

Study on

Successful approaches to involving vulnerable groups in Energy Efficiency programmes

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Abbreviations

AKM	Association of Kosovo Municipalities
BGF	Balkan Green Foundation
CBK	Central Bank of Kosovo
CEB	Council of Europe Development Bank
CSO	Civil Society Organizations
CSW	Center for Social Work
EBRD	European Bank for Reconstruction and Development
EED	Energy Efficiency Directive
EIB	European Investment Bank
EPB	Energy Performance of Buildings
EPBD	Energy Performance of Buildings Directive
ERO	Energy Regulatory Office
ESCO	Energy Service Company
EU	European Union
GEFF	Green Economy Financing Facility
GHG	Greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HVAC	Heating, Ventilation, and Air Conditioning
IPA	Instrument for Pre-Accession
KAS	Kosovo Agency of Statistics
KEEF	Kosovo Energy Efficiency Fund
KCGF	Kosovo Credit Guarantee Fund
LECP	Local Energy and Climate Plan
LuxDev	Luxembourg Development Cooperation Agency
MCC	Millenium Challenge Corporation

ME	Ministry of Economy
MESP	Ministry of Environment and Spatial Planning
MES	Ministry of Education and Science
MF	Ministry of Finance
MFK	Millenium Foundation Kosovo
MFLT	Ministry of Finance, Labor and Transfers
MLFVLW	Ministry of Labor, Family and Values of the Liberation War
NECP	National Energy and Climate Plan
NZEB	Nearly Zero-Energy Building
OSS	One-stop-shop
SAS	Social Assistance Scheme
SEE	South-East Europe
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-Habitat	United Nations Human Settlements Programme
WBIF	Western Balkans Investment Framework
WHO	World Health Organization

INTRODUCTION

Kosovo is facing significant environmental and socio-economic challenges due to its heavy reliance on ageing coal-fired power plants. Transitioning to renewable energy sources and improving energy efficiency, particularly in the residential sector, which accounts for the largest share of final energy consumption, are essential for achieving a just energy transition, sustainable development, and decarbonization. As Kosovo advances its energy transition agenda, improving the energy performance of buildings and addressing energy poverty have become increasingly important policy priorities. The country is making important progress in strengthening its energy poverty policy framework and aligning it with the European Union (EU), specifically through the Draft Law on Energy, which introduces Kosovo's first legal definition of energy poverty and envisages a registry of consumers in need with broader eligibility criteria, and through the forthcoming National Building Renovation Strategy, which aims to prioritize vulnerable households in renovation policies. However, the success of these reforms will depend on effective implementation, including adequate financing, institutional capacity and public awareness.

Kosovo's housing stock presents structural conditions that increase vulnerability to energy poverty. According to the 2024 Population Census, Kosovo has approximately 365,554 households, of which 92.77% live in owner-occupied dwellings, 5.26% in rented units, and 1.97% under other forms of tenure.¹ Social housing represents only a small portion of the housing stock, accounting for around 0.3%. Between 2003 and 2018, only 51 social housing buildings with 1,178 housing units were constructed, while demand remained much higher. In 2021 alone, around 3,100 families applied for social housing.² In addition, a large share of the residential building stock remains informal or insufficiently regulated. According to the Ministry of Environment and Spatial Planning (MESP)'s registry from 2015, approximately 353,685 illegal buildings (around 75% of the total building stock) were identified across Kosovo, most of them used for residential purposes.³ Because many of these buildings have not undergone legalization or technical inspections, their structural condition, energy performance, and exposure to environmental risks remain largely unknown.

¹ Kosovo Agency of Statistics (KAS). (2025). Private Households by Household Residency Status at the National and Municipal Level for the Years 2011 and 2024.

² Prishtina Insight. (2021). Social housing issues remain overlooked in Kosovo.

³ Institute for Spatial Planning (ISP). (2017). Indikatorët për planifikim hapësinor në Kosovë.

⁴ KOHA. (2022). Aliu: Mbi 75% e ndërtimeve janë pa leje.

The technical characteristics of the housing stock further contribute to high energy consumption and energy poverty risks. Buildings constructed before 1999 and many developed between 2000 and 2010 were built with limited consideration for thermal performance or energy efficiency standards.^{5 6} Poor insulation, inefficient heating appliances, and the lack of centralized heating systems result in significant energy losses. Consequently, a large share of household energy consumption is used for heating and cooling. In 2024, data from the Kosovo Agency of Statistics (KAS)'s Survey on Income and Living Conditions indicate that approximately 21.6% of households were unable to keep their homes adequately warm,⁷ while a World Bank Group's report shows that about 22% of households spent 10% or more of their monthly expenditures on energy bills.⁸ Poor building performance therefore contributes not only to higher household energy expenditures but also to increased greenhouse gas (GHG) emissions, air pollution, and negative health outcomes.

Energy poverty in Kosovo disproportionately affects specific population groups. Even though not officially identified yet, based on existing research and consultations with civil society organizations (CSOs) working directly with communities, vulnerable groups commonly include **low-income households**, particularly those in the lowest income quintile without social assistance, **pensioners living alone, single-parent households (especially single mothers), large families, households with dependent children, rural households, and non-majority communities** such as Roma, Ashkali, and Egyptians. Women within minority communities often face compounded vulnerabilities related to substandard housing conditions, limited property ownership, reduced access to financial resources, and broader socio-economic inequalities. Many of these households live in buildings characterized by dampness, mold, and poor construction materials, conditions that directly affect health and well-being.

Despite growing policy attention to vulnerable consumers, participation of these groups in energy efficiency programmes remains very limited. Existing programme designs assume that households already possess the financial capacity, administrative knowledge, and access to information necessary to apply for and implement retrofitting measures. However, evidence from recent programme calls illustrates the opposite. In calls launched by the Kosovo Energy Efficiency Fund (KEEF) for co-financing single-family housing retrofits, fewer than 3% of applications were submitted by women homeowners and fewer than 1% originated from non-majority communities.⁹

⁵. GFA & HPC. (2020). Residential Buildings Efficiency Retrofits Baseline Study. SEEK.

⁶. GIZ. (2021). Typology of Residential Buildings in Kosovo.

⁷. Kosovo Agency of Statistics (KAS). (2025). Affordability of households to keep the house warm adequately by year and yes/no.

⁸. World Bank Group (WBG). (2024). Country climate and development report: Western Balkans 6. Kosovo Country Compendium.

⁹. KEEF. (2025). Annual report 2024. <https://fkee-rks.net/download/annual-report-2024/>

These figures suggest that despite the modest financial incentives, such as slightly higher reimbursement rates, vulnerable groups still cannot meet the co-financing requirements.¹⁰ Beyond income constraints, vulnerable households also face deeper structural barriers, such as lack of (or unresolved) property ownership, insufficient information about the programmes and lack of digital literacy to complete the application procedures, which further hinder their accessibility to energy-efficiency support schemes.^{11,12} Addressing these barriers requires an integrated approach that intervenes across the full implementation chain.

Within this broader context, the **“Energy Transition and Climate Mitigation in Kosovo”** project, funded by the Grand Duchy of Luxembourg and implemented by LuxDev, the Luxembourg Development Cooperation Agency, aims to support Kosovo’s transition to clean energy by promoting renewable energy adoption and energy efficiency practices, with particular emphasis on vulnerable communities, women, and smaller municipalities. Through the Balkan Green Foundation (BGF), the project has commissioned this **Study on Successful Approaches to Involving Vulnerable Groups in Energy Efficiency Programmes**. The study combines analytical research with practical policy guidance, drawing on successful practices from South-East Europe (SEE) and assessing their applicability for Kosovo. The objective is to provide a practical roadmap for mainstreaming social inclusion in future energy efficiency interventions, outlining operational mechanisms and clarifying the roles of respective stakeholders in ensuring that vulnerable households can effectively access and benefit from energy efficiency programmes.

This study is developed as an applied policy tool that examines how energy efficiency programmes can be designed and delivered to better include vulnerable households. Building on regional experience with inclusive delivery models, it focuses on practical programme mechanisms, such as targeting, outreach, financing arrangements, and administrative procedures, that enable energy-poor households to access energy efficiency interventions. These mechanisms are assessed for their applicability in Kosovo in order to propose an operational pathway for inclusion, which begins with improved identification and targeting through links between energy efficiency programmes, social protection systems, and municipal data.

¹⁰ Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

¹¹ Interview with Valon Xhabali, EC Ma Ndryshe on 22.12.2025.

¹² Interview with Albana Rexha, Democracy Plus on 03.02.2026.

This is followed by proactive outreach and simplified application support to overcome information and administrative barriers. Closing the upfront financing gap, through higher subsidies or fully funded measures, enables participation of households unable to co-finance investments. Once enrolled, households can also receive technical delivery of energy efficiency measures, followed by post-retrofit monitoring, ensuring that improvements translate into sustained energy savings, improved living conditions and reduced GHGs.

Energy efficiency improvements in buildings represent one of the most cost-effective strategies for reducing energy demand, easing pressure on electricity systems, lowering import dependence, and reducing GHG emissions and air pollution. Efficiency measures can reduce energy use by 50–80% in new buildings and by 30–50% in retrofitted existing buildings, thus, significantly contributing to the decarbonization of the housing sector.¹³ For Kosovo, estimates suggest that energy efficiency interventions could reduce residential and commercial energy demand by around 8% by 2050, while insulation improvements alone could reduce heating demand by approximately 30%.¹⁴

When energy efficiency programmes are designed to include vulnerable households, they also generate substantial social co-benefits. Improved building performance reduces dampness, mold, and indoor pollution, improves thermal comfort, and contributes to better physical and mental health outcomes.¹⁵ Lower energy bills help alleviate energy poverty by freeing household resources for other essential needs such as food, healthcare, and education.^{16,17} Targeted energy efficiency programmes therefore play a crucial role in ensuring that vulnerable groups are not disproportionately affected by rising energy prices during the energy transition while simultaneously advancing broader climate and development objectives.¹⁸

¹³ IPCC. (2022). Summary for Policymakers. Climate Change 2022: Mitigation of Climate Change.

¹⁴ World Bank Group (WBG). (2024). Country climate and development report: Western Balkans 6. Kosovo Country Compendium.

¹⁵ World Health Organization. (2018). Housing and Health Guidelines.

¹⁶ REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

¹⁷ UNDP Kosovo. (2023). Energy poverty in Kosovo. Policy brief.

¹⁸ European Commission. (2020). A Just Transition Mechanism for the EU.

METHODOLOGY

For this study, a mixed-methods approach has been applied, combining desk review, comparative and best practice analysis, and stakeholder consultations to ensure a comprehensive and context-sensitive analysis. A systematic review of relevant policies, strategies, and regulatory frameworks has been conducted, covering Kosovo, the wider SEE region, and the European Union. Furthermore, national energy efficiency programmes, social protection mechanisms, and legal provisions addressing energy poverty and vulnerable consumer protection have been examined. Additional data has been collected from official government reports and other credible studies.

Evidence from SEE countries and other relevant contexts (including **Albania, Montenegro, North Macedonia, Serbia, as well as Croatia, Bulgaria and Greece**) has been assessed to identify effective delivery models, financing mechanisms, and institutional arrangements that successfully integrate vulnerable groups into energy efficiency programmes. The identified programmes/approaches among the selected SEE countries were grouped in four inclusion models, with each of them including illustrative best practices from the respective countries. Special attention has been given to approaches that combine technical efficiency gains (including energy savings or building performance improvements) with social inclusion objectives (including multidimensional vulnerability and poverty reduction).

The four inclusion models derived from the identified challenges (including lack of energy poverty and vulnerability registries, upfront capital and resources to invest, and information), with the purpose of enabling proper targeting of vulnerable households and removing financial and administrative barriers. These models include **social-registry-based targeting, full grant or in-kind delivery, blended finance with vulnerability top-ups, and one-stop-shop intermediary models**. Upon identification and elaboration of the inclusive models, each of them was assessed (using a score from 1/weak to 5/strong) against six criteria, including **effectiveness, efficiency, equity and inclusion, scalability, transferability and institutional feasibility**, to assess their potential replicability to Kosovo.

Assessment criteria for replicability in Kosovo:

- **Effectiveness** measures the extent to which a programme achieves its intended objectives, such as reductions in energy consumption, improved indoor thermal comfort, or number of vulnerable households benefiting from renovation measures.
- **Efficiency** evaluates whether these results are achieved with an appropriate use of financial and administrative resources.
- **Equity and inclusion** assess whether programmes successfully reach vulnerable or marginalized groups, including those that may be middle-income households that can co-finance renovations or navigate administrative processes.
- **Scalability** evaluates the ability of a programme to expand to larger populations or geographic areas without disproportionate increases in cost or administrative complexity.
- **Transferability** examines the potential of the policy model to be adapted to different institutional or national contexts with reasonable adjustments.
- **Institutional feasibility** considers whether existing governance structures in Kosovo are capable of implementing the programme and respective interventions effectively.

In addition, during the period of December 2025 to February 2026, **selected interviews** have also been held with representatives from relevant ministries, Kosovo Energy Efficiency Fund, Association of Kosovo Municipalities, and civil society organizations (CSOs) working on energy related aspects or directly with communities (especially vulnerable ones, such as women and minority groups) in Kosovo to validate the research findings and obtain more in-depth information. Additional interviews were held with regional partners from Montenegro and Greece implementing relevant energy efficiency programmes to understand their approach and challenges in including vulnerable groups and to obtain relevant recommendations. *The full list of interviewed stakeholders is presented in Annex B.*

Interviews with line ministries, including the Ministry of Economy (Energy Efficiency Division), former Ministry of Finance, Labor and Transfers (Division for Social Assistance, which now is included into the newly established Ministry of Labor, Family and Values of the Liberation War), as well as the Kosovo Energy Efficiency Fund (KEEF) provided information on the current energy efficiency programmes and support schemes, relevant policies

and projects, and approaches for targeting and involving vulnerable communities. Association of Kosovo Municipalities (AKM) represented the common challenges faced by Kosovo's municipalities, including lack of sufficient financial and institutional resources for implementing more energy efficiency programmes and better targeting those in need.

CSOs working on energy and environment related aspects, such as Green Energy Kosova, EC Ma Ndryshe, EcoZ and Democracy Plus, provided information on their projects, applied approaches, identified barriers and recommendations for better inclusion of vulnerable groups in energy efficiency programmes. Association of Women in Energy Sector of Kosovo (AWESK) and the Network of Roma, Ashkali and Egyptian Women's Organizations of Kosovo (RROGRAEK), as women focused CSOs, elaborated on the challenges faced by women in general and those of Roma, Ashkali and Egyptian communities in specific, namely financial and administrative barriers for accessing energy efficiency programmes and other structural barriers such as substandard housing and respective health issues.

Regional partners, such as UNDP Montenegro and the Electra Energy Cooperative in Greece, responded by elaborating their respective programmes and approaches in reducing energy poverty and improving energy efficiency in the residential sector, as well as the different mechanisms utilized for targeting vulnerable groups and reducing their encountered barriers to accessing available financial opportunities.

Based on the key findings from desk review and interviews related to Kosovo's situation analysis and the identified gaps, as well as other SEE countries' best practices, **a list of recommendations** (for immediate, medium and long-term period) for increased support for vulnerable groups and inclusion in energy efficiency programmes is provided.

SITUATION ANALYSIS

Legal and Policy Context

Although not an EU Member State, Kosovo is obliged through the Energy Community and the Green Agenda for the Western Balkans to align its energy and building policies with EU frameworks that prioritize vulnerable households in renovation and energy efficiency programmes.¹⁹ The **Green Agenda for the Western Balkans** calls for an explicit focus on vulnerable groups, including low-income households, the elderly, people with disabilities and marginalized communities, and emphasizes the need for socially targeted policies rather than universal measures that risk excluding those most in need. It also promotes fair financing mechanisms, such as grants, deep subsidies and blended public and donor funding, and highlights the importance of strong linkages between energy efficiency, sustainable housing, and urban and spatial planning.²⁰ In the buildings sector, the EU Renovation Wave, the Energy Efficiency Directive (EED), and the Energy Performance of Buildings Directive (EPBD) are particularly relevant, as they place strong emphasis on reducing energy poverty and prioritizing vulnerable households through targeted energy efficiency and renovation measures.²¹

National legislation, including the laws on **Energy Efficiency**, **Energy Performance of Buildings**, and **Climate Change**, as well as the new draft law on **Energy**, and the strategic documents such as the **Energy Strategy 2022-2031** and draft **National Energy and Climate Plan (NECP) 2025-2030** aim to support vulnerable consumers and alleviate energy poverty. The enforced **Law on Energy (2016)** had no formal definition of energy poverty (only of “consumers in need”) and did not provide sufficient operational mechanisms to support vulnerable consumers. However, the recently approved **Draft Law on Energy (April 2026)**, introduces for the first time the definition for energy poverty and requires the establishment of consumers in need registry with expanded eligibility criteria, and targeted support programmes including energy efficiency measures. In addition, the **National Building Renovation Strategy** is currently being drafted, which will serve as the main strategic framework for defining how building renovation policy may contribute to addressing energy poverty, including through prioritization of vulnerable households, sequencing of renovation measures, possible financing

¹⁹ Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²⁰ Balkan Green Foundation. (2025). Where we stand: Kosovo's Green Agenda progress review.

²¹ Energy Community Secretariat. (2023). Annual Implementation Report 2023.

mechanisms, and coordination with social protection and energy institutions. These updates enable a more multidimensional understanding of energy poverty and pave the way for better targeting and increased protection of vulnerable consumers – as also required by the respective EU frameworks.

In parallel, Kosovo's social housing framework has been governed by **the Law on Financing Specific Housing Programs (2010)**, which aimed at providing rental housing for low-income and vulnerable households through municipal programmes. While the law identified vulnerable categories and assigned responsibilities to the municipalities for the identification of beneficiaries and provision of housing, implementation has been fragmented and limited in scale. It also did not formally align with energy efficiency policies. However, the recently approved **Draft Law on Social and Affordable Housing (April 2026)** introduces a broader and more integrated housing framework, expanding beneficiary categories for social and affordable housing, and incorporating requirements related to energy efficiency, environmental sustainability, and adequate living conditions. As such, the Draft Law aims to strengthen the linkage between housing policy, social inclusion and energy-efficiency interventions which would enable better targeting of vulnerable households.

Despite a formally supportive legal and policy framework, vulnerable households in Kosovo remain largely excluded from energy-efficiency programmes due to a set of persistent structural barriers. Until recently, a fundamental constraint for proper targeting of those in need was the absence of a clear operational definition of **energy poverty** and the lack of a consolidated **registry of vulnerable households**. So far, inclusion of vulnerable groups in energy efficiency programmes was based on ad hoc programme criteria rather than a stable and coordinated social targeting mechanism. Even though the recently approved Draft Law on Energy defines energy poverty and obliges the Ministry for social welfare to establish and maintain a comprehensive registry of consumers in need, such a registry is yet to be established.

Another major barrier relates to the **co-financing requirements** embedded in most energy-efficiency schemes. Existing programmes typically require households to contribute a share (45-50%) of the investment costs, even when subsidies are provided. For energy-poor households, who often struggle to meet basic energy expenses, these upfront financial contributions represent an impossible obstacle. Consequently, programmes that are formally open to all households tend in practice to benefit those with sufficient financial

means to pre-finance or co-finance renovations, rather than those in greatest need.

In addition, **administrative and procedural complexity** further limits access for vulnerable groups. Application procedures often involve extensive documentation, formal property verification, technical assessments, and interactions with multiple institutions. For households with limited administrative capacity, insecure tenure, low levels of formal education, or marginal social status, these requirements create significant access barriers. Without targeted outreach and hands-on support, many vulnerable households remain uninformed or are unable to navigate the process and complete the application successfully.

Exclusion has also been reinforced by the **weak integration between social protection systems and energy-efficiency delivery mechanisms**. Social assistance programmes, social housing schemes, and energy-efficiency initiatives have operated largely in parallel, with limited institutional coordination, data sharing, or referral pathways. This separation prevents energy-efficiency programmes from systematically building on existing social registries or housing programmes to reach vulnerable households. As a result, social protection mechanisms that already identify vulnerable populations do not effectively serve as entry points for regular energy-efficiency interventions.

Finally, **limited municipal capacity** represents a critical bottleneck for inclusive implementation. Municipalities play a central role in identifying vulnerable households, managing social housing, and facilitating local implementation of national programmes. However, many municipalities lack the necessary financial resources, technical expertise, and administrative capacity to perform these functions effectively. This results in uneven implementation, limited outreach, and insufficient support for households that require tailored assistance.

Taken together, these structural barriers mean that, although vulnerable households are formally recognized as priority beneficiaries in policy, they are not systematically reached in practice. Overcoming this gap will require the establishment of integrated and operational registries of vulnerable households, the expansion of fully subsidized or in-kind delivery models, simplified and assisted application procedures, stronger institutional coordination between social and energy sectors, and reinforced municipal implementation capacity. Without addressing these structural constraints,

energy-efficiency programmes will continue to fall short of their social inclusion objectives.

Institutional Responsibilities

Responsibilities for energy efficiency policy development, implementation, oversight, and enforcement are shared among a range of institutions with complementary mandates, including central government institutions, specialized agencies, and municipal authorities. While ministries define strategies, regulatory standards, and policy targets, the actual distribution of support is shaped by operational actors, particularly the Kosovo Energy Efficiency Fund, municipalities and Centers for Social Work.

Since its establishment in 2019 following the adoption of the Law on Energy Efficiency as an autonomous public institution responsible for mobilizing and managing financing for energy-efficiency investments, the **Kosovo Energy Efficiency Fund (KEEF)** is at the center of Kosovo's energy efficiency delivery system. It functions as the main operational and financial gateway for energy-efficiency investments, including those targeting residential buildings and vulnerable households. In practice, most large-scale building renovation programmes in Kosovo are implemented through KEEF, including projects supported by the EU, the World Bank, the Millennium Challenge Corporation (MCC), and other international financial institutions and donors.

Initially, KEEF's programmes primarily targeted public buildings such as schools, hospitals and municipal facilities, but in the past couple of years focus has shifted to the residential sector as well, including multi-apartment residential buildings, social housing and single-family households (including vulnerable ones). Through its role in designing programme calls and eligibility criteria, managing application procedures and allocating grants or blended financing instruments, KEEF effectively determines how accessible energy-efficiency support is for households. The fund therefore acts not only as a financing institution but also as a central gatekeeper shaping inclusion and exclusion outcomes within the residential energy-efficiency system.

Ministry of Economy (ME) holds the primary mandate for energy policy in Kosovo, including energy efficiency, renewable energy and energy security. Its responsibilities include developing national strategies and action plans, ensuring alignment with EU energy legislation, and coordinating the implementation of Kosovo's obligations under the Energy Community Treaty, particularly with regard to the Energy Efficiency Directive (EED).²²

²² Energy Community Secretariat. (2023). Annual Implementation Report 2023.

Through the Energy Strategy of the Republic of Kosovo 2022–2031, the ministry sets the national priorities and targets for energy-efficiency investments, including the renovation of buildings and the support of vulnerable consumers. However, the ministry's influence on inclusion outcomes occurs primarily through programme design, policy priorities and coordination with donors and international financial institutions rather than through direct programme implementation.

Ministry of Environment and Spatial Planning (MESP) is responsible for legislation and regulatory frameworks related to spatial planning, housing, construction, energy performance of buildings and environmental protection. It influences energy-efficiency outcomes through its regulatory authority over the built environment, while ensuring legal alignment with the EU's Energy Performance of Buildings Directive (EPBD) and national target setting through the National Energy and Climate Plan (NECP). Within MESP's Department of Spatial Planning, Construction and Housing, the Division of Energy Performance of Buildings is the main responsible entity for energy performance of buildings, including the drafting of secondary legislation, drafting and implementing the National Building Renovation Strategy and Nearly Zero-Energy Building (NZEB) National Plan, adopting the National Calculation Methodology, approving related software, managing Energy Performance Certificates (EPCs), supervising HVAC inspection systems, and maintaining the Electronic Platform for Energy Performance of Buildings.

It is also responsible for approving training programmes, maintaining registers of qualified experts and training providers, developing codes of practice, and providing public information on EPCs, building energy performance improvements, energy-efficiency measures, and available financial support programmes. The Housing Division develops and implements housing policies, including those related to social housing and housing quality standards for vulnerable households, whereas the Construction Division oversees building regulations and technical standards. These regulatory responsibilities define the technical framework within which renovation programmes operate, although regulatory measures alone are insufficient to ensure that vulnerable households can access renovation programmes.

Ministry of Labor, Family and Values of the Liberation War (MLFVLW), formerly being part of the Ministry of Finance, Labor and Transfers (MFLT), plays a key role in determining which households are recognized as vulnerable within the social protection system. Through the Social Assistance Scheme (SAS) and related welfare programmes, the ministry defines eligibility criteria

low-income households and manages the social registries used to identify beneficiaries of targeted support measures. These registries are critical for energy-efficiency programmes aiming to reach energy-poor households. However, the absence of integrated data systems linking social protection registries with housing conditions and energy-efficiency programmes remains a significant structural barrier in Kosovo, limiting the ability of energy-efficiency interventions to systematically identify and support vulnerable households.²³

Municipalities play an operational role in identifying buildings and communities eligible for renovation programmes and facilitating local participation in national or donor-funded initiatives. Their responsibilities include preparing Local Energy and Climate Plans (LECP), identifying priority buildings and neighborhoods for energy-efficiency interventions, managing municipal building stock and social housing, applying to KEEF and other renovation programmes for funding, and conducting local outreach and awareness activities. Because municipalities manage social housing and maintain close contact with local communities, they often serve as the local access point for energy-efficiency initiatives, particularly for multi-apartment buildings and municipal housing stock.

At the local level, **Centers for Social Work (CSWs)** represent the primary institutional interface between the social protection system and vulnerable households. Operating under municipal oversight and aligned with the mandates of the MLFVLW, these institutions are responsible for identifying and registering vulnerable households, conducting social assessments, issuing documentation required for accessing social benefits, and supporting households in navigating administrative procedures. Given that many vulnerable households face informational, administrative and financial barriers, the effectiveness of CSWs in identifying eligible households and guiding them through programme procedures significantly influences whether energy-efficiency support reaches those most in need.

Therefore, strengthening coordination between the KEEF, municipalities and the social protection system remain essential for ensuring that energy-efficiency programmes effectively reach vulnerable and energy-poor households.

²³ Energy Community Secretariat. (2023). Annual Implementation Report 2023.

Civil Society Involvement

Beyond public institutions, **civil society organizations (CSOs)** also play an important role in the inclusion of vulnerable groups, thus, ensuring that energy efficiency programmes are socially inclusive. They support research and policy advocacy, municipal governance and community engagement, awareness-raising campaigns, outreach to marginalized groups, and monitoring transparency and targeting in energy efficiency programmes.

Local CSOs consider themselves crucial in addressing energy poverty and bridging the gap between public policies and on-the-ground realities, acting as an essential link between vulnerable communities, public institutions, and support programmes. Beyond short-term assistance and awareness-raising, they help identify the real needs of citizens, inform and educate communities about the benefits of energy efficiency and renewable energy, and contribute through research and the implementation of pilot and demonstration projects. At the same time, they play a critical role in analyzing existing policies and support schemes, advocating for fairer and more inclusive measure design, and linking energy efficiency interventions with social and climate policies, thereby helping to correct systemic shortcomings that often leave the most vulnerable groups excluded.^{24 25 26}

In Kosovo, several CSOs contribute to addressing energy poverty and promoting inclusive energy-efficiency policies through research, advocacy, direct community engagement, and capacity building. The work of CSOs that were involved in this research (such as Green Energy Kosova, EcoZ, EC Ma Ndryshe, Democracy Plus, AWESK and RROGRAEK) is elaborated below.

²⁴ Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

²⁵ Interview with Egzona Shala, EcoZ on 30.12.2025.

²⁶ Interview with Valon Xhabali, EC Ma Ndryshe on 22.12.2025.

Table 1. CSOs working on energy related aspects involved in the research

- **Green Energy Kosova** contributes to addressing energy poverty by treating energy efficiency as a structural policy instrument rather than an isolated technical measure. Its work focuses on embedding the “Efficiency First” principle in national policies, promoting energy efficiency as a sustainable alternative to reactive bill subsidies, and ensuring that Kosovo’s energy transition is socially just and economically viable. It collaborates with municipalities, central institutions, international donors and other CSOs in improving the design of public policies, harmonizing energy efficiency measures with social objectives and capacity building for long-term planning. It is also involved in assessing the energy efficiency measures’ impact on energy savings, thermal comfort improvements, and GHG emissions reductions.²⁷
- **EcoZ** supports energy justice in Kosovo by raising awareness on energy efficiency, conducting research, working directly with affected communities (especially those in Obiliq) and youth, and advocating for inclusive policies and programmes, while actively contributing to the Just Transition from fossil fuels to renewable energy. It monitors policy implementation, including those related to energy efficiency, with increased focus on their impact on vulnerable groups. Furthermore, EcoZ has also developed educational materials and awareness raising campaigns on just transition and energy communities, mainly on integration of renewable energy sources. It has also held several workshops advocating for stronger collaboration and support to vulnerable groups to achieve healthier environments.²⁸
- **EC Ma Ndryshe** has also tackled energy efficiency as part of the broader environmental and social advocacy. It has contributed through awareness-raising, community engagement, research and policy advocacy supporting sustainable development and green transition. Its work includes promoting simple energy-saving practices (such as efficient lighting), engaging citizens through surveys and public discussions on energy use (especially in Prizren), and participating

²⁷ Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

²⁸ Interview with Egzona Shala, EcoZ on 30.12.2025.

in broader climate and green-transition initiatives that link energy efficiency with environmental protection, civic participation, and sustainable development.²⁹

- **Democracy Plus** works to strengthen democratic governance, transparency, accountability and citizen participation in Kosovo. It engages with issues related to energy poverty and energy efficiency primarily through research, dialogue, and advocacy rather than direct programme delivery. Although the organization does not have long-standing direct experience in this field, it has begun addressing these topics through the GENERATE project, where it has organized discussions and consultations with women working in the energy sector to identify key challenges related to gender inclusion and access to energy policies and energy-efficiency programmes. Through these activities, Democracy Plus has contributed to raising awareness about gender equality in the energy sector and has initiated dialogue and research on respective vulnerabilities.³⁰
- **Association of Women in the Energy Sector of Kosovo (AWESK)** is a non-governmental organization that works to promote gender equality and empower women in Kosovo's energy sector. It contributes to addressing energy poverty and promoting women's participation in energy programmes through advocacy, capacity-building, and awareness-raising. The organization supports women by providing mentoring, training, and information that encourage their active involvement in energy (including energy-efficiency) related initiatives and policy discussions.³¹
- **Network of Roma, Ashkali and Egyptian Women's Organizations of Kosovo (RROGRAEK)** is a civil society network that advocates for the rights and social inclusion of women from Roma, Ashkali, and Egyptian communities in Kosovo. Its work focuses on promoting gender equality, combating discrimination, preventing gender-based violence, and strengthening the economic empowerment and participation of minority women in public life. RROGRAEK engages in addressing energy poverty and improving women's access to energy-efficiency programmes primarily through community outreach, awareness,

²⁹ Interview with Valon Xhabali, EC Ma Ndryshe on 22.12.2025.

³⁰ Interview with Albana Rexha, Democracy Plus on 03.02.2026.

³¹ Interview with Arijeta Pajaziti Qerimi, AWESK on 30.01.2026.

and practical assistance to Roma, Ashkali, and Egyptian women, who often face structural barriers to participation. Through initiatives such as the USAID Kosovo Energy Security of Supply and Access to Energy programmes, the organization has helped include women from these communities in discussions on Kosovo's Energy Strategy and has actively disseminated information about energy-efficiency subsidies and calls for applications, while also providing voluntary support in completing applications and navigating procedures.³²

Energy Poverty and Vulnerable Groups

In the EU, **energy poverty** is broadly defined as a situation in which *“households are unable to access essential energy services” and/or “must reduce its energy consumption to a degree that negatively impacts the inhabitants’ health and wellbeing”*.^{33 34} Hence, energy poverty is a matter of lack of access (e.g. not being connected to the grid or having unreliable supply) and unaffordability (not having sufficient disposable income to consume energy as per the household's needs).³⁵ Across the EU, energy poverty is measured through a range of indicators, including energy spending as a share of total income, arrears on utility bills, inability to keep home adequately warm, and problems with excess humidity (leaking roof, damp walls, floors or foundations, or rot).³⁶

However, according to different academics, energy poverty is a more complex and multi-dimensional issue. It is a socio-spatial, institutional and political condition, rather than just a purely technical or income-based problem. It is context-specific and spatially embedded due to the housing quality, tenure and infrastructure (especially heating system) and other place-based inequalities.⁴² It is also a condition produced through institutional arrangements and governance choices, which may shape the market, welfare system, and energy and climate transition process.³⁷

³² Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

³³ European Commission. (2020). Commission Recommendation (EU) 2020/1563 of 14 October 2020 on energy poverty.

³⁴ OECD. (2025). Energy prices and subsidies in the Western Balkans.

³⁵ Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary; European Commission. (2020). Commission Recommendation (EU) 2020/1563 of 14 October 2020 on energy poverty.

³⁶ Bouzarovski. (2014). Energy poverty in the European Union: Landscapes of Vulnerability.

³⁷ Bouzarovski et al. (2021). Confronting energy poverty in Europe: A research and policy agenda.

In terms of expenditure, energy poverty households are identified as those spending more than 10% of their income on energy.³⁸ However, the SEE region has different regional and historical characteristics, which contributes to an increased energy poverty compared to the rest of Europe. If taking into account only the share of income that households spend on energy, many energy-poor households would not categorize as such since they spend less than they can afford – cutting down on energy use only for more priority purposes (such as food preparation).³⁹ Consuming energy to unsafe or inadequate levels leads to under-heated homes, which worsens health outcomes, deepens financial hardships and may further exacerbate social exclusion.⁴⁰

At the same time, the housing stock in SEE countries is in a relatively poor state (including poor construction materials, insulation and maintenance) compared to other countries in Europe. In some cases, buildings are so deteriorated or in substandard construction quality that it is not cost-effective to retrofit them.⁴¹ They also rely on inefficient heating systems, have a high electricity intensity, low efficiency standard, as well as lower average incomes and limited social welfare systems.⁴² As such, energy poverty in this region is considered not only a social or welfare issue, but a structural problem of the energy and housing policies.

Across the SEE region, energy poverty is defined in different ways, but most approaches combine elements of income vulnerability, high energy expenditure, and inability to access adequate energy services. Overall, the region reflects a gradual shift from narrow “vulnerable customer” definitions linked only to social welfare toward broader multidimensional understandings aligned with EU energy-poverty frameworks.⁴³

In Kosovo, **“energy poverty”** is defined as *“a household’s lack of access to essential energy services that provide basic levels and good standards of living and health, including adequate heating, hot water, cooling, lighting and power for electrical appliances, caused by a combination of factors, including but not limited to unaffordability of prices, insufficient disposable income, high energy costs and poor energy efficiency of homes.”*⁴⁴

Energy vulnerability refers to people for whom access to electricity is necessary to maintain their health or mobility as well as people in socially

³⁸ OECD. (2025). Energy prices and subsidies in the Western Balkans.

³⁹ REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

⁴⁰ Energy Community Secretariat. (2025). Study on the implementation of the EEIst principle in buildings, with the focus on reducing energy poverty – Part one.

⁴¹ REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

⁴² Comparative and Research Network. (2025). Energy Democracy and Energy Poverty in Europe: Focus on the Western Balkans

⁴³ Energy Community Secretariat. (2025). Study on the implementation of the EEIst principle in buildings, with the focus on reducing energy poverty – Part one.

⁴⁴ Draft Law on Energy.

vulnerable situations. The Electricity Directive considers several criteria when defining vulnerable consumers, including the income levels, the share of energy expenditure relative to disposable income, home energy efficiency, critical dependence on equipment for health reasons, age and other factors.⁴⁵ Since the EU acquis does not put forward a specific definition for **vulnerable energy customers**, the Contracting Parties to the Energy Community including economies in the Western Balkans have adopted different definitions – mostly relying on social and health criteria.⁴⁶

According to the EU Electricity Directive and the EED, the Energy Community Contracting Parties are obliged to protect the energy-poor and vulnerable groups (e.g. from disconnections) and ensure measures for energy efficiency and building renovation.⁴⁷ Protection of vulnerable consumers and addressing energy poverty are crucial elements towards the green and just energy transition.⁴⁸

In Kosovo, there is no legal definition of “vulnerable consumer”, except for **“customer in need”**, who is considered *“a household customer of energy who due to his social status and/or health condition, shall have the right to be supplied with the energy in certain conditions, determined by the respective Ministry of social welfare”*.⁴⁹ According to the Draft Law on Energy, criteria for identifying customers in need include income level, share of energy costs within disposable income, health conditions and energy dependence for medical reasons, age, gender or other social criteria, or residence in remote or economically underdeveloped areas.⁵⁰

So far, a **vulnerable family in terms of electricity** has been considered a family/household which, from the collection of income of all family members does not exceed the value of €150 per member, excluding income from pensions for persons with disabilities, compensation for blind persons, pensions for disability at work, compensation for paraplegic and tetraplegic persons, compensation for families of children with disabilities, pensions for war invalids, pensions for the family of a Kosovo Liberation Army (KLA) martyr and the family of a KLA missing person, pensions for the family of civilian victims, and social assistance.”⁵¹

⁴⁵ Energy Community. (2024). Addressing energy poverty in the Energy Community Contracting Parties.

⁴⁶ OECD. (2025). Energy prices and subsidies in the Western Balkans.

⁴⁷ OECD. (2025). Energy prices and subsidies in the Western Balkans.

⁴⁸ REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

⁴⁹ Energy Community. (2024). Addressing energy poverty in the Energy Community Contracting Parties.

⁵⁰ Law No. 05/L-081 on Energy.

⁵¹ Draft Law on Energy.

With a lack of a comprehensive registry of customers in need or energy poor households, vulnerable consumers have been identified through social welfare systems (administrative data collected by the CSWs) using income-based criteria but not specifically their energy needs.⁵² While such information has been used for developing energy support policies and programs,⁵³ it is still insufficient for proper targeting of those most in need.

With current protection mechanisms mainly focusing on social assistance beneficiaries, war-related and disabled categories, many households that experience energy poverty remain outside formal eligibility.⁵⁴ ⁵⁵ These households include low-income workers or those with uncertain contracts (making just above the social assistance threshold), pensioners, female-headed households, rural households, those living in inefficient housing, and those totally dependent on energy for heating.⁵⁶ ⁵⁷ ⁵⁸ ⁵⁹

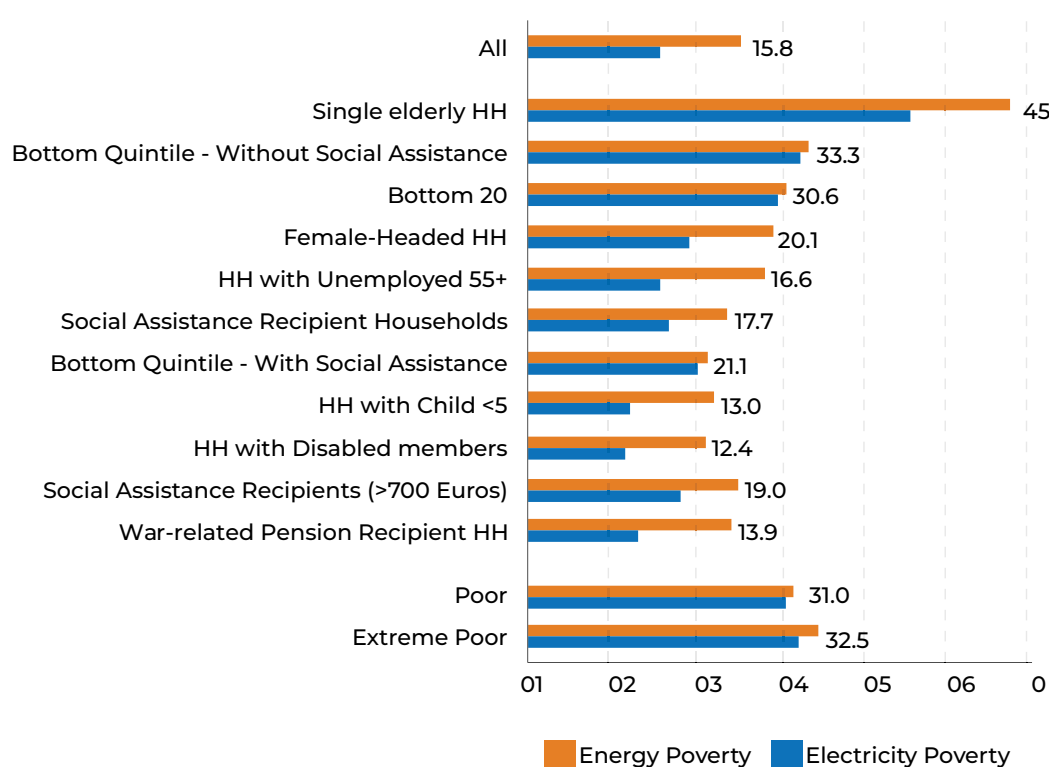


Figure 1. Electricity and energy poverty by groups in 2017 (World Bank, 2019)

⁵² Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one; OECD. (2025). Energy prices and subsidies in the Western Balkans.

⁵³ Interview with Selvete Sadiku, former MFLT on 22.12.2025.

⁵⁴ Balkan Green Foundation. (2024). National report on the nexus between energy poverty, energy transition and energy communities in rural areas and the youth's role in Kosovo.

⁵⁵ INDEP. (2024). Energy poverty in just transition.

⁵⁶ Haxhikadrija. (2020). ESPN Thematic Report on Access to essential services for low-income people.

⁵⁷ Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

⁵⁸ Interview with Egzona Shala, EcoZ on 30.12.2025.

⁵⁹ Interview with Valon Xhabali, EC Ma Ndryshe on 22.12.2025.

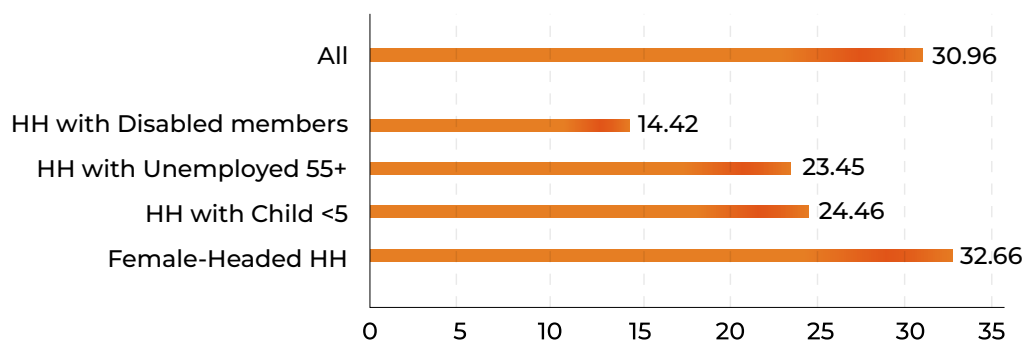


Figure 2. Electricity poverty among poor households in 2017 (World Bank, 2019)

According to a World Bank study (2019), groups more vulnerable to energy and electricity poverty in 2017 included about one third of the poor households, especially single-elderly households, those in the bottom quintile without social assistance, female-headed households, and those with unemployed members (above 55 years). Poor households were twice as likely to be electricity poor compared to the broader population, especially female-headed households and those with children younger than five years.⁶⁰

Low energy performance of residential buildings (due to poor insulation, inefficient heating and outdated appliances) is also a major driver of vulnerability.^{61 62} The WHO highlights that poor housing quality and inadequate heating lead to respiratory problems, cardiovascular diseases, and excess winter mortality.⁶³ In addition, high indoor air pollutants and hazardous chemicals adversely impact the health of children, pregnant women and those that are chronically ill.

In general, buildings built before 1999 and a considerable number of those built during 2000-2010 have been constructed with little or no consideration of the thermal performance.^{64 65} Therefore, most of the energy in the residential sector is used for heating and cooling purposes. A GIZ (2021) study on the “Typology of Residential Buildings in Kosovo”, states that only 45% of the residential units were heated, most of which used electricity or other sources (such as wood, pellet and lignite) due to the lack of wide-scale access to district heating systems.⁶⁶

Due to buildings’ low energy performance, households are the largest energy consumers.⁶⁷

⁶⁰ World Bank. (2019). Poverty and Distributional Analysis of Electricity Poverty and Protection of Vulnerable Customers in Kosovo.

⁶¹ Balkan Green Foundation. (2023). Green Agenda implementation and needs assessment.

⁶² INDEP. (2024). Energy poverty in just transition.

⁶³ World Health Organization. (2018). Housing and Health Guidelines.

⁶⁴ GFA & HPC. (2020). Residential Buildings Efficiency Retrofits Baseline Study. SEEK.

⁶⁵ GIZ. (2021). Typology of Residential Buildings in Kosovo.

⁶⁶ GIZ. (2021). Typology of Residential Buildings in Kosovo.

⁶⁷ Energy Strategy of the Republic of Kosovo 2022-2031.

According to data available from the Kosovo Agency of Statistics (KAS), households have been the largest energy-consuming sector from 2012 up to 2023, and second (after the transport sector) in 2024.⁶⁸

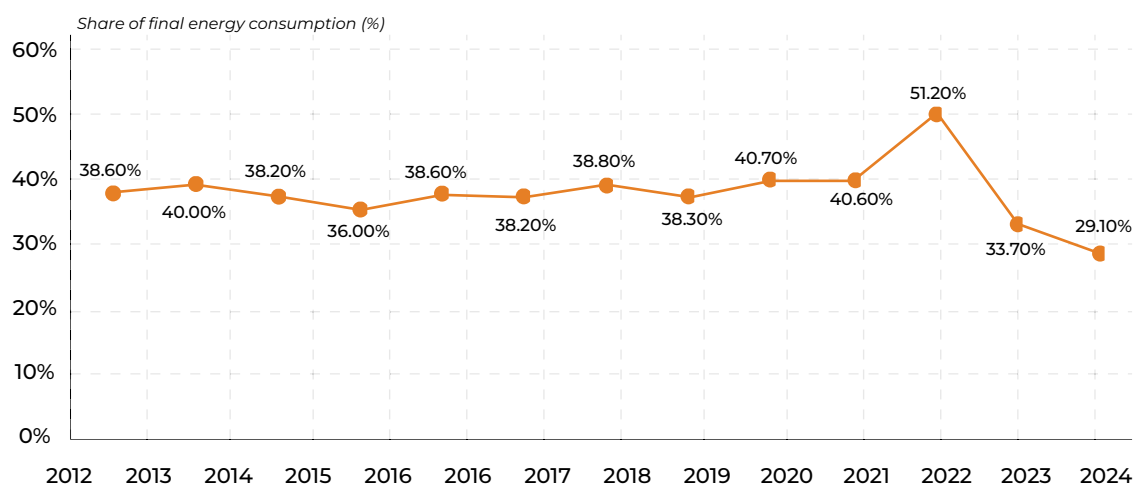


Figure 3. Residential sector share of final energy consumption, 2012-2024 (KAS, 2025)

According to the reported data from KAS for the period of 2018-2024, there are varying percentages of the households that could not keep their house warm, with the highest during this period being 62.6% in 2019 and the lowest being 13.8% in 2023. In 2024, 21.6% of households were unable to keep their homes adequately warm.⁶⁹ This self-reported information is one of the most widely used indicators for measuring energy poverty.

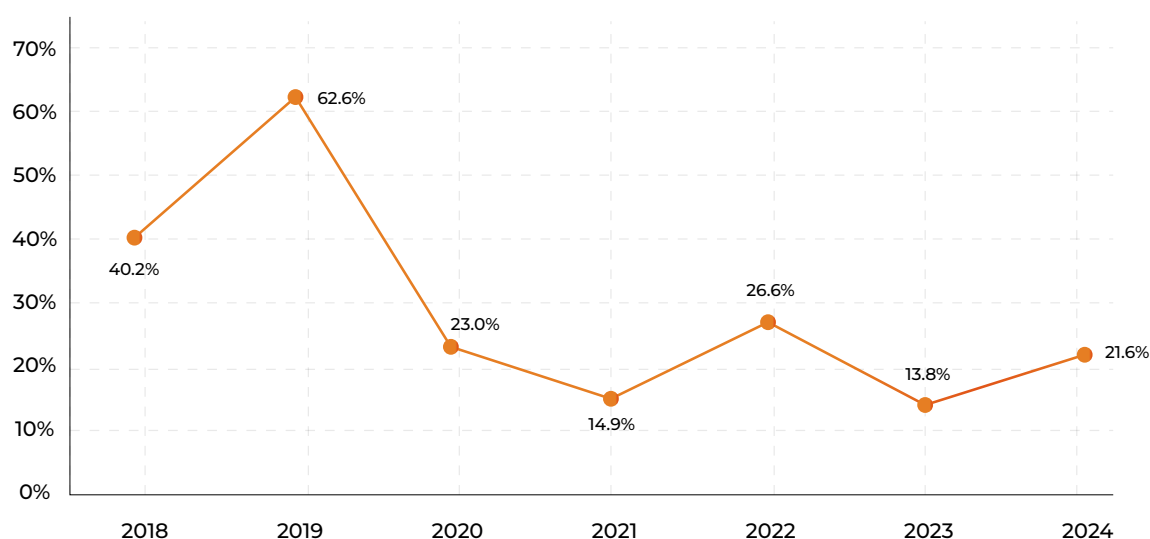


Figure 4. Share of households that cannot keep their house adequately warm (KAS, 2023)

⁶⁸ Kosovo Agency of Statistics (KAS). (2024). Overview of participation of all sectors in final energy consumption (ktoe), 2012 – 2024.

⁶⁹ Kosovo Agency of Statistics (KAS). (2025). Affordability of households to keep the house warm adequately by year and yes/no.

Based on the findings of the DOOR and EIHP (2021) study, around 40% of the total households and 53% of those below 60% of the median equivalized income could not keep their houses warm in 2018. Most burdened categories included single female households (49% and 66%, respectively) and those with one adult 65 years or over (48% and 57%, respectively) as shown in Figure 5.

Furthermore, households with highest issues with leaking roof, damp walls, floors and foundation, or rot in window frames or floor (another indicator for measuring energy poverty) were single-person households with dependent children (28%), whereas among the households below 60% of median equivalized income were those with two adults, with at least one aged 65 years or over (52%) as shown in Figure 6.⁷⁰

Kosovo has some of the highest energy-burden rates in Europe, especially among low-income families. In 2015, low- and middle-income families paid 13.4% of their annual income for electricity, whereas poor families 29.7%.⁷¹ DOOR and EIHP (2021) study revealed that in 2017, households in rural areas spent about 26% of their total expenditures in energy, whereas those in urban ones about 33%.⁷² A more recent World Bank (2024) report on the climate and development of the Western Balkans countries estimates that around the period of 2018-2019, about 22% of households in Kosovo spent 10% or more of their average monthly expenditure on energy bills.⁷³ With the electricity prices increasing, there will be additional financial burdens to pay the respective utility bills for the low-income households.⁷⁴

⁷⁰ DOOR & EIHP. (2021). Study on addressing energy poverty in the Energy Community Contracting Parties.

⁷¹ Haxhikadrija. (2020). ESPN Thematic Report on Access to essential services for low-income people.

⁷² DOOR & EIHP. (2021). Study on addressing energy poverty in the Energy Community Contracting Parties.

⁷³ World Bank Group (WBG). (2024). Country climate and development report: Western Balkans 6. Kosovo Country Compendium.

⁷⁴ KESCO. (2024). Universal Service Suppliers' proposal for input values and operating costs for the period 2025-2027.

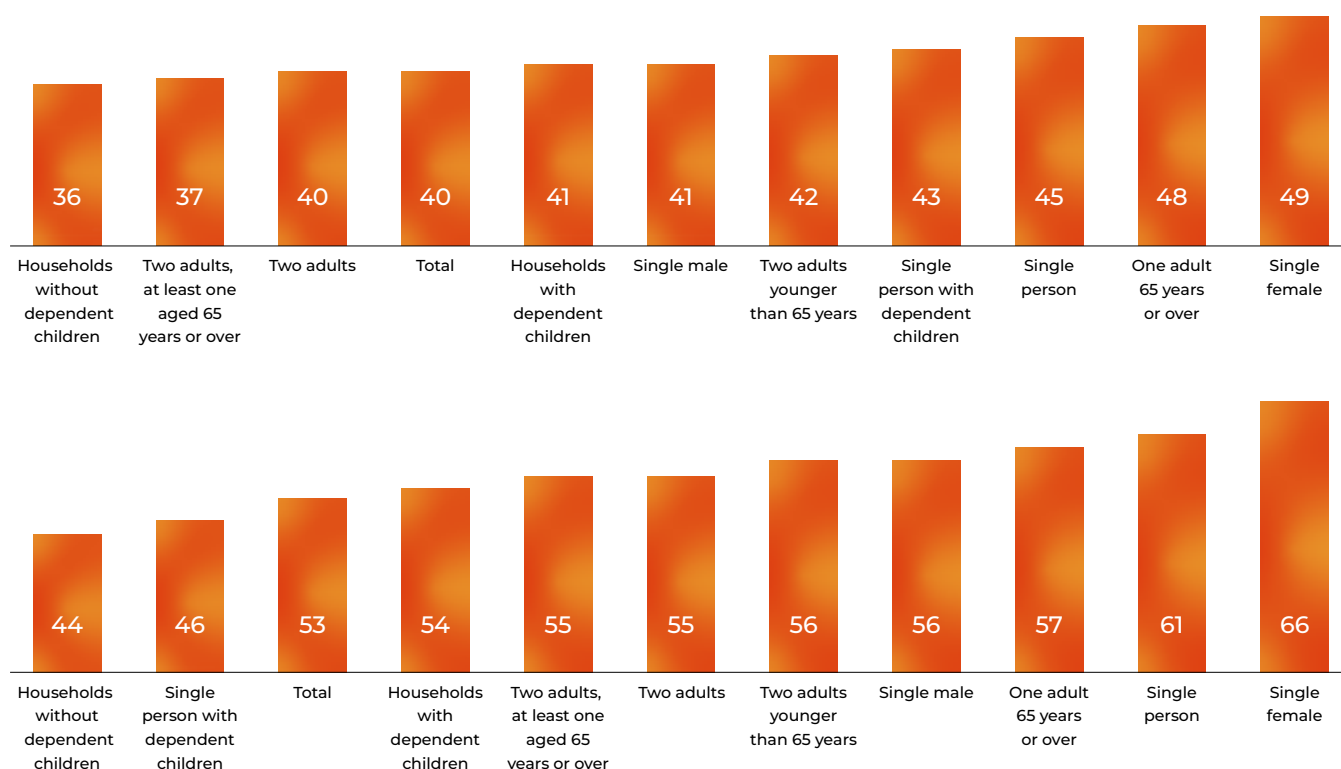


Figure 5. Share of overall households (up) and those below 60% of median equivalized income (down) unable to keep their homes adequately warm in 2018 (DOOR & EIHP, 2021)

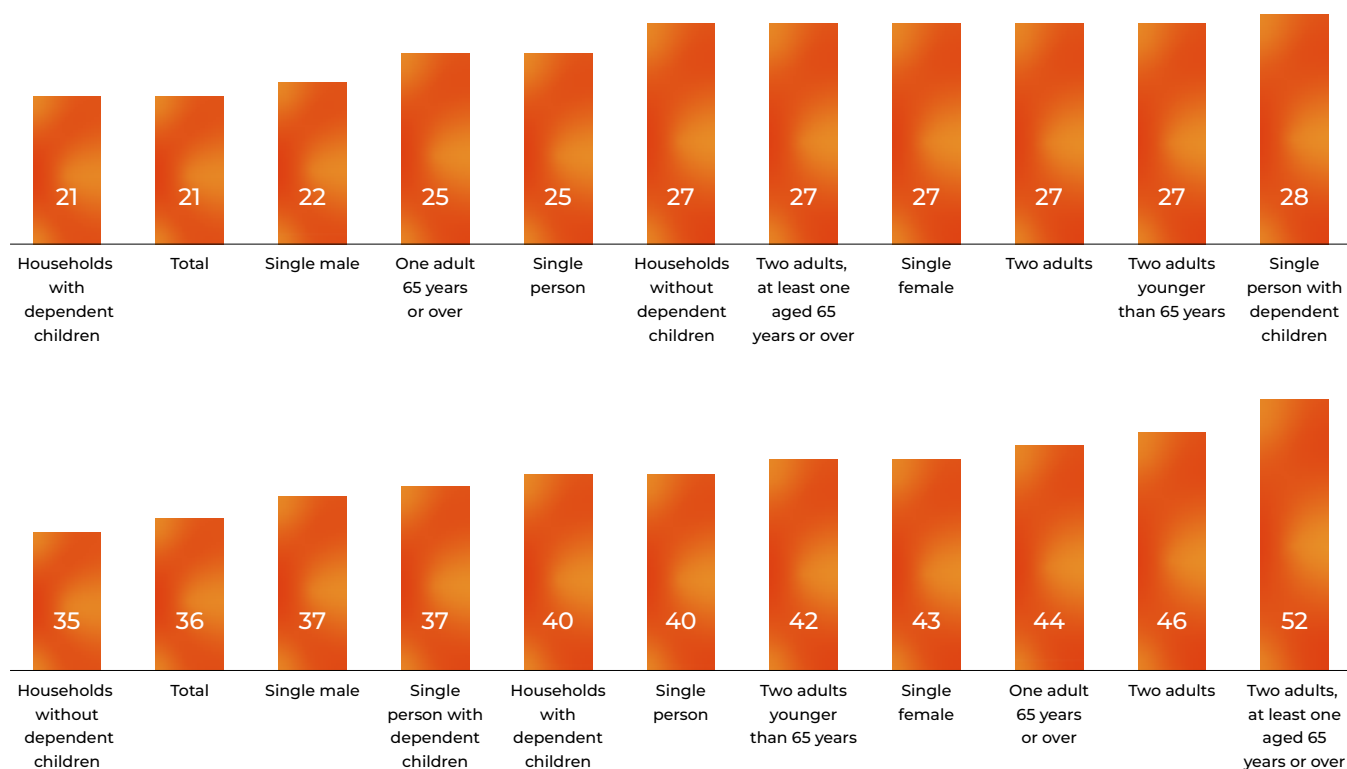


Figure 6. Share of overall households (up) and those below 60% of median equivalized income (down) experiencing condensation, leaking roof, rot in windows or doors in 2018 (DOOR & EIHP, 2021)

Hence, based on several energy poverty related studies and interviews with local CSOs directly working with communities in Kosovo, vulnerable households are considered to be those with **overall lower income** (especially those at the bottom quintile without social assistance), **pensioners** (especially those living alone), **single-parent households** (especially single mothers), **households with dependent children, larger families** (especially those with 6, 7 and more members), **non-majority households** (especially Roma, Ashkali and Egyptian communities), and **rural households**.^{75 76 77 78 79 80 81} Women of minority communities are particularly vulnerable as they live in substandard housing conditions with dampness and mold, poor construction materials, lack formal property ownership, and have an overall shorter life expectancy (estimated at a maximum of 55-60 years) due to compounding health issues because lower opportunities and resources for accessing healthcare.⁸²

These categories are particularly vulnerable due to limited income, dependence on social services, inadequate housing conditions combined with low energy efficiency, and restricted access to investments in energy-efficiency improvements. Such structural factors increase energy costs and negatively affect health, wellbeing, economic opportunities, and social inclusion; thus, contributing to intergenerational poverty.^{83 84}

While the identified categories are considered energy-poor, live in substandard housing, rely on inefficient heating and face high energy bills, thermal discomfort and health risks, they are systematically excluded from energy efficiency programs. Core exclusion drivers include high upfront investment costs and inability to co-finance due to lower income, limited awareness about respective programmes, complex application procedures, and mistrust of institutions.

The **SAS recipients** and those with **health issues or disabilities** are also considered energy poor but less than the previous categories since they already have some type of social and welfare support by the institutions (such as protection from disconnections, and subsidies for electricity bill and wood fuel).^{85 86}

⁷⁵ World Bank. (2019). Poverty and Distributional Analysis of Electricity Poverty and Protection of Vulnerable Customers in Kosovo.

⁷⁶ DOOR & EIHP. (2021). Study on addressing energy poverty in the Energy Community Contracting Parties.

⁷⁷ UNDP Kosovo. (2023). Energy poverty in Kosovo. Policy brief.

⁷⁸ GIZ. (2022). Energy poverty in Kosovo. Impact Assessment of Energy Poverty on Vulnerable Groups in Kosovo.

⁷⁹ GFA & HPC. (2020). Residential Buildings Efficiency Retrofits Baseline Study. SEEK.

⁸⁰ Interview with Arijeta Pajaziti Qerimi, AWESK on 30.01.2026.

⁸¹ Interview with Albana Rexha, Democracy Plus on 03.02.2026.

⁸² Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

⁸³ Interview with Arijeta Pajaziti Qerimi, AWESK on 30.01.2026.

⁸⁴ Interview with Albana Rexha, Democracy Plus on 03.02.2026.

⁸⁵ World Bank. (2019). Poverty and Distributional Analysis of Electricity Poverty and Protection of Vulnerable Customers in Kosovo.

⁸⁶ Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

Likewise, **social housing residents** were also considered vulnerable, however recent retrofitting support of almost all social housing stock in Kosovo through the Ministry of Economy, MESP and KEEF programmes reduces this vulnerability through improved housing conditions. While those living in social housing developments benefit from such programmes, **low-income residents of multi-apartment buildings** (which require collective decision-making and investments for greater results) need additional supporting mechanisms.

Current Practices

Energy efficiency improvements in buildings have become an increasingly important component of Kosovo's energy transition and climate policy agenda. Supported by international partners and domestic institutions, numerous programmes have been introduced to reduce energy consumption, improve housing conditions, and contribute to climate mitigation. These initiatives operate within a broader policy framework aligned with the Green Agenda for the Western Balkans, the EED and the EPBD, which emphasize building renovation as a key pathway for decarbonizing the energy sector while improving living conditions and reducing energy poverty.⁸⁷

However, the existence of programmes alone does not guarantee inclusive outcomes. In practice, the extent to which energy-efficiency programmes reach vulnerable households depends on the design of funding mechanisms, the accessibility of application procedures, co-financing requirements, and the institutional capacity of implementing bodies. Evidence from Kosovo suggests that although many programmes formally acknowledge vulnerable consumers, the actual distribution of benefits often favors households with stronger administrative capacity, greater access to information, and sufficient financial resources to co-finance investments. This dynamic reflects a broader pattern identified in energy poverty research across Europe, where energy-efficiency programmes frequently benefit middle-income households more than those experiencing the most severe energy deprivation.^{88 89}

A closer examination of the main initiatives implemented in Kosovo shows that inclusion does occur in certain cases, but typically indirectly, through narrowly targeted social programmes or pilot projects, rather than through the mainstream energy-efficiency financing architecture.

⁸⁷ Energy Community Secretariat. (2023). Annual Implementation Report 2023.

⁸⁸ Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

⁸⁹ Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

Short-Term Consumption-Reduction Subsidies

During the 2021 energy crisis, Kosovo implemented a short-term **consumption-reduction** measure financed through the **EU Energy Support Package** (€75 million), designed to encourage electricity savings during the winter months. The programme rewarded electricity consumers who reduced their consumption by more than 5% compared with the same month of the previous year, providing financial compensation equivalent to twice the value of the year-on-year reduction in their electricity bill.⁹⁰

Although the scheme was accessible to all electricity consumers, its design meant that benefits were more likely to accrue to households with relatively high baseline electricity consumption. Households with greater electricity use had more opportunity to reduce consumption and therefore generate financial rewards. By contrast, households experiencing energy poverty often already maintain extremely low electricity consumption due to affordability constraints, meaning they have little flexibility to reduce consumption further without compromising basic heating or living conditions. As a result, the scheme did not systematically benefit the most vulnerable households. Instead, it functioned primarily as a demand-management instrument during the energy crisis rather than a structural intervention addressing the underlying drivers of energy poverty.

Research on energy poverty has repeatedly shown that programmes focused solely on consumption reduction can unintentionally disadvantage vulnerable households, since such households often consume less energy than average but do so under conditions of thermal discomfort and inadequate heating.⁹¹

Targeted Electricity Bill Support

In late-2023, Kosovo launched “**Vulnerable Electricity Consumers Protection Programme**”, providing **targeted electricity bill support** for vulnerable consumers during the winter season. Applications for the programme are submitted through the government’s eKosova digital platform, and eligibility is determined through income and property thresholds. Households must demonstrate that monthly income does not exceed €150 per member and that real estate ownership does not exceed €100,000 in value.⁹²

⁹⁰ Energy Community Secretariat. (2025). Study on the implementation of the EEIst principle in buildings, with the focus on reducing energy poverty – Part one.

⁹¹ Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

⁹² Telegrafi. (2025). Application opens for the Vulnerable Electricity Consumer Protection Program.

The programme has achieved significant uptake, with tens of thousands of households receiving support. In 2023 there were more than 40,000 early applicants/families (or around 200,000 persons),⁹³ whereas by March 2025 authorities reported around 90,977 benefiting families.⁹⁴

However, access to the programme depends heavily on households' ability to navigate the digital application process and compile the necessary documentation. For many vulnerable groups, including elderly households, marginalized communities, and individuals with limited digital literacy, these administrative requirements can constitute a significant barrier. In addition, households whose income slightly exceeds eligibility thresholds may still experience energy poverty due to poor housing conditions or high heating costs yet remain excluded from the programme.

More fundamentally, the programme addresses energy poverty primarily through income support rather than structural improvements in housing conditions. Although subsidies reduce the immediate burden of electricity bills, they do not reduce the underlying energy needs of inefficient buildings. As a result, households remain dependent on recurring financial assistance rather than benefiting from permanent reductions in energy demand. This limitation reflects a widely recognized challenge in energy-poverty policy, where income-based support mechanisms often provide short-term relief but fail to address structural inefficiencies in housing.⁹⁵

Subsidies for Energy Efficient Appliances

In parallel with electricity bill support, the Ministry of Economy has implemented subsidy schemes to support the purchase of energy-efficient heating appliances and other equipment during the years 2023 and 2024. These subsidies range from 30-70% of the investment cost, with higher support levels (60-90%) available for social assistance recipients and single-parent households.⁹⁶

However, the design of the programme introduces several structural barriers that limit participation by the most vulnerable households. One eligibility requirement is that households must demonstrate electricity consumption above 800 kWh during at least one winter month between November and March.⁹⁷ While this threshold is intended to target households with high electricity use for heating, it unintentionally excludes many low-income

⁹³ Europe House Kosovo. (2024). The impact of the EU Energy Support Package in Kosovo.

⁹⁴ Ministry of Economy. (2025). Energy Strategy Implementation Programme. Progress Report Jan-June 2025.

⁹⁵ Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

⁹⁶ Ministry of Economy. (2023). Ministry of Economy opens the Call for Subsidy of Efficient Heating Equipment for Households. <https://me.rks-gov.net/en/blog/ministry-of-economy-opens-the-call-for-subsidy-of-efficient-heating-equipment-for-households/>

⁹⁷ Ministry of Economy. (2023). Ministry of Economy opens the Call for Subsidy of Efficient Heating Equipment for Households. <https://me.rks-gov.net/en/blog/ministry-of-economy-opens-the-call-for-subsidy-of-efficient-heating-equipment-for-households/>

households whose consumption remains below this level precisely because they cannot afford higher electricity use.

In addition, the programme requires that households already live in thermally insulated dwellings. This condition excludes households living in poorly insulated homes, which are often the households most affected by energy poverty. Co-financing requirements also remain significant, as households must cover the remaining share of the investment cost even after subsidies are applied. For many vulnerable households, this financial contribution remains unaffordable; therefore, it becomes a barrier to accessing energy-efficiency programmes.

Gender-disaggregated data provided by the Ministry of Economy (shown in Table 2) further highlight the limitations of programme accessibility. Women represented only 22% of beneficiaries (7,238 out of 33,394 in total) for energy efficient appliances (including those for heating and PV systems), suggesting that structural factors such as property ownership patterns and access to financial resources may limit women's participation in subsidy schemes. Likewise, recipients from vulnerable groups, including social assistance beneficiaries and single-parents, were also low (254 in total).⁹⁸

Table 2. Overall subsidy recipients for energy-efficient appliances by ME for 2023 & 2024 (ME, 2026)

Subsidy recipients	Women		Men		Total (No.)
	No.	%	No.	%	
EE heating appliances (2023)	3,668	21	13,988	79	17,656
EE appliances (2023)	1,028	28	2,586	72	3,614
EE heating appliances (2024)	2,539	21	9,298	79	11,837
PV systems (2024)	3	1	284	99	287
Total 2023 & 2024	7,238	22	26,156	78	33,394

Table 3. Subsidy recipients from vulnerable categories for energy-efficient appliances by ME for 2023 & 2024 (ME, 2026)

Subsidy recipients	Single parent		SAS recipient		Total (No.)
	No.	%	No.	%	
Air conditioners and stoves (2023)	58	47	66	53	124
Air conditioners and stoves (2024)	43	33	87	67	130
Total 2023 & 2024	101	40	153	60	254

⁹⁸ Interview with Fahrije Qorraj Kaloshi, Ministry of Economy on 16.02.2026.

Subsidies for Energy Efficiency Improvements in Residential Buildings

Supported by the **EU's Instrument for Pre-Accession Assistance (IPA) funding**, KEEF implements programmes supporting **energy-efficiency improvements** in both single-family houses and social housing multi-apartment buildings.

For **single-family houses**, KEEF launched public calls inviting homeowners to apply for subsidies covering up to 45% of retrofit costs or 50% for houses owned or co-owned by women. The maximum subsidy per house is approximately €5,500, and eligible measures include thermal insulation of walls and roofs as well as replacement of windows and external doors. Applications are submitted through the eKosova platform, requiring households to provide documentation proving ownership of the dwelling, compliance with technical requirements, and other supporting materials. These calls have generated thousands of applications from individual homeowners, with over 1,800 applications funded in 2024 from the first call and many more being in the waiting list from the second call,⁹⁹ totaling around 3,000.¹⁰⁰

In practice, participation in KEEF programmes tends to be dominated by households that already possess several advantages. Households with stable income, sufficient savings to cover co-financing costs, and the administrative capacity to manage renovation works are more likely to participate successfully. These characteristics are typically associated with middle-income homeowners rather than households experiencing severe energy poverty.

For many vulnerable households, the most significant barrier remains the co-financing requirement. Even with subsidies covering nearly half of renovation costs, comprehensive retrofit projects often exceed €10,000, meaning that households must mobilize several thousand Euros in upfront investment. For households living close to the poverty line, this requirement effectively excludes participation. Administrative complexity also plays a role. The digital application process requires multiple documents and familiarity with administrative procedures, which can be challenging for households with limited institutional engagement or lower levels of education.

Participation data shown in Table 4 further illustrate the programme's limited inclusivity. Less than 3% of applications in KEEF's calls for single-family housing retrofits were submitted by women homeowners, and fewer than 1% originated from non-majority communities.¹⁰¹ These figures indicate that modest financial incentives, such as slightly higher (5%) reimbursement rates for women-owned or co-owned homes, are insufficient to overcome deeper structural barriers related to property ownership, financial access, and programme outreach.

⁹⁹ Europe House Kosovo. (2024). For better energy efficiency: Kosovo Energy Efficiency Fund.

¹⁰⁰ Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

¹⁰¹ KEEF. (2025). Annual report 2024. <https://fkee-rks.net/download/annual-report-2024/>

Table 4. Beneficiaries for housing energy efficiency improvements through KEEF's calls (KEEF, 2024)

Beneficiaries	Women		Men		Non-majority		Total (No.)
	No.	%	No.	%	No.	%	
First call – distributed	48	3	1,740	97	11	0.62	1,788
Second call – pre-approved	35	3	1,199	97	4	0.32	1,234
Total	83	3	2,939	97	15	0.50	3,022

In addition, the KEEF has also undertaken another nationwide programme to **renovate social housing buildings**, with energy efficiency upgrades primarily (90%) financed through EU funding and a smaller share (10%) by municipalities. This programme covers 28 multi-family social housing buildings across 13 municipalities (including Prishtina, Mitrovica, Kamenica, Skenderaj, Malisheva etc.) and includes comprehensive energy-efficiency measures such as thermal insulation of walls and roofs, replacement of windows and doors, installation of modern heating systems, and other comfort and safety improvements.¹⁰² Because residents of social housing do not need to apply individually or provide co-financing, this programme achieves significantly higher levels of inclusion compared with other energy-efficiency initiatives. Approximately 785 families (totaling around 3,400 people) are expected to benefit from improved housing conditions and reduced energy consumption.^{103 104 105} While the programme supports vulnerable communities living in social housing developments, its impact on overall energy poverty remains limited due to the relatively small size of Kosovo's social housing stock.

In parallel, Kosovo is attempting to strengthen the broader social housing system and increase access to adequate housing for vulnerable, marginalized, and low- to middle-income households through the **“Adequate Social Housing”** project, implemented by the MESP, with technical support from UN-Habitat Kosovo, the Council of Europe Development Bank (CEB), and the Western Balkans Investment Framework (WBIF). The project aims to strengthen the institutional and legislative framework governing social housing while mobilizing investment for the development of new social rental units and affordable housing improvements, including energy efficiency measures for vulnerable groups. Municipalities will have a key role

¹⁰². Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.F

¹⁰³. Ministry of Economy. (2024). €5.5 million investment for 785 families in the implementation of energy efficiency measures for social multi-apartment buildings.

¹⁰⁴. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty (Kosovo chapter).

¹⁰⁵. Interview with Division of Energy Efficiency at the Ministry of Economy on 20.02.2026.

in the beneficiaries' identification, selection and project's local delivery. This institutional approach differs significantly from conventional subsidy schemes, since it allows vulnerable households to be identified proactively through municipal social services and housing registries rather than requiring them to navigate complex application procedures. While the project is still at an early stage, beneficiaries are estimated to be around 2,000 socio-economically vulnerable households, including people with disabilities, members of non-majority communities, displaced persons, unemployed youth, as well as women-headed households.^{106 107} By targeting these groups directly, the project has the potential to reach populations that are often excluded from mainstream energy-efficiency programmes. At the same time, shifting the focus from household applications and individual financing toward publicly coordinated renovation and housing provision, this project can support vulnerable households overcoming many structural barriers.

Another major initiative to be mentioned was the **“Subsidies for Energy Efficiency in Kosovo (SEEK)”** project (2018-2022), jointly designed by the MCC and the Millennium Foundation Kosovo (MFK) to support energy-efficiency improvements in the residential sector. It provided subsidies and incentives for households and apartment buildings to invest in energy-saving retrofits, such as improved thermal insulation of walls and roofs, efficient water heaters and furnaces, with the goal of reducing energy consumption and lowering household energy bills countrywide. Approximately 1,700 families benefited from these retrofits, which also contributed to greater comfort and reduced energy use throughout the year because insulation helps in both winter and summer conditions. SEEK included a focus on vulnerable households, giving special attention to houses owned by families in social assistance schemes and other vulnerable groups, and incorporated gender and social inclusion components. Despite these efforts, participation patterns showed that households with greater financial capacity and stronger institutional engagement were still more likely to benefit. The experience highlighted the need for stronger integration between energy-efficiency programmes and social protection systems to ensure that vulnerable households can access renovation support.¹⁰⁸

Targeted Retrofitting Support for Vulnerable Households

Targeted retrofitting support for vulnerable households is being provided through the UNDP Kosovo's **“Inclusive and Just Pathway to 2030: Green**

¹⁰⁶. WBIF. (2023). Kosovo, Technical Assistance for Preparation of an Adequate Social Housing Programme Phase 1.

¹⁰⁷. CEB. (2024). CEB and Kosovo sign €25 million loan to support investment in inclusive social housing.

¹⁰⁸. MCC. (n.d.). Investing in a sustainable energy future for Kosovo.

Energy Future” project (2025-2027) implemented in collaboration with the Ministry of Economy and the KEEF.¹⁰⁹ Through this project, UNDP Kosovo supports a just and inclusive energy transition by promoting energy efficiency and clean energy solutions with a strong focus on vulnerable and energy-poor households. By linking energy efficiency with social protection and housing policies, the project positions energy efficiency as both a climate mitigation measure and a social instrument to reduce energy bills (min. by 30%), improve living conditions and support a fair transition to a low-carbon energy system.^{110 111}

With the support of the (former) MFLT (now MLFVLW) and CSWs, the UNDP Kosovo’s project has targeted around 280 vulnerable households (within the pool of SAS recipients) whose homes will be retrofitted. Foreseen measures include building envelope improvements and replacements of windows and doors based on the conducted energy audits. The former MFLT (now MLFVLW) supported by making available accurate information on SAS recipients as a basis for targeting categories most in need,¹¹² whereas the CSWs helped in verifying the respective information on the ground. Eligibility criteria for the vulnerable groups were developed by UNDP jointly with the related stakeholders (including CSOs as well), ensuring adequate socio-economic and demographic representation. Priority is given to families benefiting from SAS, which have a large number of members, including people with disabilities, elderly people, single mothers, and non-majority communities – who are considered among the categories most vulnerable to energy poverty.¹¹³

By using existing social registries for targeting and eliminating co-financing requirements, the programme addresses several barriers that typically prevent vulnerable households from accessing retrofit programmes. Although the project demonstrates a promising model for inclusive retrofit delivery, it remains limited in scale compared with the overall number of households experiencing energy poverty in Kosovo.

Currently, the Ministry of Economy is also working on designing a new scheme for supporting vulnerable households with energy efficiency improvements, which is still at an early stage.¹¹⁴

¹⁰⁹. UNDP Kosovo. (2025). Project Summary: Inclusive and Just Pathway to 2030: Green Energy Future. h

¹¹⁰. Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

¹¹¹. Interview with Division of Energy Efficiency at the Ministry of Economy on 20.02.2026.

¹¹². Interview with Selvete Sadiku, former MFLT on 22.12.2025.

¹¹³. Interview with Selvete Sadiku, former MFLT on 22.12.2025.

¹¹⁴. Interview with Division of Energy Efficiency at the Ministry of Economy on 20.02.2026.

Systemic Support for Energy Efficiency

Several development partners support energy efficiency in Kosovo primarily through systemic interventions aimed at strengthening institutional capacity and policy frameworks. Through the **“Kosovo Energy Project”** (2023-2029), GIZ works with central institutions and municipalities to improve regulations, planning tools and technical standards for energy efficiency and renewable energy, with a strong focus on buildings. The project works closely with the KEEF to support the development of financing mechanisms for building renovation (including multi-apartment buildings) to strengthen implementation capacity at both central and municipal levels.¹¹⁵

Similarly, the **“Energy Transition and Climate Mitigation in Kosovo”** (2023-2026) project, implemented by the Luxembourg Development Cooperation Agency (LuxDev), supports Kosovo’s transition toward a low-carbon energy system by encouraging the use of renewable energy sources and improving energy efficiency in homes and buildings. Regarding energy efficiency, the programme contributes to improving regulatory frameworks for energy performance of buildings (including the completion of secondary legislation of the Law on Energy Performance of Buildings through HVAC inspection systems), developing Electronic Platform on Energy Performance of Buildings, drafting National Building Renovation Strategy, strengthening institutional capacities (including those of the Ministry of Economy, MESP and KEEF), strengthening private sector professional capacities (specifically by training experts for HVAC inspections) and supporting the development of financing and implementation mechanisms for energy-efficiency investments.¹¹⁶

Although these programmes do not directly provide financial support to households, they play an important role in shaping the enabling environment for energy efficiency. By improving policy and regulatory frameworks, strengthening institutional and private sector capacities, and supporting the development of financing instruments, these initiatives contribute indirectly to expanding access to energy-efficiency investments and improving the effectiveness of programmes targeting vulnerable households. At the same time, their impact on inclusion depends largely on how effectively systemic reforms are translated into operational programmes that can reach energy-poor households. Without mechanisms that explicitly integrate social protection systems, targeted outreach, and simplified delivery models, improvements in policy frameworks alone may not automatically translate into inclusive outcomes.

¹¹⁵ GIZ. (2022). Kosovo Energy Project. Expanding renewable energy and enhancing energy efficiency.

¹¹⁶ LuxDev. (n.d.). Energy Transition and Climate Mitigation in Kosovo.

Challenges

Kosovo's main strategic documents, including the Energy Strategy 2022–2031 and the draft National Energy and Climate Plan (NECP) 2025–2030, acknowledge the importance of protecting vulnerable consumers and ensuring affordability during the energy transition. Both documents emphasize the need for “a comprehensive vulnerable consumer protection scheme”,¹¹⁷ independent of consumption, “based on improved data and a legal definition”.¹¹⁸ However, this recognition remains largely strategic and has not yet translated into operational systems capable of effectively identifying and supporting energy-poor households. Despite progress in formally defining energy poverty through the draft Law on Energy, promoting energy-efficiency and developing respective policies and support programmes, significant barriers remain that limit the ability of vulnerable households to access them.

One of the most critical structural gaps remains the **lack of a comprehensive registry of vulnerable or energy-poor households**. Even though required by the law, Kosovo has not yet established an institutionalized system that systematically identifies and monitors households experiencing energy poverty. Without such a registry, policymakers and programme implementers lack the data necessary to design targeted interventions or prioritize support for those most in need.^{119 120}

So far, existing support measures have relied largely on electricity bill subsidies provided to predefined social-assistance categories rather than on targeted energy-efficiency interventions that address the structural causes of energy poverty. During periods of energy price increases, the lack of reliable data has also required the use of broad tariff subsidies that apply to large segments of the population, reducing the efficiency and fairness of public spending while limiting the ability to prioritize the most vulnerable households.^{121 122 123} Furthermore, while these approaches provide short-term relief for the vulnerable households, they do not address the root cause of energy poverty.^{124 125} These gaps hamper effective targeting and policy design, and are becoming more critical as energy-sector investments and market liberalization are expected to put upward pressure on energy prices, increasing the risk of energy poverty for a larger share of households.

¹¹⁷. Energy Strategy of the Republic of Kosovo 2022-2031.

¹¹⁸. Draft National Energy and Climate Plan (NECP) 2025-2030.

¹¹⁹. INDEP. (2024). Energy poverty in just transition.

¹²⁰. Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

¹²¹. Draft National Energy and Climate Plan (NECP) 2025-2030.

¹²². Balkan Green Foundation. (2025). Where we stand: Kosovo's Green Agenda progress review.

¹²³. INDEP. (2024). Building Resilience. A Policy Framework for Financing Protection of Kosovo's Vulnerable Electricity Consumers.

¹²⁴. INDEP. (2024). Building Resilience. A Policy Framework for Financing Protection of Kosovo's Vulnerable Electricity Consumers.

¹²⁵. Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

The absence of comprehensive registries is compounded by limited integration between social protection systems and energy-efficiency programmes. Although the MLFVLW manages social assistance registries through the CSWs, these databases are not systematically linked with housing conditions, building energy performance data, or energy-efficiency programmes implemented by institutions such as the KEEF. This fragmentation makes it difficult to identify households living in energy-inefficient buildings and to proactively connect them with renovation programmes or financial support. International experience shows that integrated registries combining social, housing and energy data are critical for effectively targeting energy-poverty interventions.^{126 127}

Financial barriers represent another major obstacle. Many existing energy-efficiency programmes in Kosovo operate on a co-financing model, requiring beneficiaries to cover a portion of the investment cost even when subsidies are available. Although such schemes can mobilize private investment and expand programme reach, they remain inaccessible for many low-income households that lack the upfront capital required to participate. For households living near or below the poverty threshold, even relatively small contributions can be prohibitive. As a result, many vulnerable families, particularly those living in privately owned but poorly insulated dwellings, are unable to benefit from energy-efficiency measures despite potentially having the greatest need for them. This issue is especially pronounced for households dependent on social assistance, minority and women-headed households, those living in remote areas, and families facing multiple socio-economic vulnerabilities.^{128 129}

These financial barriers are also reflected in the implementation of household subsidy programmes managed by the KEEF. Although these programmes have generated significant public interest and demand, available funding has been insufficient to meet the volume of applications. As a result, many eligible households remain on waiting lists. Once the current EU-financed allocations are exhausted, additional financial resources will be required to sustain and expand the programme.^{130 131} Limited financing at the municipal level further constrains the ability of local authorities to support targeted renovation programmes or complementary measures.¹³²

^{126.} Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

^{127.} European Commission. (2025). Commission staff working document – Kosovo 2025 report.

^{128.} Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

^{129.} Interview with Albana Rexha, Democracy Plus on 03.02.2026.

^{130.} European Commission. (2025). Commission staff working document – Kosovo 2025 report.

^{131.} Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

^{132.} Interview with Arsim Osmani, AKM on 16.12.2025.

Beyond financial constraints, **limited information, outreach, and technical guidance** represent major barriers to participation, particularly for vulnerable groups. Information about energy-efficiency programmes is currently disseminated through multiple institutional channels (including the ministries, KEEF, municipal authorities, and donor-supported projects), but these communication efforts remain fragmented and uneven. Former MFLT informed vulnerable groups about the different types of support provided within the “Vulnerable Electricity Consumer Protection Program” through the CSWs, official announcements, cooperation with local institutions, and public communication channels.¹³³ The KEEF provides information about its programmes through official channels, media and social media. Municipalities also provide support regarding related application procedures for vulnerable groups.¹³⁴ Vulnerable households often lack access to clear and accessible information about available programmes, eligibility criteria, and application procedures. In many cases, households are unaware that such programmes exist or do not understand how to apply for them.¹³⁵

The application procedures themselves can also present significant challenges. Although institutions (such as former MFLT) emphasize efforts to simplify procedures and minimize administrative burdens,¹³⁶ civil society organizations and community-based actors report that application processes often remain complex for vulnerable households. Documentation requirements, strict deadlines, digital application systems, and technical terminology can discourage participation, particularly among households with limited digital literacy, lower educational attainment, or limited administrative capacity.¹³⁷ Evidence from local surveys confirms that while public interest in energy-efficiency improvements is high, high upfront costs, limited information, and complex procedures remain key barriers to accessing available subsidies.^{138 139}

CSOs working directly with vulnerable communities consistently identify insufficient outreach and lack of practical guidance as critical challenges.¹⁴⁰ While some organizations conduct awareness campaigns and provide assistance to households interested in energy-efficiency investments, these initiatives are typically project-based and temporary.¹⁴¹ They therefore do not provide the continuous and institutionalized support needed to guide households through the entire renovation process, from identifying

^{133.} Interview with Selvete Sadiku, former MFLT on 22.12.2025.

^{134.} Interview with Arsim Osmani, AKM on 16.12.2025.

^{135.} Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

^{136.} Interview with Selvete Sadiku, former MFLT on 22.12.2025.

^{137.} Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

^{138.} Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

^{139.} Interview with Egzona Shala, EcoZ on 30.12.2025.

^{140.} Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

^{141.} Balkan Green Foundation (2024). Powering Citizens: Energy Democracy and Energy Poverty in the Western Balkans.

appropriate measures and accessing technical advice to securing financing and completing administrative procedures.

In many European countries, these challenges have been addressed through institutionalized “one-stop-shop” mechanisms, which provide integrated services for households seeking to undertake energy-efficiency renovations. Such structures typically combine technical advice, energy audits, financial guidance, administrative assistance, contractor matching, and quality assurance within a single access point. Several CSOs in Kosovo (such as INDEP and Green Energy Kosova) and the region (Balkan Green Foundation) have recommended the development of similar institutional structures to ensure that vulnerable households receive coordinated and accessible support.^{142 143 144}

Additional barriers relate to **limited participation of vulnerable groups and CSOs** in policymaking processes. While institutions consult stakeholders through formal mechanisms,^{145 156} organizations representing vulnerable communities report that their involvement in designing energy-efficiency programmes remains limited and often occurs at later stages of policy development.^{147 148 149} This reduces the ability of programmes to reflect the practical constraints faced by vulnerable households.

These challenges are particularly visible for groups facing multiple forms of vulnerability, including women-headed households, minority communities, and households with limited education or digital access. Studies and consultations conducted by CSOs indicate that financial constraints, limited access to information, complex procedures, and digital barriers significantly reduce the ability of these groups to participate in energy-efficiency programmes.^{150 151} Co-financing requirements can be particularly restrictive for women-headed households and minority communities with lower incomes and larger family sizes, for whom investments in energy-efficiency improvements may be financially unattainable despite available subsidies.¹⁵²

An additional challenge includes the low-quality work conducted by the energy auditors and the contracted companies for implementing the energy efficiency measures, especially those implemented through the KEEF programmes.¹⁵³ This negatively impacts the implementation of proper

¹⁴² Balkan Green Foundation (2024). Powering Citizens: Energy Democracy and Energy Poverty in the Western Balkans.

¹⁴³ INDEP. (2024). Energy poverty in just transition.

¹⁴⁴ Interview with Shend Boshnjaku, Green Energy Kosova on 22.12.2025.

¹⁴⁵ Interview with Selvete Sadiku, former MFLT on 22.12.2025.

¹⁴⁶ Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

¹⁴⁷ Interview with Arijeta Pajaziti Qerimi, AWESK on 30.01.2026.

¹⁴⁸ Interview with Albana Rexha, Democracy Plus on 03.02.2026.

¹⁴⁹ Interview with Arsim Osmani, AKM on 16.12.2025.

¹⁵⁰ Interview with Valon Xhabali, EC Ma Ndryshe on 22.12.2025.

¹⁵¹ Interview with Albana Rexha, Democracy Plus on 03.02.2026.

¹⁵² Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

¹⁵³ Interview with Driton Hetemi and Drita Shabani, KEEF on 17.12.2025.

energy efficiency measures and achievement of the intended outcomes for energy savings and improvement of housing conditions.

Overall, although Kosovo has made progress in developing energy-efficiency policies and implementing renovation programmes, structural barriers continue to limit the participation of vulnerable households. The absence of integrated registries for identifying energy-poor households, insufficient financial capacity for co-financing investments, fragmented outreach and advisory services, and limited institutional support for navigating application procedures collectively restrict access to energy-efficiency programmes. Addressing these barriers will require the development of integrated data systems, targeted financing instruments for low-income households, stronger outreach mechanisms, and institutionalized advisory structures capable of guiding vulnerable households through the energy-efficiency renovation process.

BEST PRACTICES FROM THE SEE COUNTRIES

While not consistently defined across the different countries in the SEE region, “energy poverty” is mainly linked to the lack of access or inability to afford basic energy services (for heating, cooling, lighting and other appliances) to ensure a basic standard of living and health.¹⁵⁴ This is linked with the EU framing that energy poverty is driven by low-income, high-energy costs, and poor energy performance of buildings and/or appliances. In practice, “vulnerable households” in SEE are most often treated as lower-income groups (frequently social assistance recipients), alongside households affected by health issues and disabilities, sometimes formalized as “vulnerable customers” in energy legislation.

The growing policy focus on energy poverty in SEE reflects the intersection of multiple structural pressures affecting the region. Governments and development partners have increasingly recognized that the transition toward cleaner and more efficient energy systems must account for social inequalities in housing and energy access. High levels of energy poverty, ageing and inefficient housing stock, relatively low household incomes, and exposure to energy price volatility (particularly during the recent European energy crisis) have made vulnerable households disproportionately affected by rising energy costs and inadequate thermal comfort.¹⁵⁵ These factors have led policymakers to frame energy-efficiency interventions not only as environmental or energy policy tools but also as instruments for improving social welfare and addressing structural inequalities in housing conditions.¹⁵⁶

These social challenges are closely linked to the structure of energy consumption in the region. Data from the International Energy Agency (IEA) show that the residential sector in many Western Balkan and SEE countries accounts for a significantly larger share of total final energy consumption than in the EU. This pattern reflects the characteristics of the region’s housing stock, much of which was constructed before the introduction of modern energy-performance standards. As a result, buildings frequently lack adequate insulation and rely on inefficient heating systems, leading to substantial heat losses during winter months and high energy demand for maintaining indoor comfort.

¹⁵⁴. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁵⁵. OECD. (2023). Energy prices, energy poverty and social protection in the Western Balkans.

¹⁵⁶. Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

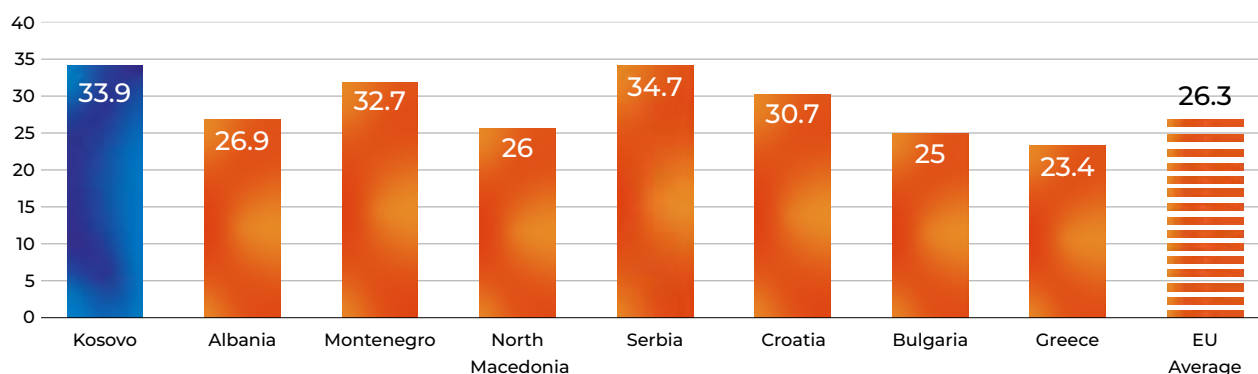


Figure 7. Total final energy consumption by the residential sector across the SEE countries (IEA, 2023)

Therefore, improving the energy performance of residential buildings has become a central component of national decarbonization strategies across the region. Within the framework of the EU Renovation Wave, large-scale building renovation is increasingly recognized as a key mechanism for reducing energy consumption, lowering greenhouse-gas emissions, and improving living conditions for households. At the same time, countries across SEE face increasing obligations to align their policies with the EU climate and energy acquis, which includes targets related to energy efficiency, building decarbonization, and the principles of a “just transition.” These principles emphasize that the benefits and costs of climate policies should be distributed fairly and that vulnerable groups should not be disproportionately burdened during the transition toward low-carbon energy systems.

In response, governments throughout the SEE region have begun introducing targeted energy-efficiency measures designed specifically to reach vulnerable households. These measures include a range of policy instruments, such as fully subsidized replacement of inefficient appliances, small-scale efficiency improvements for low-income households, targeted building retrofit programmes, blended-finance renovation schemes combining grants and concessional loans, and support mechanisms for improving energy efficiency in multi-apartment buildings. These initiatives aim not only to reduce energy consumption and household energy bills but also to address broader policy objectives, including improving public health, strengthening social equity, reducing energy poverty risks, and ensuring public acceptance of the clean-energy transition.^{157 158}

An examination of emerging practices in several SEE countries, including **Albania, Montenegro, North Macedonia, Serbia, Croatia, Bulgaria, and**

¹⁵⁷. Energy Community Secretariat. (2022). Addressing energy poverty in the Energy Community.

¹⁵⁸. World Bank. (2021). Energy efficiency and social protection: Guidance for targeting vulnerable households.

Greece, suggests that governments and development partners are experimenting with different approaches to incorporating social inclusion into energy-efficiency programmes. Despite differences in institutional structures and financing arrangements, four broad models of inclusion can be identified. These include **targeting based on social registries, full grant or in-kind delivery of energy-efficiency measures, blended financing models that provide additional support for vulnerable households, and one-stop-shop or intermediary mechanisms** designed to assist households throughout the renovation process. These models aim to address the financial, administrative, and informational barriers that often prevent low-income households from participating in energy-efficiency programmes.

Across the SEE region, governments are increasingly designing energy-efficiency programmes that explicitly include vulnerable households, recognizing that energy poverty is widespread due to low incomes, inefficient housing, and exposure to energy price volatility. One of the most common approaches is social-registry-based targeting, where energy programmes use existing welfare registries—such as social assistance lists, disability benefits, or “vulnerable customer” categories—to identify households most in need of support. Countries like Serbia, Montenegro, and North Macedonia rely on these systems to prioritize low-income households for electricity bill protections, subsidies for efficient heating systems, or participation in renovation programmes. In Serbia, for example, energy-vulnerable customers receive bill reductions and can access higher subsidy rates for building upgrades, while Montenegro and North Macedonia link social-assistance registries to energy-efficiency grants or equipment distribution. This approach allows governments to scale programmes quickly by using existing administrative systems, although it may still miss households that are energy poor but not formally registered in welfare databases.

Alongside registry-based targeting, SEE countries are increasingly experimenting with more inclusive delivery models that remove financial and administrative barriers to participation. These include full-grant or in-kind schemes, where efficient appliances or retrofit measures are provided free of charge to vulnerable households, as well as blended-finance programmes that combine grants with concessional loans while offering additional subsidy “top-ups” for low-income households. For example, North Macedonia distributes free inverter air conditioners to vulnerable households, Albania subsidizes solar thermal collectors for low- and middle-income families, and Montenegro’s Eco Fund supports household efficiency upgrades while paying contractors directly to reduce upfront costs for households. In EU member states of the region such as Greece, Croatia, and Bulgaria, large renovation programmes combine grants and loans with income-based subsidy levels to ensure that poorer households receive higher support. Many countries are also introducing one-stop-shop advisory

services and intermediary organizations that help households navigate application procedures, access financing, and coordinate renovation works. The approaches jointly aim to ensure that building decarbonization and energy-efficiency investments contribute not only to climate goals but also to reducing energy poverty and supporting a socially inclusive energy transition.

Social registry-based targeting models

Social-registry-based targeting models rely on existing social protection systems to identify and prioritize households experiencing energy poverty or vulnerability within energy-efficiency programmes.¹⁵⁹ Instead of designing a new eligibility framework from scratch, these programmes use administrative registries maintained by social welfare institutions, such as lists of social assistance beneficiaries, disability allowances, pension support schemes, or “vulnerable customer” registries maintained by energy regulators.^{160 161}

In practice, these models function by linking energy policy instruments with social protection systems.¹⁶² Households identified through welfare registries may receive priority access to energy-efficiency grants, higher subsidy rates, simplified application procedures, or additional energy bill protections. By using existing administrative data, governments can direct public resources toward households with the greatest affordability challenges while avoiding the administrative costs associated with building new identification systems. Research on energy poverty has shown that integrating energy-efficiency programmes with social welfare systems can improve targeting accuracy and policy coordination, particularly where social registries already provide reliable information on income levels and vulnerability categories.^{163 164}

A key advantage of this model is administrative scalability. Because beneficiary identification is anchored in an existing registry, programmes can be deployed nationally without building new eligibility systems. Social protection institutions verify eligibility, while energy agencies or energy-efficiency funds manage the technical delivery of renovation or efficiency measures. This approach is particularly common in SEE because many countries already operate social protection registries that can be used to identify low-income or vulnerable households, even where energy poverty itself is not yet systematically measured or defined.¹⁶⁵

¹⁵⁹. REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

¹⁶⁰. European Commission. (2025). Commission staff working document – Kosovo 2025 report.

¹⁶¹. INDEP. (2024). Energy poverty in just transition.

¹⁶². Balkan Green Foundation. (2023). Green Agenda implementation and needs assessment.

¹⁶³. Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

¹⁶⁴. Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

¹⁶⁵. Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

However, social-registry-based targeting also presents structural limitations. Many households experiencing energy poverty do not appear in formal welfare registries, particularly those with irregular incomes, low pensions, or high energy expenditures relative to income. In addition, registry-based approaches often rely on income criteria alone, while energy poverty is influenced by other factors such as building efficiency, heating systems, climate conditions, and household composition. As a result, programmes relying exclusively on welfare registries may exclude a significant share of energy-poor households^{166 167}

Another common challenge is institutional fragmentation, where social welfare institutions identify beneficiaries, but energy ministries or funds manage programme delivery, requiring coordination mechanisms that are not always fully operational. Without effective data-sharing protocols and clear institutional cooperation mechanisms, this division of responsibilities can lead to fragmentation and delays in programme delivery.

Across the Western Balkans, social-registry-based targeting represents a pragmatic starting point for addressing energy poverty, particularly in countries where energy-poverty monitoring systems are still developing. By leveraging existing welfare registries, governments can quickly identify households most at risk of energy deprivation and direct energy-efficiency support toward them. However, research on energy poverty consistently highlights that income-based registries alone cannot fully capture the multidimensional nature of energy poverty, which also depends on housing quality, energy prices, heating systems, and climate conditions.¹⁶⁸ As a result, many experts recommend complementing registry-based targeting with additional indicators such as housing conditions, energy arrears, health vulnerability, and regional climate exposure.¹⁶⁹

In practice, the most effective approaches increasingly combine registry-based identification with additional inclusion mechanisms, such as one-stop-shop advisory services, full-grant programmes for the poorest households, and territorial targeting in regions facing structural environmental and socio-economic vulnerabilities. Such hybrid approaches allow governments to maintain administrative efficiency while improving the ability of energy-efficiency programmes to reach households experiencing hidden or multidimensional forms of energy poverty.

¹⁶⁶. Bouzarovski. (2018). Energy poverty: (Dis)assembling Europe's infrastructural divide.

¹⁶⁷. Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

¹⁶⁸. Bouzarovski. (2018). Energy poverty: (Dis)assembling Europe's infrastructural divide.

¹⁶⁹. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

Country illustrations

Serbia: registry-based targeting combined with financial incentives

Serbia provides one of the clearest examples of a social-registry-based targeting approach in the Western Balkans. The Law on Energy Efficiency and Rational Use of Energy (2021) defines energy poverty as a situation in which households lack access to basic energy services necessary to ensure a decent standard of living and health. The legal framework also establishes the concept of “energy-vulnerable customers,” whose eligibility is determined through social and income criteria.¹⁷⁰ Based on the Decree on Energy Vulnerable Customers, approximately 15% of Serbia’s population is classified as energy vulnerable, although broader estimates suggest that nearly 24.7% of households experience some form of energy poverty.¹⁷¹ This indicates that the formal registry captures the most vulnerable households but may not fully represent the wider population experiencing energy affordability challenges.

Serbia’s policy response combines registry-based targeting with multiple energy-efficiency and affordability instruments, including electricity and gas bill reductions for vulnerable households, protection from utility disconnections, financial support through energy cards and social tariffs, subsidies for efficient heating systems and insulation, and support for connection to district heating or natural gas networks, as well as renewable energy sources. During the European energy crisis, Serbia expanded its vulnerable-customer programme using funds from the EU Energy Support Package, increasing the number of eligible households from around 66,800 in 2021 to more than 191,000 in 2022.¹⁷²

The country also integrates vulnerable households into broader energy-efficiency programmes. Through programmes supported by international financial institutions, such as the EBRD’s Green Economy Financing Facility, Serbia has supported thousands of households in energy-saving investments and introduced financial mechanisms for multi-apartment building renovations.¹⁷³ In these programmes, vulnerable households can

¹⁷⁰. Republic of Serbia. (2021). Law on Energy Efficiency and Rational Use of Energy.

¹⁷¹. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁷². Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁷³. EBRD. (2024). EBRD pioneers green financing for housing associations in Serbia.

receive additional grant top-ups to reduce the financial burden of insulation upgrades or efficient heating systems. This combination of registry-based identification and financial incentives allows Serbia to integrate energy-poverty considerations into its wider building-renovation strategy.

Serbia's approach works because it combines a formal registry of vulnerable consumers with financial support measures and energy-efficiency programmes. It addressed two key barriers: poor identification of vulnerable households and limited financial capacity to invest in efficiency measures. The model succeeded institutionally through a clear legal framework, financially through EU and EBRD support, and socially by linking welfare targeting with energy-efficiency incentives. However, the registry mainly captured the most vulnerable households only, leaving many other energy-poor households outside formal support. Potential replication of this approach requires functional social registries, legal definitions of vulnerability, and coordination between welfare and energy institutions.

Montenegro: vulnerable-customer definition and registry-linked support

Montenegro has also adopted a legal definition of energy poverty in its Energy Law, defining it as a condition in which households lack access to basic energy services necessary to ensure adequate living standards and health, including heating, cooling, hot water, lighting, and energy for household appliances. The definition incorporates multiple criteria, including a high share of household expenditure on energy, low household income, and low energy efficiency of residential buildings and appliances.¹⁷⁴

Vulnerable customers are primarily identified through social protection categories, including social assistance beneficiaries, pensioners, and certain health-related groups. These households are eligible for electricity bill subsidies and protections from disconnection, which serve as short-term affordability measures.¹⁷⁵ Montenegro has begun integrating these categories into energy-efficiency programmes through initiatives

¹⁷⁴. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁷⁵. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

implemented by the Eco Fund and supported by the EU and UNDP.

One such programme, the Energy Efficiency Incentive Programme for Households, provides grants covering between 20% and 70% of the cost of energy-efficiency investments, depending on the municipality and measure type. The programme supports measures such as thermal insulation of building envelopes, replacement of inefficient windows, installation of biomass heating systems, installation of heat pumps and air-conditioning systems, solar thermal collectors and photovoltaic systems.¹⁷⁶ While eligibility for the programme is not determined exclusively through welfare registries, the programme incorporates territorial targeting mechanisms, offering higher subsidies in municipalities with lower development levels or higher air-pollution exposure. This territorial prioritization indirectly captures vulnerable populations but does not fully substitute for household-level socio-economic targeting.

A distinctive feature of Montenegro's programme is its payment structure, in which the Eco Fund pays the subsidy share directly to contractors after verification of completed works. This design reduces upfront financing barriers for households and improves programme accessibility. However, challenges still remain since many vulnerable households face difficulties participating in programmes due to co-financing requirements, limited awareness, digital application procedures, and documentation requirements (such as proof of property ownership which may exclude tenants or residents of informal settlements).¹⁷⁷

Montenegro's model works because it combines social targeting with territorially differentiated energy efficiency subsidies and direct contractor payments. The intervention addressed barriers related to upfront financing, regional inequalities, and access to cleaner technologies. It succeeded because the Eco Fund directly paid subsidy shares to contractors, reducing liquidity burdens for households, while EU and UNDP support strengthened implementation capacity. However, co-financing requirements, digital procedures, and proof-of-ownership requirements continued to exclude some vulnerable groups. Replication requires grant-based financing structures, administrative verification capacity, and simplified procedures for low-income households.

¹⁷⁶. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026.

¹⁷⁷. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026.

North Macedonia: registry-based vulnerable consumer protection with efficiency measures

North Macedonia currently does not have a formal legal definition of energy poverty, but the Energy Law defines “vulnerable consumers” as households receiving guaranteed minimum assistance or those experiencing social risks such as illness, disability, or old age.¹⁷⁸ Although the country does not yet operate a comprehensive registry of energy-poor households, its reliance on social assistance databases for identifying vulnerable consumers effectively creates a registry-based targeting approach for energy-efficiency support.

In response to rising energy prices, the government used resources from the EU Energy Support Package to provide financial support to vulnerable households, including those with disabled members, single parents, and low-income pensioners. The support package includes both short-term and long-term measures, such as protection from electricity disconnections, minimum guaranteed energy supply, assistance for purchasing efficient heating appliances, and subsidies for building retrofits and solar energy systems.¹⁷⁹ One of the most visible measures has been the distribution of high-efficiency inverter air conditioners to vulnerable households, provided free of charge as an in-kind intervention.¹⁸⁰ This approach eliminates upfront investment requirements and allows vulnerable households to replace inefficient heating devices immediately.

North Macedonia’s approach works because it links social protection databases with in-kind energy-efficiency measures. The intervention solved the barrier of upfront investment costs by distributing efficient inverter air conditioners free of charge to vulnerable households. The programme succeeded institutionally by relying on existing welfare systems and financially through EU funding. Socially, in-kind delivery made support accessible to households unable to participate in conventional subsidy schemes. However, the lack of a comprehensive energy-poverty registry risks excluding households experiencing hidden energy poverty. Replication is feasible where functioning social assistance databases and grant-based delivery systems already exist.

¹⁷⁸. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁷⁹. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

¹⁸⁰. Ministry of Energy, Mining and Mineral Resources / Republic of North Macedonia (2025). Announcement published: Inverter air conditioners for vulnerable families – Ministry of Energy allocates 170 million denars to fight energy poverty.

Bulgaria: targeted support combined with deep renovation of vulnerable housing stock

Bulgaria has increasingly developed a more integrated approach to energy poverty by combining social protection, energy efficiency, housing renovation, and just transition policies. The country's evolving framework is particularly relevant because it demonstrates how vulnerable households can be supported not only through short-term subsidies, but also through structural improvements in housing energy performance and institutional support mechanisms.

One of the most notable examples is the Energy Poverty Alleviation Plan of Stara Zagora Region, developed within the context of Bulgaria's coal transition and EU just transition policies. The region faces high household energy vulnerability and socioeconomic risks linked to decarbonization and eventual coal phase-down. Therefore, the programme prioritizes renovation of inefficient residential buildings (through thermal insulation, window replacement, roof rehabilitation, modernization of heating systems and deployment of smart meters), particularly multi-apartment housing blocks occupied by vulnerable households and in poorer housing conditions.¹⁸¹ It aims renovating approximately 4,500 dwellings and replacing inefficient heating appliances in another 1,200 households. Such measures are integrated in the broader national policy frameworks, such as Bulgaria's Long Term Renovation Strategy which aims to renovate approximately 60% of the residential building stock by 2050.¹⁸²

Bulgaria's approach works because it integrates energy poverty reduction with deep renovation policies and just transition planning. The intervention addressed inefficient housing, carbon-intensive heating, and socioeconomic vulnerability in coal-transition regions such as Stara Zagora. It succeeded due to strong alignment between national renovation strategies, EU funding, and regional transition policies. Socially, the model increasingly incorporated differentiated support and local advisory mechanisms for vulnerable households. However, identifying vulnerable households beyond narrow welfare categories and ensuring their participation in complex renovation programmes remain

¹⁸¹. Gaydarova & Georgieva. (2025). Energy poverty alleviation plan of Stara Zagora Region.

¹⁸². Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part on

challenging. Replication requires long-term renovation strategies, significant public funding, and strong local support structures.

Full grant or in-kind delivery models

A full grant / in-kind model is the most “inclusion-forward” design because it removes the two biggest barriers for vulnerable households to participate in energy efficiency schemes, such as upfront capital to pre-finance works and creditworthiness or loan eligibility. This is especially relevant in SEE, where “energy poverty” is widely understood as inability to access or afford basic energy services needed for a decent living standard and health, and where vulnerable households are commonly defined through low income or social assistance and health or disability status.¹⁸³

Instead of reimbursing eligible households after the works are done, the programme delivers measures directly (in-kind) or funds them at up to 100% grant intensity. Such a model requires no (zero) or low co-financing from households. It is delivered by directly paying the contractor for undertaking the energy efficiency works or the supplier for installing energy efficient appliances, or by providing vouchers to eligible households for covering the full cost through approved companies.¹⁸⁴

This type of support generally includes several types of interventions. One common mechanism is in-kind appliance replacement, involving the free or heavily subsidized distribution of efficient heating or cooling systems, such as heat pumps, inverter air conditioners, or improved biomass stoves.¹⁸⁵ These appliances are typically installed according to minimum technical standards, including efficiency classes and appropriate sizing, to ensure real energy savings. Another mechanism consists of small-scale packages, which involve the direct delivery of basic measures such as minor insulation, window sealing, and simple heating controls.¹⁸⁶ These packages are often accompanied by energy audits and energy-saving advice to help households improve energy management. A more comprehensive approach involves full grants for deep renovation, which finance major improvements, such as building envelope insulation and heating system upgrades, at subsidy levels ranging from 80% to 100% for the most vulnerable households. Although these interventions are more complex and costly to implement, they generate the greatest long-term benefits by significantly

¹⁸³. Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

¹⁸⁴. European Commission. (2020). A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives.

¹⁸⁵. REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

¹⁸⁶. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

reducing energy demand and improving living conditions.^{187 188}

Most full-grant energy-efficiency programmes rely on categorical eligibility criteria, as these are administratively feasible and easier to justify within public funding frameworks. Eligibility is typically determined using existing social protection categories, such as households receiving social assistance or guaranteed minimum income (including rural and minority households), as well as groups defined through health- or disability-related vulnerability criteria. Additional categories may include rural households, minority groups, tenants, or residents of informal or non-legalized buildings, depending on the national context. Some programmes also provide additional scoring points or priority access for women-headed households or women-owned properties in order to address gender-related inequalities in access to energy-efficiency investments.^{189 190}

In some cases, programmes also apply geographic targeting (such as Montenegro and Greece), prioritizing households located in areas with high pollution levels (e.g. due to the use of solid fuels for heating or having an aging building stock), lower development indices, or other structural disadvantages (e.g. those undergoing coal transition or having higher exposure to energy poverty risks).¹⁹¹ While such territorial targeting can indirectly capture vulnerable populations, it may also exclude energy-poor households living outside the designated priority zones.

To address this limitation, some programmes introduce a dual targeting pathway, combining registry-based eligibility with case-by-case verification through municipal social services. This complementary mechanism allows local authorities or accredited intermediaries to identify households experiencing energy poverty despite not being formally registered in welfare systems, for example households with irregular incomes, renters, or near-poor families who fall outside standard social assistance categories.¹⁹²

¹⁸⁷. European Commission. (2020). A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives.

¹⁸⁸. Green Finance Institute. (2020). Financing energy efficient buildings: the path to retrofit at scale.

¹⁸⁹. Bouzarovski. (2018). Energy poverty: (Dis)assembling Europe's infrastructural divide.

¹⁹⁰. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026.

¹⁹¹. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026; Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

¹⁹². Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

These models are delivered through ministries and respective agencies (such as eco-funds) who run calls and eligibility screening, accredited vendors/installers, and development partners who can provide technical assistance (for programme rules, quality control, verification, monitoring and outreach). They can be scalable if the programmes are standardized, properly targeted, easy to apply and involve local intermediaries (such as social workers or CSOs).¹⁹³ However, implementing the related models would require stable and continuous funding and proper targeting. Without these conditions, programmes risk remaining limited to pilot-scale interventions that improve household comfort or reduce energy bills through appliance upgrades but fail to address deeper structural problems in building envelopes. Moreover, programmes may fail to reach “hidden” energy-poor households, such as tenants or residents of informal housing, if targeting mechanisms rely solely on formal social assistance registries.¹⁹⁴

Country illustrations

North Macedonia: free inverter air-conditioners (in-kind equipment)

North Macedonia’s Ministry of Energy, Mining and Mineral Resources has issued public calls under a 2025 programme that includes distribution of energy-efficient inverter air conditioners targeting vulnerable consumers/households in energy poverty. The ministry’s announcement frames it explicitly as energy poverty protection through efficiency, with eligibility criteria based on low income and social vulnerability.^{195 196} This measure is delivered as free equipment or a voucher that covers the device and installation, so households do not need to raise capital first. It is easily accessible and replicated but should be paired with building envelope sealing and advising on efficient use.

This programme works because it removes the upfront investment barrier entirely by providing energy-efficient heating equipment directly to vulnerable households. The intervention specifically addressed inadequate heating and cooling among low-income households. The

¹⁹³. European Commission. (2021). Guide on Good Practice in Energy Efficiency for Central and South Eastern Europe.

¹⁹⁴. Bouzarovski. (2018). Energy poverty: (Dis)assembling Europe’s infrastructural divide.

¹⁹⁵. Ministry of Energy, Mining and Mineral Resources / Republic of North Macedonia (2025). Announcement published: Inverter air conditioners for vulnerable families – Ministry of Energy allocates 170 million denars to fight energy poverty.

¹⁹⁶. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

programme succeeded institutionally through targeted public calls, financially because households did not need to pre-finance equipment or installation, and socially because standardized in-kind delivery made the programme simple and accessible for vulnerable groups. However, this measure alone cannot fully address poor building efficiency, meaning long-term impacts may remain limited without complementary insulation or building-envelope improvements. Replication is feasible where governments can finance standardized equipment packages and identify vulnerable households through social assistance or income-based targeting systems.

Montenegro: EU-funded energy efficiency programme (grant with delivery features that reduce upfront burden)

In Montenegro, through the “Energy Efficiency Incentive Programme for Households”, funded by the EU and implemented by Eco Fund and the Government of Montenegro with the support of UNDP, around 2,500 households have been supported with subsidies for energy efficiency measures (such as insulation, windows, efficient heating systems) and solar panels, aiming to reduce costs and improve indoor/outdoor air quality.¹⁹⁷ Support is provided for both single-family houses and multi-apartment buildings (with the latter focused on building envelope improvements only). The level of financial support depends on the type of measure and the municipality where the building is located. Higher support levels are provided for multi-apartment buildings, housing in less developed municipalities, those with poorer air quality, and those undergoing coal transition (such as Pljevlja municipality).¹⁹⁸

Even where co-financing exists, Montenegro illustrates an inclusive programme design that reduces upfront burden, including payment structures that can pay contractors directly for the subsidized share (a practical barrier-removal feature commonly used by eco-funds in the region). The model can also incorporate territorial prioritization (e.g., high-pollution or lagging areas), which is helpful for public health and just transition narratives, but can be less precise than household-level socio-economic screening.

¹⁹⁷. UNDP Montenegro. (2025). More than 4,500 households in Montenegro already on the path to energy efficiency. <https://www.undp.org/montenegro/press-releases0/more-4500-households-montenegro-already-path-energy-efficiency>

¹⁹⁸. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026.

Montenegro's household energy efficiency incentive programme works because it combines grants, territorial prioritization, and delivery mechanisms that reduce upfront costs for households. The intervention addressed barriers related to affordability, poor housing efficiency, and limited access to cleaner technologies. It succeeded financially through EU funding and Eco Fund subsidies, institutionally through cooperation between the government, Eco Fund, and UNDP, and socially by prioritizing less developed, polluted, and coal-transition municipalities such as Pljevlja. Direct contractor payment mechanisms also reduced liquidity barriers for households.

However, co-financing requirements and territorial targeting may still exclude some highly vulnerable households if they fall outside priority areas or cannot finance the remaining costs. Replication requires strong public financing, administrative verification systems, and mechanisms to minimize upfront household contributions.

Albania: subsidized solar thermal collectors for low-to-middle-income households (high-grant, quasi-in-kind)

An Energy Community Secretariat country report notes that since 2022 Albania has implemented a long-term energy poverty programme subsidizing up to 70% of the cost of solar thermal collectors for low-to-middle-income households, with additional windows planned.¹⁹⁹ While this is not a 100% grant, it functions like a high-grant inclusion model where the state covers most costs for a defined group. This model shows that high-grant equipment programmes are easier to roll out than full retrofits. However, the inclusion challenge becomes reaching the lowest-income households who may still be unable to cover the remaining share, unless the programme has a full-grant tier.

Albania's solar thermal collector programme works because it uses high-grant support to make renewable energy technologies affordable for low- and middle-income households. The intervention addressed the barrier of high initial investment costs for renewable heating technologies while reducing household energy expenditures. It succeeded because subsidizing up to 70% of costs made the programme easier to scale than full building retrofits, while still delivering visible energy savings and

¹⁹⁹ Energy Community Secretariat. (2025). Albania – Annual Implementation Report.

and affordability benefits. However, the remaining co-financing requirement risks excluding the poorest households unless additional full-grant support is introduced. Replication is feasible where governments seek relatively low-complexity, scalable renewable-energy interventions and possess sufficient public funding or donor support for high-grant schemes.

Croatia: moving from general renovation calls to explicit energy-poverty earmarks

Croatia's renovation system illustrates how full-grant or very-high-grant windows can be embedded into mature national programmes. The country has initiated the long-term renovation programme since 2014, aiming to renovate its building stock by 2050. The extended "Long-Term Renovation Strategy" 2021-2030 aims to combat energy poverty and support the use of renewable energy sources in residential buildings, including single-family homes and apartment buildings.²⁰⁰

It issues general calls for family house renovations as well as specific/targeted calls for households at risk of energy poverty.²⁰¹ In 2025, Croatia earmarked €25 million (as part of a broader package managed by the Ministry of Environmental Protection and Green Transition and the Environmental Protection and Energy Efficiency Fund) to explicitly support households at risk of energy poverty.²⁰² Through these calls, it supports measures such as thermal insulation of the building envelope, window replacement, and heating-system upgrades to be more environmentally and economically favorable.²⁰³ This modality encourages inclusion, since it has tailored rules and support mechanisms to avoid exclusion of vulnerable households (such as renters or those living in informal housing lacking proof of ownership and legal status).

Croatia's approach works because it embeds energy-poverty targeting within an already mature national renovation framework. The intervention addressed the exclusion of vulnerable households from conventional renovation programmes by introducing dedicated funding windows and

²⁰⁰. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²⁰¹. BUILD UP / EC. (2025). Croatia allocates €25 million for energy renovation to combat energy poverty.

²⁰². BUILD UP / EC. (2025). Croatia allocates €25 million for energy renovation to combat energy poverty.

²⁰³. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

tailored eligibility rules. It succeeded institutionally through long-term renovation strategies and established implementation mechanisms, financially through earmarked public funding managed by national environmental and energy-efficiency institutions, and socially because targeted calls recognized barriers faced by renters and households lacking formal ownership documentation. However, implementation may remain administratively complex, particularly for vulnerable households requiring extensive application support. Replication is most feasible where countries already have functioning national renovation programmes that can be adapted with targeted funding windows and inclusion-oriented eligibility criteria.

Blended finance with vulnerability top-ups

The blended finance with vulnerability top-ups model aims to mobilize large-scale investment in residential energy-efficiency renovations while ensuring that vulnerable households are not excluded from programmes that rely partly on private financing. Unlike fully grant-based schemes, blended finance combines multiple financial instruments, such as public grants, concessional or commercial loans, guarantees, and technical assistance, within a single financing structure. Public funds typically provide partial subsidies, while banks or development finance institutions finance the remaining investment through loans. To ensure social inclusion, vulnerability top-ups increase subsidy rates or reduce repayment obligations for households with lower incomes, social vulnerabilities, or high energy burdens. In practice, this can include higher grant shares, subsidized or interest-free loans, loan guarantees, or grant-only windows for the poorest households.²⁰⁴

The rationale behind this model is that achieving the scale of building renovation required by European climate and energy objectives demands investment volumes far beyond what public funding alone can provide. By combining public subsidies with private financing, often through commercial banks, development finance institutions, and national energy-efficiency funds, governments can leverage significantly larger capital flows into residential renovation programmes. At the same time, targeted grant components are introduced to ensure that low-income households are not excluded due to lack of access to credit or limited financial capacity to contribute to renovation costs. European policy frameworks therefore emphasize blended financing as a key mechanism for scaling building renovation while maintaining social equity.^{205 206}

²⁰⁴. European Commission. (2020). A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives.

²⁰⁵. European Commission. (2020). A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives.

²⁰⁶. Green Finance Institute. (2020). Financing energy efficient buildings: the path to retrofit at scale.

In practice, blended finance schemes typically consist of multiple financial layers designed to balance financial sustainability with social inclusion. Public funds provide partial grants covering a portion of renovation costs, with higher subsidy rates for households with lower incomes. Financial institutions then provide loans to finance the remaining investment costs, often with reduced interest rates, extended repayment periods, or state guarantees. Additional vulnerability top-ups may further increase the subsidy level for households facing economic or social disadvantages. Development partners frequently support these programmes by financing technical assistance services such as energy audits, project preparation, and administrative guidance, which help households navigate renovation processes and improve programme accessibility.

Eligibility for vulnerability top-ups generally relies on a combination of income thresholds and multidimensional vulnerability criteria. These may include household income levels, social assistance status, disability or health conditions, energy expenditure burdens, building energy performance, or regional climate conditions affecting heating needs. Many programmes apply scoring systems that combine these indicators to determine differentiated subsidy levels, ensuring that households facing greater financial constraints receive higher levels of support.

Blended finance programmes are typically implemented through multi-institutional partnerships involving national energy-efficiency funds, commercial banks, international financial institutions, municipal authorities, and technical experts. National funds usually administer grant components and coordinate programme design, banks provide loan products, international institutions supply credit lines or guarantees, and local authorities assist with outreach and application processes. This governance structure allows programmes to operate at national scale while integrating financial, technical, and administrative support for participating households.

One of the main advantages of blended finance models is their high scalability. By leveraging private capital, governments can significantly multiply the impact of public subsidies. A relatively small pool of public funding can therefore unlock much larger investment volumes through co-financing arrangements. In addition, blended finance programmes contribute to market development by encouraging banks, contractors, and suppliers to participate in renovation markets. Over time, this can strengthen the energy-efficiency sector, expand financing capacity for building upgrades, and reduce technology and renovation costs through increased market competition.²⁰⁷

²⁰⁷. Green Finance Institute. (2020). Financing energy efficient buildings: the path to retrofit at scale.

An additional component that can complement blended finance frameworks is the use of Energy Service Company (ESCO) models. ESCOs represent a market-based delivery mechanism in which a specialized company designs, finances, and implements energy-efficiency improvements and is repaid through the energy savings generated by those improvements. Instead of requiring households or building owners to finance renovations upfront, the ESCO assumes the initial investment risk and recovers its costs through energy performance contracts, where payments are linked to the verified energy savings achieved. For vulnerable households, vulnerability top-ups can be introduced to reduce or eliminate repayment obligations. ESCO models are particularly relevant where public budgets are limited but significant energy-saving potential exists, as they mobilize private capital and technical expertise. While traditionally applied in public buildings and infrastructure, ESCO schemes are increasingly being explored in the residential sector, especially in multi-apartment buildings and collective renovation projects, where aggregated energy savings improve financial viability.²⁰⁸

However, ensuring that blended finance programmes remain socially inclusive requires careful policy design. Key considerations include higher grant levels for vulnerable households, reduced or eliminated loan requirements for the poorest groups, integration of social protection registries into targeting mechanisms, simplified application procedures, and access to technical and administrative assistance through one-stop-shop services. When combined with these safeguards, blended finance models can simultaneously support energy poverty reduction, building decarbonization, and large-scale investment in residential renovation.

Country illustrations

Greece: Exoikonomo renovation programmes

Greece provides a prominent example of a blended finance model through its Exoikonomo building renovation programmes, which have been implemented since 2011. These schemes combine grant subsidies with interest-free loans to finance energy-efficiency upgrades in residential buildings. Under the latest programme iterations, households can receive subsidies ranging from approximately 30% to 75% of renovation costs, with higher subsidy levels provided to lower-income households, who also have a separate budget. The remaining investment costs can be covered through interest-free loans, enabling households to finance renovation without immediate full payment.²⁰⁹ Under the latest

²⁰⁸. International Energy Agency (IEA). (n.d.). ESCO contracts.

²⁰⁹. Social Watt. (2023). Greece – Country Factsheet.

programme iterations, households can receive subsidies ranging from approximately 30% to 75% of renovation costs, with higher subsidy levels provided to lower-income households, who also have a separate budget. The remaining investment costs can be covered through interest-free loans, enabling households to finance renovation without immediate full payment.

Applications are evaluated using a scoring system that considers factors such as expected energy savings, household income, and building characteristics. Additionally, young people (18-39 years old) and those living in municipalities with a population under 2,000 residents have additional support. This allows the programme to prioritize projects that deliver both strong energy performance improvements and social benefits.²¹⁰

In addition to grants and loans, Greece supports vulnerable households through complementary measures such as social electricity tariffs, heating allowances, protections against disconnection, and energy communities creating a broader policy framework addressing energy poverty.^{211 212}

Greece's programmes work because they combine grants with interest-free loans, allowing households to undertake renovations without paying the full cost upfront. The intervention addressed one of the main barriers to residential energy-efficiency investments: limited household access to affordable financing. The programme succeeded institutionally through long-term national implementation and structured scoring systems, financially through blended financing that combined subsidies and concessional loans, and socially because higher subsidy rates and dedicated budgets prioritized lower-income households, young people, and residents of smaller municipalities. However, loan-based models may still exclude the poorest households unwilling or unable to take on debt, while application procedures and technical requirements can create administrative barriers. Replication is most feasible where banking systems, public subsidy mechanisms, and administrative capacities for programme management are sufficiently developed.

²¹⁰. Social Watt. (2023). Greece – Country Factsheet.

²¹¹. ENPOR. (2024). Policy fiche for alleviating energy poverty in the private rented sector – Greece.

²¹². INZEB. (2020). Energy poverty in Greece. Policy development and recommendations to tackle the phenomenon.

Serbia: concessional financing with vulnerability grant top-ups

Serbia's renovation support mechanisms illustrate another blended finance approach. Through programmes supported by international financial institutions, including the EBRD's Green Economy Financing Facility, households can access concessional loans to finance energy-efficiency improvements.²¹³ Within these programmes, vulnerable households may receive additional grant incentives covering 50–70% of the investment cost for basic insulation or efficient stoves, significantly reducing the financial burden associated with renovation.²¹⁴

These grants are particularly important in multi-apartment buildings where collective decision-making and shared investment costs often present barriers to renovation. One example involves the renovation of several apartment buildings in the town of Svilajnac, where concessional financing combined with EU grant support enabled the replacement of inefficient heating systems and building envelope improvements. These investments reportedly reduced energy consumption by approximately 60%, illustrating the potential impact of blended financing structures.²¹⁵

Serbia's blended finance approach works because it combines concessional loans with substantial grant top-ups for vulnerable households. The intervention addressed barriers related to high renovation costs and collective financing challenges in multi-apartment buildings. It succeeded financially through EBRD and EU-supported concessional financing, institutionally through integration with broader building-renovation programmes, and socially because grant incentives of 50–70% significantly reduced the burden on vulnerable households. The Svilajnac case demonstrated that combining grants with affordable financing can enable large energy savings and modernization of inefficient heating systems. However, reliance on loans may still exclude households with extremely low incomes or low creditworthiness, while multi-apartment renovations remain dependent on collective decision-making among residents. Replication requires functioning financial institutions, grant support mechanisms, and legal frameworks that facilitate collective renovation investments in apartment buildings.

²¹³. EBRD. (2024). EBRD pioneers green financing for housing associations in Serbia.

²¹⁴. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²¹⁵. EBRD. (2024). EBRD pioneers green financing for housing associations in Serbia.

One-stop-shop intermediary models

One-stop-shop (OSS) intermediary models aim to address some of the most persistent barriers preventing vulnerable households from benefiting from energy-efficiency programmes, such as administrative, informational, and technical complexities. In many cases, even when financial subsidies are available, energy-poor households remain excluded because they lack the capacity to navigate application procedures, obtain technical documentation, coordinate contractors, or access financing mechanisms.²¹⁶ Energy-efficiency programmes frequently require multiple steps, such as energy certificates, contractor bids, financing applications, and online platforms, which can be difficult for elderly people, low-income households, or individuals with limited digital literacy.²¹⁷

OSS models respond to this problem by creating integrated support structures that guide households through the entire renovation or efficiency process. They act as intermediaries between households, funding programmes, technical experts, and financial institutions, with the purpose of making energy-efficiency programmes accessible to households that would otherwise not participate.^{218 219}

These models are increasingly promoted within EU energy and climate policy frameworks. The Renovation Wave strategy specifically identifies one-stop-shops as a key mechanism for accelerating building renovation by simplifying access to support schemes and improving coordination among actors involved in renovation processes.²²⁰ International organizations such as the International Energy Agency and the European Commission's Joint Research Centre also emphasize the role of OSS models in improving programme uptake and enabling large-scale renovation.²²¹ When integrated into national renovation strategies, they can significantly increase participation rates, improve programme efficiency, and ensure that energy-efficiency policies reach vulnerable households.

In practice, OSS models function as centralized service hubs, usually established by municipalities, regional energy agencies, public institutions, or non-profit or community-based organizations.^{222 223}

²¹⁶ Bouzarovski & Petrova. (2015). A global perspective on domestic energy deprivation: Overcoming the energy poverty-fuel poverty binary.

²¹⁷ Thomson et al. (2017). Health, well-being and energy poverty in Europe: A comparative study of 32 European countries.

²¹⁸ European Commission. (2020). A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives.

²¹⁹ Green Finance Institute. (2020). Financing energy efficient buildings: the path to retrofit at scale.

²²⁰ European Commission. (2020). Renovation Wave for Europe – Greening our buildings, creating jobs, improving lives (COM/2020/662).

²²¹ Bertoldi et al. (2021). How to finance energy renovation of residential buildings: Review of current and emerging financing instruments in the EU.

²²² European Commission. (n.d.). One-stop-shops for building renovation and energy.

²²³ Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

Their core role is to simplify access to energy-efficiency support by offering bundled services in a single interface, including information provision, eligibility screening, technical advice, application assistance, contractor coordination, and in some cases financial facilitation. Instead of expecting households to independently navigate fragmented institutional systems, such as energy ministries, energy efficiency funds, banks, engineers, and contractors, the OSS provides a single-entry point where households receive coordinated guidance throughout the process.²²⁴

OSS systems can be organized through different institutional arrangements, such as within local governments or municipal energy offices, public-private partnerships (PPPs) between governments, energy agencies and private companies, or through non-profit organizations. Municipalities are often well positioned to deliver such services because they maintain close contact with residents and social services.²²⁵ On the other hand, PPPs enable integrated service provision, including financing and contractor coordination. CSOs can also play an important role, particularly in reaching vulnerable populations such as elderly people, women, minorities, and low-income households, through community outreach and trust-building activities.^{226 227}

Although OSS designs vary across countries, most provide a similar set of core services that simplify access to energy-efficiency programmes.^{228 229} These typically include information and outreach on available schemes and eligibility criteria, eligibility screening based on income or vulnerability indicators, and technical support such as energy audits and renovation planning. OSS centers also assist households with application and administrative procedures, coordinate with certified contractors during project implementation, and in some cases facilitate access to financing by connecting households with banks or public funds.²³⁰ Many OSS systems additionally provide post-renovation monitoring and guidance to ensure correct installation and efficient use of energy systems.

However, these models also face several challenges, such as institutional capacity constraints (particularly in municipalities with limited staff or expertise), operational funding requirements (since they require sustained financial support), uneven territorial coverage (leading to disparities in programme accessibility between urban and rural areas), and limited

²²⁴. Bertoldi, Economidou., Palermo, Boza-Kiss & Todeschi. (2021). How to finance energy renovation of residential buildings: Review of current and emerging financing instruments in the EU.

²²⁵. Interview with Selvette Sadiku, former MFLT on 22.12.2025.

²²⁶. Economidou et al. (2020). Review of 50 years of EU energy efficiency policies for buildings.

²²⁷. Balkan Green Foundation. (2024). Powering citizens: Energy democracy and energy poverty in the Western Balkans.

²²⁸. European Commission. (2021). Guide on Good Practice in Energy Efficiency for Central and South Eastern Europe.

²²⁹. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²³⁰. REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

outreach (if they rely solely on passive information provision rather than proactive engagement with vulnerable communities).²³¹ Therefore, successful OSS models typically combine technical advisory services with proactive outreach mechanisms, including collaboration with municipal social services, CSOs, and community networks.

Greece: energy-poverty advisory structures and energy communities

Greece provides one of the most developed examples of intermediary models addressing energy poverty through advisory services and community-based initiatives.²³² The country has implemented a range of energy-efficiency programmes, including the *Exoikonomo renovation schemes*, which provides subsidies for building upgrades with a separate budget for low-income households.²³³ However, experience has shown that vulnerable households often struggle to access these programmes due to administrative complexity, digital application systems, and upfront costs associated with technical documentation.

To address these barriers, municipalities and CSOs have developed energy-poverty advisory structures and local support offices. For example, the Athens Energy Poverty Office, established by the Municipality of Athens, collaborates with social services and community organizations such as Electra Energy Cooperative to identify women-headed households and provide guidance on accessing support programmes for upgrading their homes.²³⁴

Civil society organizations such as INZEB (Institute for Zero Energy Buildings) play an important role in this ecosystem by conducting research, providing policy advocacy, and implementing projects focused on energy-poverty mitigation. Through collaboration with municipalities and energy communities, these organizations help vulnerable households navigate programmes, build technical knowledge, and access energy-efficiency improvements.²³⁵

²³¹. REACH. (2017). Energy poverty in South East Europe: Challenges and possible solutions.

²³². Energy Community Secretariat. (2025). Study on the implementation of the EEIst principle in buildings, with the focus on reducing energy poverty – Part one.

²³³. Social Watt. (2023). Greece – Country Factsheet.

²³⁴. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

²³⁵. INZEB. (2020). Energy poverty in Greece. Policy development and recommendations to tackle the phenomenon.

In addition, Greece has developed energy communities, cooperative structures that allow citizens to participate collectively in renewable energy production. Some of these communities allocate free electricity shares to energy-vulnerable households, demonstrating how intermediary models can combine technical support with social inclusion mechanisms.^{236 237} Therefore, OSS models can operate not only as administrative advisory centers but also as community-based energy governance structures actively participating in the energy transition.

Greece's intermediary model works because it combines advisory services, municipal support, civil society engagement, and community energy initiatives to help vulnerable households access energy-efficiency programmes. The intervention addressed barriers related to administrative complexity, digital exclusion, lack of technical knowledge, and low institutional trust. It succeeded institutionally through cooperation between different stakeholders, socially by providing personalized support to vulnerable groups such as women-headed households, and technically by helping households navigate renovation and renewable-energy programmes. Energy communities further strengthened inclusion by allowing vulnerable households to benefit collectively from renewable energy generation. However, these models depend heavily on local institutional capacity, active civil society organizations, and sustained funding for advisory services. Replication is most feasible where municipalities and CSOs can function as trusted intermediaries and where legal frameworks support citizen energy communities.

Croatia: information centers supporting energy-poverty programmes

Croatia's national renovation strategy integrates OSS elements through local information centers and advisory services that provide guidance to citizens on energy renovation opportunities. These centers support households by explaining eligibility criteria, assisting with documentation, and providing information on financing options available through the Environmental Protection and Energy Efficiency Fund.²³⁸

²³⁶. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

²³⁷. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²³⁸. Environmental Protection and Energy Efficiency Fund. (2024). Energy renovation of family houses.

By embedding advisory services within its national renovation programme, Croatia improves the accessibility of grant-based renovation calls for households at risk of energy poverty. These services complement the country's broader policy frameworks, such as the "Long-Term Renovation Strategy" 2021-2030 and the "Charter of Cooperation for the Decarbonization of Buildings by 2050", which aim to eliminate energy poverty while advancing building decarbonization targets.²³⁹

Croatia's advisory model works because it embeds local information and support services within its national renovation strategy. The intervention addressed barriers related to lack of information, complex application procedures, and limited understanding of financing options among vulnerable households. It succeeded institutionally through integration with national renovation policies and the Environmental Protection and Energy Efficiency Fund, and socially because local advisory centers improved accessibility of renovation calls for households at risk of energy poverty. The model also benefited from long-term policy continuity and alignment with national decarbonization goals. However, advisory services alone may not fully overcome financial barriers for the poorest households without dedicated grant support and simplified eligibility rules. Replication requires functioning renovation programmes, stable funding mechanisms, and local institutions capable of providing technical and administrative assistance.

Bulgaria: establishment of energy poverty advisory offices

Bulgaria is also innovating social support through the establishment of energy poverty advisory offices in 11 municipalities within the Stara Zagora region. Such offices function as local intermediaries connecting vulnerable households with energy-efficiency and renovation programmes.²⁴⁰ They conduct public awareness campaigns, seminars, individual consultations and targeted outreach toward vulnerable households with the purpose of addressing low awareness and limited institutional trust. They also assist in understanding eligibility criteria, preparing documentation and applying for grants, navigating technical procedures and accessing renovation support schemes. These services are especially important for elderly households, rural residents and low literacy as well as digitally

²³⁹. Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²⁴⁰. Gaydarova & Georgieva. (2025). Energy poverty alleviation plan of Stara Zagora Region.

excluded populations. Furthermore, they also advise on energy saving practices, optimization of household energy consumption, understanding smart meters, participating in renewable energy communities and long-term behavioral change. Awareness raising is also strongly supported by civil society organizations, including Habitat for Humanity in Bulgaria and European Climate Foundation.²⁴¹

Bulgaria's advisory-office model works because it combines outreach, administrative assistance, energy literacy, and behavioral support through locally embedded intermediary structures. The intervention addressed low awareness, limited institutional trust, digital exclusion, and difficulties vulnerable households face in accessing renovation programmes. It succeeded institutionally through planned municipal-level advisory offices in Stara Zagora, financially through support linked to EU-funded just transition and renovation programmes, and socially because advisory services targeted digitally excluded populations. However, these models require long-term operational funding, strong local coordination, and sufficient institutional capacity to remain effective beyond pilot phases. Replication is most feasible where municipalities, CSOs, and renovation programmes can operate through coordinated OSS or intermediary structures.

REPLICABILITY IN KOSOVO

Energy-efficiency programmes targeting vulnerable households must be adapted to the institutional, financial, and social protection context of Kosovo. While several models for inclusion exist across the SEE region and the EU, their effectiveness depends on how well they align with national policy frameworks, administrative capacities, and financing mechanisms. Kosovo has already made important progress in establishing the institutional foundations for energy-efficiency delivery, particularly through the establishment of the KEEF and the adoption of relevant legal frameworks such as the Law on Energy Efficiency and the new Draft Law on Energy – with the latter legally defining for the first time energy poverty, obliging the establishment of the consumers in need registry, and supporting vulnerable groups with energy efficiency measures (among other things).

Despite these advances, several structural barriers continue to limit the inclusion of vulnerable households in energy-efficiency programmes. The integrated registry for identifying energy-poor households is still lacking,

²⁴¹. Habitat for Humanity Bulgaria. (n.d.). Access to Energy Renovation.

and there is weak coordination between energy policy and social protection systems, as well as limited municipal capacity for programme delivery.

This section assesses how the four inclusion models, such as social-registry-based targeting, full grant or in-kind delivery, blended finance with vulnerability top-ups, and one-stop-shop intermediary services could realistically function in Kosovo. The analysis examines existing institutional capacities, identifies key legal and operational gaps, and proposes the reforms necessary to operationalize each model.

Social-registry-based targeting models

Social-registry-based targeting models rely on existing social protection systems to identify households experiencing economic vulnerability. Kosovo already possesses a functioning social protection system administered by the MLFVLW through municipal CSWs. These institutions maintain administrative records of households receiving social assistance, disability benefits, and other welfare transfers, providing an important institutional foundation for identifying vulnerable households.

However, this system is not currently connected to energy-efficiency programmes. There is no centralized registry of energy-poor households and no formal mechanism for linking social protection data with energy policy instruments. As a result, energy-efficiency programmes cannot systematically prioritize vulnerable households or monitor whether they benefit from renovation interventions. Addressing these gaps would require several reforms. At the legal level, regulatory provisions enabling secure data sharing between social protection institutions and energy authorities must be introduced. Institutionally, the comprehensive registry could integrate social protection records with energy and housing data; therefore, increased collaboration would be needed. In addition, social workers could be trained to identify indicators of energy poverty during household assessments.

While registry-based targeting provides an efficient mechanism for identifying vulnerable households, it should not be the sole eligibility pathway. Research and stakeholder consultations highlight that many households experiencing energy poverty may not qualify for social assistance due to irregular income or administrative barriers. Local organizations such as Democracy Plus and RROGRAEK, but also Electra Energy Cooperative (Greece) recommend moving beyond narrow, register-based definitions of vulnerability and adopting a more flexible and multi-dimensional approach. This approach emphasizes the importance of combining registry-based targeting with broader vulnerability criteria, including energy arrears, housing conditions, health risks, and household composition.^{242 243 244}

²⁴². Interview with Albana Rexha, Democracy Plus on 03.02.2026.

²⁴³. Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

²⁴⁴. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

Full grant or in-kind delivery models

Full grant or in-kind delivery models represent the most effective mechanism for reaching the most vulnerable households. These households often lack the financial capacity to co-finance renovation investments or access commercial credit, which prevents them from participating in traditional subsidy programmes. Kosovo already possesses an institutional platform capable of implementing such programmes through the KEEF. KEEF has implemented several residential retrofit programmes funded by international partners, offering grants for insulation, window replacement, and efficient heating systems. In addition, many municipalities have previously participated in housing retrofit initiatives, demonstrating that the operational capacity for grant-based delivery exists.

Nevertheless, several institutional gaps remain, including the lack of the integrated registry of consumers in need, as well as lack of dedicated budget allocations targeting vulnerable households.

Institutionalizing this model therefore requires increased cooperation between KEEF, municipal governments, and CSWs, as well as increased financing through dedicated “energy poverty window” within the KEEF programmes, which could be supported by state budget allocations, international financing institutions and development partners (such as the EU, UN, GIZ, LuxDev, SDC etc.).

Stakeholder consultations also highlight the importance of designing grant programmes with strong inclusion safeguards. RROGRAEK recommends fully or largely subsidized renovation schemes, while also expanding eligibility criteria beyond social assistance recipients to include other low-income households and minority communities.²⁴⁵ Democracy Plus similarly emphasizes the importance of fully subsidized renovation schemes and simplified application procedures in order to ensure real and equitable participation of women-headed households and other vulnerable groups, considering the structural economic and social barriers they face.²⁴⁶ Electra Energy Cooperative (Greece) also recommends allowing collective submissions (by building, neighborhood, or energy community) for subsidy applications, which would reduce costs, simplify procedures and help reach vulnerable households who would not apply alone.

Blended finance with vulnerability top-ups

Blended finance models combine public subsidies with loans or private investment in order to mobilize larger volumes of capital for building renovation. Such models are widely used in European energy-efficiency programmes because they significantly increase the scale of investment

²⁴⁵. Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

²⁴⁶. Interview with Albana Rexha, Democracy Plus on 03.02.2026.

while reducing pressure on public budgets. In Kosovo, however, several constraints limit the immediate applicability of this model for vulnerable households. Household income levels are relatively low, and access to commercial credit remains limited. As a result, many low-income households cannot participate in loan-based renovation schemes even when grants are available.

Kosovo already has KEEF as an institutional platform capable of managing blended finance mechanisms. At the same time, international financial institutions and development partners (such as the UN, GIZ and LuxDev) have expressed growing interest in supporting residential energy-efficiency investments. What remains missing are financial products specifically designed for low-income households and risk-sharing mechanisms that would encourage banks to provide renovation loans.

To operationalize this model, several reforms would be required. Subsidy levels should be increased for vulnerable households through vulnerability top-ups, ensuring that grant shares remain high enough to make investments affordable. In addition, guarantee mechanisms or concessional lending facilities could be introduced to reduce financial risk for commercial banks.

Furthermore, the development of Energy Service Company (ESCO) models could provide an additional delivery and financing mechanism, allowing private companies to implement energy-efficiency improvements and recover their investments through energy savings, thereby reducing upfront costs for households and public institutions.²⁴⁷ While ESCO models work best when energy savings are greater or inefficient homes generate sufficient financial return, they can be applied for multi-apartment buildings or by aggregating demand across multiple buildings or neighborhoods to make them more economically viable.²⁴⁸ For vulnerable households, the ESCO would finance the renovation and KEEF would provide a grant or additional subsidy layers to cover remaining costs. However, Kosovo currently has limited experience in ESCO-type service models, therefore, capacity-building programmes for engineering firms, construction companies, and energy consultants may be necessary to build a functioning ecosystem.

OSS intermediary models

Administrative complexity and lack of information represent major barriers preventing households from accessing energy-efficiency programmes. OSS intermediary models address these challenges by providing integrated advisory services that guide households through the renovation process. However, such services are not currently institutionalized within energy-efficiency programmes.

²⁴⁷. Interview with Valon Stavileci, Legal Expert on 09.02.2026.

²⁴⁸. Interview with Maja Kustudic, UNDP Montenegro on 12.02.2026.

In Kosovo, such advisory services are not yet institutionalized within national energy-efficiency programmes. At the same time, the country already possesses several institutional resources that could form the basis of OSS structures. Municipal administrations employ energy officers and maintain close relationships with local communities, while CSOs have strong experience in community outreach and social inclusion.²⁴⁹

Establishing OSS centers would therefore require primarily institutional and regulatory adjustments. Municipal OSS centers could be formally recognized as programme intermediaries operating in coordination with KEEF. These centers would provide information, technical guidance, and assistance with application procedures, while CSOs could support outreach and trust-building activities among vulnerable communities.²⁵⁰ To functionalize such advisory services, there should also be operational funding allocated by the national energy efficiency programmes or also development organizations.

Stakeholder consultations emphasize the importance of inclusive outreach strategies. Organizations such as AWESK and RROGRAEK highlight the need for multilingual communication, simplified procedures, and partnerships with trusted community organizations in order to ensure that energy-efficiency programmes effectively reach vulnerable women and marginalized groups.^{251 252} Experiences from Greece also demonstrate that institutionalization of local OSS services (either within municipalities or community-based approaches) and collaboration with municipal social services and social workers can significantly improve the identification of vulnerable households and trust-building.²⁵³ In addition, it is also recommended to include vulnerable households as active members in co-designing energy efficiency programmes, such as reserved board seats or tailored engagement processes.²⁵⁴

Summary

While each approach performs strongly along different policy dimensions, in practice, no single model is sufficient to ensure both social inclusion and large-scale energy-efficiency investment. Instead, the models address different structural barriers that currently limit the participation of vulnerable households in Kosovo's energy-efficiency programmes.

Full grant or in-kind delivery models demonstrate the strongest performance in terms of effectiveness and equity. These models directly remove the primary barrier faced by vulnerable households, such as the lack of financial resources to invest in energy-efficiency improvements. However, the scalability of

²⁴⁹. Interview with Arsim Osmani, AKM on 16.12.2025.

²⁵⁰. Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

²⁵¹. Interview with Shpresa Agushi, RROGRAEK on 25.02.2026.

²⁵². Interview with Arijeta Pajaziti Qerimi, AWESK on 30.01.2026.

²⁵³. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

²⁵⁴. Interview with Ioanna Angelaki, Electra Energy Cooperative on 15.02.2026.

grant-based programmes remains constrained by the availability of public and donor funding. Without dedicated budget allocations targeting vulnerable households, it will be difficult to expand these programmes to the scale required to significantly reduce energy poverty.

Social-registry-based targeting models perform strongly in terms of household identification and scalability, as they rely on existing administrative structures. Nevertheless, the assessment indicates that relying exclusively on welfare registries risks excluding many households experiencing energy poverty but not formally registered in social assistance systems. Therefore, targeting mechanisms should incorporate multidimensional vulnerability criteria, including energy arrears, housing conditions, medical vulnerability, and household composition. A complete national energy poverty registry integrating social, housing, and energy data would significantly improve the precision of targeting.

OSS intermediary models play a critical enabling role by addressing administrative, informational and procedural barriers that prevent households from accessing energy-efficiency programmes. However, while they significantly enhance programme accessibility and institutional coordination, their operation requires sustained funding and continuous collaboration with CSOs working on energy and social inclusion.

Blended finance models with vulnerability top-ups demonstrate the strongest performance in terms of efficiency and scalability because they mobilize private investment alongside public subsidies. However, their effectiveness in reaching vulnerable households remains limited in Kosovo's context. Therefore, such programmes must include high grant shares, risk-sharing mechanisms, guarantee instruments or dedicated windows for vulnerable households in order to avoid reinforcing social inequalities.

In Kosovo's context, the most realistic system would combine these models within an integrated framework led by the KEEF, supported by municipal governments, CSWs, financial institutions, and CSOs. Within such a system, the KEEF would function as the central financing and programme management institution responsible for designing and administering funding schemes. Municipal governments would act as local delivery partners, supporting outreach, coordination, and the practical implementation of programmes at the community level. CSWs would play a critical role in identifying vulnerable households and verifying eligibility through the social protection system, ensuring that assistance reaches those most at risk of energy poverty. CSOs would complement these institutional roles by facilitating community engagement, building trust with marginalized groups, and assisting households in navigating programme procedures. Such a multi-level governance structure would enable Kosovo to address both financial and administrative barriers simultaneously,

ensuring that energy-efficiency programmes effectively reach households experiencing energy poverty while supporting the country's broader energy-transition objectives.

Table 5. Evaluation of the four inclusion models

Inclusion model	Effectiveness	Efficiency	Equity & inclusion	Scalability	Transferability	Feasibility in Kosovo	Overall assessment
Social-registry-based targeting models	4 – Effective in identifying households already recorded in the social protection system through municipal CSWs.	4 – Uses existing social protection databases, reducing administrative costs of beneficiary identification.	3 – May exclude energy-poor households not receiving social assistance (e.g., near-poor households, irregular income, tenants).	4 – Highly scalable once data-sharing mechanisms between social protection systems and energy programmes are established.	4 – Widely used in Western Balkan and EU programmes linking social protection and energy policies.	4 – Kosovo has functioning social registries managed by the MLFVLW and municipal CSWs; however, there is no integrated energy poverty registry or legal framework for data sharing.	Strong targeting mechanism that should underpin energy-efficiency programmes but must be complemented by broader vulnerability criteria.
Full grant / in-kind delivery models	5 – Most effective model for reaching vulnerable households that cannot co-finance renovations or access credit.	3 – Requires substantial public or donor funding, although efficiency improves through standardized retrofit packages and bundled delivery models.	5 – Highest inclusion potential, particularly for social assistance recipients, minority households, elderly populations, and women-headed households.	2 – Limited scalability because programmes rely primarily on public financing.	4 – Commonly implemented across EU and Western Balkan energy-poverty programmes.	4 – High feasibility due to the operational capacity of the KEEF, which already manages residential retrofit grants supported by international partners.	Core inclusion instrument for severe energy poverty; should target the most vulnerable households.
Blended finance with vulnerability top-ups	3 – Effective for middle-income households but limited impact on vulnerable households unless high grant components are included.	3 – Highly efficient financially because it mobilizes private investment alongside public subsidies.	2 – Risk of excluding low-income households due to limited credit access and co-financing requirements.	5 – Highly scalable because it leverages private capital and international financial instruments.	5 – Widely used in EU renovation programmes and green finance facilities.	3 – Moderate feasibility; Kosovo's banking sector offers limited residential renovation lending and risk-sharing instruments are still underdeveloped. ESCO models could partially mitigate these barriers but are still at an early stage.	Key mechanism for scaling investment but requires strong subsidy layers and financial guarantees to ensure social inclusion.
One-stop-shop (OSS) intermediary models	4 – Improves programme participation by addressing administrative, informational, and technical barriers.	3 – Requires operational funding but improves overall programme efficiency by reducing transaction costs.	4 – Strong inclusion potential, particularly for vulnerable households facing bureaucratic or informational barriers.	3 – Scalable if supported through stable national funding and municipal coordination.	5 – Widely promoted in EU renovation strategies and adaptable to different governance contexts.	4 – Municipal administrations, energy officers, and civil society organizations already exist and could host OSS centers in cooperation with KEEF and social services.	Critical enabling mechanism that improves accessibility, outreach, and trust in energy-efficiency programmes.

Scoring scale: 1 = very weak / not feasible, 2 = weak, 3 = moderate, 4 = strong, 5 = very strong

RECOMMENDATIONS

EU policy under the Renovation Wave, EED and EPBD requires countries to explicitly define and identify vulnerable and energy-poor households, prioritize them in energy-efficiency and renovation measures, and progressively shift away from short-term bill subsidies toward structural solutions that permanently reduce energy demand.²⁵⁵ For Kosovo, aligning with these frameworks requires not only technical adjustments but also institutional and social reform, treating energy efficiency as a long-term social protection instrument that improves living conditions, reduces household energy costs, and supports a just energy transition.

This is particularly important given the structural characteristics and high energy intensity of Kosovo's residential sector. Although significant investments have already been made through international donors, development banks, and national institutions, large segments of the housing stock remain inefficient.²⁵⁶ Single-family houses dominate the residential sector, most of which are not connected to district heating systems and rely on inefficient heating technologies. Studies indicate that the largest energy-saving potential lies in homes built between 1960–1969 (up to 66%) and 1980–1999 (up to 63%), where standard energy-efficiency retrofits could deliver substantial reductions in energy demand.²⁵⁷

Experience from SEE countries suggests that effective energy efficiency programmes targeting vulnerable households combine several key elements, such as clear eligibility criteria linked to social registries or multidimensional energy-poverty indicators, high grant shares or in-kind support that remove upfront investment barriers, simplified application procedures supported by local outreach or OSS advisory services, and integrated technical assistance ensuring that households receive reliable, high-quality energy-efficiency solutions.^{258 259 260} These components help ensure that energy-efficiency policies reach the households most affected by energy poverty while delivering durable reductions in energy demand.

The assessment of inclusion models potential replicability in Kosovo presented earlier suggests that a hybrid policy architecture is required to translate EU policy principles into the Kosovo context. Full grant or in-kind delivery programmes are essential for addressing severe energy poverty, particularly for households unable to co-finance renovation measures. Evidence from the WBIF (2023) indicates that support to vulnerable

²⁵⁵ Energy Community Secretariat. (2025). Study on the implementation of the EE1st principle in buildings, with the focus on reducing energy poverty – Part one.

²⁵⁶ European Commission. (2024). Commission staff working document – Kosovo 2024 report.

²⁵⁷ GIZ. (2021). Typology of Residential Buildings in Kosovo.

²⁵⁸ OECD. (2025). Energy prices and subsidies in the Western Balkans.

²⁵⁹ EBRD. (2024). EBRD pioneers green financing for housing associations in Serbia.

²⁶⁰ UNDP Kosovo. (2025). Project Summary: Inclusive and Just Pathway to 2030: Green Energy Future.

households is effective only when grant levels exceed 85–90% of the total investment, confirming the importance of high subsidy levels for socially targeted renovation programmes.²⁶⁹

At the same time, social-registry-based targeting mechanisms can improve the efficiency of programme delivery by linking energy-efficiency interventions with existing social protection systems. OSS advisory services are necessary to reduce administrative barriers and provide technical support to households navigating renovation programmes. Finally, blended finance mechanisms can mobilize larger investment volumes for the broader residential sector, enabling large-scale renovation while reserving grant funding for vulnerable households. The latter two models can be strongly supported by international development organizations (such as the UN, GIZ and LuxDev) either through direct financial support or through technical assistance, including bridging of institutional gaps and piloting inclusive delivery mechanisms.

As such, Kosovo needs to transition from strategic commitments to operational delivery. In the short term (0–12 months), immediate priority should be given to establishing the necessary policy and institutional foundations, including the establishment of the national registry, integrating targets for vulnerable households into the NECP, strengthening the role of the KEEF, and piloting municipal OSS advisory services and targeted retrofitting programmes. In the medium term (1–3 years), the focus should shift to scaling implementation through the adoption of the National Building Renovation Strategy, expansion of OSS services nationwide, development of blended financing mechanisms, EPC enforcement, improved building data systems, and expanded outreach and workforce capacity. In the longer term (3–5 years), structural reforms should institutionalize the system by introducing minimum energy performance standards, integrating energy efficiency into broader social protection policies, establishing a permanent renovation financing framework, strengthening municipal delivery systems, and implementing a national monitoring framework. These measures jointly aim to transform energy efficiency into a long-term instrument for reducing energy poverty and supporting a just energy transition in Kosovo. The roadmap for reducing energy poverty and expanding inclusive energy-efficiency programmes in Kosovo through the short, medium and longer terms is presented in the tables below.

Table 6. Roadmap for inclusive energy efficiency in Kosovo - Timeframe: Short-Term (0-12 months)

Reform Measure	Detailed Action	Lead Institution	Supporting Actors	Type of Reform
Establish the national register for consumers in need	Establish a comprehensive registry of consumers in need or those vulnerable to energy poverty linking social protection databases, housing/building data, and utility arrears. Introduce data-sharing protocols between energy institutions and social protection systems. Enable automatic targeting and reduce administrative barriers for vulnerable households accessing energy efficiency programs.	MLFLW	ME, KAS, ERO, municipalities, KEEF	Policy & Delivery
Revise the NECP's implementation framework	Update NECP's implementation framework to include measurable targets for vulnerable households (including building renovation quotas, dedicated funding shares, and social impact indicators) and clear responsibilities.	MESP	ME, MLFLW, KEEF, European Commission, development partners (such as UN, GIZ, LuxDev etc.)	Policy
Establish dedicated energy poverty funding window	Create a dedicated "energy poverty window" within national energy-efficiency programmes managed by the KEEF, financed through state budget allocations and international development partners.	KEEF	ME, MF, MLFLW, Kosovo Credit Guarantee Fund (KCGF), development partners	Policy & Program
Simplify application procedures	Introduce simplified, assisted application channels (via OSS and CSWs), including pre-filled forms and reduced documentation requirements for vulnerable households.	KEEF	Municipalities, CSWs	Delivery
Empower KEEF for retrofitting vulnerable households	Position KEEF as the central delivery agency for residential energy efficiency by introducing a dedicated vulnerable-household program with 85-100% grant intensity, simplified application procedures, proactive beneficiary identification (via municipalities and CSWs), and bundle audit-design-retrofit delivery.	KEEF	ME, MESP, municipalities, development partners	Program & Delivery
Pilot municipal OSS services	Establish pilot OSS centers in selected municipalities providing technical advice, application assistance, and contractor coordination. Integrate OSS services with municipal social services and KEEF programmes.	Municipalities	KEEF, MLFLW, CSOs, local energy agencies, development partners	Delivery
Develop targeted audit and retrofit programme	Launch free energy audits prioritizing inefficient single-family homes built between 1960–1999, where the largest energy savings potential exists. Reserve quotas for vulnerable groups, including women-headed households and minority communities.	KEEF	Municipalities, vocational schools, development partners	Program
Launch appliance replacement and micro-grant schemes	Provide efficient heating appliances, LED lighting, and basic insulation kits. Introduce small-scale grant or voucher schemes for low-cost energy-efficiency improvements.	KEEF	Municipalities, CSOs, retailers	Program
Capacity building and workforce development	Train energy auditors and assessors, retrofit installers (especially those undertaking the construction works and installment of HVAC systems), and municipal energy officers (including those from minority communities). Train social workers to identify energy poverty indicators during household assessments.	MESP	Universities, vocational institutions, development partners, ME, MLFLW, CSWs	Program
Social outcome monitoring	Develop a monitoring framework measuring energy poverty indicators (energy expenditure burden, arrears reduction, thermal comfort, indoor air quality, and health outcomes), with annual public reporting and integration into NECP monitoring	ME	KAS, KEEF, municipalities	Delivery

Table 7. Roadmap for inclusive energy efficiency in Kosovo - Timeframe: Medium-Term (1-3 years)

Reform Measure	Detailed Action	Lead Institution	Supporting Actors	Type of Reform
Adopt and operationalize National Building	Formally adopt the National Building Renovation Strategy to prioritize low-income and energy-poor households. Introduce binding renovation targets, integrate social inclusion criteria, and align financing mechanisms with KEEF's programmes.	MESP	ME, KEEF, municipalities	Policy
National roll-out of municipal OSS	Expand OSS centers to all municipalities, standardize advisory services, integrate digital application systems, and ensure coordination with municipal social services and KEEF programmes.	ME	MLFLW, KEEF, municipalities, CSWs, CSOs, development partners	Delivery
Scale deep renovation programmes for vulnerable	Expand high-grant renovation programmes targeting inefficient single-family homes and vulnerable households. Prioritize buildings with the highest energy-saving potential and integrate health and thermal comfort indicators in targeting.	KEEF	ME, MESP, MLFLW, municipalities, development partners	Program
Develop blended finance instruments	Introduce blended financing schemes combining grants and concessional loans. Establish interest-free or low-interest loans for low-income households and financing mechanisms for multi-apartment buildings. Introduce risk-sharing and guarantee mechanisms to enable bank participation.	MF	MLFLW, KEEF, CBK, commercial banks, international financial institutions	Program
Strengthen EPC enforcement and targeting	Improve enforcement of EPCs and use EPC data to identify inefficient buildings. Link EPC ratings to eligibility for renovation incentives and subsidy programmes.	MESP	Municipalities, ERO, KEEF	Policy & Delivery
Develop national building stock data system	Establish a GIS-based building stock database integrating EPC data, building age, and social vulnerability indicators to support spatial targeting of renovation programmes.	KAS	ME, MESP, KEEF, municipalities	Delivery
Institutionalize outreach through civil society organizations	Formalize partnerships with CSOs working with vulnerable groups (Roma communities, persons with disabilities, women-led households). Provide funding for energy literacy programmes and community outreach.	MLFLW	Municipalities, KEEF, CSOs	Program
Expand workforce development for renovation sector	Develop training programmes for energy auditors, retrofit installers, and municipal energy advisors. Support vocational training programmes and certification of energy advisors to support households through renovation processes.	MEST	ME, universities, vocational schools, development partners	Program

Table 8. Roadmap for inclusive energy efficiency in Kosovo - Timeframe: Long-Term (3-5 years)

Reform Measure	Detailed Action	Lead Institution	Supporting Actors	Type of Reform
Introduce minimum energy performance standards	Gradually introduce minimum energy performance standards starting with public buildings, followed by large non-residential buildings and later the residential sector. Establish compliance mechanisms and link standards with renovation support schemes for vulnerable households.	MESP	ME, municipalities, ERO, KEEF	Policy
Integrate energy efficiency into social protection policy	Reform the social protection framework to recognize energy-efficiency renovation as a structural poverty reduction measure. Gradually reduce reliance on energy bill subsidies and prioritize investments that permanently reduce household energy demand.	MLFLW	ME, municipalities, CSWs	Structural Policy
Establish a permanent national renovation	Develop a multi-year financing framework combining state budget allocations, international finance, and donor blending mechanisms. Strengthen the role of the KEEF as the central financing platform.	MF	MLFLW, ME, KEEF, IFIs, development partners	Structural Program
Institutionalize municipal delivery systems	Transform pilot OSS advisory services into permanent municipal services integrated into local housing, climate, and energy plans. Strengthen municipal technical capacity for programme delivery.	Municipalities	ME, MLFLW, KEEF, development partners, CSOs	Structural Delivery
Permanent monitoring and evaluation system	Establish a national monitoring system tracking social, environmental, and energy impacts of renovation programmes. Publish annual energy poverty and building renovation progress reports.	ME	KAS, ERO, MESP, MLFLW, KEEF, municipalities	Structural Delivery
Education and professional reform	Integrate energy poverty, building renovation, community engagement, and social justice into architecture, engineering, and planning curricula. Support professional certification for energy advisors and retrofit specialists.	MES	Universities, professional chambers, vocational training institutions	Structural Program

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ANNEXES

A. Legal Framework

The legal framework governing energy efficiency and the energy performance of buildings in Kosovo is multi-layered, dispersed across several laws, strategies, and sectoral plans. Kosovo has adopted many laws guiding its energy sector, including the Law on Energy, the Law on Electricity and Law on Energy Regulator. Progress has been made regarding the energy efficiency aspect as well through the development of the Law on Energy Efficiency and the Law on Energy Performance of Buildings.

Law on Energy defines the general principles governing Kosovo's energy sector, aiming to ensure a safe, secure and reliable energy supply, a functioning open market, and improved environmental protection. It promotes efficient energy use, the expansion of renewable energy and cogeneration, and energy conservation as core pillars of energy policy. It also places strong emphasis on protecting energy consumers, particularly vulnerable customers, and mandates the preparation of a Social Energy Action Plan through coordination between the ministries responsible for energy, social affairs and finance, in consultation with the energy regulator and relevant stakeholders.²⁶¹

The new **Draft Law on Energy** modernizes Kosovo's energy sector by aligning it with EU energy and climate legislation, promoting a competitive and market-based energy system, strengthening consumer protection, and supporting the green transition. It introduces the concept of energy poverty for the first time, defining it as the inability of households to access essential energy services due to low-income, high-energy costs, and poor energy efficiency of homes. The draft law establishes stronger protections for vulnerable consumers through targeted subsidies, minimum energy supply guarantees, and the creation of a dedicated registry of consumers in need. It also integrates energy efficiency and renewable energy measures into social protection policies, promotes smart metering and demand management, and supports greater market liberalization while maintaining safeguards for households and microenterprises during the energy transition.²⁶²

Law on Electricity establishes the rules governing Kosovo's electricity sector to ensure a secure, reliable and high-quality electricity supply at affordable prices, while promoting efficient electricity use and environmental protection. It sets common rules for electricity generation, transmission, distribution, supply and market operation, in line with regional and European electricity markets, and defines public service obligations, consumer rights and competition conditions. From a social perspective, the law introduces a comprehensive framework for protecting customers in need. It mandates

^{261.} Law No. 05/L-081 on Energy.

^{262.} Draft Law on Energy,

the development of a dedicated programme to define socially vulnerable customers, their rights and protection measures, requires the Distribution System Operator to maintain a register of customers in need, and obliges suppliers with public service obligations to put in place mechanisms to prevent disconnections due to non-payment. It also provides for non-discriminatory funding of support measures and recognizes energy efficiency improvements and domestic energy planning as tools to address energy poverty within the broader social protection framework.²⁶³

Law on the Energy Regulator defines the powers, duties and functions of the Energy Regulatory Office (ERO) as an independent authority responsible for licensing energy activities, certifying transmission system operators, authorizing new generation capacity, regulating tariffs, and ensuring the efficient functioning of competitive energy markets. It establishes the regulatory framework for conditions of energy supply and market oversight in Kosovo. It also requires the regulator to balance the interests of customers and energy enterprises, ensure high standards of public service, and protect customers in need. The law provides that any financial support for vulnerable consumers must be implemented by central authorities in a transparent manner, in line with sectoral energy laws, and designed to minimize distortions to market competition.²⁶⁴

Law on Energy Efficiency establishes the legal framework for promoting and improving energy efficiency in Kosovo by setting national energy-efficiency targets and ensuring their achievement through action plans, market development for energy services and other efficiency measures. It aims to reduce energy intensity in the economy and limit the environmental impacts of energy-related activities. The law applies to all public authorities and the private sector across the entire energy chain, from production to final consumption. It promotes the removal of barriers to energy efficiency, the uptake of highly efficient technologies and equipment, and the use of renewable energy sources. It also provides for financial mechanisms to support energy-efficiency investments (particularly building renovation), ensures the availability of energy audits and energy management systems, raises consumer awareness, and regulates the establishment and roles of the Kosovo Energy Efficiency Fund (KEEF).²⁶⁵

Law on Energy Performance of Buildings establishes the rules and measures for improving the energy performance of buildings in Kosovo, taking into account climatic conditions, indoor comfort requirements and cost-effectiveness. It applies to all new and existing buildings included in the energy performance framework. The law introduces minimum energy

²⁶³. Law No. 05/L-085 on Electricity.

²⁶⁴. Law No. 05/L-084 on the Energy Regulator.

²⁶⁵. Law No. 06/L-079 on Energy Efficiency.

performance requirements for new buildings, major renovations, building envelope elements and technical building systems. The law mandates the development of a National Building Renovation Strategy and a plan to increase the number of NZEBs, requires the establishment of incentives for energy-efficiency improvements implemented through the KEEF, and makes energy performance certification mandatory for new buildings, existing buildings and buildings undergoing major renovation.²⁶⁶ While the law establishes the regulatory basis for Energy Performance Certificates (EPCs), their enforcement in practice has not started yet; hence, there is limited data to guide renovation planning or target support, such as prioritizing the worst-performing dwellings occupied by low-income households.

Law on Climate Change defines the responsibilities of public authorities in mitigating climate change, coordinating and monitoring results, and fulfilling Kosovo's obligations under international climate agreements. It applies across all sectors whose activities affect climate change, including energy, construction, industry, transport, urban planning, land management and public services. Within this framework, the ministry responsible for energy supports measures to expand carbon-free renewable energy, improve energy efficiency across all sectors (including energy performance of buildings), and reduce greenhouse gas emissions, as regulated through energy efficiency legislation. The law anchors the National Energy and Climate Plan (NECP) as the key implementation instrument, requiring it to set binding targets for greenhouse gas emissions, renewable energy shares and indicative energy-efficiency contributions, and to outline the measures planned to achieve these objectives, alongside information on energy security, markets, innovation and competitiveness.²⁶⁷

The **Law on Financing Specific Housing Programs**, also referred to as the Law on Social Housing, aims to ensure sustainable housing for families or individuals who cannot afford market-rate housing. Housing support is provided mainly through rental schemes, including dwellings constructed by municipalities, government- or donors, rented private housing supported by housing bonuses, and municipally owned dwellings adapted for social use. Beneficiaries include households without property, those made homeless by the Kosovo conflict, and families living in substandard housing. Priority is determined based on housing conditions, income level, health status, disability, and family structure, with additional emphasis on large families, households with persons with disabilities, female-headed households, divorced caregivers, and orphans. Municipalities are responsible for identifying housing needs, providing land and infrastructure, managing and maintaining social housing, verifying beneficiaries' economic status,

²⁶⁶. Law No. 08/L-242 on Energy Performance of Buildings.

²⁶⁷. Law No. 08/L250 on Climate Change

maintaining databases, and submitting annual funding requests to the relevant ministry.²⁶⁸ While this Law put more emphasis on municipal initiatives and was considered fragmented, a new Draft Law on Affordable and Social Housing was put forward and approved by the Assembly of Kosovo in 2024; however, it was overturned by the Constitutional Court in 2026 due to procedural violations.

The new **Draft Law on Social and Affordable Housing** aims to establish social and affordable housing programs and to define eligibility criteria for housing benefits for families and individuals in need. While social housing is provided for rent in publicly owned or other housing units for families with insufficient income for market-rate housing with a rent not exceeding 30% of the family's income, affordable housing is a new category provided for households with income levels below the national average. It targets all groups at risk of falling into poverty, harm or discrimination due to their economic and social factors, geographical location or physical circumstances. It builds on the principles of social and affordable housing that is environmentally sound, fulfills people's needs and enhances social inclusion and public health, non-discriminatory and accessible, that is developed through transparent processes and partnerships between different stakeholders. Compared to the previous law, it broadens the scope of target groups, including families or individuals with poor economic condition or beneficiaries of social assistance, large families with many children and single-parent families, the unemployed, homeless, victims of domestic violence and those of human trafficking, women and men victims of war, families of martyrs and missing persons and of the KLA, KLA invalids in difficult economic situation, civilian invalids of war and close families of civilian victims of war, missing persons and victims of trafficking, young people, the elderly, people with special needs, refugees and asylum seekers, displaced persons, repatriated persons, Roma, Ashkali and Egyptian community, orphaned children, and other relevant categories. Benefiting criteria include those not owning a residential unit/house that meets the minimum living conditions/standards. The Law expands beyond social housing, including adequate neighborhoods, reconstruction or renovation of houses, affordable housing and other programs related to housing and urbanization. It also required that social and affordable housing buildings meet basic construction requirements, minimum technical rates for energy efficiency, and respect principles of environmental sustainability, safety, energy saving and alternative energy sources.²⁶⁹

Kosovo has also drafted its **National Energy and Climate Plan (NECP) 2025-2030**, which (even though not adopted yet) is a roadmap for energy transition and climate action, focusing on energy security, renewable energy

²⁶⁸. Law No. 03/L-164 on Housing Financing Specific Programs.

²⁶⁹. Draft Law on Social and Affordable Housing.

and energy efficiency as well. By 2030, it aims to address the reliance on outdated lignite-fired power plants (Kosova A and B), reduce GHG emissions by 16.2% (compared to the 2016 levels), increase the share of renewables in the energy mix by 32%, and achieve the energy efficiency obligation of 0.8% of the baseline consumption. The NECP also treats energy efficiency as a key measure for decarbonization and energy security, obliging energy efficiency schemes, renovation of commercial and residential buildings, energy certification, promoting efficient appliances and encouraging climate-friendly fuels. It recognizes energy poverty as both a social and an energy challenge and foresees targeted support for vulnerable households through subsidies, grants and dedicated schemes.²⁷⁰

Kosovo's **Energy Strategy 2022-2031** sets ambitious targets to increase renewable energy capacities from 300 MW to 1,600 MW by 2031. The strategy aims for a minimum 35% renewable energy share in gross final electricity consumption as well as a GHG emissions reduction in the power sector by at least 32% by 2031. It also aims improving energy efficiency of buildings and the efficiency of cogeneration and district heating systems, with the purpose of limiting the final energy consumption to the level of 1,877 ktoe, achieving cumulative energy savings of 266.4 ktoe in buildings (public, private, commercial) and certification of 150 Nearly Zero-Energy Buildings (NZEBs) by 2031. The Energy Strategy frames energy efficiency as the most cost-effective energy resource and a central pillar of social justice and a just transition. It places particular emphasis on the residential sector, where energy losses and energy poverty are most acute, and promotes energy-efficiency programmes targeting vulnerable households through measures such as thermal insulation, efficient heating systems and broader housing improvements. The Strategy integrates social considerations into energy policy by strengthening coordination with housing and social protection sectors and reinforcing the role of energy-efficiency implementing institutions, with the overarching objective of reducing household energy expenditures and improving living conditions and well-being.²⁷¹

The **Climate Change Strategy 2019-2028** outlines Kosovo's approach to mitigation and adaptation in line with sustainable development goals, as well as preparations for future reporting to the UNFCCC. The mitigation component sets qualitative objectives towards Kosovo's decarbonization and respective socio-economic development, however the lack of quantitative targets up to 2050 makes it more difficult to be developed. Whereas the adaptation component supports the enhancement of disaster risk reduction mechanisms especially for vulnerable communities (such as farmers, women and marginalized groups) and aims to integrate climate change adaptation

²⁷⁰. Draft National Energy and Climate Plan (NECP) 2025-2030.

²⁷¹. Energy Strategy of the Republic of Kosovo 2022-2031.

into development processes and across several sectors. The strategy aims for resource efficiency as well as energy efficiency improvements, with the latter also focused on the building stock.²⁷²

Kosovo has also initiated the drafting of its **National Building Renovation Strategy**, which will follow EU practice (specifically the Energy Performance of Buildings Directive). According to the Ministry of Environment and Spatial Planning (MESP), the strategy will be developed through an inclusive approach, addressing social aspects that may contribute to the reduction of energy poverty as well.²⁸²

B. Interviewed Stakeholders

Institution / Organization	Name & Surname	Date
ME / Energy Efficiency Division Gender Equality Officer	Mirlindja Bajrami Fahirje Qorrja	16.02.2026 20.02.2026
MLFVLW (former MFLT) / Division for Social Assistance	Selvete Sadiku	22.12.2025
KEEF	Driton Hetemi Drita Shabani	17.12.2025
Association of Kosovo Municipalities	Arsim Osmani	16.12.2025
Green Energy Kosova	Shend Boshnjaku	22.12.2025
EC Ma Ndryshe	Valon Xhabali	22.12.2025
EcoZ	Egzona Shala	30.12.2025
Network of Roma, Ashkali and Egyptian Women's Organiza- tions of Kosovo (RROGRAEK)	Shpresa Agushi	25.02.2026
Association of Women in Energy Sector of Kosovo (AWESK)	Arijeta Pajaziti Qerimi	30.01.2026
Democracy Plus	Albana Rexha	03.02.2026
Legal Expert	Valon Stavileci	09.02.2026
UNDP Montenegro	Maja Kustudic	12.02.2026
Electra Energy Cooperative, Greece	Ioanna Angelaki	15.02.2026

²⁷². Email response by Arben Ajazi, MESP on 30.12.2025.

