

System Strategy Brief

Energy-Efficient Construction and Renovation Industry

About the Project

The energy-efficient construction and renovation system holds strong potential to drive inclusive green growth across the Western Balkans. However, systemic barriers continue to limit its impact. RECONOMY aims to address these challenges by fostering partnerships, developing skills, increasing access to finance and awareness of the benefits of energy-efficient solutions in construction and renovation as well as promoting stronger industry coordination.



Countries Covered



- ▶ Albania
- ▶ Bosnia and Herzegovina
- ▶ Kosovo
- ▶ Montenegro
- ▶ North Macedonia
- ▶ Serbia

Target Group

- ▶ Youth (15–34)
- ▶ Women of all ages
- ▶ Disadvantaged populations

Limited Market Access for Energy-Efficiency Providers

Many companies offering energy-efficient solutions lack visibility, business development support, and access to new markets. Without clear value propositions or strategic partnerships, they struggle to scale or reach construction firms, SMEs, or public buyers. As a result, there's slower adoption of energy-efficient practices in the region, reducing the potential for job creation.



Intervention Area

- ▶ Provide tailored support to energy-efficient solution providers to refine business models, improve operations and enhance market readiness.
- ▶ Facilitate buyer-supplier matchmaking and outreach campaigns to expand commercial partnerships.
- ▶ Engage sectoral associations and support platforms to promote provider visibility and access new market connections.

Low Awareness and Weak Industry Representation

Households and SMEs have limited awareness of energy-saving benefits and financing options. Sectoral associations such as national Green Building Councils (GBCs) are underutilized as information hubs and policy influencers, lacking resources to coordinate, advocate, or share knowledge effectively.

Intervention Area

- ▶ Support the operational capacity and visibility of GBCs in the Western Balkan countries.
- ▶ Provide support to regional platforms for cross-country learning, knowledge sharing, and policy dialogue.
- ▶ Enable associations to lead awareness campaigns, promote energy-efficient tools, and share cost-saving success stories with end users.
- ▶ Encourage collaboration with policymakers to align regulations and incentive structures with green construction goals.



Limited Access to Green Finance for SMEs

Small and medium enterprises (SMEs) face high upfront costs and limited knowledge of green financing options. Available financing is often inaccessible due to complex procedures, low financial literacy, and limited business support services. Financial institutions are hesitant to expand green loan products due to perceived risk and insufficient demand signals.

Intervention Area

- ▶ Strengthen business consultancy firms to support SMEs in applying for energy-efficiency-related loans and structuring investment plans.
- ▶ Expand the use of access-to-finance platforms to simplify application processes and track green loan outcomes.
- ▶ Promote case studies of successful energy-efficiency investments to increase trust in the business case for energy efficiency.
- ▶ Improve coordination among consultancies, banks, and SMEs to streamline financing and raise awareness of available options.

Skills Gaps and Labor Shortages

A shortage of professionals with relevant skills in green construction technologies like insulation, HVAC, solar, and heat pump installation limits the scale, quality, and cost-effectiveness of energy-efficient construction and renovation solutions. Training systems remain fragmented and misaligned with industry needs, and the private sector struggles to find or train qualified workers, viewing workforce development as a cost rather than an investment.

Intervention Area

- ▶ Support regional training centres to co-develop practical, energy-efficiency-focused training programmes.
- ▶ Facilitate exchange of know-how between technical schools and industry.
- ▶ Promote industry-led workforce development models to encourage investment in skills and increase the availability of qualified labour across the region.

