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National Report on

The nexus between **energy poverty,** **energy transition, and** **energy communities**

in rural areas and the youth's role in Kosovo



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Summary

The National Report on the Nexus between Energy Poverty, Energy Transition, and Energy Communities in Rural Areas and the Youth's Role in Kosovo provides an analysis of the challenges and opportunities associated with energy poverty and the energy transition in Kosovo, with a focus on rural areas and the role of youth.

Energy poverty remains a significant yet underexplored issue in Kosovo. The report highlights that nearly 43% of households struggle to afford their energy bills, with many unable to heat their homes adequately during winter. The lack of a clear definition and comprehensive strategy to address energy poverty exacerbates the situation. Current strategies, such as the Energy Strategy of Kosovo (2017-2026), only briefly mention vulnerable consumers without offering concrete solutions.

Kosovo's energy sector is heavily reliant on fossil fuels, particularly lignite coal, which poses severe environmental challenges. The report outlines the existing legislative framework governing energy efficiency and renewable energy, emphasizing the need for enhanced regulations and implementation. Key legislation includes the Law on Energy, the Law on Electricity, and the Energy Efficiency Law. Despite these laws, Kosovo's energy consumption remains inefficient, with a high reliance on non-renewable sources.

The report underscores the importance of youth in driving the energy transition in Kosovo. The younger generation, with their digital skills and innovative capabilities, is crucial for modernizing Kosovo's energy infrastructure and promoting sustainable practices. Examples of successful youth involvement include initiatives like SolarCollab, ReRURAL Summer Schools, and Kosovo Green Action, which engage young people in renewable energy advocacy and environmental activism.

To address energy poverty, Kosovo has implemented various measures, including subsidies for energy-efficient appliances, home insulation incentives, and the promotion of renewable energy sources. However, these efforts need to be expanded and better aligned with international obligations to ensure broader and more effective coverage, particularly for the most vulnerable populations.

Introduction

Understanding of Energy Poverty in Kosovo

Energy poverty in Kosovo remains an underexplored and pressing issue, mostly due to the absence of a clear and comprehensive definition in the country's legislative and policy framework. This lack of definition hinders the ability to address the multifaceted nature of energy poverty, which is driven by high energy costs relative to household income, low energy efficiency in homes, and the overall poor energy performance of buildings and appliances. According to data from the Kosovo Agency of Statistics (KAS, 2017), 43% of households in Kosovo¹ struggled to pay their utility bills at least twice in a year, and an equal percentage could not afford to sufficiently heat their homes during the cold season.¹ This situation was exacerbated in February 2022 when energy tariffs were increased for households consuming more than 800 kWh per month, impacting over 22% of Kosovar electricity consumers².

The Energy Strategy of Kosovo* 2017-2026 does make a reference to “vulnerable consumers,”³ a term used to describe those at risk of energy poverty. implicitly recognizing the energy poverty crisis that disproportionately affects these groups. However, despite this recognition, the strategy lacks a concrete framework or actionable measures to systematically address the structural drivers of energy poverty. While the strategy briefly mentions the need for a government intervention program, particularly in response to rising energy prices due to investments in so-called “clean coal” technology, it falls short of offering a targeted, long-term approach to protecting vulnerable consumers. This lack of strategic depth and alignment with broader Energy Community requirements suggests a superficial policy commitment, where the issue is acknowledged in principle but remains neglected in actual institutional implementation.

¹ Kosovo Agency Statistics (KAS) 2017

² KESCO, 2022); <https://www.giz.de/en/downloads/giz2023-en-factsheet-energy-poverty.pdf>

³ Vulnerable consumers may include social assistance scheme beneficiaries and other low-income families, female-headed households, elderly households, etc

A more recent policy document, the Draft National Energy and Climate Plan (NECP) 2025-2030, attempts to bridge some of these policy gaps⁴. The NECP refers to Article 49 of the Law on Electricity, which mandates protection for vulnerable consumers (Ministry of Economy, 2023). The NECP outlines an inter-institutional working group established in 2019 to develop a government program for mitigating the socio-economic impact of rising energy tariffs. However, despite these efforts, the document admits that Kosovo still lacks a legal definition of energy poverty and has no comprehensive strategy for mitigating its effects. The absence of systematic data collection on energy poverty and vulnerable consumers has severely limited the government's ability to quantify the scope of the problem and design effective interventions.

The recent European energy crisis has exposed the fragility of Kosovo's current support mechanisms, revealing their deep inadequacy in shielding vulnerable populations from energy price shocks. Currently, Kosovo's vulnerable consumer protection framework is limited to two small groups: beneficiaries of the Social Assistance Scheme and recipients of war-related benefits. These highly restrictive criteria exclude a substantial portion of the population that is experiencing severe energy insecurity, leaving large numbers of low-income and working-class households, informal workers, and pensioners without any protection.

The government's approach to energy poverty relief has relied on blanket subsidies, applied indiscriminately across all consumers through electricity tariffs. This untargeted, short-term fix reflects a fundamental failure in governance, as the absence of a comprehensive register of vulnerable customers prevents Kosovo from implementing targeted, means-tested interventions that prioritize those most at risk. In contrast, EU countries such as France and Germany have introduced energy vulnerability indices and legally binding consumer protection mechanisms, ensuring that energy affordability policies are proactive rather than reactive. Kosovo's reliance on ad hoc subsidies without structural policy change indicates a shortsighted approach that fails to address the root causes of energy poverty.

The implications of this policy vacuum are significant. The NECP acknowledges that future energy sector investments, alongside increasing market liberalization, are likely to drive energy prices higher. Without a legally mandated social protection

framework, the shift toward a more market-driven energy system risks deepening energy poverty and exacerbating socio-economic inequalities. A delayed response to this challenge will not only increase public discontent and social instability but may also undermine Kosovo's commitments to just transition principles outlined in the Energy Community Treaty.

A serious and coherent response to energy poverty in Kosovo requires more than fragmented policy initiatives. The government must move beyond vague commitments and symbolic working groups and implement legally binding consumer protection measures that extend beyond the narrowly defined Social Assistance Scheme. The creation of a national energy poverty register, combined with income-based and consumption-based energy affordability programs, is imperative. Kosovo must also establish an independent energy poverty monitoring body that integrates civil society organizations, social welfare institutions, and energy regulatory authorities to ensure greater transparency and accountability in policymaking. Without such fundamental reforms, Kosovo's approach to energy poverty will remain a patchwork of superficial policies that fail to deliver substantive change for those most in need.

Therefore, the complexity of energy poverty, compounded by its private nature, demands a more nuanced and targeted approach in Kosovo. Without a formal definition and a comprehensive strategy, efforts to mitigate energy poverty remain fragmented and inadequate. As Kosovo continues to navigate its energy challenges, including increasing tariffs and low-income levels, a more structured and inclusive policy framework is essential to ensure that all citizens have access to affordable and sustainable energy. Addressing energy poverty is not just about reducing energy costs but also about improving the overall quality of life and ensuring the health and well-being of the population⁴.

⁴ Energy Community, World Bank Report, 2021

Legislation in Kosovo on Energy Poverty , Energy Transition , and Energy Communities

Legislative framework in Kosovo

Kosovo relies primarily on three main energy sources: lignite coal, oil, and biomass for heating and cooking purposes. However, this energy consumption pattern is inherently unsustainable due to its heavy reliance on fossil fuels. Lignite coal, while abundant in Kosovo, poses significant environmental challenges as it is highly polluting and contributes to climate change. Moreover, the combustion of oil and biomass also generates emissions that adversely affect the environment. Efforts to transition towards more sustainable energy sources are essential to mitigate the environmental impact and ensure long-term energy security. Investing in renewable energy sources such as wind, solar, and hydroelectric power can diversify Kosovo's energy portfolio and reduce its dependence on fossil fuels. Additionally, improving energy efficiency in both residential and industrial sectors can help minimize energy consumption and decrease environmental harm. By embracing cleaner and more sustainable energy solutions, Kosovo can not only reduce its carbon footprint, but also enhance its resilience to energy supply disruptions and contribute to global efforts in combating climate change. According to the Kosovo Agency of Statistics, in 2021, the main energy sources utilized in Kosovo included coal 1564 ktoe, oil products (such as gasoline, diesel, fuel oil, kerosene, and liquefied petroleum gas - LPG) at 789 ktoe, biomass 363 ktoe, hydro energy 26 ktoe, wind 7 ktoe, solar energy 4 ktoe, and electricity at 59 ktoe. The total amount of energy available for consumption in 2021 was recorded at 2813.51 thousand tonnes of oil equivalent (ktoe), marking a 2.91% increase compared to 2020.⁶

Kosovo exhibits a notably high energy intensity, signalling that its economy operates below optimal efficiency levels. This underscores the urgent need to enhance energy efficiency across various sectors. Fortunately, Kosovo possesses vast untapped potential in both energy efficiency improvements and renewable sources, particularly in wind and solar energy. Addressing energy inefficiencies offers a dual advantage: it not only reduces energy consumption but also enhances economic productivity.

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By implementing measures to improve energy efficiency in industrial processes, transportation, and buildings, Kosovo can unlock significant cost savings and bolster its competitiveness on the global stage. These are of paramount importance to provide security of energy supply, but also offer resource efficiency and better economic, health and environmental outcomes.⁵

Per capita energy consumption serves as a key indicator of a nation's economic development and efficiency. In Kosovo, the energy consumed per person in 2015 amounted to approximately 1.02 tonnes of oil equivalent (toe) per capita. Furthermore, the energy intensity for the same year was reported at 0.31 toe per 1000€ of GDP, indicating a relatively low level of energy efficiency within the country's economy. These figures underscore the need for Kosovo to prioritize efforts towards improving energy efficiency and optimizing resource utilization. By implementing measures to enhance energy efficiency across various sectors, Kosovo can not only reduce its energy consumption per capita but also boost economic productivity and competitiveness. A lower value indicates a more efficient economy in terms of energy consumption.⁶ While energy intensity dropped to 0.226 toe per 1000€ of economic output achieved in 2021, or 0.618 tonnes of oil equivalent (toe) per head.

While most of the energy in Kosovo such as oil used in the country is used by the transport (422 ktoe, or 99% of the total energy of this sector), industry (191.86 ktoe, or 61%), services (43.72 ktoe, or 26%), agricultural sector (21.68 ktoe – 56%). On the other hand, coal in Kosovo (1564 ktoe) is mainly transformed into electrical energy and some amounts of the energy is used as district heating in the capital.

Investments in energy efficiency within the public sector hold tremendous potential for Kosovo, offering significant benefits that extend beyond mere cost savings. By reducing energy expenses, these investments can liberate financial resources, redirecting them towards other developmental priorities. This not only enhances

⁵ The World Bank, Energy Efficiency in Kosovo, 1 May 2019. Retrieved from: Energy Efficiency in Kosovo (worldbank.org)

⁶ Kosovo Agency of Statistics, ANNUAL ENERGY BALANCE IN THE REPUBLIC OF KOSOVO for 2015, Prishtina, 2016. Retrieved from: <https://askapi.rks-gov.net/Custom/1957c5d3-4664-46db-8efa-13b3077d8d72.pdf>

Kosovo's competitiveness but also stimulates job creation, thereby fostering economic growth and prosperity. Global examples underscore the transformative impact of such investments in public sector energy efficiency. They serve as catalysts for the development of energy efficiency markets, enabling governments to set compelling precedents. By leading the way in adopting energy-efficient practices, the public sector paves the path for similar advancements in the private sector, driving broader societal benefits and facilitating a transition towards a more sustainable energy future.¹⁰

Numerous challenges persist in Kosovo's pursuit of energy efficiency, including limited capacity in the field, a shortage of energy auditors, financial constraints hindering investment in energy-saving measures among the general population, insufficient technical expertise, and low awareness, among others. Furthermore, while strategic plans and infrastructure blueprints are drafted, their actual implementation lags behind.

With the onset of the energy crisis following the easing of COVID-19 restrictions and the conflict in Ukraine, there has been a significant surge in energy prices, necessitating a heightened focus on security of supply and energy import substitution. In response to this challenge, Kosovo has implemented a series of crucial policy measures aimed at reducing energy demand to ensure the consistent supply of electricity and energy within the domestic market. The spike in energy prices has affected not only electricity costs but also those of oil products and biomass. Consequently, the government has been compelled to intervene in the market multiple times to shield consumers from exorbitant prices and speculative activities.

As such a plan to boost Near-Zero Energy Buildings and a Building Renovation Strategy have also been drafted¹¹ the status of this national plan is still in the drafting stage. Unfortunately, the strategy has not yet been implemented in any format.

In 2019, an Energy Efficiency Fund was established with around 20 million euros and secured financing. It has financed extensively energy efficiency measures in public buildings across the country¹². Through financing and expertise provision, the creation of comfort in municipal buildings, sports halls, and family medical centres has been made possible.¹³ Besides increasing comfort, retrofitted public buildings have lowered their energy bills and have contributed to a better environment, and

increased the architectural value of the building. Work started in 2023 to encompass the private and residential sector, replicating the energy efficiency benefits in this sector as well.

Kosovo's legal framework is generally solid, providing a foundation for governing various aspects of the energy sector. However, substantive adjustments are required to enhance the legal infrastructure specifically pertaining to energy efficiency and renewable energy sources (RES) development in the residential sector. These adjustments are necessary to create an enabling environment that facilitates the implementation of energy efficiency measures and promotes the uptake of renewable energy technologies among residential consumers. By fine-tuning existing legislation and introducing targeted policies, Kosovo can further support the transition towards a more sustainable and environmentally friendly energy system.

Vulnerable groups and consumers need to be further protected by law and Energy Performance Certificates for buildings need to be applied in Kosovo and energy auditors better regulated by law. Kosovo must ensure that the Energy Efficiency Law and the Law on Energy Performance of Buildings are brought into conformity with the latest directives mandated by the Energy Community Treaty. It is imperative for Kosovo to promptly introduce energy performance certification for buildings and to endorse both the Building Renovation Strategy and the Plan for nearly zero-energy buildings¹⁴.

The Energy Efficiency Law No. 06/L-079, which incorporates the provisions of Directive 2012/27/EU, was passed on November 7, 2018. This legislation primarily derives and is impacted by several energy-related laws, including those concerning the Law on Energy, electricity, energy regulation, construction, and energy performance of buildings.

The Energy Efficiency Law of 2018 introduced energy efficiency obligations and targets. However, amendments to this law are being made to align with the heightened energy efficiency targets established by the revised Energy Efficiency Directive (EED). Kosovo has enacted the requisite regulations to enforce the Energy Performance of Buildings Laws.

The Administrative Instruction – MESPI, no. 15/23, amending AI – MESPI, no. 08/13, Installation of photovoltaic solar panels on the roof, for the production of electricity for self- consumption, by family consumers, with installed capacity up to 7 kW, as defined by the relevant legislation for energy; Installation of thermal insulation on the exterior walls of existing family houses, but which do not alter the appearance/facade and do not conflict with Article 14 subparagraph 1.5 of Law No. 04/L-110 on Construction.¹⁶ This amendment was of great importance to enable solar prosumers to function in the country as an important bureaucratic hurdle was relieved namely that of having a special permission for installing solar panels, under the condition that the house be formally legalized, when most of the buildings in the country are not yet legalized.

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Table 1. Review of legislation introducing energy poverty, energy communities, energy transition

<p>Law on Energy (Official Gazette of the Republic of Kosovo)</p>	<p>This law establishes the general principles and rules that will govern activities in the energy sector in the Republic of Kosovo, to achieve a safe reliable, and high-quality supply of energy, to provide the conditions for a functioning open energy market, and to also promote a more efficient use of energy, increased renewable energy sources and cogeneration, and improved environment protection during energy activities and activities based on which energy policies are implemented and energy sector development is based. The scope of this law covers the determination of a regulatory framework for the development of policies and strategies, the role of stakeholders in their implementation, to ensure a sustainable and efficient energy supply. This Law encompasses electricity, thermal energy, natural gas, and energy from renewable energy sources, and determines: the development and implementation of an energy strategy, the role of the Government of the Republic of Kosovo and other institutions, activities for the regulation of the energy sector, the increase of competition in the energy sector, public service obligations on energy enterprises, universal services, rules on customer protection, the issuance of sub-legal acts by the Ministry, etc. To advance the public interest by promoting investment in energy enterprises, this Law determines and secures the rights of energy enterprises over property currently in their use or possession necessary for the operation or maintenance of existing energy facilities and property rights which energy enterprises may in future require to carry on energy activities.</p>
<p>Law on Electricity (Official Gazette of the Republic of Kosovo)</p>	<p>"Law on Electricity" includes electricity activities, the rights and obligations of electricity generators, energy storage operators, the operation of the transmission and distribution system, resource adequacy assessment, trading and supply of electricity, organization of the energy market, customer's protection, universal supply service and last resort supply as well as electricity crisis management. This Law establishes rules and measures for the energy sector, ensuring secure, and electricity supply at affordable and transparent prices for final customers, while addressing the country's climate targets.</p>
<p>Law on Energy Regulator (Official Gazette of the Republic of Kosovo)</p>	<p>The conditions for issuing licenses to carry out energy activities, certification of transmission system operators, procedures for granting authorizations for the construction of new generating capacity, tariffs and the conditions of energy supply, are some issues that the Law on Energy Regulator treats. Powers, duties and functions of the Energy Regulatory Office are defined by this Law. The provisions of this Law are applied by the Energy Regulatory Office that shall exercise the powers of</p>

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	an independent agency within the institutions of Republic of Kosovo, subject to applicable legislation, except as, in specific way, provided to the contrary.
Law on Natural Gas (Official Gazette of the Republic of Kosovo)	Transmission, distribution, supply, usage, and storage of natural gas are established by this Law. This Law specifies the organization and functioning of the natural gas sector, access to the market, the criteria and procedures applicable to the granting of authorizations for transmission, distribution, supply, usage and storage of natural gas and the operation of systems. This Law is implemented to determine the rules on the organization and functioning of the natural gas sector, defining non- discriminatory rules for storage, taking into account the specific characteristics of national and regional markets, and facilitating the development of a functional and transparent wholesale market with a high level of security of supply with gas, and ensuring the creation of mechanisms for the harmonization of rules for access to the network for cross-border exchanges of gas.
Law on Thermal Energy (Official Gazette of the Republic of Kosovo)	The purpose of this Law is to define the conditions for the development of a sustainable and competitive market of thermal energy for district heating/cooling, in line with a free market economy, fulfilling customer demand and protecting the environment, a safe, sustainable and efficient thermal energy supply, for the cooling/heating of spaces, heating of sanitary and industrial water so customers enjoy the right to connect thermal energy systems and be supplied with thermal energy in line with applicable standards and affordable price. This Law establishes the conditions and standards to conduct energy activities of thermal energy generation, transportation, distribution and supply, through central thermal energy systems, organization of the thermal energy market and access to the network, and rights and obligations of entities operating under this Law. spaces, heating of sanitary and industrial water so customers enjoy the right to connect thermal energy systems and be supplied with thermal energy in line with applicable standards and affordable price. This Law establishes the conditions and standards to conduct energy activities of thermal energy generation, transportation, distribution and supply, through central thermal energy systems, organization of the thermal energy market and access to the network, and rights and obligations of entities operating under this Law.
Law on Energy Efficiency (Official Gazette of the Republic of Kosovo)	This Law establishes the legal framework necessary to promote and improve energy efficiency in the Republic of Kosovo to define energy efficiency targets and achieve these targets through the implementation of energy efficiency action plans, development of the energy services market and other energy efficiency measures. It

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<p>Republic of Kosovo)</p>	<p>regulates activities aiming at reducing energy intensity in the national economy and contributing to the reduction of the negative impact to the environment from the activities related to the energy sector. This Law also provides the legal basis for the transposition of the legislation related to the labelling framework of the energy performance for energy-related products.</p>
<p>Law on Pressure Equipment (Official Gazette of the Republic of Kosovo)</p>	<p>This Law has the purpose of determining the essential principles that enable guarantees for the safety of the pressure equipment and assemblies and essential safety conditions and requirements for economic operators that manufacture, manage or use simple pressure vessels, pressure equipment, transportable pressure equipment or aerosols. It includes the essential safety terms and requirements to be applied for the design, manufacture, conformity assessment, use, and maintenance of pressure equipment and assemblies subject to a manometric working pressure of more than 0.5 bar. The provisions of this Law shall apply to pressure equipment and assemblies that are new or old in the market, including new equipment and assemblies by producers established in Kosovo, or pressure equipment and assemblies which are new or old, imported from abroad.</p> <p>The provisions of this Law shall not apply to:</p> <ul style="list-style-type: none"> • radiators and pipes of warm water in heating; • pipelines comprising piping or a system of piping designed for the conveyance of any fluid or substance to or from an installation starting from and including the last isolation device located within the confines of the installation, including all the annexed equipment designed specifically for pipelines; this exclusion shall not apply to standard pressure equipment such as may be found in pressure reduction stations or compression stations; • pipelines for supply, distribution and discharge of water with component equipment and main segments of hydroelectric systems; engines including turbines and internal combustion engines, steam engines, gas-steam turbines, turbo-generators, compressors, pumps and actuating devices;
<p>The Law on Energy Performance of Buildings (Law No. 06/L-079)</p>	<p>The Law on Energy Performance of Buildings (Law No. 06/L-079) serves as a critical legislative tool in improving energy efficiency and reducing energy poverty in Kosovo. By mandating energy performance certification, setting minimum efficiency standards, and promoting energy audits, the law aims to reduce excessive energy consumption in residential and public buildings, directly alleviating the financial burden on households facing high energy costs. However, its implementation remains weak, with limited enforcement mechanisms and financial</p>

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	incentives to encourage compliance. Strengthening its application—particularly through support schemes for low- income households and multi-apartment buildings—is essential to ensuring that energy efficiency benefits reach the most vulnerable consumers, ultimately reducing Kosovo's dependency on fossil fuels and inefficient heating systems.
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Strategic documents and policies

Review of relevant strategic documents and policies in area of energy poverty, energy communities and energy transition are presented in the Table 2.

Table 2. Review of strategic documents and policies introducing energy poverty, energy communities, energy transition

<p>Energy Strategy of the Republic of Kosovo 2022-2031</p>	<p>The Government of the Republic of Kosovo committed to apply a new planning approach to address the current challenges and to lay the foundation for the future of the country's energy sector which will increasingly provide security of electricity supply, clean energy, energy efficiency, and active citizen participation and support for vulnerable groups. Kosovo's power system will be integrated into the regional and pan European market, while its independence will be progressively ensured through renewable energy sources (RES). Market integration with the Republic of Albania is a high priority and especially important for our country. The most important first step in this direction will be the full operation of the Albanian Power Exchange (ALPEX), which is expected in 2023, followed by further integration into the regional and pan European market by 2030.</p>
<p>Implementation Program of the Energy Strategy of Kosovo (IPESK) 2022-2025</p>	<p>The Kosovo Energy Strategy Implementation Program (ESIP) for the period 2022-2025 is based on the Energy Strategy of the Republic of Kosovo for the period 2022-2031. The fundamental methodology for preparing and monitoring this program is based on Law No. 05/L-081 on Energy and the Administrative Instruction of the Government of the Republic of Kosovo No. 07/2018 on Planning and Drafting Strategic Documents and Action Plans. ESIP includes investment projects in all sectors through which reliable and uninterrupted energy supply, especially electricity, is ensured. It also encompasses important activities and projects that enable the implementation of the Government of the Republic of Kosovo's guidelines for decarbonizing the energy</p>

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	sector based on Kosovo's commitments to the Berlin Process and the Treaty Establishing the Energy Community, according to an approved decarbonization mapping.
Administrative Instruction (ME) No. 02/2023 on the Target of Electricity from Renewable Energy Sources	This Administrative Instruction is to determine annual and long-term targets on the share of renewable energy sources in the gross final electricity consumption. Administrative Instruction is partially compliant with the provisions of the Directive 2018/2001/EC of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.
Administrative Instruction No. 14/2012 on the Promotion of Energy end-use Efficiency and Energy Services	The purpose of this Administrative Instruction is cost-effective improvement of energy end-use by (1) providing the envisaged targets for energy savings as well as mechanisms, incentives and institutional, financial and legal frameworks to remove existing market barriers and imperfections that impede the efficient end use of energy, and (2) creating the conditions for the development and promotion of a market for energy services and for the delivery of other energy efficiency improvement measures to final consumers
Administrative Instruction (ME) No. 01/2021 on Energy Efficiency Requirements for Transmission System Operation and Distribution System Operator	This Instruction has set out the energy efficiency requirements for Transmission System Operator and Distribution System Operator. It has also set the Energy efficiency requirement for Transmission System Operator and Distribution System Operator to integrate new producers of electricity produced from high-efficiency cogeneration as required by Law on Energy Efficiency.
Administrative Instruction No. 01/2012 on Energy Audits	The purpose of this Instruction is to institutionalize energy audits, in an effort to improve energy efficiency in Kosovo, and determine the category of consumers that shall be subject to auditing.
Regulation No. 01/2012 on Establishment and Functioning of the Commission for Certification for Energy Auditors and Managers	This Regulation defines the establishment and functioning of the Commission for Certification of Energy Auditors and Managers. It outlines the composition, functions, duties, and responsibilities of the Commission for Certification of Energy Auditors and Managers.

Energy Poverty in the Context of Energy Transition in Kosovo

Energy Efficiency and Energy Consumption

Energy efficiency and consumption in Kosovo are significantly influenced by the urban-rural divide, household income levels, and the type of energy used. According to the 2017 Kosovo Household Budget Survey, energy consumption is primarily driven by heating needs, with urban households generally using more energy-efficient appliances and systems compared to their rural counterparts. Rural households often rely on less efficient methods, such as wood-burning stoves, leading to higher overall energy consumption. These disparities highlight the need for targeted energy efficiency improvements across different household types¹⁷

Household Type	Primary Energy Source	Efficiency Level	Average Energy Consumption (€/Year)
Urban	Electric Heating Systems	High	€1,200
Rural	Wood-burning Stoves	Low	€1,500

Additionally, a World Bank study (2021) found that the Program for Protection of Electricity Vulnerable Consumers in Kosovo, as of 2017, covered only 7% of the population, with 15.8% classified as energy poor. The Social Assistance Scheme (SAS) does not adequately cover all vulnerable groups, with 26% of the poorest quintile and only 1.4% of single elderly households receiving support

Indicators of Energy Poverty in Kosovo

The absence of a structured approach to energy poverty measurement makes it difficult to quantify the problem and develop targeted interventions. To address this gap, Kosovo must adopt internationally recognized energy poverty indicators, such as those outlined in the Energy Poverty Advisory Hub (EPAH) Report (EPAH, 2022). These include:

1. Percentage of household income spent on energy costs, which highlights the financial burden on vulnerable households.

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- 2. Inability to afford adequate heating, a widely recognized measure of energy poverty that reflects both income constraints and energy inefficiencies.
- 3. Delayed payments or energy arrears, indicating financial stress and the inability of households to meet their energy obligations on time.

Therefore, energy poverty is a significant challenge in Kosovo, where a large proportion of the population struggles to afford basic energy services.

Currently, Kosovo lacks comprehensive data collection mechanisms for these indicators, preventing the government from implementing evidence-based energy affordability policies. The Kosovo Household Budget Survey (2023) reveals that 43% of households struggle to afford adequate heating, yet this metric is not systematically monitored in policymaking. Without establishing a national energy poverty register and integrating these indicators into the NECP, Kosovo’s response to energy poverty will remain fragmented and ineffective.

The situation remains stagnant since the Kosovo Household Budget Survey of 2017 and additional studies highlight that 40% of Kosovo's population lives in energy poverty.¹⁸

Indicator	Percentage of Households
Inability to afford adequate heating	43%
Difficulty covering unexpected expenses (€500)	49%
Households living in energy poverty	40%
Households with overdue utility payments	44%

The European energy crisis has further exposed the fragility of Kosovo’s support mechanisms, revealing their deep inadequacy in protecting vulnerable consumers from energy price shocks (European Commission, 2023). The current consumer protection framework is extremely limited, covering only Social Assistance Scheme beneficiaries and war-related benefit recipients, which excludes a vast number of working-class and elderly citizens living in energy poverty (Energy Community, 2023). With no clear eligibility expansion in sight, large segments of Kosovo’s population remain unprotected, facing increasing energy costs without any structural support. These existing protection schemes, only partially comply with the

Law on Electricity and obligations arising from Kosovo’s membership in the Energy Community Treaty regarding the protection of electricity-vulnerable customers. They currently fail to adequately support certain income groups that are most in need, leaving a significant portion of the population unprotected from energy poverty.¹⁹

Measures for Mitigating Energy Poverty in Kosovo

To mitigate energy poverty, Kosovo has implemented several initiatives aimed at improving energy efficiency and reducing energy costs, particularly for vulnerable households. These measures include subsidies for energy-efficient appliances, home insulation incentives, and increased access to affordable energy sources. Additionally, there has been a push towards adopting renewable energy technologies, such as solar and wind power, to reduce reliance on traditional energy sources and lower household energy expenses. The World Bank (2021) also recommends expanding the Program for Protection of Electricity Vulnerable Consumers to better align with legal obligations and more effectively target the most vulnerable groups.²⁰

Measure	Target Population	Expected Impact
Subsidies for energy-efficient appliances	Low-income households	Reduced energy consumption
Home insulation incentives	Rural households	Improved energy efficiency
Renewable energy adoption (solar, wind)	General population	Decreased dependency on fossil fuels
Expanded protection for vulnerable consumers	Poorest quintile and single elderly households	Alleviation of energy poverty, enhanced compliance with legal obligations

Nevertheless, the implications of the policy vacuum are significant. The NECP acknowledges that future energy sector investments, alongside increasing energy market liberalization, will drive prices higher. Without a legal framework for targeted consumer protection, Kosovo risks exacerbating socio-economic inequality and deepening energy poverty. If left unaddressed, this failure will not only heighten public dissatisfaction and economic hardship but may also undermine Kosovo’s commitments to just transition principles under the Energy Community Treaty.

A serious and coherent response to energy poverty in Kosovo requires fundamental policy shifts. The government must move beyond vague commitments and symbolic working groups and implement legally binding consumer protection measures that expand eligibility beyond the restrictive Social Assistance Scheme criteria. Establishing a national energy poverty register, integrating income-based and consumption-based affordability programs, and adopting energy poverty indicators aligned with EU best practices will be essential in ensuring a data-driven and systematic response to energy poverty. Kosovo must also establish an independent energy poverty monitoring body, incorporating civil society organizations, social welfare institutions, and regulatory authorities, to ensure transparency and accountability in policymaking. Without these fundamental reforms, Kosovo's approach to energy poverty will remain reactionary, superficial, and insufficient for long-term energy justice.

These measures, alongside efforts to strengthen and expand existing protection schemes, are crucial for addressing the root causes of energy poverty and ensuring that all citizens have access to affordable and reliable energy.

Role of Youth in the Context of Energy Poverty, Energy Transition, and Energy Communities in Kosovo

Kosovo's younger generation is well-positioned to take on a proactive role in the nation's energy transition. Their digital skills and innovative abilities are crucial for addressing energy challenges and creating a more inclusive energy sector. Furthermore, incorporating a gender perspective²² this transition is critical for questioning the existing inequalities and broadening the range of insights and solutions. By including young women in STEM fields and leadership roles, Kosovo can not only address gender disparities but also infuse the energy transition with diverse perspectives that enhance effectiveness and inclusiveness.

Given the outdated and fossil-fuel-dependent nature of Kosovo's energy infrastructure, the digital proficiency of its youth offers transformative potential. There were 1.61 million internet users in Kosovo at the start of 2024, when internet penetration stood at 96.6 percent. This high internet penetration rate enables a better access to public services and education opportunities for better digital skills, et^{C23}. Their ability to deploy digital tools for smart grid development and data-driven optimization is essential for modernizing and decentralizing energy distribution, traditionally characterized by centralization and opacity.

Moreover, the digital connectivity of Kosovo's youth facilitates engagement with global networks and international discourse on energy transitions. This connectivity is crucial for aligning Kosovo with European energy standards and sustainability goals. Prioritizing energy literacy among young people will foster a knowledgeable and skilled workforce capable of addressing both local and global sustainability challenges.

Leveraging the innovation and digital skills of Kosovo's youth is fundamental to creating a sustainable, equitable, and resilient energy future. This approach ensures that the energy transition in Kosovo is not only technologically advanced but also socially inclusive, effectively addressing the region's specific needs and contributing to broader climate objectives.

Examples of good practices on youth involvement

In Kosovo, particularly through BGF's vision and diverse projects, several initiatives exemplify exceptional practices in youth engagement, especially in the fields of renewable energy, environmental sustainability, and social entrepreneurship. These efforts highlight the significant role of strategic youth involvement in advancing the energy transition and achieving broader societal goals.

One such initiative, SolarCollab, emphasizes the importance of youth leadership in renewable energy advocacy. It unites young people in Prishtina with a wide range of stakeholders, including academia, businesses, NGOs, and public institutions. By fostering collaboration and providing practical skills in renewable energy systems, SolarCollab empowers youth to lead efforts in promoting environmental sustainability within their communities.

Another notable program is the ReRURAL Summer Schools, a cross-border educational initiative that brings together students from Kosovo and neighboring countries to address energy poverty and support the energy transition. Through a combination of lectures, practical demonstrations, and study trips, participants acquire essential knowledge and skills, enhancing regional cooperation and equipping them to contribute to sustainable development across the Balkans.

The Powering Citizens initiative is dedicated to tackling energy poverty by actively involving youth in assessing and addressing the needs of vulnerable communities, particularly in smaller cities. Through mentoring, knowledge exchange, and community outreach, young people are empowered to assume leadership roles in combating energy poverty, ensuring that the needs of energy-poor households are met and raising awareness of this critical issue.

Kosovo Green Action promotes youth involvement in environmental activism by organizing debate tournaments on climate issues for high school students. These debates encourage critical thinking and lead to tangible actions, such as the installation of photovoltaic systems in schools. By engaging youth in both the dialogue and implementation phases, Kosovo Green Action ensures that young people play a central role in shaping the country's environmental policies.

National Report on **the nexus between energy poverty, energy transition and energy communities** in rural areas and the youth's role in Kosovo

Lastly, programs like BGI and RISE support young entrepreneurs in developing sustainable green businesses through initiatives focused on social entrepreneurship in green business. These programs offer financial and technical assistance while fostering a collaborative environment where young innovators can exchange ideas and create businesses that address local energy and environmental challenges. This approach not only drives economic development but also strengthens regional cooperation and peace-building efforts in Kosovo.

Recommendations

1. Define and Institutionalize Energy Poverty Indicators

Kosovo's failure to define and measure energy poverty perpetuates policy inaction. Without clear, quantifiable indicators, interventions remain fragmented and misdirected. We propose ten core indicators, including income-to-energy expenditure ratios, heating affordability, delayed payments, and energy efficiency levels, to inform a legally binding definition of energy poverty. These must be institutionalized within the National Energy and Climate Plan (NECP) and integrated into a real-time digital tracking platform under Kosovo Green Action (KGA), ensuring data transparency and evidence-based policymaking.

2. Reform Social Energy Assistance Schemes

Current energy assistance in Kosovo is restrictive and arbitrary, covering only Social Assistance Scheme and war-related benefit recipients, while ignoring thousands of low-income households, elderly citizens, and informal workers. The government must replace untargeted energy subsidies with a progressive, needs-based affordability program, prioritizing those who spend a disproportionate share of income on energy. Kosovo must also benchmark against successful EU models, drawing insights from consumer support strategies to design a comprehensive, equitable assistance mechanism.

3. Transform Energy Efficiency in Multi-Apartment Buildings

Kosovo's aging housing stock is a key driver of energy poverty, with poor insulation, outdated heating systems, and no enforceable efficiency standards. Multi-apartment buildings, home to a significant portion of the urban population, remain locked in energy inefficiency due to a lack of financial support for retrofits. We propose a national investment plan for large-scale insulation upgrades, modernized heating systems, and collective renewable energy adoption. This aligns with the LuxDev model, advocating for public housing enterprises to transition into energy communities, reducing long-term costs and decentralizing energy production.

4. Establish Transparency and Accountability in Energy Governance

Kosovo's lack of institutional coordination and data transparency is a major policy failure, allowing inefficient spending and weak oversight of social energy programs. The government must mandate systematic data collection on energy poverty, create an independent monitoring body, and establish a public dashboard tracking affordability and assistance effectiveness. Without publicly accessible, real-time data, energy poverty will continue to be poorly understood and mismanaged, enabling policy neglect and institutional complacency.

Conclusions

This research report highlights that addressing energy poverty in Kosovo is an essential and multilayered challenge that requires a comprehensive and coordinated approach. The lack of a clear definition of energy poverty in Kosovo's legislative framework has hindered efforts to effectively tackle this issue. Despite existing laws and strategies, the measures currently in place are insufficient to fully address the needs of vulnerable populations, particularly in rural areas.

Kosovo's energy sector, heavily reliant on fossil fuels, presents significant environmental and sustainability challenges. The transition to renewable energy sources and the improvement of energy efficiency are critical to reducing the country's carbon footprint and enhancing its energy security. The report underscores the importance of implementing more robust energy policies and regulatory frameworks that align with international standards and obligations.

Youth in Kosovo play a crucial role in driving the energy transition. Their digital skills and innovative capacities are vital for modernizing the country's energy infrastructure and promoting sustainable practices. Initiatives that engage and empower youth, such as educational programs and renewable energy projects, are essential for fostering a more inclusive and effective energy transition.

To mitigate energy poverty, Kosovo must expand and enhance its current measures, including subsidies for energy-efficient appliances, incentives for home insulation, and the promotion of renewable energy sources. These efforts should be better aligned with international standards to ensure broader and more effective coverage, particularly for the most vulnerable populations.

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Balkan Green Foundation (BGF) is a regional organization that promotes inclusive and equitable progress in the Western Balkans within the sustainable development domain. Along with its partner organizations, BGF places a strong focus on advocating for solutions that promote development policies, which are in line with world's latest developments, global challenges and national agendas for EU integration.

Regional initiatives are undertaken on an ongoing basis to further convey BGF's commitment towards regional sustainability, ensuring the strengthening and advancement of vital policies affecting key sectors, such as energy, environment, and economy.

BGF has been successfully positioned as a key strategic partner for regional and global institutions, organizations, and communities to promote sustainable development, transform innovative concepts into powerful solutions, and strengthen regional and global partnerships.

