

Rehabilitation of District Heating Systems in Serbia

Phase IV

Project Financing

WBIF	Grant	WB4BIS-SER-ENE-05	€ 500,000
WBIF	Grant	WB5-SER-ENE-06	€ 1,512,000
KFW	Loan		€ 45,000,000
Beneficiary Contribution	Own Contribution		€ 9,250,000
KFW	Own Contribution		€ 2,000,000
Total			€ 58,262,000
Total Grants			€ 2,012,000
Total Loans			€ 45,000,000

Project Description

After the successful implementation of the first three phases of the Programme "Rehabilitation of District Heating Systems in Serbia", funded by KfW and implemented by joint efforts of KfW, Ministry of Mining and Energy, District Heating Companies (DHCs) and their respective cities/municipalities, Phase IV continues the implementation of the Programme with the modernization and reform of Toplanas and DHCs in 20 additional cities in Serbia. The objective of the Programme is to improve the technical and financial efficiency of DHCs in Serbia through replacement of obsolete pipelines, substations, and production facilities, as well as their modernization and automation. The Programme also aims at the introduction of institutional and organisational reforms at the DHCs' level, and enhancement of their business policies and sustainability.

WBIF provides €2 million grants for technical assistance in the preparation and implementation of Phase IV: development of Heat Demand Forecast, Hydraulic Calculations and Business Strategy; assistance to the Ministry of Mining and Energy in Programme coordination and monitoring, such as support to DHCs in the preparation and submission of investment proposals, evaluation of project proposals, procurement, and progress monitoring; support to DHCs in the implementation of institutional reforms and introduction new consumption-based tariff systems.

The objectives and activities of the Project are fully in line with the provisions of the Energy Community Treaty and with the Energy Sector Development Strategy of Serbia.

Results and Benefits

- Rehabilitated and modern district heating systems in the Municipalities/ Cities included in the Programme
- Potential to switch from electricity-based heating to district heating
- Reduction of total heating costs for end-users
- Improved reliability of heating services and in supply security via fuel switching, where applicable
- Institutional reforms implemented and new tariff systems adopted
- Better heating services for the citizens of Serbia

- Emission reduction through replacing small coal and mazut fired boilers by centralized district heating systems and reduction of energy losses in the whole supply chain
- **Countries:** Serbia
- **Code:** PRJ-SRB-ENE-003
- **Sector:** Energy
- **Lead IFI:** KFW
- **Status:** Completed
- **Beneficiary:** Ministry of Mining and Energy on behalf of the ...