clean Energy Project (SURCE) (US\$ 50M)
Greening Motorization in the Western Balkans	July 2021	Closed	US\$ 55K ⁷	N/A

FOCUS ON IMPACT

Linking Improved Air Quality Management to Agricultural Productivity

Through the *Transforming Crop Residue Management for Improved Air Quality* grant (US\$ 350K, closed), the WeBa+ Program is helping address air quality affected by the practice of burning of agricultural residue in Vojvodina Province. Feasibility studies assessed the viability of the agricultural biomass value chain and biogas production, taking into consideration EU and Serbian requirements for low-carbon strategies. Four pilots linking small- and medium-size cereal producers to biomass processors received technical assistance. WeBa+ support has benefited small- and medium-sized cereal producers, producer cooperatives, biogas associations, chambers of commerce, large agri-food and cereal processors and exporters, and national and provincial government institutions.

Activities informed the preparation and implementation of agribusiness development plans to adopt climate smart agriculture and value-addition innovations with more than 1,300 farmers in the [Serbia Competitive Agriculture Project \(SCAP\) Project](#) (US\$ 50M) and is expected to inform the new National Agriculture and Rural Development Strategy. This linked investment lending operation is expected to result in a net GHG emissions reduction of 119,000 tons of CO₂e and EUR 64M in private capital mobilization.

2 The grant totals US\$ 150K and is split among Serbia, Albania, Bosnia and Herzegovina and North Macedonia.

3 The grant totals US\$ 500K and is split among Serbia, Albania, North Macedonia and Kosovo.

4 This grant totals US\$ 286K and is split among Serbia, North Macedonia and Kosovo.

5 This grant totals US\$ 40K and is split among the 6 Western Balkans countries.

6 The grant totals US\$ 130K and is split among Serbia, Bosnia and Herzegovina, North Macedonia and Kosovo.

7 This grant totals US\$ 330K and is split among the 6 Western Balkan countries.

GRANT SUMMARIES

Energy Transition (US\$ 200K, active)

This grant is informing the uptake of energy efficiency and renewable energy measures, leverages hydro potential and supports renewable energy penetration, and supports the private sector participation for the development of renewable energy/solar parks.

Support to the Ministry of Environmental Protection for Green Transition DPO (US\$ 150K, active)

This grant supports the design of regulatory actions to inform the linked green transition policy lending series with a particular focus on air polluting sectors. A review of the National Air Program Plan (NAPP) aims to identify gaps, barriers, and recommendations for improving NAPP implementation. Activities are informing the development or amendment of regulations to limit values of air pollutant emissions from small combustion plants and stationary sources and to the rulebook on technical measures and requirements for permitted emission factors for volatile organic compounds originating from storage and transport of gasoline. The linked lending operation is expected to lead to 750MW in expected solar and wind capacity enabled with policy support.

Resilient Cities and Urban Heat (US\$ 38K, active)

A [methodology](#) for modeling the cascading impacts of climate hazards and the costs and benefits of potential adaptation interventions accompanied the [Western Balkans Country Climate and Development Report](#). The work done through this grant is brought to completion via the publication of the [Unlivable: How Cities in Europe and Central Asia Can Survive and Thrive in a Hotter Future](#) flagship report on extreme heat in cities in the region, which points to steps cities can take to minimize negative impacts from rising temperatures and integrate these in development planning.

Low-Carbon Response to the Energy Crisis in the Western Balkans (US\$ 83K, closed)

The grant supported the energy transition to low-carbon energy sources, while addressing security and affordability of energy supplies through linked lending operations. In Serbia, an electricity tariff and energy vulnerable consumer analysis informed the expansion of the benefits coverage for energy-vulnerable customers coupled with an electricity tariff increase for guaranteed supply to achieve sustainable tariff levels over the medium term. A review of renewable energy auctions informed an update to the associated regulatory framework to increase renewable energy generation capacities. Legal and regulatory support for the prosumer agenda enabled amendments to the Energy Law for residential and small business consumers supplied by the Universal Supplier to become prosumers and install larger rooftop solar installations.

People- and Community-Centered Approaches to Just Transition in Coal Mining (US\$ 197K, closed)

The grant supported a labor market assessment focusing on miners and the municipalities of Resavica mining communities. The labor market assessment was combined with a capacity assessment of employment service programs and social protection and support services. The grant and linked lending operation were dropped after a change in the enabling environment of support for mine closures. The remaining grant amount was redeployed.

Green Finance Diagnostics and Roadmaps (US\$ 95K, closed)

The grant supported a green finance diagnostic including a needs assessment for the transformation of industry and examining incentives, policies and regulatory frameworks that impact the transition. A deep dive sectoral analysis was also completed for the agri-food sector. The grant informed the [Western Balkans CCDR](#) in analyzing the financial sector's exposure to physical and transition risks.

Stakeholder Engagement Platform & Social Dimensions of Green Growth Analysis (US\$ 7K, closed)

Behavioral insights for air quality management and energy efficiency in the Western Balkans (US\$ 32K, closed)

Greening Motorization in the Western Balkans (US\$ 55K, closed)

This grant was one of the first supported by the Program and was developed in the midst of the green recovery agenda from the COVID pandemic. The activity addressed best practices in policy and governance to help manage just transitions across industries/sectors and places by identifying transition pathways and a typology of policy responses. It was complemented by case studies of transitions management in three countries: Italy, Spain and South Korea.

The grant supported an [upstream regional analysis](#) based on survey data to address sustainable heating behaviors and identified bottlenecks for energy efficiency programs. The grant facilitated an inclusive approach to subsidy program design, emphasizing financial and non-financial constraints on households, and empowered government counterparts in strategy formulation and implementation. The grant leveraged an investment lending operation in Serbia to inform components related to residential energy efficiency and heating upgrade activities. The lending operation is expected to enable 4MW in renewable energy capacity constructed or rehabilitated.

The grant supported [an analysis](#) of vehicle, fuel, and electricity markets and institutional frameworks, backed by stakeholder consultations across Western Balkans countries. It delivered recommendations for environmental improvements in road vehicle fleets that are informing pipeline lending operations in the region.
