Final Synthesis Report

Deliverable D4.3 of the BeSMART project

Responsible partner: Econoler

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Contents

I. EXECUTIVE SUMMARY

The BeSmart project is designed with the overall goal to develop the market for energy efficiency investment and support the national implementation of the Smart Finance for Smart Building initiative through establishing of a permanent discussion forum influencing all relevant policy actions in the area and actively involving the entire stakeholders' chain, maintaining a strong focus on financial institutions. To achieve this overarching goal, the project follows a straightforward methodology based on the concept of developing a shared knowledge based utilizing the previous experience from national and international activities of the participating organization and the major interested stakeholders, with the goal to develop specific policy recommendation for the design of the strategies and underlying financial support instruments in the area of energy efficiency.

The present synthesis report outlines the main identified issues in the market for energy efficiency investment, considering three major streams of information: (i) proceedings from the nine roundtables and the final conference conducted under the aegis of the BeSmart project; (ii) ten policy recommendations on specific policy documents and supporting schemes, based on outputs from technical working groups, including descriptions of possible financial schemes, business models, template contracts, and guidelines; and (iii) discussions with the wider professional community involved through the roundtables and the supporting Technical Working Groups (TWGs) ecosystem.

Additionally, the final synthesis report presents a summary of all proceedings in support of a policy recommendation part, together with a long-term vision and action plan for the future development of the discussion forum.

II. RESULTS FROM THE INDIVIDUAL ROUNDTABLES

Main outputs from the roundtable proceedings, working groups activities and policy recommendations on specific topics are summarized in the tables below. Detailed reports can also be found in the reports "Proceedings from the nine roundtables" and "Reports from the Technical Working Groups", available at the BeSMART website. Finally, the policy recommendations and roundtable agendas can be found in the annexes of the report.

First National Roundtable - BeSmart

Title:
BULGARIAN RECOVERY AND RESILIENCE PLAN: ARE WE ABLE TO CONVEY THE PLANED REFORMS WITH THE CURRENT INVESTMENT PRIORITIES?
Date / Location:
05.10.2021 / Sofia
Statistics:
126 stakeholders – 12 speakers, 20 delegates in person, 96 online participants
Discussion pillars:
• Financing for residential building renovation in the National Recovery and Resilience Plan (NRRP); • Financing energy efficiency of public and industrial buildings; • Practical application of project 10 "Program for the financing of single renewable energy measures".

Main outputs:
Session 1 focused on residential building renovation. Participants emphasized the need to improve communication and raise citizens' awareness, along with training for construction professionals and workers. Enhancing public procurement practices and incorporating a "one-stop-shop" approach were also discussed, as well as establishing effective methods for savings reporting and verification. Session 2 addressed energy efficiency in public and industrial buildings. The session underscored the importance of careful planning and synchronization with the legal framework to facilitate the work of ESCOs. Developing sound financial instruments for energy efficiency was highlighted, along with utilizing available bank financial products and reducing grants to lower risk and avoid bureaucracy. Clear articulation of planned instruments was deemed necessary to build confidence. Session 3 focused on the practical application of renewable energy measures. The need for technical support for renewable energy projects with reliable monitoring was emphasized, alongside the importance of performance tracking for both end users and financial institutions. The general conclusions called for ending the practice of 100% grant funding while protecting vulnerable consumers. Participants stressed the need for time to implement planned reforms and encouraged the use of available tools and broader dialogue. Project partners offered assistance in adapting projects to the NRRP and expressed their willingness to develop a roadmap for transforming inefficient building renovation mechanisms.
Related policy recommendations:
#4 National roadmap for renovation of the multifamily residential buildings;

Second National Roundtable - BeSmart

Title:
THE ROLE OF THE FINANCIAL INSTITIONS FOR THE GREEN ENERGY TRANSITION: DO NATIONAL POLICIES PROMOTE NEW BUSINESS OPPORTUNITIES OR IMPEDE MARKET DEVELOPMENTS?
Date / Location:
29.11.2021 / Velingrad
Statistics:
95 stakeholders – 10 speakers, 20 delegates in person, 70 online participants
Discussion pillars:
• Existing financial instruments for EE and RES projects; • Quality assurance for EE project financing.
Main outputs:
The discussions focused on financial instruments for energy efficiency (EE) and renewable energy sources (RES) projects, and quality assurance for EE project financing. Financial sector representatives discussed their efforts to include attractive EE lending products. Key points from speakers included the end of 100% grants, the necessity of technical assistance for EE investments, and the role of financial institutions in the green transition. In the parallel sessions, three bank institutions shared their sustainable development initiatives and EE financial products. Discussions highlighted the need for national information campaigns to boost confidence in EE benefits, simplifying procedures for EV charging stations and solar PV systems, and improving grant programming.

The quality assurance session underscored the need for regular updates to certification schemes, greater involvement of building owners in EE projects, and process improvements in energy audits.

The roundtable concluded with a consensus on ending 100% grant funding for EE projects while protecting vulnerable consumers..Project partners offered assistance to adapt projects to the NRRP and develop a roadmap for efficient building renovation.

Related policy recommendations:

#1 Establishing of interactive national ESCO register

Third National Roundtable - BeSmart

Title:
SUSTAINABLE FINANCING OF PROJECTS FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY SOURCES
Date / Location:
02.06.2022 / Burgas
Statistics:
130 stakeholders – 9 speakers, 91 delegates in person, 30 online participants
Discussion pillars:
• Role and opportunities of existing financial mechanisms for joint work with the National Decarbonization Fund (NDF); • Financing opportunities for projects related to the production and consumption of renewable energy; • The impact of the NDF on energy efficiency projects in the building stock.
Main outputs:
Discussions focused on the role and capabilities of existing financial mechanisms, funding opportunities for renewable energy projects, and the impact of the National Decarbonization Fund (NDF) on energy efficiency projects. In the plenary session, the event was opened with an overview of national goals for increasing energy efficiency and the necessary investments, emphasizing the role of the NDF as a central management tool for operational programs. Presentations highlighted the scope and objectives of the NDF, its importance in achieving long-term national goals, and securing funds under the National Recovery and Resilience Plan (NRRP). Discussions also covered market barriers and investment needs for the next decade, stressing the importance of high-quality energy efficiency measures and effective use of public resources. In addition, discussions included financing solutions for small and medium-sized enterprises (SMEs) transitioning to a green economy, noting a lack of awareness among SMEs about green business opportunities. Examples of successful green projects were provided, including energy efficiency investments in public buildings and infrastructure. In the first parallel session, discussions centered on existing financial mechanisms. Participants shared experiences in structuring and managing financial instruments, highlighting the need for technical assistance and supplementary financing for energy efficiency projects. Private financial institutions expressed interest in increasing green loans but emphasized the need for technical support to evaluate credit risks and demonstrate benefits to clients.

In the second parallel session, opportunities for households to receive funding for renewable energy systems, such as solar panels and water heaters, were outlined. The session also covered the benefits of collective renewable energy projects for industrial parks and the need for legislative changes to facilitate energy communities.

In the third parallel session, participants discussed updates to the National Energy Efficiency Program and the need for better coordination between state and private sectors. The session emphasized the importance of making energy efficiency services accessible to end-users and improving communication and technical support.

The roundtable concluded with a summary of discussions and recommendations, highlighting the importance of mobilizing private capital, improving financial instruments, and transitioning from grant-based to market-based financing models. The event underscored the need for effective communication, better planning, and the inclusion of technical support to ensure the success of energy efficiency and renewable energy projects.

Related policy recommendations:

#2 Creation of a working segment to the NDF with the capacity to interact with innovative models for the implementation of EE/RES projects of the ESCO type

Fourth National Roundtable – BeSmart

Title:
SUSTAINABLE ENERGY PROJECTS AT LOCAL LEVEL AS KEY FACTOR TO OVERCOME THE ENERGY AND ECONOMIC CRISIS
Date / Location:
26.09.2022 / Gabrovo
Statistics:
104 stakeholders – 13 speakers, 30 delegates in person, 61 online participants
Discussion pillars:
• Financial institutions as key factors in the implementation of national programs; • The role of municipal energy management systems and standards for attracting market financing.
Main outputs:
Discussions centered on financial institutions' roles in implementing national programs, municipal energy management systems, and standards for attracting market financing. The plenary session highlighted the progress of reforms under the National Recovery and Resilience Plan (NRRP) and the crucial role of the National Decarbonization Fund (NDF) in achieving long-term energy efficiency goals. Presenters emphasized the need for sustainable project financing and the importance of municipal energy management systems in attracting quality financial resources. In the first parallel session, participants discussed existing financial mechanisms and the integration of the NDF with innovative business models for energy efficiency and renewable energy projects. The session concluded that blending grants with market funding is becoming more common, moving away from the 100% grant approach. Financial institutions are increasingly using flexible terms and innovative approaches to meet clients' needs. The second parallel session focused on the role of municipal energy management systems in securing market financing. It was concluded that energy management systems are essential for prioritizing and grouping renovation projects, providing transparency and

reliable data for financial institutions. These systems also help municipalities prepare quality projects and attract easier financing.

The roundtable concluded with a consensus on the need for better coordination between state and private sectors, effective communication, and technical support to ensure the success of energy efficiency and renewable energy projects. The event underscored the importance of mobilizing private capital, improving financial instruments, and transitioning from grant-based to market-based financing models.

Related policy recommendations:

#3 Introduction of regulations that ease the financial burden on the citizens when programming the NRRP in the project for renovation of multifamily residential buildings

Fifth National Roundtable – BeSmart

Title:

FINANCIAL INSTRUMENTS FOR ENERGY EFFICIENCY IN THE INDUSTRY AND SMEs

Date / Location:

29.11.2022 / Sofia

Statistics:

161 stakeholders – 10 speakers, 76 delegates in person, 75 online participants

Discussion pillars:

• Existing financial instruments to support Energy Efficiency (EE) and Renewable Energy Sources (RES) in enterprises
• Energy management systems in enterprises

Main outputs:

Discussions addressed existing financial instruments supporting EE and Renewable Energy Sources (RES) in enterprises and the implementation of energy management systems.

The plenary session highlighted the need to put focus of the BeSMART project towards the industrial sector as well, emphasizing the importance of engaging all stakeholders in designing national policies and financial instruments. Presentations underscored the impact of the current energy crisis on Bulgarian businesses, the need for regulatory improvements, and the significance of funding opportunities for sustainable energy projects.

In the first parallel session, discussions centered on existing financial instruments for EE and RES. Participants highlighted the rapid evolution of technologies, the increased interest of businesses in sustainable energy investments, and the need for regulatory improvements and technical support. It was noted that financial institutions are adapting their offerings to meet market demands for green energy solutions.

The second parallel session focused on energy management systems in enterprises. Discussions emphasized the importance of high-quality energy audits, effective data management, and the role of energy management systems in attracting financing. The need for subsidies to support EE/RES investments rather than merely aiding energy bill payments was also highlighted.

The roundtable concluded with a consensus on the importance of integrating EE and RES measures, improving regulatory frameworks, and providing technical support and training to ensure the success of energy efficiency projects. The event underscored the need for a coordinated effort between government, financial institutions, and businesses to drive the green transition and achieve long-term sustainability goals.

Related policy recommendations:

#8 Upgrading and Improving the National Policy and Regulatory Framework for Energy Communities

Sixth National Roundtable – BeSmart

Title:
FINANCING FOR ZERO-ENERGY BUILDINGS AND BUILDING RENOVATIONS
Date / Location:
01.06.2023 / Burgas
Statistics:
120 stakeholders – 16 speakers, 42 delegates in person, 62 online participants
Discussion pillars:
• The transition towards co-financing by the owners for the implementation of the national renovation programmes • Financing instruments in support of new energy efficient buildings
Main outputs:
Discussions addressed transitioning towards co-financing by owners for national renovation programs and financing instruments for new energy-efficient buildings. The plenary session opened with an emphasis on national goals for energy efficiency, the importance of municipal energy management, and the role of the National Decarbonization Fund (NDF). It was highlighted that people still expect the government to cover 100% of investment costs despite the benefits of energy savings and improved comfort, stressing the need for mechanisms to support co-financing. The EU's efforts to reduce reliance on Russian energy imports and the implementation of the Fit for 55 package were discussed, along with the new Energy Performance of Buildings Directive (EPBD) priorities. The first parallel session highlighted the need for better programming of national renovation programs and the availability of financial instruments for co-financing. It was noted that the second phase of the Multifamily Building Program, offering an 80% grant, would open soon, but there was a lack of financial instruments to support the remaining 20% co-financing. The session concluded that ESCOs could help cover this gap and stressed the importance of skilled installers and professional facility management. The second parallel session focused on financing instruments for new energy-efficient buildings. Presentations from financial institutions and experts highlighted the importance of government-backed risk-sharing schemes to support lending to condominiums and optimize home ownership costs by integrating energy, repair, health, and mortgage expenses. Innovative financial products and models, such as Energy Service Performance Contracts (ESPCs), were discussed as essential tools for decarbonization and energy savings. In the final session, various programs and initiatives were presented, emphasizing the role of local governance in achieving a sustainable built environment. Key initiatives included the NECPlatform for stakeholder dialogue, the Regional Development Programs, and financial products targeting the social sector compatible with the ESCO model. The European Investment Bank (EIB) highlighted the ELENA facility's support for energy projects and anticipated its first project in Bulgaria soon.

The roundtable concluded with a consensus on the need for improved coordination between state and private sectors, better planning, and the integration of technical support to ensure the success of energy efficiency and renewable energy projects. The event underscored the importance of mobilizing private capital, enhancing financial instruments, and transitioning from grant-based to market-based financing models.

Related policy recommendations:

#5 ESCO programmes with subsidies - best practices from Central and Eastern Europe and recommendations for Bulgaria

Seventh National Roundtable – BeSmart

Title:

THE LIFE AFTER THE NATIONAL RECOVERY AND RESILIENCE PLAN: A STRATEGIC VISION WITH PRACTICAL IMPLICATIONS AT THE LOCAL LEVEL

Date / Location:

05.10.2023 / Sofia

Statistics:

133 stakeholders – 16 speakers, 54 delegates in person, 63 online participants

Discussion pillars:

- Present and future of financial instruments to support the clean energy transition
- Solutions to support sustainable energy investments at local level

Main outputs:

The plenary session focused on the delays in the Climate and Energy Plan implementation, emphasizing the rapid market movement compared to public sector reforms. It was noted that public resources are scarce for the high-interest renovation program for multi-family residential buildings.

The discussions highlighted the necessity of political will and cooperation between business and government to mobilize private sector funds for renovation costs, with public funds covering only up to 25% of the total costs. Emphasis was placed on the need to subsidize only energy poverty and the importance of new forms of condominium decision-making, including online participation and investment payback models similar to ESCO schemes.

A study on achieving carbon neutrality by 2050 presented various scenarios, stressing the need for reducing final energy consumption by 30% and phasing out coal plants sooner due to high carbon costs. It was suggested that a shift from carbon fuels to electricity and decentralized renewable energy capacity is essential for the building sector, along with the electrification of public transport.

The need for gradually reducing 100% grants and transitioning to financial instruments for energy efficiency projects was discussed. Mechanisms for 20% co-financing by condominiums are being developed, with ESCOs and guarantee schemes considered as potential sources. The integration of renewable energy systems and the importance of legislative amendments to facilitate their installation for self-consumption were also highlighted.

The first session focused on the present and future of financial instruments to support the clean energy transition, with participants emphasizing that 100% subsidies hinder the promotion of financial instruments. The second session addressed solutions to support sustainable energy investments at the local level, emphasizing the need for professional organizations to assist apartment owners in developing and financing energy efficiency projects.

The final session underscored the importance of behavioral models alongside technical solutions in energy efficiency. The roundtable concluded with a consensus on the need for improved coordination between public and financial institutions, increased internal capacity among owners, and the development of energy cooperatives and public-private partnership models to drive the green transition effectively.

Related policy recommendations:

#10 Establishment of a permanent renovation program for residential buildings /without a 100% grant component/.

Eighth National Roundtable – BeSmart

Title:

POLICIES AND INVESTMENTS FOR A SUSTAINABLE, EFFICIENT AND SECURE ENERGY SYSTEM

Date / Location:

27.11.2023 / Sofia

Statistics:

139 stakeholders – 13 speakers, 64 delegates in person, 62 online participants

Discussion pillars:

• Monitoring and evaluation tools for smart and efficient buildings
• Clean energy transition skills: existing market gaps and emerging best practices

Main outputs:

The event addressed monitoring and evaluation tools for smart buildings, skills for the clean energy transition, and gaps in the existing market.

The plenary session emphasized the role of local authorities in achieving national energy targets and highlighted ongoing efforts to update the Integrated National Energy-Climate Plan. The Ministry of Energy and other governmental bodies discussed the delay in submitting the updated plan to the EU, the need for accurate data and modeling, and the synchronization of the Energy Strategy with the updated plan. The importance of transitioning from grant-based to market-based financial instruments for energy efficiency investments was underscored, with a focus on mobilizing private funds and improving the legislative framework.

Technical working groups discussed various dimensions of the Energy-Climate Plan, including decarbonization, energy efficiency, energy security, the internal energy market, and research and innovation. Key points included the need for updated modeling assumptions, the importance of decentralized energy storage, and the integration of innovative technologies in energy production and transport.

Discussion sessions explored monitoring and evaluation tools for energy-efficient buildings, emphasizing the role of energy certificates and smart readiness indicators. The need for accessible information and simplified certification processes was highlighted. Another session focused on the skills required for the clean energy transition, addressing gaps in vocational training and the importance of continuous professional education for construction professionals.

The closing session reiterated the need for the professional community's engagement in the planning process and the importance of publicly accessible data for quality feedback. The updated Energy-Climate Plan aims to set new objectives reflecting changing geopolitical realities and ensure a coordinated effort to achieve sustainable energy goals.

Related policy recommendations:

#9 Alignment of EE projects with the international framework for investments with social impact

Ninth National Roundtable – BeSmart

Title:
ENERGY EFFICIENCY OF THE BUILDING STOCK: THE CORNERSTONE OF THE SUSTAINABLE ENERGY TRANSITION
Date / Location:
30.01.2024 / Sofia
Statistics:
204 stakeholders – 14 speakers, 110 delegates in person, 80 online participants
Discussion pillars:
• Exploring the role of building stock energy efficiency as a cornerstone of the sustainable energy transition. • Reviewing strategies, plans, legislation, and options to facilitate the decarbonization process. • Discussing financial instruments and the role of the National Decarbonization Fund in supporting the building stock's needs
Main outputs:
Discussions addressed energy efficiency in building stock, decarbonization strategies, and the role of the National Decarbonization Fund (NDF). The plenary session began with an overview of the renovation program for multifamily residential buildings under the Recovery and Resilience Plan. Key issues included social tensions over project evaluation methods and the lack of financial mechanisms for owners' associations to cover the required co-payment. The critical situation of approximately 66,000 residential buildings needing energy efficiency improvements was emphasized, with national programs achieving only a 4.2% progress rate in recent years. Panel discussions highlighted the collaboration between the Ministry of Energy and the Ministry of Environment and Water in developing the National Energy and Climate Plan. It was noted that achieving carbon neutrality by 2050 requires substantial investments and leveraging public resources to attract private investments. Proposed reforms included transitioning from 100% grants to partial deductibles, enhancing legislative and administrative capacities, and educating property owners about their responsibilities. The necessity of updating the Energy Performance of Buildings Directive and promoting green mortgages was discussed, alongside the importance of professional services for smart and efficient buildings. The need for streamlined energy audits, improved energy certificates, and skilled labour in the construction sector was emphasized. The roundtable concluded with the recognition of the inadequacy of current state policies reliant on grant-funded programs. There was a consensus on the need for permanent expert groups and coordination bodies to support the energy transition, along with improved public awareness and dissemination of information on energy transformation efforts in Bulgaria.
Related policy recommendations:
#6 UPDATE OF ORDINANCE 16-347 of 2009 (The ESCO ORDINANCE) – Introduction of best EU practices #7 Proposal to Upgrade the Envisaged ESCO mechanism in NRRF STAGE II - Concept for a pilot ESCO programme

Final Conference – BeSmart

Title:
BeSMART PROJECT FINAL CONFERENCE: NATIONAL ROUNDTABLES FOR FINANCING SUSTAINABLE ENERGY PROJECTS
Date / Location:
24.04.2024 / Troyan
Statistics:
93 stakeholders – 18 speakers, 93 delegates in person, 40 online participants
Discussion pillars:
• Conclusions and recommendations from the BeSmart project • Financing instruments for sustainable energy projects • Energy management • Certification of buildings and construction professionals
Main outputs:
The plenary session reviewed the achievements of the BeSMART project, which included attracting financial institutions to the energy transition dialogue and fostering collaboration between government and municipal authorities. Discussions highlighted the development of the ESCO market, the National Decarbonization Plan, and financial instruments for energy transition. A World Bank financial instrument for building renovation, which offers long-term low-interest loans with capital discounts, was presented. The Ministry of Regional Development and Public Works shared that 300 buildings have applied for renovation under the National Recovery and Resilience Facility. Concerns were raised about "rebound" effects and the importance of timely public procurement for renovation activities. Thematic panels covered energy management systems, emphasizing the need for more training programs and harmonization of energy consumption data. The certification panel addressed complex methodologies and the need for improved energy audit processes. Key recommendations included introducing liability mechanisms for energy service providers and simplifying procedures to enhance the energy transformation of the economy. Overall, the roundtable emphasized the maturation of Bulgaria's energy ecosystem, the need for sustainable financial mechanisms, and continuous training to keep pace with technological advancements.
Related policy recommendations:
Review of all ten (10) policy recommendations.

III. KEY CONCLUSIONS AND RECOMMENDATIONS

A brief discussion of the top three issues and opportunities identified during the BeSmart roundtables is presented in the following section.

01. NEGATIVE EFFECTS OF 100% GRANTS ON THE DEVELOPMENT OF FINANCIAL INSTRUMENTS FOR ENERGY EFFICIENCY INVESTMENTS

The BeSmart roundtables clearly outlined the negative effects of **100% grants** on the development of financial instruments for energy efficiency investments.

Relying on 100% grants for energy efficiency investments can distort the market and reduce incentives for private sector investment. When grants cover all costs, private investors see less opportunity for returns, leading to decreased engagement from banks and other financial

institutions. This dependency on public funding undermines the development of a sustainable market where financial instruments such as loans, bonds, and equity investments can thrive.

The availability of full grants stifles the creation and adoption of innovative financial products. Financial institutions are less motivated to develop tailored financial solutions like green mortgages, energy performance contracts, or revolving funds when grants are the primary funding source. This reliance on grants limits the diversity of financial mechanisms in the market, reducing its resilience and adaptability to meet different types of demand and risk profiles associated with energy efficiency investments.

Furthermore, 100% grants can lead to inefficient allocation of resources. Since recipients do not bear any financial burden, there may be less scrutiny and diligence in project selection and implementation. This can result in funds being allocated to less impactful or poorly managed projects. Recipients of full grants may also be less incentivized to control costs and seek cost-effective solutions, leading to inflated project costs and reduced overall efficiency of energy efficiency programs.

Full grants act as a barrier to the development of market-based financing models. Sustainable financing for energy efficiency should ideally include a mix of grants, loans, equity, and guarantees to spread risk and leverage private capital. Grants can undermine Energy Service Companies (ESCOs) and Public-Private Partnerships (PPPs), which rely on performance-based contracting and shared investment models, by reducing the need for shared investment and risk-taking.

Full grants can create a moral hazard where recipients do not feel responsible for ensuring the success and efficiency of the project, leading to lax management and oversight. When recipients do not invest their own money, they may have a diminished sense of ownership and commitment to the project's long-term success.

In summary, while 100% grants can provide immediate financial relief and stimulate initial project uptake, they can have several negative effects on the development of a sustainable market for energy efficiency investments. To foster a robust and dynamic market, it is essential to gradually transition from full grants to blended financial instruments that leverage both public and private funds. This approach encourages private sector participation, drives financial innovation, and ensures efficient and effective use of resources.

02. IMPORTANCE OF INFORMATION CAMPAIGNS, AWARENESS, AND CAPACITY BUILDING FOR ENERGY EFFICIENCY AND ENERGY TRANSITION

Conducting **periodic information campaigns, raising awareness, and building capacity** were identified as crucial components during the BeSmart roundtables for the success of energy efficiency initiatives and the broader energy transition. These efforts play a significant role in fostering public understanding, encouraging behavioral change, and ensuring that all stakeholders are adequately prepared to participate in and benefit from the transition to sustainable energy systems.

Information campaigns are essential for enhancing public understanding of the benefits of energy efficiency and the importance of the energy transition. They help demystify technical concepts and provide clear, accessible information on how individuals and businesses can reduce energy consumption and costs. By highlighting the environmental, economic, and social benefits of energy efficiency, these campaigns can motivate people to adopt energy-saving practices and invest in energy-efficient technologies.

Raising awareness through targeted campaigns can lead to significant behavioral changes. When individuals understand the impact of their energy consumption on both their finances and the environment, they are more likely to adopt energy-efficient habits. This includes simple actions such as turning off lights and appliances when not in use, investing in energy-efficient appliances, and considering renewable energy options for their homes or businesses. Behavioral change is a critical factor in reducing overall energy demand and achieving long-term sustainability goals.

Capacity building ensures that all stakeholders, including policymakers, industry professionals, and the general public, have the necessary knowledge and skills to support the energy transition. Training programs and workshops for construction professionals, energy auditors, and facility managers can improve the quality of energy efficiency projects and ensure compliance with standards and regulations. For policymakers, capacity building can enhance their ability to design and implement effective energy policies and programs.

Information campaigns and capacity building are vital for the adoption of new energy-efficient technologies and practices. As new technologies emerge, stakeholders need to be informed about their benefits, costs, and how to implement them effectively. Training programs can help technicians and installers stay up-to-date with the latest advancements, ensuring that new technologies are correctly installed and maintained, thereby maximizing their efficiency and lifespan.

Awareness campaigns can also play a crucial role in informing stakeholders about available financial resources and incentives for energy efficiency projects. Many individuals and businesses are unaware of the grants, loans, and tax incentives that can help offset the initial costs of energy efficiency improvements. By providing this information, campaigns can encourage more people to take advantage of these financial tools, thus increasing the adoption of energy-efficient technologies.

Raising awareness among policymakers and the public can lead to a more supportive policy environment for energy efficiency initiatives. When there is widespread understanding of the benefits of energy efficiency, there is greater public support for policies that promote sustainable energy practices. This can lead to the implementation of more ambitious energy efficiency standards, incentives for renewable energy, and regulations that drive the transition to a low-carbon economy.

Information campaigns and capacity building efforts can help ensure that the benefits of the energy transition are equitably distributed. By targeting underserved communities and providing them with the knowledge and resources needed to participate in energy efficiency programs, these efforts can help reduce energy poverty and ensure that all segments of society benefit from the transition to sustainable energy.

Periodic information campaigns, awareness-raising activities, and capacity building are essential for the success of energy efficiency and the energy transition. They enhance public understanding, encourage behavioral change, build the necessary skills among stakeholders, support the adoption of new technologies, facilitate access to financial resources, create a supportive policy environment, and ensure equity and inclusivity. By investing in these efforts, governments and organizations can accelerate the transition to a sustainable energy future and achieve their energy efficiency goals.

03. BENEFITS OF ESTABLISHING A PERMANENT COMMUNICATION PLATFORM FOR ACTIVE COOPERATION

Establishing a **permanent communication platform**, such as a roundtable, for active cooperation and collaboration among policymakers, beneficiaries, professional communities, and the financial sector would offer numerous benefits. Such a platform facilitates continuous dialogue, enhances understanding, fosters innovation, and drives coordinated action towards achieving energy efficiency and energy transition goals.

A permanent communication platform ensures that there is an ongoing dialogue between all stakeholders involved in energy efficiency and the energy transition. This continuous interaction allows for the regular exchange of information, updates on policies, technological advancements, and best practices. Policymakers can keep beneficiaries and professional communities informed about new regulations, incentives, and programs, while stakeholders can provide feedback and share on-the-ground experiences that can inform policy adjustments and improvements.

Regular interaction through a communication platform builds mutual understanding and trust among stakeholders. Policymakers gain a better understanding of the practical challenges faced by beneficiaries and professional communities, while the latter groups gain insights into the policy-making process. Financial institutions can also better understand the risks and opportunities associated with energy efficiency investments. This enhanced understanding helps in building trust, which is crucial for successful collaboration and the smooth implementation of policies and projects.

A permanent platform facilitates the sharing of innovative ideas and best practices. Stakeholders can learn from each other's successes and failures, which can inspire new approaches and solutions. For instance, professional communities can share technical innovations and methodologies that have proven effective in other regions or sectors. Financial institutions can discuss new financial products and models that support energy efficiency investments. Such exchanges can drive innovation and the adoption of best practices across the board.

Active cooperation through a permanent platform ensures that actions are well-coordinated, reducing redundancy and enhancing the effectiveness of initiatives. When policymakers, beneficiaries, professionals, and financial institutions work together, they can align their efforts towards common goals, ensuring that policies, projects, and investments complement each other. This synergy can lead to more efficient use of resources, quicker implementation of projects, and more impactful outcomes.

A communication platform allows for better alignment of policies and regulations with the needs and capabilities of the market. Stakeholders can provide real-time feedback on the feasibility and impact of proposed policies, allowing policymakers to make informed adjustments. This alignment helps in creating a regulatory environment that supports rather than hinders the adoption of energy efficiency measures and the energy transition.

Regular interactions through a platform help in building the capacity and knowledge of all stakeholders. Policymakers can organize training sessions and workshops to enhance the skills of professional communities and beneficiaries. Financial institutions can explain the intricacies of financing mechanisms and requirements. Such capacity-building efforts ensure that all stakeholders are well-equipped to participate effectively in energy efficiency projects and the broader energy transition.

A permanent communication platform provides a forum for identifying and addressing challenges and barriers to energy efficiency and the energy transition. Stakeholders can discuss issues such as financing gaps, technical difficulties, regulatory hurdles, and market barriers. By working together, they can develop strategies and solutions to overcome these challenges, ensuring that initiatives are not stalled or derailed.

A communication platform promotes transparency and accountability among stakeholders. Regular meetings and discussions ensure that everyone is kept informed about the progress of projects and the implementation of policies. This transparency helps in holding stakeholders accountable for their commitments and actions, ensuring that goals are met and resources are used effectively.

When stakeholders, especially policymakers and beneficiaries, engage in regular dialogue, it helps in garnering public support for energy efficiency initiatives and the energy transition. Transparent communication and demonstrated collaboration can build public trust and confidence in the processes and outcomes, encouraging wider participation and support from the community.

Establishing a permanent communication platform for active cooperation and collaboration among policymakers, beneficiaries, professional communities, and the financial sector offers significant benefits. It ensures continuous dialogue, enhances understanding and trust, fosters innovation, drives coordinated action, aligns policies with market needs, builds capacity, addresses challenges, promotes transparency, and encourages public engagement. Such a platform is essential for effectively advancing energy efficiency and the energy transition, ultimately leading to a more sustainable and resilient energy system.

IV. CONCLUSION: LONG-TERM VISION FOR CONTINUATION OF THE ACTIVITIES

The BeSMART long-term vision is to actively support the establishment of a permanent communication platform – a National hub, in line with the strategy followed by The European Energy Efficiency Financing Coalition[1]. Preliminary talks suggest that such initiative will be under the aegis of the Ministry of Energy, Ministry of Regional Development and Public Works, and Ministry of Environment and Water. As a result, the continuation of active cooperation and collaboration among policymakers, beneficiaries, the financial sector, and professional communities, building on the successful outcomes of the BeSMART project, will be guaranteed.

The BeSMART coalition is ready and at authorities' disposal to participate in setting up the National hub and defining its clear objectives, facilitating dialogue, sharing best practices, aligning policies, and fostering innovation. From our perspective, the hub's scope should include key topics highlighted by the BeSMART project, such as energy efficiency, renewable energy, and sustainable practices. We would also suggest a steering committee with representatives from the three ministries, key stakeholders from the financial sector, professional communities, and beneficiary groups to be established. This committee will be responsible for creating a detailed strategic plan that outlines the vision, mission, goals, and expected outcomes of the National hub, along with identifying key performance indicators (KPIs) to measure its success. Not least, funding and resources should be secured from

[1] https://energy.ec.europa.eu/topics/energy-efficiency/financing/european-energy-efficiency-financing-coalition_en

government budgets, international grants, donors, and private sector contributions to support the staffing, technology, and logistics of the National hub.

The BeSMART coalition will actively participate in and support the National hub communication framework once it is developed, e.g., regular meetings, workshops, online forums, and newsletters to support both in-person and virtual engagement. Our team can share insights with the National hub on utilizing a user-friendly digital platform to host discussions, share documents, and provide updates, ensuring it is accessible, secure, and capable of supporting multimedia content. The BeSMART coalition, if deemed feasible by the National hub, can support the establishment of Working groups, focusing on specific topics identified by the BeSMART project, such as policy alignment, financial instruments, technical standards, and capacity building. Templates for meeting agendas, minutes, reports, and newsletters can be shared, along with branding and marketing materials to promote the permanent national platform.

A successful practice that we will share with the National hub leaders and coordinators, and provide necessary support if needed, is the phased strategy approach in the implementation of such initiatives: (i) A pilot phase with a smaller group of stakeholders should be conducted to test the communication platform's functionality and gather feedback, making necessary adjustments based on this feedback; (ii) Next, a high-profile launch event with key stakeholders, media, and public officials to announce the platform's establishment, presenting the strategic plan, working groups, and communication framework will be organized; (iii) A comprehensive outreach campaign should be launched to engage stakeholders and encourage participation, using various channels such as social media, email campaigns, and industry events to reach target audiences.

Additionally, the BeSMART coalition is in a position to share its advanced know-how related to the actual operation phase of the National hub: (i) Regular meetings, workshops, and webinars should be scheduled to maintain active engagement, ensuring each session has clear objectives, agendas, and desired outcomes; (ii) A system for monitoring and evaluating the hub’s activities and impact should be implemented, regularly reviewing KPIs and adjusting strategies as needed; (iii) A robust feedback mechanism should be established to gather input from stakeholders on the hub’s effectiveness and areas for improvement, using surveys, feedback forms, and direct consultations; (iv) Regular reports on the platform’s activities, progress, and impact will be published, ensuring transparency in operations, funding, and decision-making processes; and (v) The platform should continuously innovate and adapt to meet the evolving needs of stakeholders, fostering a sense of community and shared purpose among participants.

Another seized opportunity would be if areas identified by the BeSMART project such as energy efficiency technologies, project financing, policy implementation, and data management provide the basis for training programs and capacity-building workshops to be organized for the National hub’s stakeholders to enhance their skills and knowledge.

Of utmost importance is that the National hub is institutionalized within the government structures outlined herein to ensure its long-term sustainability, securing ongoing funding and support from the ministries and other stakeholders, as well as building upon the BeSMART project's momentum. The BeSMART coalition will actively support the gradual expansion of participation to include more stakeholders, such as international partners, non-governmental organizations, and academic institutions, encouraging cross-sectoral collaboration to enhance the hub’s impact. Additional involvement of the BeSMART team may be sought in supporting the regular celebration and communication of the hub’s successes and milestones using success stories that can inspire continued participation and commitment.

The National hub can replicate the BeSMART project's role of an incubator for innovative ideas and solutions in energy efficiency and sustainable practices, supporting pilot projects and research initiatives that can drive the energy transition forward.

Ideally, the establishment of National hub will build upon the successful dialogues, best practices, and innovative solutions identified during the BeSMART roundtables. This will drive progress towards a sustainable, efficient, and secure energy system by ensuring continuous engagement, capacity building, and collaboration among all stakeholders involved in the energy transition

ANNEX I – POLICY RECOMMENDATIONS

Alliance for Energy Efficiency

Work Group I:

Development of the ESCO market

Policy Recommendation (1)

Creation of a national interactive public ESCO register

Summary

Enabling the entry of innovative ESCO business models in the field of energy efficiency at a regional and national level by creating and providing reliable and systematized information about key characteristics of active ESCO companies (EE service providers), ESCO facilitators, quality indicators of ESCO projects (including ESG), as well as ESCO-compatible financial instruments, to potential beneficiaries. In order to support ESCO companies covering the adopted assessment criteria at a company and/or project level to a maximum extent, a capacity building toolkit should be developed (for example: checklists / road maps / online simulation models / training modules, etc.) to be used by interested ESCOs.

An effective approach to accelerating the pace of decarbonization of the economy can be applied by expanding the provision of turnkey EE services such as the ESCO/EnPC. The advantage is that a number of complex services are offered in a package, including energy survey, solution design, financing, maintenance, guarantee of the achieved energy savings and the like, which leads to shortened implementation periods, excellent integration among key project activities, and optimal costs for the beneficiaries. Unfortunately, practice shows that the structuring of complex projects and services remains a difficulty for specialized energy efficiency companies, which leads to disappointments among the beneficiaries and losses for the participants in the process - financial institutions, ESCO companies, subcontractors.

In response to the above-mentioned challenges, the interactive national ESCO register (INER) will systematize and provide in an easily understandable and accessible way to potential beneficiaries information on the capacity of ESCO companies, ESCO facilitators, quality characteristics of completed ESCO projects, compatible with ESCO financial instruments. In this way, beneficiaries will be able to make informed choices and potential reputational damage to EE service providers will be avoided.

At the same time, the ESCO companies will have the opportunity to increase their capacity and the quality of the services they provide by using the developed toolkit for the needs of INER and certify

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this by being registered in it. Examples of criteria at the ESCO company level can be the presence of energy auditors, project managers, financiers, quality control specialists, financial stability of the company and the like. For its part, the INER toolkit will include training and certification modules in key areas: (i) structuring of complex ESCO projects (including financing), (ii) quality control and management, (iii) control and management of the risk.

A similar approach for certification will be developed at a project level. Key quality criteria will be registered in INER, as well as tools for their control and improvement will be developed: (i) quality control checklists (e.g., maintenance, measurement and verification of savings), (ii) optimal choice of financial instrument and financial modelling, (iii) validity of contractual clauses / reciprocity, (iv) ESG outcomes for the beneficiary, such as ensuring a safe and healthy working environment for staff and the like.

In the process of creating INER, the foundations will be laid for the replication of the platform in countries that follow the trajectory of development in Bulgaria, such as North Macedonia, Serbia, Albania, Kosovo. The transfer of technology and knowledge can take place as a follow-up phase to the current policy proposal.

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What is our aim?

The aim of BeSMART is to create a permanent discussion forum for joint policy development and the structuring of innovative financing schemes to stimulate investment in energy efficiency. In this respect, the project foresees the following activities:

- Involving all stakeholders in an open dialogue
- Dissemination of good practices, initiatives and tools
- Building an online communication platform for knowledge sharing and experience
- Conducting 9 national roundtables with wide media coverage

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Alliance for Energy Efficiency

- Concrete recommendations for the development of financial instruments to support energy efficiency

How will we get there?

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Main benefits:

- Active participation and first-hand information on the design of new financial schemes for energy efficiency
- Increased potential to develop and manage deep energy-efficient building renovation projects
- Support for local 2030 Sustainable Energy and Climate Plans and building renovation strategies
- Momentum in the push towards a more attractive and accessible urban environments, reduced energy poverty and better air quality.

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Work Group II:

Financial mechanisms and instruments promoting the market development of energy efficiency services (EES) and renewable energy sources (RES). Integration with the National Decarbonization Fund (NDF) and other enabling financial platforms

Policy Recommendation (1)

Creation of a dedicated segment under the NDF with the capacity to support ESCO-type innovative models for implementation of EE/RES projects

Summary

The ability to support innovative business models in EE and RES requires specialized expertise and knowledge to be present in financial institutions based on which they can effectively develop and offer adequate financial services. In Bulgaria, there is accumulated experience in providing financial services to integrated EE projects. That can be easily upgraded and consolidated as an ESCO segment under the NDF. Considering the complexity of the ESCO projects, the NDF can also play the role of an orchestrator and a standardizing agent, according to which other market participants - providers of energy efficiency services, facilitators, consultants, and public customers - should be aligned. In this way, the emergence of a single and standardized market for EE/RES projects, key to attracting private capital for the transformation needs of the Bulgarian economy, would be greatly alleviated.

Thanks mainly to the Bulgarian Energy Efficiency Fund (BEEF), there is a long history of financial support for the ESCO model in Bulgaria. On this strong foundation, the NDF can build on and avoid same mistakes. A mandatory prerequisite for the ESCO mechanism to develop in a sustainable way, as well as to benefit from potential new instruments provided from the NDF, is that the coming grant schemes and subsidies are competently programmed. In other words, any possibilities for competition with market mechanisms in the face of ESCO and/or financial instruments should be prevented. Just the opposite, managing authorities should program and require grants to be blended with ESCOs (or other financial instruments). Unfortunately, the experience of recent years has been exactly the opposite. As a result, market-based schemes such as ESCO has been effectively eliminated from the market. In addition, beneficiaries have been encouraged to apply or wait for opening of new programs with 100% subsidy.

At a minimum, the NDF can further enhance the ESCO support that BEEF already provides by:

- Offering preferential discount rates for buying of receivables under ESCO contracts;

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- Accepting energy savings, i.e., costs saved from energy supply, as collateral, instead of land, mortgage, and the like;
- Allowing longer credit terms, for example 15-20 years, in order to minimize the payments from the beneficiaries and make the loan more accessible;
- Insuring the receivables of ESCO companies, providing protection of their cash flows in case of missed payments from their clients.

There is ample room for action that can be taken by the NDF to support and further develop the ESCO business model. For example, the NDF can offer partnerships to public and private beneficiaries and lead them on their way to implement the ESCO approach throughout the project cycle, which includes:

- Beneficiaries could have at their disposal a registry of pre-qualified ESCO companies with proven experience and a portfolio of qualified projects. The NDF in cooperation with the ESCO sector can establish a minimum set of standards to be covered and registered;
- Beneficiaries could benefit from quality assurance schemes that may be adopted by the NDF to ensure the achievement of high-end project results (e.g., QualitEE project under H2020);
- The NDF can manage the public procurement process, which is more complicated in the case of ESCO. Prerequisites must be created for ESCO companies to compete on the level of EE technical solution, amount of energy saved, and costs throughout the life cycle instead of just costs for implementation of already prescribed EE measures;
- In cases of public beneficiaries and energy cooperatives, the NDF can aggregate more buildings in a single ESCO procedure, which can produce economies of scale and the inclusion of mini-grid solutions based on renewable energy sources.

The proposed approach will protect beneficiaries from making mistakes and taking wrong steps, which potentially can undermine confidence in the ESCO model. Although the value and advantages of EnPCs are clear to the beneficiaries - investments against savings, ESCO requires a wide range of expertise to make possible the successful implementation of this type of projects. Special care should be taken that capacity for delivery of integrated EE services on the market continues to emerge and develop.

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Main benefits:

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Work Group III:

Recommendations for improvements to the National Resilience and Recovery Plan (NRRP). Sustainable renovation of the building stock (residential and non-residential). Opportunities and challenges facing the industrial sector

Policy Recommendation (1)

Programing NRRP to minimize financial burden of multifamily building (MFB) renovation for home-owners

Summary

The NRRP is not clear whether the feasibility studies (energy survey, technical design, etc.) will be subsidized, and at what stage or in what amount, if such funding is provided. The latter creates a prerequisite for delays in the utilization of the funds earmarked in the NRRP for renovation of MFB. As a possible solution, the ESCO financing mechanism can be used. It covers by default the costs of required feasibility studies and thus facilitates condominiums in finding permanent or temporary financing for this type of activity.

The ESCO financing mechanism has been reflected as an eligible option in the NRRP for the case of renovation of MFB, along with other financial instruments. What makes the ESCO model superior to other financing methods are the additional benefits for the beneficiaries, such as:

- Conducting a pre-feasibility study without any financial expense for the beneficiary at this stage;
- Implementing energy-saving measures (ESM) without any payments from the beneficiary at this stage;
- Guaranteeing the anticipated energy savings after the implementation of the ESMs for the duration of the EnPC. The amount of savings is at least commensurate with the monthly payments by the beneficiary to the ESCO company. This is the only financial commitment for the beneficiary under the EnPC. It ends when the investment of the ESCO company is fully repaid;
- Constant monitoring and verification of energy savings achieved.

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Taking into account the abovementioned advantages, the ESCO mechanism can support the intensification of projects implementation in the residential sector under the NRRP. The NRRP foresees the investments to be disbursed in two phases – with 100% subsidy and with 80% subsidy.

Support for the first phase of renovation of MFB - 100% grant for the implementation of ESM

The ESCO company conducts all required feasibility studies at its own expense after its selection as a contractor, according to a regulated procedure for selection of a contractor. With the prepared documentation, the condominium and the ESCO company apply for financing to the public authorities that manage the program under the NRRP. Upon approval, an ESCO contract is signed and implementation proceeds. After the implementation of ESMs, the ESCO company guarantees the achievement of anticipated energy savings, which ensures a sustainable spending of public resources and a real economic effect for apartment owners.

Support for the second phase of renovation of MFB - 80% grant for the implementation of the ESM

The process is similar as in the first phase, but with the addition that the ESCO company also co-finances 20%, which is necessary for the implementation of the ESMs. In this way, the problem for the beneficiaries in relation to financing the energy survey, technical design and 20% contribution is solved. The commitment for home-owners to make payments comes after the realization of the ESM, during the period of guaranteed energy savings. At this stage, home-owners will have enough financial resource due to less expenses for energy supply.

Recommendations for introduction of the ESCO mechanism to potential beneficiaries

The opportunity for condominiums to benefit from the advantages of the ESCO mechanism should be offered by the one-stop-shops (OSSs), which are planned to be established in connection with the implementation of the NRRP in the MFB segment. Given the need to follow the Public Procurement Act and potentially organized by the OSSs, the selection of an ESCO company can be made on the basis of the best offer, which includes (i) the amount of guaranteed energy savings, (ii) the percentage of savings that remains for the benefit of the households (upon payment of 20 % to the ESCO company), (iii) amount of required investment, (iv) types of ESMs and (v) contract duration. The company with the best technical and financial parameters will be given the right to sign an agreement for project development (PDA). Based on the PDA, the ESCO company will start investing funds and efforts to create required project documentation and a project application for financing under the NRRP. Alternatively, similar to the practice in other EU countries, the subsidy can be granted to the ESCO company / condominium after verification of the achieved savings and establishment of their compliance with those stipulated in the EnPC.

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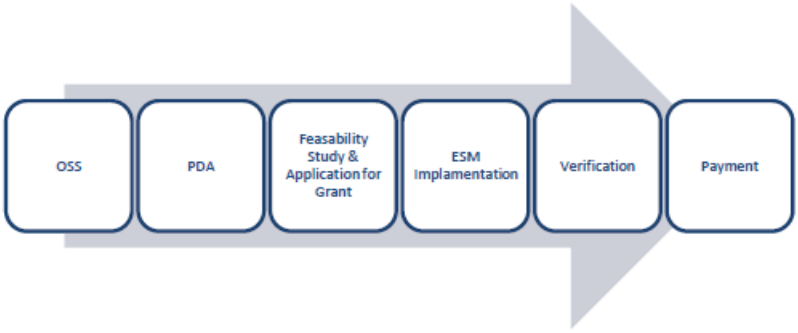
Figure 1: ESCO model & NRRP



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Work Group III:

Recommendations for improvements to the National Resilience and Recovery Plan (NRRP). Sustainable renovation of the building stock (residential and non-residential). Opportunities and challenges facing the industrial sector

Policy Recommendation (2)

Roadmap for renovation of multi-family buildings

Summary

In order to achieve the level of ambition set in the Long-term renovation strategy for renovation of the building stock till 2050 (LTRS), it is urgent to optimize and upgrade the financing mechanism foreseen in the National Resilience and Recover Plan (NRRP). Activating private capital, ending the unsustainable practices of 100% grant financing, introducing a collection of financial instruments, as well as conducting effective communication leading to a high degree of commitment of the beneficiaries, are among the changes that would lead to the successful achievement of national goals.

The national goals for building renovation, set in the LTRS, many times exceed what has been achieved so far in terms of scope, investment, and energy savings. In addition, the envisaged funding model defined in the NRRP does not correspond to the level of ambition adopted in the strategy because:

- with a national goal of renovation by 2030 of 19,026,656 m2 of living space, taking into account the prices and approach set in the plan, in the best-case scenario, by the middle of 2026, just 3,688,979 m2 will be renovated;
- only 1,135 buildings out of 64,056 that need to be renovated will be covered within the framework of the NRRP under the established mechanism;
- an opportunity is lost to activate a huge amount of private resources to help grow the local and national economy. What's more, the capital raised should be at least four times the subsidy.

The adopted by the NRRP financing scheme needs to be optimized and upgraded in the following directions:

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- discontinuation of the practice for 100% grant financing, which leads otherwise to unjustified expectations from the state and municipalities, irresponsibility on the part of the home-owners, and total lack of care to maintain the renovated buildings;

- reduction of public funding after the implementation of NRRP sub-project 9a by 2.25% on an annual basis;

- allocation of 7% of public funds for monitoring, communication, training, and scientific research;

- preservation of 100% grant financing of energy poor households;

- gradual reduction of the subsidy from 100% to 20% by 2030.

Considering that there will be no interruptions in funding and that the suggested approach hereinabove is adopted, the following results can be achieved by 2030:

- 19,033,804 m2 of renovated area (achieved goal in the LTRS);

- 5,857 renovated multi-family residential buildings with 254,633 dwellings and at least 29,283 households brought out of energy poverty;

- BGN 1,929,700,145 (approx. EUR 986,624,884) attracted private investments with BGN 2,185,781,533 (approx. EUR 1,117,555,209) public resources invested until 2030.

A MUST HAVE FINANCIAL MECHANISMS

Market enforcement of the suggested approach is unthinkable without the existence of a number of financial mechanisms. With the aim of both the immediate implementation of the activities under Work Package 2 of the NRRP sub-project 9a, as well as the sustainable continuation of policies and the achievement of national goals, it is necessary to ensure availability of the following:

- Specialized state provided revolving/guarantee fund;
- Specialized credit lines from commercial banks;
- Specialized municipal provided revolving/guarantee funds for energy efficiency;
- On-bill financing;
- On-tax financing;
- Financing through the ESCO mechanism.

TENTATIVE ROADMAP

2022	2023-2024	2025	2026-2029	2030
Financial Mechanisms				
BGN 225,980,000 with 80% Grant (total investment: BGN 249, 029,960)	BGN 451,960,000 with 70%/60% Grant (total investment: BGN 559, 809,923)	BGN 225,980,000 with 50% Grant (total investment: BGN 337,510,208)	BGN 854,205,711 with Grant that decrease to 25% intensity (total	BGN 201,675, 821 with 20% Grant

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			investment: BGN 1,970,785,235	(total investment: 642, 200,352)
Concessional loans to cover co-financing requirements for home-owners		Targeted concessional loans. Special loans from commercial banks with guarantees provided by the National Decarbonization Fund and the like	Higher requirements for targeted loans. Special loans from commercial banks with guarantees provided by the National Decarbonization Fund and the like	
100% subsidy for energy poor households				
	Those who achieve energy class A, get 80%/70% grant (additional resource). Construction and energy survey are financed by homeowners	Those who achieve energy class B, get 60% grant (additional resource).	Those who achieve energy class A and invest in RES, get a higher grant component (additional resource).	Those who achieve energy class A and invest in RES, get a higher grant component (additional resource).
Changes in legislation				
Changes in the Condominium Act, allowing for taking a decision for renovation in an easier way, regulation of facility management, and possibility of opening a bank account with the purpose of obtaining a credit guarantee.	Making professional facility management compulsory for condominiums.		Introduction of penalties if professional facility management has not been adopted, and/or renovation roadmap has not been implemented, etc.	
Changes to allow for On-bill financing and On-tax financing.	Improvements in certificates for energy characteristics, introduction of renovation roadmaps, and digital diaries.		Introduction of requirements for projects' carbon footprint	
Changes to allow combination of EnPC and energy supply		Tax reductions for renovated properties.		

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Alliance for Energy Efficiency

Changes to make green procurement compulsory.	Compulsory trainings for public procurement contractors.			
Definition of a mandatory minimum energy class, i.e., "B"				
Quality control, capacity building, and communication				
Verification of at least 10% of the energy audits. Introduction of penalties in cases of infringements.			Verification of at least 5% of the energy audits. Introduction of penalties in cases of infringements.	
Independent construction quality control of at least 10% of the projects. Introduction of penalties in cases of infringements.			Independent construction quality control of at least 5% of the projects. Introduction of penalties in cases of infringements.	
Communication campaign at national and regional level				
Trainings for energy auditors, installers, construction workers, beneficiaries, etc.				
Certification of companies offering one-stop-shop services				
		Monitoring of energy savings, introduction of penalties in cases anticipated savings have not been achieved.		
	Introduction of digital diaries			

Source: Roadmap for renovation of residential buildings, EnEffect

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ALLIANCE ABOUT ENERGY EFFICIENCY

Working Group I:

Development of the ESCO market

ESCO PROGRAMMES WITH SUBSIDIES

Best practices from Central and Eastern Europe: Czech Republic, Poland, Latvia. Focus on multi-family residential buildings.

Summary

The use of integrated and innovative business models for accelerated implementation of energy-saving measures within national and regional programs is an undeveloped opportunity in Bulgaria, unlike several countries with which we have compared ourselves over the years. To highlight successful practices in the EU that are easy to replicate to achieve the set national and regional goals, existing programs in the Czech Republic, Latvia, and Poland are examined. The common aspect in all three cases is that they manage to combine an EU subsidy with the provision of an ESCO service to the final beneficiaries (development of a candidate project, energy audit, design, implementation, economy, insurance, operation, and maintenance "one-stop-shop"). There are several main specifics that stand out when structuring the processes in the reviewed programs: (i) the admission to participation of energy efficiency (EE) service providers that provide combined one-stop-shop services, (ii) the existence of prior subsidy approval which provides assurance during the initial stage of implementation of EE projects in the main participants – banks, beneficiaries, EE service providers, managing EU funds, national and regional units, (iii) the existence of a package of standardized contracts, including tripartite ones, to be used by program participants to ensure clear and transparent synchronization throughout the process, (iv) amounts of subsidies that do not distort participants' market behavior, and (v) additional incentives with higher ambition to save and verify energy savings after one year.

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ALLIANCE ABOUT ENERGY EFFICIENCY

Content:

Figures:

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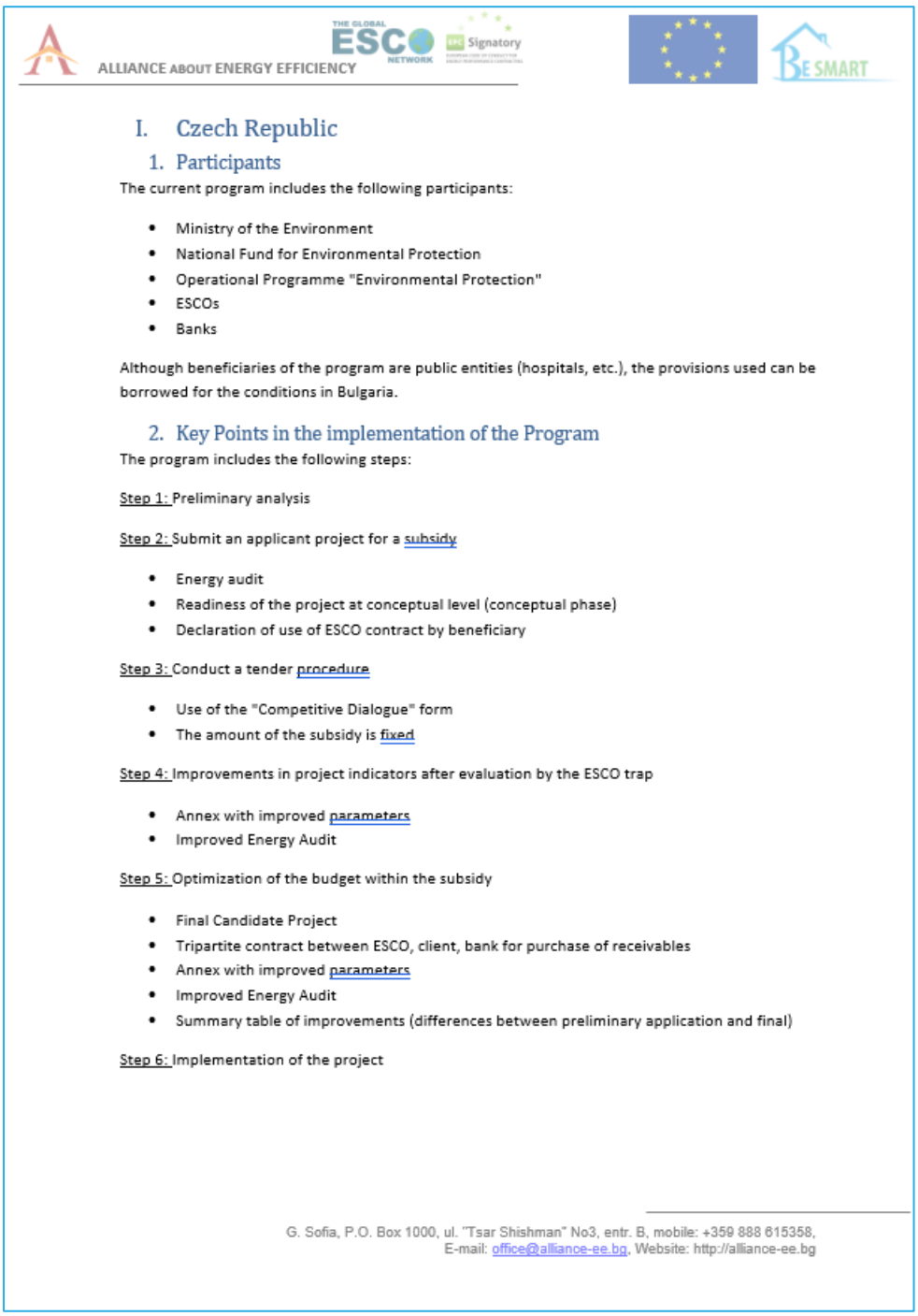

ALLIANCE ABOUT ENERGY EFFICIENCY

I. Czech Republic

1. Participants

The current program includes the following participants:

- Ministry of the Environment
- National Fund for Environmental Protection
- Operational Programme "Environmental Protection"
- ESCOs
- Banks

Although beneficiaries of the program are public entities (hospitals, etc.), the provisions used can be borrowed for the conditions in Bulgaria.

2. Key Points in the implementation of the Program

The program includes the following steps:

Step 1: Preliminary analysis

Step 2: Submit an applicant project for a subsidy

- Energy audit
- Readiness of the project at conceptual level (conceptual phase)
- Declaration of use of ESCO contract by beneficiary

Step 3: Conduct a tender procedure

- Use of the "Competitive Dialogue" form
- The amount of the subsidy is fixed

Step 4: Improvements in project indicators after evaluation by the ESCO trap

- Annex with improved parameters
- Improved Energy Audit

Step 5: Optimization of the budget within the subsidy

- Final Candidate Project
- Tripartite contract between ESCO, client, bank for purchase of receivables
- Annex with improved parameters
- Improved Energy Audit
- Summary table of improvements (differences between preliminary application and final)

Step 6: Implementation of the project

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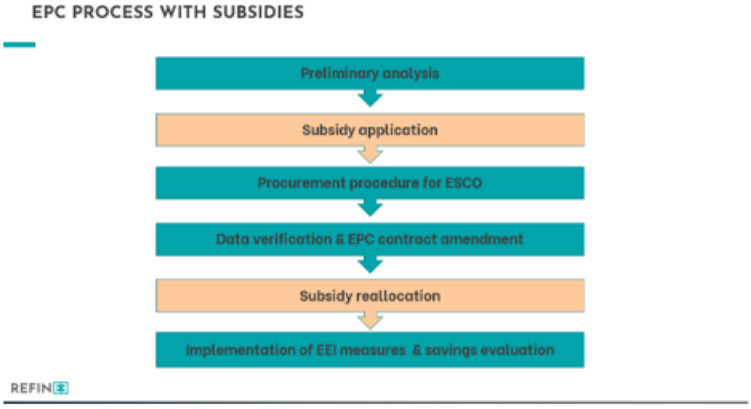
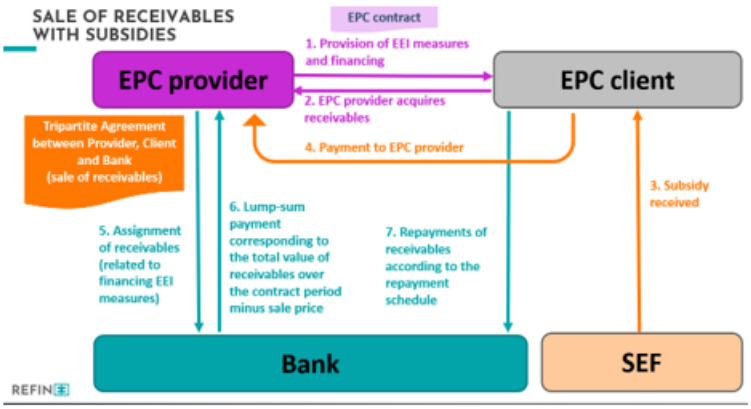
Figure 1: Sequence of processes in the Czech Republic



Source: REFINE

The interrelations between the individual participants can be traced in the lower figure. One of the main tasks achieved in such a structured scheme is that it satisfies the grantor's (SEF) requirement that the expenditure has been incurred by the beneficiary before the specified part is recovered. This is what is achieved through the conclusion of the tripartite treaty.

Figure 2: General scheme of the programme in the Czech Republic



Source: REFINE

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3. Documents Available

The following documents are available for use/adaptation:

- Declaration of use of ESCO contract by beneficiary
- Summary table of improvements (differences between preliminary application and final)
- Tripartite contract between ESCO, client, bank for purchase of receivables

4. Recommendations for Bulgaria

The following good practices from the Czech Republic could be borrowed for the needs of programming subsidies with ESCOs in Bulgaria:

- Preliminary framework approval of a candidate project and subsequent one to allow reshuffling / optimization / improvements of the investment.
  - In this way, the ESCO company has the opportunity to offer better solutions than the ones at stake;
- Payments to the ESCO company to be exported at an earlier stage in two parts – 1st payment after realization of 1/2 of the investment; 2nd payment after acceptance of the object.
  - In this way, the inflation risk for the ESCO and the beneficiary is mitigated.
- Use of the 'Competitive dialogue' form of tendering procedure
  - In this way, ESCOs can compete at the level of innovation and solutions, rather than on Bills of Quantities (KSS). As a result, the efficiency of investments increases.

II. Latvia

The reviewed programme (the 'Programme') is part of the Latvian Recovery and Resilience Plan ('HEU') and targets renovation of multi-family residential buildings. The case study when using an ESCO model is discussed.

1. Participants

The main actors in an ESCO model are:

- The Latvian fund "Altum"
- Authorized persons (representatives of the owners of apartments)
- The owners of apartments ("Condominium" / "EtS")
- ESCOs
- Banks

2. Key Points in the Implementation of the Program

The amount of the subsidy is not more than 49%. The option for the implementation of energy-saving measures is regulated in the form of engineering (design and implementation). The possibility of assisting, within 49% of the costs, the preparation of the technical documentation of the project is also open.

Key is the mention in the program that the recipients of grants do not apply the provisions of the Public Procurement Act, except in cases where they are public entities.

The main steps in the implementation of the program are depicted in the graph below and are as follows:

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Step 1: ETS authorizes their representative ("Authorized Person" / "UL") to represent them before the Program and assist during its implementation. There is no special requirement for a procedure to be followed when choosing a Str.

Step 2: ETS has the option to attract an ESCO company in the implementation of the Program and the renovation of the building to be done in the form of an engineering project that includes both design and implementation (see item 70 in Decree 460 of Section 3, Available documents). The selection of an ESCO company must follow good market practices – consideration of more than one offer, absence of conflicts of interest and the like (see point 59 in Order 460 of Section 3, Available documents).

Step 3: The ESCO company should select its suppliers and subcontractors following good market practices - consideration of more than one offer, absence of conflict of interest, prevention of fraud and corruption (see item 70 in Decree 460 of Section 3, Available documents).

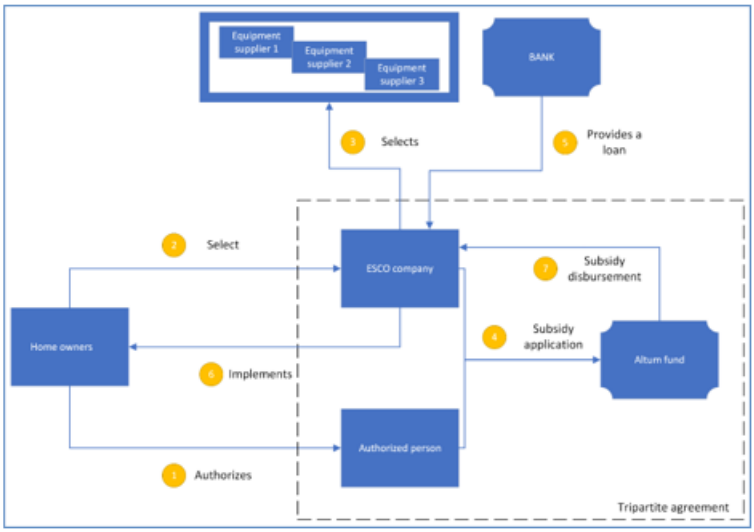
Step 4: Altum, UL and ESCO sign a tripartite contract upon approval of the Program application.

Step 5: The ESCO company provides the necessary funding to implement the renovation.

Step 6: The ESCO company implements the envisaged energy saving measures.

Step 7: After implementation of the renovation, the ESCO company provides all reporting documents to Altum and receives the envisaged subsidy.

Figure 3: General scheme of the programme in Latvia



Source: FinEERGo-Dom / Energy Efficiency Alliance

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3. Documents Available

The following documents are available for use/adaptation:

- Decree of the Council of Ministers No.460 regulating the implementation of the program[1]

4. Recommendations for Bulgaria

What is described in this section is another edition of the program for renovation of multifamily residential buildings in Latvia, but in this case under the auspices of the Latvian University of Architecture. The structure and organization of the Latvian program, in its entirety, is a good practice that has already served as the basis for a similar one in Poland (see Section III). Experience in Bulgaria is in the process of being transferred under the FinEERGo-Dom[2] project, especially in the part of good practices that it is advisable to follow by ESCOs. Among the main mechanisms of the Program, which can be replicated in our country, are:

- Easy and fast application procedures, selection of UL, ESCO, suppliers and subcontractors (in cases where beneficiaries are not public entities).
- Ability to use engineering, which leads to shortening the deadlines for implementation of renovation projects
- Additional source of finance through ESCO
- Existence of a tripartite contract, which guarantees synchronization between beneficiary, contractor and grantor.
- Subsidy for preparation of application documents up to 49%

III. Poland

Multifamily residential buildings are also targeted by the program "Renovation through ESCO Plus" ("Program"). It uses as a basis for its creation and structuring the Latvian renovation program (see section II) in its part that allows partnership with an ESCO company. The Polish program was developed within the FinEERGo-Dom project, which also has representatives from Bulgaria in its consortium, and to date it is in progress on implementation[3].

1. Participants

Main participants are depicted in the lower figure. The interactions between them are as follows:

- National Fund for Environmental and Water Protection ("NFOŚiGW")
  Provides a subsidy of between 10% and 30% depending on the degree of ambition for energy saving of the candidate project.
- National Agency for Energy Efficiency ("KAPE")
  Assists ETS and ESCOs in the process of implementing the program.
- National Development Fund ("PFR")

[1] https://likumi.lv/ta/id/334084-eiropas-savienibas-atveselosanas-un-noturibas-mehanisma-plana-1-2-reformu-un-investiciju-virziena-energoefektivitates-uzlabosana#p65.4&pd=1
[2] https://fineergodom.eu/
[3] https://www.gov.pl/web/funduszmodernizacyjny/renowacja-z-gwarancja-oszczednosci-epc-energy-performance-contract-plus

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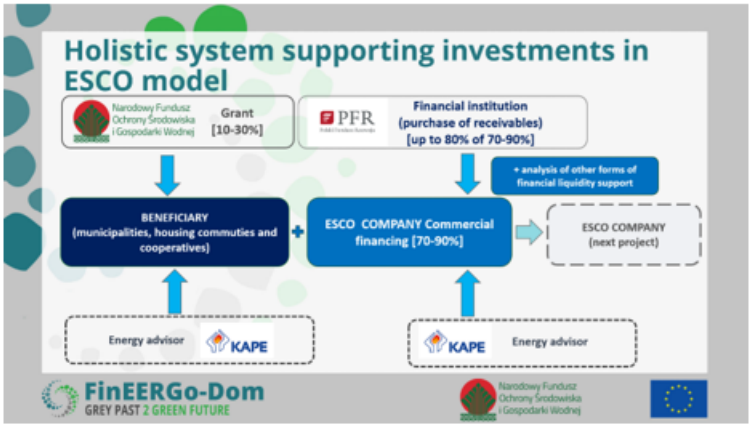
Buys the incurred receivables of the ESCO company up to 80%. In this way, an ESCO company recovers part of the investment in multi-family residential buildings and can invest it in a subsequent renovation project.

- ESCO company
- Owners of apartments / condominium ownership ("EtS")

Figure 4: General scheme of the programme in Poland



Source: FinEERGo-Dom

2. Key Points in the Implementation of the Program

The following figure depicts the application and implementation processes of the Program:

Step 1: Pre-approval

General eligibility criteria for the applicant are checked. There is a possibility to use a basic calculator to prepare preliminary calculations. If necessary, NFOŚiGW issues letters of commitment (or other necessary documents) for prior approval to finance the project.

Step 2: Submit a candidate project

After selecting an ESCO company (on a general basis, if the applicant does not fall within the scope of the Public Procurement Act) and preparation of technical documentation together with it (Energy Audit, etc.), the applicant submits a candidate project for granting a subsidy.

Step 3: Implementation

The ESCO company implements the envisaged energy saving measures.

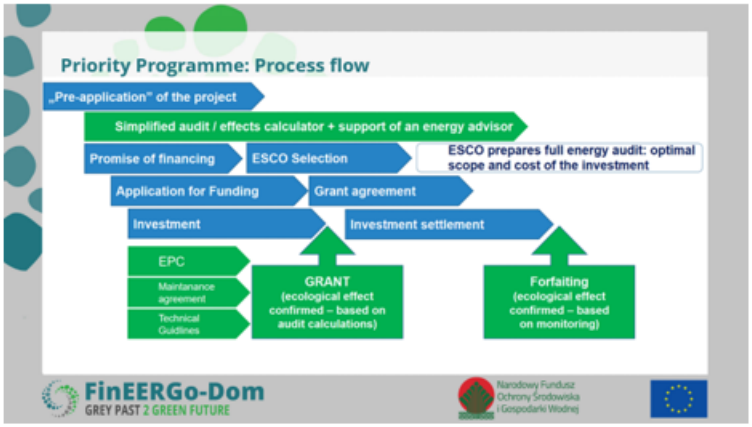
Step 4: Absorption of the subsidy

After verification, NFOŚiGW grants a subsidy of up to 30%. Grounds for approval of the subsidy is the existence of a concluded ESCO contract according to the template of the Program.

Step 5: Cession

One year after the completion of the project, with successfully verified energy savings, the ESCO company can sell up to 80% of its receivables (monthly installments paid ETC within the realized energy savings) to PFR.

Figure 5: Sequence of processes in Poland



Source: FinEERGo-Dom

3. Documents Available

As the programme is in progress, all documents are available:

- General guidelines
- Technical Guidelines
- Guidelines for NFOŚiGW co-financing
- List of annexes
- List of required documents according to the type of beneficiary
- Notice for submission of project proposals
- Application form for preliminary approval
  - Guidelines for completing an application form for pre-approval
  - Set of declarations from the beneficiary
  - Additional templates and shapes
  - Calculator
- Application form for approval
  - Guidelines for completing an application form for approval
  - Set of declarations from the beneficiary

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- Additional templates and shapes
- Framework contracts and annexes

4. Recommendations for Bulgaria

The Polish program "Renovation with ESCO Plus" can be replicated directly in Bulgaria. Several essential elements deserve to be singled out:

- The program is designed exclusively for ESCOs. In this way, it is possible to develop the provision of complex energy services "one-stop-shop" (integrated services – engineering, monitoring, guarantee/insurance of the achieved savings, operation and maintenance, etc.) As a result, the time until energy savings are achieved. Transfers of processes between individual companies are avoided.
- The contracts for the implementation of energy-saving measures also provide for the service management and maintenance. In this way, the newly introduced technologies and assets are stored, respectively. A comprehensive sustainable approach to energy consumption management is introduced.
- ESCOs have the opportunity to maintain high liquidity and increase their investments in energy-saving measures for new customers, as PFR buys their receivables from completed projects no earlier than one year.
- The program provides additional benefits to participants after a real verification of the savings achieved (cession after one year to PFR).
- The amount of the subsidy is within limits that do not pass on the cost entirely to the European taxpayer, but also require participation/funding from the beneficiaries.

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Briefly about BeSmart

The Bulgarian Forum for Financing Energy Efficiency Projects:

The transition to a low-carbon economy requires higher energy efficiency and better energy management, the introduction of new specialised services and the development of financial mechanisms. This exceptional challenge is particularly relevant in the building sector, where the currently used 100% grant mechanism for the renovation of multi-family residential buildings needs to be reformed into a more sustainable financing scheme that is socially acceptable, ensures the participation of vulnerable consumers and at the same time sets higher criteria for energy efficiency and environmental benefits.

What are we aiming for?

To help develop and implement policies and financial mechanisms to support investment in energy efficiency and to support the implementation of European sustainable energy development initiatives at national and local level.

How will we achieve it?

- Involving all stakeholders in an open dialogue
- Dissemination of good practices, initiatives and tools
- By building an online communication platform for sharing knowledge and experience
- With nine national roundtables with extensive media coverage
- With specific recommendations for the development of financial instruments to support energy efficiency

Target groups:

- Banks, other financing institutions and ESCOs
- Representatives of the central government, mainly from the ministries of finance, economy, energy, regional development and public works and the executive agencies belonging to them.
- Local and regional authorities
- National associations - construction, SMEs and industry associations, consumer associations and various service providers
- Think tanks and academia
- The general public and citizens
- Media.

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Main benefits:

- Involving all stakeholders in an open dialogue
- Dissemination of good practices, initiatives and tools
- By building an online communication platform for sharing knowledge and experience
- With nine national roundtables with extensive media coverage
- With specific recommendations for the development of financial instruments to support energy efficiency

This project has been funded with support from Horizon 2020 of the European Union by grant agreement No 101033787.

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Working Group I:

Development of the ESCO market

UPDATE OF ORDINANCE 16-347 of 2009 (The ESCO ORDINANCE)

Introduction of good European practices.

Summary

The proposed amendments to the Ordinance aim to bring it in line with the latest revisions of the Energy Efficiency Directive, the Energy Efficiency Act, the Renewable Energy Sources Act, as well as good practices established by the Energy Efficiency and Renewable Energy Sources Fund (EERSF), the European Investment Bank and the Global ESCO Association.

The second direction of the proposals concerns the return of the dropped provisions in the old ordinance, thanks to which the owners of state- and municipal buildings can apply for funding in the payment of contracts with guaranteed results before the Ministry of Finance and the central budget after approval by the Sustainable Energy Development Agency.

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I. Textual proposals and opinions presented in tabular form

/Content in tabular format/

II. Textual proposals and opinions presented in the provisions of the ordinance

ORDINANCE No. ..... ON THE TERMS AND CONDITIONS FOR DETERMINING THE AMOUNT AND PAYMENT OF FUNDS UNDER GUARANTEED PERFORMANCE CONTRACTS LEADING TO ENERGY SAVINGS IN BUILDINGS – STATE AND/OR MUNICIPAL PROPERTY

Chapter One GENERAL

Art. 1. (1) This Ordinance shall regulate:

1. the terms and procedure for determining the amount of the funds planned under the budgets of the spending units for the implementation of services under guaranteed contracts (ESCO contracts) in buildings – state and/or municipal property;

2. the terms and procedure for payment of the remunerations under the guaranteed result contracts for the buildings under item 1.

(2) The determination of the amount of the funds planned under the budgets of the spending units for the implementation of contracts with guaranteed results in buildings – state and/or municipal property shall be carried out on the basis of an energy efficiency audit and an issued certificate for energy performance, certifying the current state of the energy consumption in the building.

(3) The payment of funds under guaranteed performance contracts in buildings – state and/or municipal property shall be made upon reaching a level of energy efficiency improvement, guaranteed energy savings or other agreed criterion related to energy performance, which ensure the achievement of the legally required class of energy consumption for the building subject of the contract.

Art. (1) By the order of this Ordinance shall be determined and paid the funds for the implementation of activities and measures for increasing energy efficiency, reducing the costs of operation and maintenance, as well as other activities generating financial benefits provided for in contracts with guaranteed results.

(2) Contracts with guaranteed results:

1. are concluded for the implementation of measures for improving energy efficiency in buildings – state and/or municipal property, and the investments for the implementation of these measures

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shall be paid according to the agreed guaranteed level of improvement of energy efficiency or another agreed criterion related to energy performance.

2. are performed by energy efficiency service providers – traders within the meaning of the Commerce Act or within the meaning of the legislation of another Member State of the European Union or of another State party to the Agreement on the European Economic Area or of the Swiss Confederation, with the subject of an activity including the performance of services under contracts with guaranteed results;

3. guarantee a result for received energy and financial savings in a numerical indicator that is assessable, measurable and verifiable by the methodology/standards for determining the energy consumption in buildings, art. 31, para. 4 of the EEA.

(Opinion:

See opinion to art. 17, item 1., new sub-item.

See opinion to art. 18, para. (2).

Proposal for a new text:

3. guarantee a result for received energy and financial savings and/or benefits in a numerical indicator that is assessable, measurable and verifiable according to the measurement and verification methodology/standards "IPMVP" or "ISO 50015".)

(Opinion:

Good European practice implies that guaranteed contracts are assessed as an option for the implementation of energy-saving measures for state- and municipal-owned buildings.

The aim is to attract private financial resources, to save public, to develop market-sustainable models, not grants.

Proposal for a new text:

(new item) are assessed as a possibility for the purpose of implementing energy saving measures.)

Art. 3. (1) The persons under art. 2, para. 2, item 2, referred to as "ESCO service providers":

1. ensure the provision of ESCO services provided for in the performance contracts, in whole or in part with own funds, in whole or in part with the resources of the contracting authority, including

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those provided by national or European support schemes and mechanisms, and/or undertake to ensure their financing by a third party;

---

*(**Opinion:***

Further expand the range of sources of funding.

Proposal for a new text:

1. ensure the provision of ESCO services provided for in the performance contracts in whole or in part with own resources, in whole or in part with the resources of the contracting authority, including and not limited to those provided by national or international support schemes and mechanisms, and/or undertake to ensure their financing by a third party;)

---

2. bear the financial, technical and commercial risk for the implementation of the activities and measures provided for in the contract to improve energy efficiency and to achieve the result guaranteed by the contract;

3. take into account the annual result guaranteed under the contract through a bilaterally signed statement of findings.

(2) The statement of findings under para. 1, item 3 shall be drawn up once a year, as of the date of commissioning of the site, on the basis of a methodology for reporting the guaranteed result, which is an integral part of the contract with an assured result and is in compliance with the requirements of the ordinance under art. 18(2) of the EEA.

---

*(**Opinion**:*

See opinion to art. 18, para. (2).

Proposal for a new text:

(2) The statement of findings under para. 1, item 3 shall be drawn up once a year, from the date of commissioning of the site, on the basis of a methodology for reporting the guaranteed result, which is an integral part of the contract with an assured result and is in accordance with the standard for measurement and verification "IPMVP" or "ISO 50015".)

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(3) The persons under para. 1 shall provide annually data on completed projects with guaranteed results, which include the envisaged and achieved energy and financial savings of the Agency for Sustainable Energy Development.

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*(**Opinion**:*

We propose to continue the Agency's good practice of making the data it collects publicly available.

Proposal for a new text:

(3) The persons under para. 1 shall provide annually data on completed projects with guaranteed results, which include the envisaged and achieved energy and financial savings of the Agency for Sustainable Energy Development and shall become publicly available on the website of the Agency.)

Art. 4. (1) The restoration of the one made by the persons under art. 3, para. 1 investment for the implementation of activities and measures to increase energy efficiency, as well as the payment of the remuneration due under the contract, shall be carried out for the duration of the contract, taking into account the realized energy savings, certified by a statement of findings under art. 3, para. 2.

(2) The payment of the remuneration due under the contract may be made quarterly, and at the end of the year an equalization contribution shall be made under the contract. In the event that quarterly payments exceed the amount of energy savings costed, the excess shall be distributed in an agreed ratio between the parties.

(3) The guaranteed energy saving shall be defined as the difference between the normalized energy consumption, calculated before the implementation of the energy efficiency improvement measures provided for in the contract, and the guaranteed energy consumption in the building after their implementation.

(4) Where the performance contract is performed for several buildings, the total guaranteed energy saving shall be calculated as the sum of the individual guaranteed energy savings of each of them.

Chapter Two PROCEDURE FOR DETERMINING THE AMOUNT OF THE FUNDS PLANNED UNDER THE BUDGETS OF THE AUTHORIZING OFFICERS FOR THE IMPLEMENTATION OF ESCO SERVICES UNDER GUARANTEED CONTRACTS IN BUILDINGS - STATE AND/OR MUNICIPAL PROPERTY

Section I Determination of the amount of funds planned under the budgets and provision of funding for the implementation of ESCO services under guaranteed contracts in state-owned buildings

Art. 5. Budget spending units may plan funds for the implementation of a contract/contracts with guaranteed results within the budgets approved by the State Budget of the Republic of Bulgaria Act for the respective year.

Art. 6. (1) The planning of the funds under art. 5 is carried out under the conditions of art. 1, para. 2, the amount of planned funds corresponding to the normalized energy consumption.

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*(**Opinion**:*

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We propose similar to the provision of funds for normalized energy consumption to provide funds for normal operation and maintenance in order to secure payments and in this direction in order to store the renovated building.

***Proposal for a new text**:*

Art. 6. (1) The planning of the funds under art. 5 is carried out under the conditions of art. 1, para. 2, as the amount of the planned funds corresponds to the normalized energy consumption, as well as taking into account the normal costs of operation and maintenance and other relevant to ensuring the suitability of the buildings.)

---

(2) The planned payments to the contractors of ESCO services for the recovery of the investment shall not exceed the agreed guaranteed result for energy and financial savings - subject of the contract with guaranteed results.

--

*(**Opinion:***

There is a hypothesis that the contributions for the recovery of the investment exceed the achieved energy savings in case the contracting authority has access to financial resources with which to co-finance and wishes to repay the investment of the ESCO company in a shorter period in order to pay less interest and takes advantage of 100% of the financial benefits that have arisen at an earlier stage. At the same time, the bonification/penalization mechanism of the ESCO company in case of overshooting/non-achievement of the guaranteed result should be periodically reported and active (hence the construction "... upon accounting...").

See also opinion to Art. 17, 1, proposal for a new sub.

Proposal for a new text:

(2) The planned payments to the contractors of ESCO services for the recovery of the investment must take into account the agreed guaranteed result for energy and financial savings and benefits - subject of the contract with a guaranteed result.)

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(3) The amount of the estimated funds shall include an appreciation corresponding to the amount of the interest rate of the Bulgarian National Bank for long-term investment loans as of the date of conclusion of the contract.

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*(**Opinion**:*

See opinion to art. 17, p.11.

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In addition, the statement contradicts art. 12, para. (1), item 3, where we have proposed a revision in relation to the imposed limit for the duration of the contract with guaranteed results within the simple payback period of the energy-saving measures.

Proposal for text:

(3) The amount of the estimated funds shall also include an appreciation corresponding to the amount of the interest rate of the Bulgarian National Bank for long-term investment loans as of the date of conclusion of the contract and/or other indicators referenced in the guaranteed performance contract)

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(4) The determination of the amount of funds under the contract with guaranteed result shall be made on the basis of the monetary equivalent of the guaranteed energy saving, valued at the current price of the energy as of the date of signing the ascertainment protocol under art. 3, para. 2.

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*(**Opinion**:*

The restriction to use only the current price at the date of signing the contract opens the possibility of distortions with effect for the entire duration of the contract. The good practice is to adopt an average price for the whole year to avoid seasonal fluctuations or one for the last 2-3 years, potentially with different burdens if there are substantial fluctuations in the energy supply conditions. Of course, the possibility of adopting a current price at a date of signing is also permissible under certain conditions.

***Proposal for a new text**:*

(4) The determination of the amount of funds under the contract with guaranteed performance shall be made on the basis agreed between the parties the monetary equivalent of the guaranteed energy saving, e.g. valued at the actual price of energy as of the date of signing the ascertainment protocol under art. 3, para. 2.)

Art. 7. The examination and approval of the means for the performance of guaranteed contracts shall be carried out under the terms and conditions of Chapter Three.

Art. 8. In the case of a contract/contracts with an assured result, the budget spending units shall provide annually for the provision of funds for servicing the contract/contracts with a guaranteed result until the repayment of the obligations to the ESCO service providers approved by the State Budget of the Republic of Bulgaria for the respective year.

Section II Determining the amount of funds planned under the budgets and providing funding for the implementation of ESCO services under guaranteed contracts in municipal property buildings

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Art. 9. Each municipality may plan funds for payment of obligations under contracts with guaranteed results in buildings - municipal property, in the draft budget for the respective year after a decision of the municipal council.

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*(**Opinion**:*

We believe that the repeal of the provisions of the old ordinance, enabling municipalities to submit requests to the Ministry of Finance for the allocation of financial resources for the payment of contracts with a guaranteed result from the central budget, is a fundamental change in the meaning and meaning of the ESCO regulation. A smart mechanism is being abolished through which the central budget has supported the process of decarbonisation of the public building stock in years when I have tens of times less financial resources.

As a consequence of the abolition of the support mechanism, the ESCO model becomes inapplicable because public buildings are chronically underfunded – energy poor and in a state of accelerated depreciation, i.e., there is no normal energy consumption, operation and maintenance. In this way, the generation of energy and financial savings through guaranteed performance contracts becomes impracticable.

Return of the relevant provisions of the old ordinance and restoration of the mechanism for requesting support from the Ministry of Finance, which emulates normal exploitation of the building stock, allows the use of contracts with guaranteed results and stops the process of destruction of the public building stock by attracting private financial resources.

We have also proposed some amendments to the restored provisions of the Ordinance with a view to expanding the scope of the mechanism and adopting good European practices.

***Proposal for a new text**:*

(return of old paragraph (2) with revision) The determination and payment of funds from the central budget under contracts with guaranteed results for municipal property buildings is carried out only for buildings with a total built-up area of over 250 sq. (m) subject to the conditions of Chapter Three.

(return of old paragraph (3)) Funds from the central budget shall be provided to finance the implementation of ESCO services under guaranteed contracts after obtaining a certificate of at least category B for the municipal property buildings under para. 2, for which energy efficiency improvement measures have been implemented and the energy consumption levels specified in the contract(s) have been reached.

(return of an old paragraph (4) with adjacent points) Municipalities that have concluded a contract/contracts with guaranteed results in buildings under art. 9, para. 2, submit to the Ministry of Finance:

1. a request for financing under the contract(s) with a guaranteed result together with a copy of the summary for on inspection of the building, a notarized copy of the contract(s) with an assured result for this building, the decision of the municipal council, a copy of the issued

certificate for the building in which the energy efficiency improvement measures have been implemented, as well as a repayment plan for the payments under the contract(s);

2 . information on the planned means of performance of the contract and the corresponding measures to improve energy efficiency and other financial benefits;

3. information about implemented so far, financed under national or other programs from the state budget or from other financial sources, including external programs, credit institutions, etc., activities and measures to improve energy efficiency in the building/buildings subject to the contract with guaranteed results, as well as the amount of their financing.

(return of old Art. 11 with adjacent paragraphs) (1) The consideration and approval of the funds for the execution of contracts with guaranteed results in municipal property buildings shall be carried out under the terms and conditions of Chapter Three by the Energy Efficiency Agency, which shall send a reasoned proposal to the Ministry of Finance to finance the payment thereunder and certify that no other certificate has been issued for the respective building as a result of implemented activities under other programs or from other financial sources.

(2) After approval of the funds under para. 1 they shall be provided from the central budget of the municipalities by the order of art. 34, para. 2 of the State Budget Act.

(return of old Art. 12) The provision of funds from the central budget for servicing contracts with guaranteed results in the buildings under art. 9, para. 2 shall be carried out until the repayment of the obligations under these contracts.)

Art. (1) Planned payments to ESCO contractors for the recovery of the investment shall take into account the scope of the guaranteed result, including the energy savings and other relevant financial benefits subject to the performance contract.

(2) The amount of the estimated funds shall include an appreciation corresponding to the amount of the interest rate of the Bulgarian National Bank for long-term investment loans as of the date of conclusion of the contract.

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*(**Opinion**:*

See opinion to art. 6, para. (3).

***Proposal for a new text**:*

(2) The amount of the estimated funds shall include an appreciation corresponding to the amount of the interest rate of the Bulgarian National Bank for long-term investment loans as of the date of conclusion of the contract and/or other indicators referenced in the guaranteed performance contract.)

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(3) The determination of the amount of funds under the contract with a guaranteed result shall be made on the basis of the agreed guaranteed result for energy and financial savings.

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*(**Opinion**:*

We offer a staging analogous to art. 91 para. 1 of the State Budget Act, with a view to ensuring the consistency and stability of the regulatory framework.

Proposal for a new text:

(new article) The annual amount of payments for each municipality under long-term contracts with guaranteed performance (ESCO contracts) shall not be included in the total annual amount of payments under the municipal debt for the respective municipality when determining the ratio and applying the limit under art. 32, para. 1 of the Public Finance Act.)

Section III Determining the amount of funds planned under the budgets and providing funding for the implementation of ESCO services under guaranteed contracts in buildings with mixed ownership regime - state and municipal

Art. (1) The planning and provision of financing for the implementation of guaranteed performance contracts in buildings with mixed ownership regime shall be carried out:

1. under the conditions and by the order of Section 1 - in the cases where the state is the owner of the larger share of the co-owned building;

2. under the conditions and by the order of Section Two - in the cases when the municipality is the owner of the larger share of the co-owned building.

(2) Where the state and the municipality hold equal shares of the respective building, the financing shall be planned and provided under the conditions and by the order of Section one for the part of the building representing state property, and under the conditions and by the order of Section Two for the part of the building representing municipal property.

Chapter Three FINANCING CONDITIONS AND REQUIREMENTS FOR GUARANTEED PERFORMANCE CONTRACTS IN BUILDINGS - STATE AND/OR MUNICIPAL PROPERTY

Section I Conditions for financing guaranteed performance contracts in buildings - state and/or municipal property

Art. (1) The contracts with guaranteed result in buildings - state and/or municipal property, for which funds are planned in the budgets of the spending units, shall be financed in compliance with the following conditions:

1. the activities and measures envisaged for implementation to increase energy efficiency to ensure the achievement of energy savings and the issuance of an energy efficiency certificate corresponding at least to the requirements for issuing a class B certificate;

2. the measures envisaged for implementation to increase energy efficiency to be implemented with materials complying with the requirements of the Technical Requirements for Products Act;

3. the payback period of the energy savings investment provided for in the guaranteed contract shall not be longer than the simple redemption period of the package of measures provided for in the contract.

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*(**Opinion:***

The proposed point makes it impossible to attract private financial resources, e.g. ESCOs to use specialized credit lines, as envisaged by the Fund of Funds in the next programming period, through the banking sector. The simple payback period does not imply consideration of the cost of attracted private financing and renders ESCO projects unviable.

We believe that the dropped point dealing with the terms of guaranteed contracts is more relevant, after reflecting the need to adopt terms longer than ten years. This opens the possibility for ESCO projects to cover the full energy savings potential of buildings, the so-called Energy Savings Potential. "deep" renovation.

Proposal for a new text:

"3. the payback period of the investment for energy savings provided for in the guaranteed contract shall not exceed 20 years, and in certain cases, e.g. buildings-monuments of culture, from 25 years")

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(2) The recovery and/or ancillary activities included in the subject of the contract with guaranteed results, which guarantee the operational suitability of the measures for improving energy efficiency, shall not be subject to financing under para. 1.

---

*(**Opinion:***

In the implementation of energy-saving measures, the amount of accompanying and supporting activities is essential and inevitable. Failure to pay for this type of activities makes the implementation of the overall energy-efficient project meaningless, i.e., it is a barrier to the realization and achievement of energy savings and a prerequisite for poor quality energy efficiency and accidents. In addition, "deep" renovation projects are hindered, in which the prescriptions in the technical passports, subject to mandatory implementation, are also implemented.

We propose the long-standing practice of the Energy Efficiency Fund (regulated by the Energy Efficiency Act) to finance accompanying and supporting activities if they do not exceed 50% of the value of the investment.

Proposal for a new text:

(2) The recovery and/or ancillary activities included in the subject of the contract with guaranteed results, which guarantee the operational suitability of the measures for improving energy efficiency, shall not be subject to financing under para. 1 if they exceed 50% of the value of the investment.)

Section II Requirements for performance contracts

Art. 13. Guaranteed performance contracts subject to financing under this Ordinance include the following stages - preliminary research stage, actual stage and contract servicing stage.

Art. (1) The preliminary research stage shall include an analysis of the results of an energy efficiency audit.

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*(**Opinion**:*

In any case, if there is an energy audit available, it should be submitted for analysis. As a result of the analysis, if it is established that no one can take responsibility, that the prescribed in the energy audit is realistic and fit for realization, and / or if there is no energy audit at all, then a hypothesis should be provided for the preparation of a new energy audit by the ESCO company, respectively. to present measures fit for realization and realistic, for which responsibility and guarantee can be assumed.

Proposal for a new text:

Art. (1) The preliminary research stage shall include an analysis of the results of an energy efficiency audit and/or the preparation of a new one by the contractor with a guaranteed result.)

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(2) Where the ESCO service provider does not accept the results of a previous audit, he may make a new investigation, which shall not be financed from the budget of the respective authorizing officer.

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*(**Opinion:***

The lack of opportunity to pay realistic and implementable energy audits hinder the implementation of energy-efficient projects for which guarantees can be taken to achieve energy savings.

ALLIANCE ABOUT ENERGY EFFICIENCY

We propose the value of the energy audit to be paid within the term of the contract with guaranteed results. In this way, the beneficiary will be relieved to the maximum extent because of the free financial resources from the savings achieved during the contract.

Proposal for a new text:

(2) When the ESCO service provider does not accept the results of a previous audit, he may make a new investigation to be paid within the term of the contract with guaranteed results.)

Art. (1) The actual stage of performance of the guaranteed contract shall include:

1. elaboration or assignment by the ESCO service provider of the elaboration of an investment project, on the basis of which a building permit is issued, where such is necessary, in compliance with the requirements of the Spatial Planning Act (SPA) and the current secondary legislation on the design of systems, installations and facilities;

2. implementation of the investment project in compliance with the requirements of the SPA and the current secondary legislation.

(2) The actual stage shall be based on the results of the preliminary stage accepted by the contracting authority.

Art. 16. The service stage of the contract with an assured result includes:

1. ongoing and periodic monitoring, systematization and reporting of results for the energy savings guaranteed by the contract;

2. reimbursement of the investment made by the ESCO contractor and payment of the remuneration due to it, taking into account the assessed, measured and verifiable energy savings;

3. determining the terms and conditions for operation of the respective building in order to achieve the energy savings guaranteed in the guaranteed by the guaranteed contract.

Art. 17. Guaranteed performance contracts subject to financing under the terms and conditions of this Ordinance shall contain at least the parameters under art. 73, para. 3 of the Energy Efficiency Act, as well as:

1. numerical values for:

(a) the integrated energy performance of the building before and after the implementation of the measures;

(b) current energy consumption before implementing energy efficiency improvement measures;

(c) normalised energy consumption;

(d) energy consumption after the introduction of energy efficiency improvement measures;

(e) the guaranteed energy and financial savings for the building;

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*(**Opinion:***

In line with the new provisions of the Energy Efficiency Directive, performance contracts should be combined with innovative technologies and functionalities that bring additional benefits to owners e.g. demand-response management systems, energy storage systems, etc.

Proposal for a new text:

(new subt.) additional financial benefits, if any;)

(f) the environmental equivalent (carbon dioxide emissions) of the energy saved;

2. a plan for the introduction of the energy efficiency improvement measures prescribed in the energy efficiency audit report for the building;

3. methodology for monitoring, systematization and reporting of the results as a result of the implementation of the contract with guaranteed results;

4. method of payment of the investment and/or remuneration of the persons under art. 3, para. 1;

5. prices of the energy carriers, valid at the time of conclusion of the contract, without and with charged value added tax (VAT), as well as heat of combustion of used primary energy carriers and/or characteristics of converted energy carriers;

6. technical specifications and detailed bills of quantities for the proposed energy efficiency improvement measures, as well as a timetable for their implementation;

7. total value of the contract without and including charged VAT and breakdown of the investment required for the implementation of energy efficiency improvement measures and of the necessary investment for the implementation of the restorative, construction and repair activities to ensure the operational suitability of energy efficiency improvement measures;

8. conditions, terms and periodicity of reimbursement of the investment and payment of the remuneration due to the contractor under the contract with guaranteed result under a repayment schedule;

9. penalty clauses for non-fulfillment of obligations of each of the parties;

10. simple term of redemption of the investment under the contract, repayment period of the investment under the contract and term of validity of the contract;

11. mechanism for determining and updating the amount of the annual service in case of change in energy prices.

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*(**Opinion:***

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An update mechanism should be envisaged not only in the event of a change in energy prices, but also in the case of changes in other long-term benchmarks, e.g. inflation, EURIBOR and/or other performance indicators referenced in the contract.

Proposal for a new text:

11. mechanism for determining and updating the amount of the annual service in case of change in energy prices and/or other indicators referenced in the contract with guaranteed results.)

Chapter Four PROCEDURE FOR REIMBURSEMENT OF INVESTMENTS AND PAYMENT OF REMUNERATION UNDER GUARANTEED PERFORMANCE CONTRACTS

Art. (1) The guaranteed result of energy savings shall be determined by a methodology for measuring and/or assessing consumption before and after the implementation of the energy efficiency improvement measures implemented under the performance contract, adjusting for the impact of external conditions and additional factors affecting the energy consumption of the building concerned.

(2) For the purposes of accounting for the guaranteed energy savings and verifying the correctness of the reported results, the contractors of ESCO services, who perform contracts with guaranteed results, subject to financing under this Ordinance, shall develop the methodology under para. 1 in accordance with the requirements of the ordinance under Art. 18, para. 2 of the EEA.

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*(**Opinion:***

We propose that periodic performance reporting, which usually takes place on a monthly, quarterly or annual basis, should follow established international practice in guaranteed performance contracts, using developed protocols and standards such as IPMVP or ISO 50015.

If the requirement of the ordinance under Art. 18, para. 2 of the EEA for the needs of periodic reporting, then several times a year for the period of validity of the contract with guaranteed results, usually 10 years, energy audits must be carried out. The need to pay several energy audits per year would make guaranteed contracts meaningless from a financial point. For this reason, we propose this hypothesis to remain only in cases where it is legally necessary to prove energy savings, for example, issuing certificates for energy savings, reporting on the achievement of set individual goals, etc. Traditionally, this has been a one-time act, not a periodic one, and could be performed by any interested person.

Proposal for a new text:

(2) For the purposes of periodic reporting of the guaranteed result, ESCO service providers who perform guaranteed performance contracts subject to funding under this Ordinance

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shall develop the methodology under para. 1 in accordance with the measurement and verification standard "IPMVP" or "ISO 50015".

(new paragraph) If it is necessary to issue a certificate of energy savings and/or regulatory proof of the achieved energy savings, the requirements of the ordinance under Art. 18, para. 2 of the EEA.)

Art. 19. The investments and remuneration for ESCO services under guaranteed performance contracts carried out by the contractors of ESCO services under this Ordinance shall be reimbursed, respectively paid, taking into account the energy savings realized.

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*(**Opinion**:*

See opinion to art. 25, para. (3).

Proposal for a new text:

(new article) The value added tax due as a result of the realization of the envisaged investments under a guaranteed performance contract shall be eligible for rescheduling within the term of validity of the contract.*)*

Art. 20. The energy savings assessed, measured and proven by ESCO contractors shall be valued annually in accordance with the procedure laid down in the performance reporting methodology.

Art. (1) The ESCO service provider shall submit annually to the owner of the building - contracting authority under the contract a report on monitoring, systematization and reporting of the guaranteed result.

(2) The report under para. 1 shall be drawn up before the protocol under art. 3, para. 2 and applied to it.

Art. 22. The total amount of the financial expenses reflected in the statement of findings under art. 3, para. 2, and the invoices for the payments made during the respective year shall be the basis for planning the necessary funds for servicing the contract, with a guaranteed result for the next financial year.

Art. (1) Where the reported energy savings reflected in the ascertainment protocol are greater than the guaranteed, the monetary equivalence of the difference, calculated through the energy prices used in determining the amount of the contract, shall not be subject to return to the state budget and shall be spent purposefully for payment under the contract as an advance contribution for the following year.

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*(**Opinion:***

The need to comply with art. 4, para. 2

Proposal for a new text:

Art. (1) Where the reported energy savings reflected in the statement of findings are greater than the guaranteed, the monetary equivalence of the difference, calculated through the energy prices used in determining the amount of the contract, shall not be returned to the state budget and shall be distributed in an agreed ratio between the parties.)

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(2) Where the reported energy saving is less than the guaranteed one, the financial risk shall be borne by the ESCO service contractor.

Art. (1) The control over the implementation of the concluded contracts with guaranteed result shall be carried out by the respective authorizing officer.

(2) The spending units shall provide information to the Executive Director of the Sustainable Energy Development Agency about the contracts with guaranteed results implemented during the previous year under the ordinance under art. 70 of the EEA.

Chapter Five TERMS AND CONDITIONS FOR PAYMENT OF THE OBLIGATIONS FOR ENERGY EFFICIENCY SERVICES UNDER GUARANTEED PERFORMANCE CONTRACTS THROUGH THE BILLS FOR THE SUPPLIED ENERGY OR NATURAL GAS

Art. (1) The owners of buildings - state and/or municipal property, who conclude a contract with guaranteed result may negotiate deferred payment of energy efficient services through the bills for the delivered energy or natural gas with:

1. an energy undertaking supplying energy or natural gas to a final customer, which provides the same customer with an energy-efficient service;

2. the contractor of an assured contract and the energy company supplying energy or natural gas to a final customer through a tripartite contract for settlement of the payment of the obligations;

3. financing institutions offering financing of energy-efficient services and an energy company supplying energy or natural gas to collect and pay the value of the provided energy-efficient services through a tripartite contract for settlement of the payment of the obligations.

(2) The energy efficient services under the contract under para. 1 may not include the installation of heating installations of natural gas in the replacement of installations of liquid fuels of petroleum origin.

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*(**Opinion:***

We propose to drop Al. (2). The reasons are as follows:

- *There are unnecessary restrictions on the choice of energy resources.*

- *There is a contradiction of the principles of the free market and a discriminatory restriction on energy from natural gas is introduced, which does not arise either from regulatory requirements or from the effect that natural gas achieves in the realization of energy savings.*
- *The replacement of liquid fuels with natural gas, in addition to an economic effect, has a highly environmentally friendly one.*

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(3) The value added tax due as a result of the realization of the envisaged investments under a guaranteed performance contract shall be admissible for rescheduling within the term of validity of the contract.

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*(**Opinion:***

We offer the staging of Al. (3) to be transformed into a new article in Chapter Four with a view to the hypothesis to cover guaranteed contracts for state and/or municipal property buildings as a whole, and not only in terms of bills for supplied energy or natural gas.)

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(4) The energy company shall collect the amounts for the deferred payment and transfer them to the person offering energy efficiency services or the financing institution on a monthly basis, in accordance with the terms of the contract.

(5) Annually, on the basis of the valuation of the assessed, measured and proven by the contractors of the contracts with guaranteed results energy savings, if necessary, an adjustment of the amount due shall be made.

(6) The amounts for the deferred payment shall be shown as a separate line in the energy invoices. Invoices must provide a clear breakdown of energy consumption, and related repayment amounts, in accordance with the terms of the deferred payment contract.

(7) The energy company may negotiate with the provider of an energy-efficient service and with the end customer - owner of a building - state and/or municipal property - to take into account the achieved energy savings from the result of the energy-efficient service for the fulfillment of its individual objectives under art. 14a of the Energy Efficiency Act in its capacity as an obligated person.

(8) The energy company shall provide information to the Executive Director of the Sustainable Energy Development Agency about the contracts concluded under the Ordinance under art. 70 of the EEA.

Additional provision

§ 1. For the purposes of this Ordinance:

1. %quot%Guaranteed energy savings%quot% means the total amount of energy saved, determined by measuring and/or calculating before and after the application of one or more energy efficiency

improvement measures, taking into account the external climatic conditions and internal factors of the building, which comprehensively affect its energy consumption;

2. "Contract with guaranteed results" is a financial instrument for energy savings, in which investments for the implementation of activities and measures to increase energy efficiency are paid from the agreed energy and financial savings.

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*(**Opinion**:*

See opinion to art. 10, para. (3) and to ...

Proposal for a new text:

2. "Contract with guaranteed results" is a financial instrument for energy savings, which is not accounted for as debt and the investments for the implementation of the activities and measures to increase energy efficiency are paid taking into account the agreed energy and financial savings.)

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*(**Opinion**:*

We propose to define the standards and protocols for assessment referred to in the ordinance.

Proposal for a new text:

"IPMVP" and "ISO 50015" are leading standards for measurement and verification of the guaranteed performance in performance contracts under the auspices of the Organization for Performance Assessment and the International Organization for Standardization, respectively.)

Final provisions

§ 2. This Ordinance repeals Ordinance No RD-16-347 of 2 April 2009 on the terms and conditions for determining and disbursing the planned funds under guaranteed contracts leading to energy savings in buildings - state and/or municipal property (State Gazette No. 28 of 14 April 200 9).

§ 3. The ordinance shall be issued on the grounds of Art. 73, para. 8 of the Energy Efficiency Act.

§ 4. The Ordinance shall enter into force from the day of its promulgation in the State Gazette.

ALLIANCE ABOUT ENERGY EFFICIENCY

III. List of supporters of the proposals

Energy Efficiency Alliance

Agency for Energy and Sustainable Development

Sofia Municipality

Gabrovo Municipality

Bulgarian Construction Chamber

National Trust Ecofund

Bulgarian-Austrian Consulting Company AD

Overgas Networks SA

Energoeffect Consult Ltd.

We remain available!

21.11.2023, Sofia

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ALLIANCE ABOUT ENERGY EFFICIENCY

Briefly about BeSmart

The Bulgarian Forum for Financing Energy Efficiency Projects:

The transition to a low-carbon economy requires higher energy efficiency and better energy management, the introduction of new specialised services and the development of financial mechanisms. This exceptional challenge is particularly relevant in the building sector, where the currently used 100% grant mechanism for the renovation of multi-family residential buildings needs to be reformed into a more sustainable financing scheme that is socially acceptable, ensures the participation of vulnerable consumers and at the same time sets higher criteria for energy efficiency and environmental benefits.

What are we aiming for?

To help develop and implement policies and financial mechanisms to support investment in energy efficiency and to support the implementation of European sustainable energy development initiatives at national and local level.

How will we achieve it?

- Involving all stakeholders in an open dialogue
- Dissemination of good practices, initiatives and tools
- By building an online communication platform for sharing knowledge and experience
- With nine national roundtables with extensive media coverage
- With specific recommendations for the development of financial instruments to support energy efficiency

Target groups:

- Banks, other financing institutions and ESCOs
- Representatives of the central government, mainly from the ministries of finance, economy, energy, regional development and public works and the executive agencies belonging to them.
- Local and regional authorities
- National associations - construction, SMEs and industry associations, consumer associations and various service providers
- Think tanks and academia
- The general public and citizens
- Media.

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Main benefits:

- Involving all stakeholders in an open dialogue
- Dissemination of good practices, initiatives and tools
- By building an online communication platform for sharing knowledge and experience
- With nine national roundtables with extensive media coverage
- With specific recommendations for the development of financial instruments to support energy efficiency

This project has been funded with support from Horizon 2020 of the European Union by grant agreement No 101033787.

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Working Group I:

Development of the ESCO market

Proposal to Upgrade the Envisaged ESCO mechanism in NRRF STAGE II

Concept for a pilot ESCO procedure

Summary

In view of the interest found by the Condominium to benefit from the ESCO mechanism for financing and implementing the process of renovation of Bulgarian homes within Stage II of the Recovery and Resilience Plan, as well as on the basis of the framework already set for ESCO option in the Guidelines for Applicants, we propose for prior coordination between stakeholders of a procedure, to provide a corridor for proactive citizens to reap the benefits of this innovative mechanism. We believe that this will partially alleviate the risk of non-utilization of grant resources and will give a horizon of action to initiative citizens in order to preserve the positive impetus created by the national programs for renovation of multifamily residential buildings.

The motivation for this proposal is the established desire of condominiums ("ETS") to take advantage of the advantages of the ESCO mechanism when applying for renovation of their buildings within STAGE II of the NPU and the lack of clarity in municipal administrations to capacitively organize and conduct the processes that will lead to successful implementation of the envisaged ESCO option in the Guidelines for Applicants ("the Guidelines").

Unclear are the provisions in the main document of the Guidelines, where the ESCO mechanism is equated with that offered by financial institutions and utility companies. Although in Appendix 14 of the information package documents it is clearly explained that ESCOs are engineering ones, with the possibility of financing, there is no impression in the municipal administrations that they have an option to select an ESCO company when conducting the tender procedures within Stage II. Their focus remains on the selection of a construction works company (a company for construction and repair works), which do not offer in addition financing of the required 20% participation by ETS. As a result, the envisaged grant resource of 80% in Stage II may remain unused and lost. Due to the lack

of funding opportunities for 20% participation by ETS and the non-supply of the ESCO option by municipal administrations, a number of Stage I candidates will refuse to apply for Stage II, and a huge number of applicants will not proceed to prepare an energy audit at all.

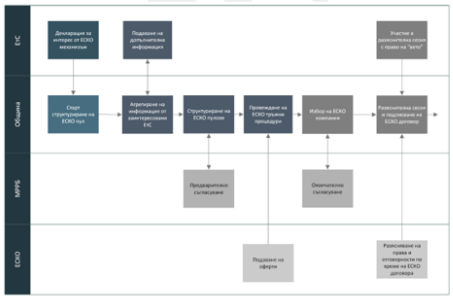
There is an opportunity to specify and upgrade the already described ESCO mechanism in the Guidelines, which will soften to some extent the identified acute deficit for financial instruments and to meet the demand for funding opportunities for 20% participation from ETS. For this purpose, it is necessary that prior coordination between the municipal administrations and the Ministry of Regional Development and Public Works not to put administrative obstacles to ETS who are willing to take advantage of the ESCO mechanism when renovating their homes within Stage II of the NPS. The following steps would support the successful application of the ESCO model:

1. Initiative citizens/ETCs declare to the municipality that they have an interest in benefiting from the ESCO mechanism within Stage II. It must be agreed in principle that
   i. The owners will pay the ESCO the 20% investment made by it, with the help of the energy savings guaranteed by the ESCO company;
   ii. The maintenance of the block (professional condominium manager) will be covered by the ESCO company for the duration of the contract in order to ensure the agreed energy savings and periodic collection of contributions to repay the investment (20%);
   iii. The municipality will conduct a tender procedure for the selection of an ESCO company under condition;
   iv. Before concluding an ESCO contract, ETC will be entitled to a final explanatory session with the selected ESCO company, as well as a "veto" in case of doubts and irregularities;
   v. ETS will provide additional information in order to assess the creditworthiness of apartment owners who will benefit from financing by the ESCO company
2. At the request of ETS, the municipal administration undertakes to lead the process by informing the citizens that:
   i. The ESCO option will be applied only in cases where an unutilized grant resource is available;
   ii. The renovation of the MWS will be done in packages of buildings (pools). The structuring of a pool will be carried out by the municipality, following the principles of
      a. Location of the buildings – in view of easy organization of engineering activities;
      b. Type of buildings – analogous to the preceding subparagraph (a);
      c. Creditworthiness of ETS – EtC with a higher credit rating and a higher percentage of owners who will not require funding from the ESCO company will be included in pools as a priority;
      d. Total investment of at least EUR 7 million Lv. to structure one pool of MJS.
   iii. The ETS must complete a questionnaire with a view to subt. v on p.1
3. Based on the information received and already available from the application stage under Stages I and II, the lead partner (the municipality) structures pools of buildings and coordinates with the Ministry of Regional Development and Public Works the parameters of

a tender procedure for the selection of an ESCO company for the implementation of the renovation of the MWS within Stage II of the NPS.

4. The lead partner conducts a tender procedure for the selection of an ESCO. Key points of the evaluation of ESCOs should be:
   i. Cost of implementation;
   ii. Price of the provided credit resource / financing of the required deductible of 20%;
   iii. Amount of guaranteed energy savings;
   iv. Price of maintenance of the buildings for the duration of the contract;
   v. Measurement and verification methodology
5. Conducting an information session of ETS with the selected ESCO company and concluding a contract.
6. Final agreement with MRDPW that the procedure is within the permissible Stage II of the NPSU and / or pilot will be supported by 80% grant resource in sandbox mode.
7. Performance
8. Maintenance of the block and payment of the investment by the owners of apartments of the ESCO company. If the guaranteed saving is not achieved, a downward adjustment of the payout to the ESCO company follows.

General scheme of the process:



Briefly about BeSmart

The Bulgarian Forum for Financing Energy Efficiency Projects:

The transition to a low-carbon economy requires higher energy efficiency and better energy management, the introduction of new specialised services and the development of financial mechanisms. This exceptional challenge is particularly relevant in the building sector, where the currently used 100% grant mechanism for the renovation of multi-family residential buildings needs to be reformed into a more sustainable financing scheme that is socially acceptable, ensures the participation of vulnerable consumers and at the same time sets higher criteria for energy efficiency and environmental benefits.

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To help develop and implement policies and financial mechanisms to support investment in energy efficiency and to support the implementation of European sustainable energy development initiatives at national and local level.

How will we achieve it?

- Involving all stakeholders in an open dialogue
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- With nine national roundtables with extensive media coverage
- With specific recommendations for the development of financial instruments to support energy efficiency

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- Banks, other financing institutions and ESCOs
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ENERGY EFFICIENCY ALLIANCE

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ENERGY EFFICIENCY ALLIANCE

Working Group II:

Financial mechanisms and instruments contributing to the development of the market of energy efficient services (EES) and renewable energy sources (RES). Integration with the National Decarbonisation Fund (NDF) and other supporting financial platforms

Policy proposal

Upgrading and improving national policy and regulatory framework for energy communities[1]

Summary

Energy communities (ENOs) represent an excellent opportunity for citizens, micro and small, non-profit and public sectors to join forces and reap the benefits of cheap and clean electricity generation. Although the first steps have already been taken in national legislation, there is still a lack of clarity on how to function, report, associate, etc. of the ENO, as well as specialized programs and financial instruments to facilitate their emergence.

The regional centres envisaged in the Recovery and Resilience Plan can play a key role and lead the process of forming the ENO by upgrading the portfolio of services offered to citizens and local entrepreneurs.

The definition of Energy Communities (ENOs) set out in national law closely reflects that in Directive (EU) 2018/2001 (RED II), without further clarification. The EnO is represented as an entity not bound by a certain legal structure, characterized by open and voluntary participation in it. Despite a number of positive productions in favor of EnO such as:

- Ability to produce, consume, store and sell surplus energy from renewable sources on equal terms in energy markets, including through power purchase agreements;
- Non-discriminatory access to all relevant energy markets;
- A clear commitment to sustainability and progress instead of financial gains;
- Ability to heat and cool, not just to produce and consume electricity,

[1] The policy was developed using the H2020 POWER-E-COM project: received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement No. 101120998

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There are a number of ambiguities and gaps that need improvement and upgrade such as:

- Lack of methodologies for measurement and reporting of energy in EnO and application of principles for virtual/net measurement;
- Limited financial incentives such as preferential bank loans or targeted support mechanisms. Examples could be:
  - Tax bonuses;
  - Exemption from fees;
  - Capital grants. Especially in the case of socially vulnerable groups;
  - Other.
- Lack of good practices, demonstration projects and sufficient awareness among potential ENO members;
  - Development of model contracts and forms;
  - Free trainings for citizens;
  - Other.
- The complex nature of administrative procedures, combined with the need for extensive technical and legal knowledge, pose significant challenges to citizens' initiatives in this area;
- Transition from non-discriminatory to preferential market access regime and infrastructure for EnO;
- Free or subsidized connection and use of the electricity distribution network.

In order to streamline the process of entry of the ENO, regional centres for the provision of complex services need to expand the scope towards supporting the formation of energy communities by proposing

- Funding guidelines;
- Legal services,;
- Energy audits;
- Leadership and support in the formation of communities;
- Other.

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ENERGY EFFICIENCY ALLIANCE

The transition to a low-carbon economy requires higher energy efficiency and better energy management, the introduction of new specialised services and the development of financial mechanisms. This exceptional challenge is particularly relevant in the building sector, where the currently used 100% grant mechanism for the renovation of multi-family residential buildings needs to be reformed into a more sustainable financing scheme that is socially acceptable, ensures the participation of vulnerable consumers and at the same time sets higher criteria for energy efficiency and environmental benefits.

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ENERGY EFFICIENCY ALLIANCE

Working Group III:

Recommendations to the Recovery and Resilience Plan (HEU) to achieve sustainable renovation of the building stock (residential and non-residential). Opportunities and Challenges for the Industrial Sector

Policy proposal

Alignment of EE projects with the international framework for investments with social impact[1]

Summary

The transposition and establishment of international financial frameworks for investments with societal impact in the programming of financial instruments and EE mechanisms will ensure long-term access to cheap financial resources of Bulgarian financial institutions and agencies in the implementation of EE projects. This proposal aims to structure an initial framework for the evaluation and screening of an EE project, as well as a link to the UN Sustainable Development Goals (SDGs).

Last but not least, the adoption of societal impact criteria would put emphasis on EE projects implemented by NGOs that have traditionally difficult access to finance.

The main regulations developed at international level - such as the Principles for Responsible Investment, the Sustainable Development Goals (SDGs) in terms of equity investments and bonds, the European Taxonomy for Sustainable Activities and the Principles for Sustainable Bonds - provide clear guidance on the need to establish criteria for public impact assessment, with the possibility of embedding in financial instruments, national programmes and other EE financing mechanisms. The aim is to contribute positively to sustainable development and achieve the Sustainable Development Goals (SDGs), while offering different ways to achieve these goals.

Strengthening cross-sectoral cooperation at national and international level

[1] The policy was developed using the H2020 SER Hub project: received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement No. 101024254

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ENERGY EFFICIENCY ALLIANCE

Sustainable Development | Goals Specific Objectives

SDG 1: No Poverty Saving financial resources (crucial for socially vulnerable groups)

SDG 3: Good Health and Well-being Creating a healthier environment through energy renovation interventions

SDG 4: Quality Education Improving the skills and knowledge of building users/beneficiaries

SDG 7: Affordable and Clean Energy Promoting the use of clean and affordable energy solutions

SDG 8: Decent Work and Economic Growth Supporting economic growth

SDG 10: Reduced Inequalities Focusing on the renovation of buildings used by organizations working with vulnerable groups

SDG 11: Sustainable Cities and Communities Promoting community well-being through energy renovation

SDG 12: Responsible Consumption and Production Improving the circular economy and reducing waste by promoting best practices

SDG 13: Climate Action Promoting energy-efficient projects and sustainable energy practices

SDG 15: Life on Land Contributing to the sustainable use of natural resources and the conservation of biodiversity

SDG 16: Peace, Justice, and Strong Institutions Strengthening institutions

SDG 17: Partnerships for the Goals Enhancing cross-sectoral cooperation at national and international levels

The ultimate objective is to facilitate the financial analysis of EE projects/programming of EE mechanisms in the decision-making process to establish screening criteria for potential recipients of funding based on their ability to generate social and environmental benefits. In this regard, it is key to carry out a preliminary impact assessment of potential investments in order to (i) assess a potential material effect, (ii) make an informed choice between different investment options, (iii) optimize the impact results in accordance with the Impact Goals/SDG.

As part of the study and evaluation, a framework for assessing the capacity to generate positive social and environmental impact can be developed to guide the selection of EE projects. The evaluation framework can be upgraded on the basis of 5 impact strands, namely:

- Environmental impact
- Economic impact
- Community development
- Prosperity

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- Awareness

Indicator | Measurement Unit

Environment

Delta energy consumption | Difference in energy consumption before and after the intervention | kWh

Delta greenhouse gas emissions (scope 1 and 2) | Difference in greenhouse gas emissions before and after the intervention | tCO2

Indoor air quality Indoor air quality index (without indoor pollution) after the intervention index

Economic

Annual energy bill savings | Annual costs for natural gas and electricity consumed by the building | €/RGN

Savings invested in core services/EE projects | Percentage of savings generated from management costs reinvested in activities or projects on an annual basis | €/RGN

new employment contracts resulting from new services/increased number of beneficiaries | New part-time and full-time positions created on an annual basis | number

new services/projects activated as a result of retrofitting | New project or services initiated related to the project (total number) | number

Community

new beneficiaries attracted | Number of new beneficiaries reached compared to actual capacity | number

Opportunities for working with partner network | Number of established relationships with local organizations (e.g., collaboration, partnership, etc.) | number

Participation of the local community | Number of community members participating in the organization's activities on an annual basis | number

Sense of community belonging | Perception of a sense of community belonging (mutual recognition) | scale

Well-being

Psychological effects due to a healthier environment | Perception of psychological effects by people living in the building | scale

Perceived indoor comfort | Perception of indoor thermal comfort | scale

Well-being of occupants | Perception of the overall level of well-being by people living in the building | scale

Awareness

Knowledge of sustainability | Increased knowledge of sustainability | scale

Awareness related to sustainable behavior | Increased awareness of sustainable behavior | scale

Awareness related to energy efficiency intervention | Increased awareness of energy efficiency intervention | scale

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ENERGY EFFICIENCY ALLIANCE

Working Group III:

Recommendations to the Recovery and Resilience Plan (HEU) to achieve sustainable renovation of the building stock (residential and non-residential). Opportunities and Challenges for the Industrial Sector

Policy proposal

Establishment of a permanent renovation program for residential buildings /without a 100% grant component/

Summary

In order to achieve the national targets for energy efficiency and renovation rate of residential buildings, in the Long-term National Strategy to support the renovation of the national building stock of residential and non-residential buildings by 2050 there is an acute need to change the model followed over the past 10 years, namely the termination of the practice of financing with a 100% grant. There are a number of defects that are being eliminated and the opportunities to achieve scale and higher ambition for decarbonisation when switching to a permanent programme that is based on a credit instrument and a grant component. Essential for success are: (i) conducting an information campaign for citizens, (ii) establishing a partnership with the Bulgarian Development Bank, as well as (iii) combining complementary programs and mechanisms.

It is necessary to establish a permanent financial mechanism to support the renovation of the housing stock that would combine a grant component and a specialized credit instrument to support owners' deductibles. In this way, equal access for all owners and associations of owners to financial resources for renovation should be ensured at any time when the investment intention arises.

In addition, it is crucial to financially secure and conduct a permanent communication campaign in support of energy efficiency policies, encouraging the application for implementation of projects with the support of the financial mechanism described in the previous paragraph.

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Resumption and financial provision of programmes successfully implemented in the past, e.g. REECI[1], to support single energy efficient measures would help to undertake initially a partial, if there is no possibility of a complete, renovation.

A logical choice for obtaining a mandate for the development and marketing of a financial instrument to support the self-participation of the owners' associations is the Bulgarian Development Bank in view of the fact that it is 100% state-owned and a natural conductor for supporting national policies.

The following is a non-exhaustive list of reasons in favour of this policy proposal:

1) The implementation of the current renovation programs is by no means the "right approach", which is evident from the results – with a huge public resource for 10 years a little over 4% of the multi-family buildings have been renovated, and for single-family buildings there is no active program;

2) There is no way to respond to the "big challenge facing our society"2 – "how to accelerate the pace of energy renewal based on a long-term strategic approach"3 if we continue to give BGN 2 billion of limited public resources over 10 years to renovate 2,000 buildings from more than 66,000 multi-family and 1,200,000 single-family buildings;

3) The gradual increase in ownership self-participation, supported by the necessary financial and technical tools, has been embedded in building renovation strategies since 2016, but no government has dare to implement it since;

4) With the continuation of the current way of financing, we cannot even get closer to the target for 2030, set out in the current National Long-term Renewal Strategy and reaffirmed in the updated in 2024 Climate and Energy Plan, of over 19 million square meters. m. renovated living area . With collateral so far under the NPSU in the best case, a maximum of 5 million will be renewed. It is unclear how the remaining 14 million gross floor area (TBA) will be financed without attracting self-participation from the owners. After 2030, the targets increase significantly and without a sustainable funding mechanism their achievement will remain a chimera;

5) There are various international sources of funding outside the state budget that offer affordable financial resources for the implementation of renovation programs, but they do not allow 100% grant funding;

6) The willingness of the owners to participate in renovation programs, including with the provision of self-financing, cannot be questioned – this was proved both by the available applications under Stage II despite the entirely negative campaign, and by the data from the last census, which shows that the number of households that have invested in thermal insulation and energy-saving joinery, It has doubled in just 10 years. Urgent measures are needed to support owners' investment intentions not only with regard to deep renovation. Support for the implementation of single energy efficiency measures (e.g. individual

[1] https://ebrdgeff.com/seff_facilities/residential-bulgaria/
[2] Draft resolution of the National Assembly of the Republic of Bulgaria to continue the practice of renovation of the Ministry of Agriculture with a 100% grant.
[3] idem

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ENERGY EFFICIENCY ALLIANCE

replacement of windows with energy efficient windows) will give a powerful impetus to accelerate the pace of deep renovation through the step-by-step method;

7) The establishment of a permanent programme (including deep renovation on the one hand and the implementation of single measures on the other) will eliminate the glaring injustice of the current programmes, which provide grant support for a small number of first-come, first-served buildings, leaving all others without any possibility of receiving support according to their needs and financial means;

8) The transformation of 100% grant funding programs will also overcome the even more glaring injustice, in which households with sufficiently high incomes receive a subsidy for renovation, and the vast majority of those most in need remain without any access to support because the funds do not reach their buildings. To overcome this injustice, 100% funding should remain only for the lowest income households;

9) The permanent program will also restore confidence in the renovation policies, which is currently totally exhausted due to the campaigning of the programs, the contradictory messages from the executive and the disappointment of the unapproved candidates for whom an alternative option is not provided;

10) The campaigning of existing programs in combination with 100% grant funding inevitably leads to controversial quality of all services in the investment process chain, suboptimal results and low efficiency of public investment.

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ANNEX II – ROUNDTABLE AGENDAS

PROVISIONAL AGENDA

5th October 2021

Sofia Hotel Balkan, 5, "Sveta Nedelya" Square
Zoom: https://us02web.zoom.us/j/89150891950

October 5th	BESMART NATIONAL ROUNDTABLE
10:30 - 12:30	**THE NATIONAL RECOVERY AND RESILIENCE PLAN**
10:30 - 10:40	OPENING OF THE CONFERENCE. CONCLUSIONS FROM THE PREVIOUS ROUNDTABLE *Dragomir Tzanev*
10:40 - 11:05	IMMEDIATE REACTIONS: KEY COMPONENTS OF THE ENERGY TRANSITION POLICIES *Georgi Stefanov, WWF-Bulgaria* *Todor Galev, Center for Study of Democracy*
11:05 - 11:20	PUBLIC INVESTMENT IN ENERGY EFFICIENCY AS A MARKET STIMULATION TOOL *Dotchka Vassileva, Bulgarian Fund of Funds*
11:20 - 11:35	PROGRAMMES IN SUPPORT OF RENEWABLE ENERGY *Angel Nikolaev, Black Sea Energy Research Center*
11:35 - 11:50	RENOVATION PROGRAMMES IN THE BUILDING SECTOR *Tzveta Nanyova, Bulgarian Facility Management Association*
11:50 - 12:30	Q&A AND DISCUSSION SESSION
12:30 - 13:30	*Lunch break*

October 5th	Parallel session 1: Financing for residential building renovation in the National Recovery and Resilience Plan
13:30 - 15:30	Set-the-scene presentation: Dragomir Tzanev, EnEffect (ca. 20 min) ➢ Main features of Investment project 9a ➢ Connection between the LTRS and the planned investment ➢ Links between the planned reforms (Decarbonization Fund, energy poverty definition, one-stop shops, on-bill financing) and the approach of the investment project Participants: SEDA, BCC, EnEffect, UACEG (project partners), MRDPW, BAIC, BACC, BGFMA, financing institutions, branch organizations, energy service providers, NGOs, managers of homeowners' associations, etc.

October 5th	Parallel session 2: Financing energy efficiency of public and industrial buildings in the National Recovery and Resilience Plan
13:30 - 15:30	Set-the-scene presentations: Marko Markov, Econoler (ca. 20 min) ➢ Main features of Investment project 9b at the NRRP ➢ Combining public subsidies with financial instruments. Update of Ordinance № RD-16-347 of April 2, 2009 on ESCO Services ➢ The role of the future Decarbonisation Fund Zoya Vassileva, Mattig Management Partners (10 min.) ➢ What is the perfect grant component for renovation projects? Participants: BIA, AEE, NTEF, Econoler, EcoEnergy, Sofia Municipality, Gabrovo Municipality (project partners), Fund of Funds, EERSF, financing institutions, NAMRB, municipalities, NGOs, etc.

October 5th	Parallel session 3: Implementation of the investment project for small-scale renewables in the National Recovery and Resilience Plan
13:30 - 15:30	Set-the-scene presentation: Genady Kondarev, E3G (ca. 20 min) ➢ Main features of Investment project 10 at the NRRP ➢ Connection with other renovation support and clean air programmes ➢ Need for additional financing mechanisms to support co-financing ➢ Practical implementation: the role of the local authorities Participants: SEDA, EcoEnergy, NTEF, Sofia Municipality, Gabrovo Municipality (project partners), E3G, Za Zemiata, SOFENA, Plovdiv Energy Agency, BSRAEM, BSERC, energy consultants, Urban Development Funds
15:30 - 16:00	*Coffee break*
16:00 - 17:30	**CLOSING SESSION: LESSONS LEARNED AND UPCOMING ACTIVITIES**
16:00 - 16:30	PRESENTATION OF THE CONCLUSIONS OF THE PARALLEL SESSIONS *Moderators of the three sessions*
16:30 - 17:10	DO WE POSSESS THE RIGHT TOOLS TO IMPLEMENT THE REFORMS IN THE NRRP CONSIDERING BUILDINGS' ENERGY EFFICIENCY? *Discussion with the participation of representatives of public authorities, professional and industry associations, financing institutions, municipalities and energy experts*
17:10 - 17:30	QUESTIONS AND ANSWERS
17:30	*End of the event*

PROVISIONAL AGENDA

29th November 2021

Velingrad, "Infinity" Hotel

Registration: https://forms.gle/65HuJTGXHXWMhL1j7

November 29th	BESMART NATIONAL ROUNDTABLE
09:00 - 10:15	DEVELOPMENT OF THE ENERGY EFFICIENCY FINANCING MARKET IN BULGARIA
09:00 - 09:10	OPENING OF THE CONFERENCE. CONCLUSIONS FROM THE PREVIOUS ROUNDTABLE *Dragomir Tzanev, EnEffect*
09:10 - 09:25	THE ROLE OF THE FINANCIAL SECTOR TO DRIVE INVESTMENTS IN CLEAR ENERGY TRANSITION *Sofia Kasidova, Bulgarian Development Bank*
09:25 - 09:40	BEST PRACTICES FOR BLENDED FINANCING FROM THE BULGARIAN URBAN INVESTMENT AND ADVISORY PLATFORM *Nadya Dankinova, FLAG Fund*
09:40 – 09:50	OPPORTUNITIES FOR FINANCING OF ENERGY EFFICIENCY PROJECTS *Galya Vassileva, Bulgarian Energy Efficiency and Renewable Sources Fund*
09:40 - 10:10	Q&A AND DISCUSSION SESSION
10:10 - 10:30	*Coffee break*

November 29th	Parallel session 1: Existing financial instruments in support of energy efficiency and RES
10:30 - 12:00	Set-the-scene presentations (10 minutes each – all to be invited) ➢ Yulian Vlahov, Lyudmil Tsokov, UniCredit Bulbank: Preferential mortgages for class A buildings and leasing schemes for e-mobility ➢ Kirill Velichkov, UBB: Products for small-scale renewables and renovation of single-family buildings ➢ Konstantin Kirov, ProCredit Bank: "Green Credits" programmes for SMEs Open discussion (ca. 1 hour) ➢ How the financial sector evaluates the impact of the national policies on the clean energy investments? ➢ Are there clear expectations regarding the public support programmes for the next planning period?

➢ What are the sectors and segments that need public support and under what form?

Participants:

BIA, Econoler, AEE, BCC, EnEffect, Fund of Funds, EERSF, financing institutions, BACC, BGFMA, NGOs, managers of homeowners' associations, energy service providers, etc.

November 29th	Parallel session 2: Quality assurance for energy efficiency project financing
10:30 - 12:00	Set-the-scene presentations (10 minutes each): ➢ Energy performance certificates: pathways for improvements (Ivaylo Alexiev, SEDA) ➢ International schemes for ecological and energy certification. The Green Mortgage scheme in Bulgaria (Kamen Simeonov, EnEffect) ➢ Financial analysis of energy efficiency and renewable energy projects (Marko Markov, Econoler) Open discussion (ca. 1 hour) ➢ What are the targeted improvements of the building certification? ➢ How to increase the quality and trustworthiness of the certification schemes? ➢ What type of technical information is needed by the financial sector? Participants: AEE, NTEF, AEE, EcoEnergy, Sofia Municipality, Gabrovo Municipality, BAIC, Fund of Funds, EERSF, FLAG Fund, ESCOs, financing institutions, municipalities, NGOs, etc.

12:00 - 13:00	CLOSING SESSION: LESSONS LEARNED AND UPCOMING ACTIVITIES
12:00 - 12:20	PRESENTATION OF THE CONCLUSIONS OF THE PARALLEL SESSIONS *Moderators of the two sessions*
12:20 - 13:00	EXPECTATION FROM THE NEW POLICY SUPPORT PROGRAMMES TO INVOLVE THE BANKING SECTOR IN THE GREEN ENERGY TRANSITION *Open discussion with the participation of representatives of financing institutions, ESCOs, public authorities, professional and industry associations, municipalities and energy experts*
13:00	*End of the event*

PROVISIONAL AGENDA

2–3 June 2022

Burgas, Expo Centre "Flora" and online

Zoom: https://us02web.zoom.us/j/88131192669

2 JUNE, THURSDAY

Hall 2

12:30 – 13:30	*Registration*
	INSTRUMENTS TO ATTRACT MARKET FINANCING Moderator: Dragomir Tzanev, EnEffect
13:30 – 13:45	WELCOME ADDRESS AND REVIEW OF THE ROUNDTABLES' OUTCOMES *Dragomir Tzanev, EnEffect*
13:45 – 14:00	INVESTMENT PRIORITIES IN ENERGY EFFICIENCY AND RES *Nikolay Nalbantov, Ministry of Energy*
14:00 – 14:15	The NDF structuring project - objectives, scope, and mission *Olivier Dumoulin, EIB*
14:15 – 14:30	RESULTS OF THE MARKETING STUDY FOR THE TECHNICAL ASSISTANCE PROJECT *Marko Markov, leader of the team providing consultancy services on the structuring the National Decarbonisation Fund*
14:30 – 14:45	INSTRUMENTS BY THE BULGARIAN DEVELOPMENT BANK IN SUPPORT OF ENERGY EFFICIENCY INVESTMENTS *Valentin Mihov, Chairman of Supervisory Board, Bulgarian Development Bank*
14:45 – 15:00	FUND OF FUNDS AS A CRUCIAL PARTNER TO THE FINANCIAL INSTITUTIONS IN THE ENERGY TRANSITION *Kamen Slavov, Member of the Board of Directors, Fund of Funds*
15:00 – 15:15	DISCUSSION
15:15 – 15:30	*COFFEE BREAK*

JUNE 2nd	Parallel session 1: Role and potential for collaboration of existing financial mechanisms together with the NDF
15:30 - 17:00	Presentations (10 minutes each) from: Postbank, NTEF, FLAG Fund, EERSF Discussion (50 minutes) ➢ Which are the sectors in the field of sustainable energy that need public support and in what form? ➢ How do specialised funds assess the impact of national policies on market development? ➢ What are the main opportunities for cooperation and complementarity between NDF, specialised funds and commercial banks? Participants (invited): BIA, Econoler, AEE, BCC, EnEffect, commercial banks, Fund of Funds, financial institutions, ESCO, energy consultants and others.

JUNE 2nd	Parallel session 2: Opportunities for renewable energy production and consumption
15:30 - 17:00	Presentations (10 minutes each) from: SEDA, Bulgarian Branch Chamber "Smart networks", BIA, Presenting the survey on shared energy production and consumption in Burgas Discussion (50 minutes) ➢ What are the conditions for businesses and households to access financing for renewable energy installations? ➢ What changes are expected in the legal framework for grid connection of RES installations? ➢ What are the opportunities for shared energy production and consumption by businesses and citizens? ➢ Energy cooperative project using energy from waste treatment in Burgas Participants (invited): SEDA, Ministry of Energy, AEE, BEMF, BSA, EcoEnergy, Burgas Municipality, EERSF, FLAG Fund, ESCO, financial institutions, municipalities, NGOs, and others.

JUNE 2nd	Parallel session 3: NDF's impact on energy efficiency projects in the building stock
15:30 – 17:00	Presentations (10 minutes each) from: EnEffect, BAIS, BACC, BCC (invited) Discussion (50 minutes) ➢ Expected changes in the European legislation: the new EED and the EPBD ➢ Surveys on citizens' attitudes towards participation in building renovation projects ➢ Opportunities for enhanced and effective communication with local

PROVISIONAL AGENDA

26–27 September 2022

Starosel, Complex Starosel, and online

Zoom: https://us02web.zoom.us/j/85458694359

26TH SEPTEMBER, MONDAY

12:30 – 13:30	*Registration*
	SUSTAINABLE ENERGY PROJECTS AT LOCAL LEVEL AS KEY FACTOR TO OVERCOME THE ENERGY AND ECONOMIC CRISIS Moderator: Dragomir Tzanev, EnEffect
13:30 – 13:45	**WELCOME ADDRESS AND REVIEW OF THE ROUNDTABLES' OUTCOMES** *Dragomir Tzanev, EnEffect*
13:45 – 14:00	**REVIEW OF THE PROGRESS ON REFORMS UNDER THE NRRP AND TIMING OF THE INVESTMENT PROJECTS** *Atanas Pekanov, Deputy Prime Minister, responsible for EU funds (invited)*
14:00 – 14:15	**INVESTMENT PRIORITIES AND TIMING OF THE ENVIRONMENT PROGRAMME** *Representative of the Ministry of Environment and Waters (invited)*
14:15 – 14:30	**INVESTMENT PRIORITIES AND TIMING OF THE REGIONAL DEVELOMENT PROGRAMME** *Representative of the Ministry of Regional Development and Public Works (invited)*
14:30 – 14:45	**EXECTATIONS AND INVESTMENT NEEDS OF THE LOCAL AUTHORITIES** *Tanya Hristova, Mayor of Gabrovo and Chairperson of EcoEnergy*
14:45 – 15:15	**Q&A SESSION AND REACTION FROM THE INVITED FINANCING INSTITUTIONS**
15:15 – 15:30	*COFFEE BREAK*

September 26th	**Parallel session 1:** **The financing institutions as key enablers of the implementation of the national support programmes**
15:30 - 17:00	**Presentations (10 minutes each) from:** FLAG Fund/EERSF, invited commercial banks (UBB, Postbank), members of technical working group "Financial mechanisms and instruments promoting the development of the energy efficiency services (EES) and renewable energy sources (RES) market" **Discussion (50 minutes)** ➢ How do financial institutions assess the potential for providing co-funding for implementation of municipal projects? ➢ What are the main areas of interest for the banks and what are the requirements for the incoming projects? ➢ What are the expectations from the next government and what should be the first action to take place in order to enable the immediate start of the support programmes? **Participants (invited):** SEDA, Econoler, AEE, BCC, EnEffect, commercial banks, Fund of Funds, Bulgarian Development Bank, local authorities, ESCO, energy consultants, etc.
September 26th	**Parallel session 2:** **The role of the municipal energy management systems and standards to attract market-based financing**
15:30 - 17:00	**Presentations (10 minutes each) from:** EnEffect, NTEF, invited local authorities, members of technical working group "Development of the ESCO Market" **Discussion (50 minutes)** ➢ Are there working models for municipal energy management in Bulgaria? ➢ What is the attitude of financial institutions and ESCO to the role of systematic monitoring of the projects' result? ➢ Do we have sufficient capacity and trained energy managers to implement such systems at the local level and provide the necessary information to the investors? **Participants (invited):** EcoEnergy, SEDA, EnEffect, NTEF, EERSF, FLAG Fund, ESCO, financial institutions, commercial banks, municipalities, NGOs, energy consultants, etc.

27TH SEPTEMBER, TUESDAY

09:30 – 11:00	**LESSONS LEARNT AND NEXT STEPS**
09:30 – 10:00	**INVESTMENT PRIORITIES IN GREECE AND CZECH REPUBLIC** *Invited speakers from the SMAFIN and GreenDeal4Buildings projects*

10:00 – 10:40	**PRESENTATION OF THE OUTCOMES FROM THE PARALLEL SESSIONS IN LIGHT OF THE PRESENTED EXAMPLES** *Moderators from the three sessions*
10:40 – 11:00	**Q & A**
11:00 – 11:30	*Coffee break*
11:30 – 12:20	**WHAT ARE THE IMMEDIATE FIRST STEPS OF THE NEW GOVERNMENT AND THE LOCAL AUTHORITIES TO ENABLE FAST AND EFFICIENT REALISATION OF SUSTAINABLE ENERGY PROJECTS?** *Panel discussion with representatives of local authorities, financial institutions, and energy specialists* *Moderator: tbd*
12:20 – 12:30	**Q & A**
12:30 – 13:30	*Lunch*

PROVISIONAL AGENDA

29 November 2022

Sofia, Hyatt Regency hotel and online

Zoom: https://us02web.zoom.us/j/88559307098

29 November	FINANCIAL INSTRUMENTS FOR ENERGY EFFICIENCY IN THE INDUSTRY
10:00 - 10:05	WELCOME AND PRESENTATION OF THE OUTCOMES FROM THE PREVIOUS ROUNDTABLE *Dragomir Tzanev, EnEffect*
10:05 - 10:15	OFFICIAL ADDRESS BY THE DEPUTY MAYOR OF SOFIA DESISLAVA BILEVA
10:10 - 10:25	THE BUSINESS VIEW: WHAT WE NEED TO MEET THE CHALLENGES OF THE ENERGY CRISIS *Dobri Mitrev, Bulgarian Industrial Association*
10:25 - 10:40	FINANCING OPPORTUNITIES FOR SUSTAINABLE ENERGY PROJECTS IN THE OPERATIONAL PROGRAMME "INNOVATIONS AND COMPETITIVENESS" *Representative from the Ministry of Innovation and Growth (invited)*
10:40 - 10:55	BEST PRACTICES FOR FINANCING SUSTAINABLE ENERGY PROJECTS IN THE INDUSTRY AND SMALL AND MEDIUM-SIZED ENTERPRISES *Sophia Kassidova, Bulgarian Development Bank*
10:55 - 11:15	Questions and answers
11:15 - 11:30	*Coffee break*
11:30 - 13:15	**Session 1:** **Available financial instruments in support of energy efficiency and RES in the industry and SMEs**
	Presentations (10 minutes each) from representatives of commercial banks and ESCOs Invited: UniCredit Bulbank, UBB, Postbank, Fibank, ProCredit, Alliance for Energy Efficiency Discussion (1 hr) ➢ What are the trends in the market for energy efficiency and renewable energy solutions and which are the sectors and technologies that are attracting the most interest? ➢ Is the OP "Competitiveness and Innovation" contributing to the interest in financing sustainable energy?

	➢ What are the expectations for the quality of projects and the requirements for results monitoring? Participants (invited): BIA, Econoler, AEE, BCC, commercial banks, Fund of Funds, Bulgarian Development Bank, EERSF, financial institutions, NGOs, energy services providers, local authorities, energy consultants, etc.
11:30 - 13:15	**Session 2:** **Energy management systems in the industry and SMEs**
	Presentations (10 minutes each): ➢ Energy management systems in the enterprises (Stanislav Andreev, EnEffect) ➢ Energy analysis of RES projects (Anton Ivanov, BEMF) ➢ Results from the project DEESME - National Schemes for Energy Efficiency in SMEs (representatives from SEDA and ECQ, invited) Discussion (1 hr) ➢ Do national funding programmes create the necessary conditions for sustainable implementation of energy management systems? ➢ How can we monitor the quality and verification of implemented projects and the sustainability of the results? ➢ What technical assistance is needed for enterprises to maximize their potential for energy savings and to realize the produced energy? Participants (invited): SEDA, AEE, EcoEnergy, NTEF, EERSF, energy agencies, financial institutions, energy services providers, energy experts, etc.
13:15 - 14:00	*Lunch*
14:00 - 15:30	**CLOSING PLENARY: LESSONS LEARNT AND NEXT STEPS**
13:30 - 13:50	PRESENTATION OF THE OUTCOMES FROM THE SESSIONS *Moderators from the two sessions*
13:50 - 15:00	DEMAND FOR CLEAN ENERGY PROJECTS IN THE INDUSTRTY AND RECOMMENDATIONS FOR THE DESIGN OF THE NATIONAL SUPPORT PROGRAMMES *Plenary with representatives of financial institutions, public authorities, professional and industry associations, energy experts*
15:00	*Coffee and networking*

DAY 2: FINANCING ZERO ENERGY BUILDINGS AND BUILDING RENOVATION

June 1, Thursday

Hall 2

09:30 – 10:00	*Registration*
	NATIONAL ROUND TABLE FOR FINANCING ENERGY EFFICIENCY INVESTMENTS IN BULGARIA Moderator: Dragomir Tsanev, EnEffect
10:00 – 10:10	OPENING PLENARY SESSION *Dragomir Tsanev, EnEffect* *Chanka Koralska, Deputy Mayor of Burgas Municipality*
10:10 – 10:30	ENERGY EFFICIENCY IN THE BUILDING SECTOR ON THE ENERGY AGENDA OF THE EU *Silvia Rezeschi, DG Energy*
10:30 – 10:45	THE SOCIAL CLIMATE FUND AS AN OPPORTUNITY TO FIGHT ENERGY POVERTY AND ATTRACT INVESTMENTS IN BUILDING RENOVATION *Petar Vitanov, Member of the European Parliament*
10:45 – 11:00	THE DIRECTIVE ON THE ENERGY PERFORMANCE OF BUILDINGS: WHAT ARE THEY THE IMPLICATIONS FOR BULGARIAN RENEWAL POLICIES *Zaritsa Dinkova, former deputy minister of foreign affairs and advisor to the member of the EP Radan Kanev*
11:00 – 11:15	STRATEGIES AND TOOLS FOR ATTRACTING MARKET FINANCING IN BUILDING RENOVATION *Asen Gasharov, EIB*
11:15 – 11:30	FINANCIAL TOOLS TO SUPPORT ENERGY EFFICIENCY IN BUILDINGS *Daughter Vasileva, Fund of Funds*
11:30 – 11:45	INNOVATIVE SOLUTIONS FOR ENERGY EFFICIENCY OF BUILDINGS *Mariana Iteva, Veolia Bulgaria*
11:45 – 12:00	THE ROLE OF ENERGY SERVICE PROVIDERS FOR THE IMPLEMENTATION OF POLICIES FOR ENERGY EFFICIENCY OF BUILDINGS *Lyubka Vasileva, Violeta Amzina, EVN Bulgaria*
12:15 – 12:30	DISCUSSION
12:30 – 13:30	*LUNCH*

1 June	**Discussion Session 1:** **The transition to co-financing by the owners at the implementation of the national programs for building renovation**
13:30 - 15:00	Presentations (10 min.) by: ý Dobromir Vasilev, director of the "Housing Policy" Directorate of the Ministry of Regional Development and Development ý Chanka Koralska, Deputy Mayor of Burgas Municipality, ý Tsveta Nanova, Yordan Nikolov, initiative "Let's renew Bulgaria" Discussion (1 hour) ý What is the interest in the first stage of the national renewal programme? ý What is the feedback with the municipalities and associations of the owners of housing? ý What are the attitudes towards the second stage of the program, requiring co-financing from the home owners? ý How can we influence them towards mass participation in the second stage of the program? ý Are there financial mechanisms to ensure the co-financing? Participants (invited): AUER, FEEVI, Fund of Funds, BBR, NDEF, FLAG Fund, Bulgarian Chamber of Commerce, Econoler, UASG, AEE, BSK, commercial banks, energy and financial consultants, NGOs and others
15:00 – 15:30	GOOD PRACTICES ACROSS THE OCEAN: POLICIES AND MEASURES FOR DECARBONIZATION OF THE BUILDING STOCK IN THE UNITED STATES OF AMERICA *Meredith Evans, US Department of Energy, Washington Office*
1 June	**Discussion Session 2:** **Financial instruments to support new energy efficient buildings**
15:30 - 17:00	Presentations (10 min) by: ý Doris Ilea, Romanian Green Building Council ý Agilka Georgieva, Deloitte Bulgaria (online) ý Plamen Blanrov, ProCredit Bank Discussion (1 hour) ý What are the implications of the EU Taxonomy for the development of innovative products to support the energy efficiency of buildings? ý What is the current market interest in energy efficient buildings, as perceived by the main stakeholders - investors, contractors, designers, financiers? ý What are the positive sides and limitations of the national certification system and how can we guarantee the quality? ý Do we need additional certification services and is there a market niche for specialized financial products?

	Participants (invited): AUER, FEEVI, Bulgarian Chamber of Commerce, AEE, BSK, commercial banks, energy and financial consultants, Fund of Funds, BBR, NDEF, FLAG Fund and others
17:00 – 18:00	ORGANIZED TOUR OF THE SPECIALIZED CONSTRUCTION FACILITY EXHIBITION

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101083787

AGENDA

5 OCTOBER, THURSDAY

Sofia, BIA SKY Office building and online

Zoom: https://us02web.zoom.us/j/81086866697

09:00 – 09:30	*Registration*
	THE LIFE AFTER THE NATIONAL RECOVERY AND RESILIENCE PLAN: A STRATEGIC VISION WITH PRACTICAL IMPLICATIONS AT THE LOCAL LEVEL Moderator: Dragomir Tzanev, EnEffect
09:30 – 09:45	**ON THE CROSSROADS ONCE AGAIN: SECTOR SCENARIOS FOR CLIMATE NEUTRALITY OF THE BULGARIAN ECONOMY UNTIL 2050** *Martin Vladimirov, Center for the Study of Democracy*
09:45 – 10:00	**THE NATIONAL GREEN DEAL COUNCIL: NEW CONCEPT, PRIORITIES AND DECISION-MAKING TARGETS** *Julian Popov, Minister of Environment and Waters*
10:00 – 10:15	**THE INTEGRATED ENERGY AND CLIMATE PLAN AS A TOOL TO GUIDE INVESTMENT DECISIONS** *Angelina Boneva, Deputy Minister of Energy*
10:15 – 10:30	**OPPORTUNITIES FOR THE OPTIMAL USE OF THE ENERGY FROM RENEWABLE SOURCES** *Ivaylo Alexiev, Executive Director of SEDA*
10:30 – 10:45	**THE BULGARIAN BUSINESS AS THE DRIVING FORCE OF THE CLIMATE AND ENERGY POLICY IMPLEMENTATION** *Dobri Mitrev, Chair of the Governing Council of the Bulgarian Industrial Association*
10:45 – 11:00	**DISCUSSION**
11:00 – 11:30	*Coffee break*
	Discussion session 1: **The present and future of the financial instruments supporting the clean energy transition**
11:30 - 13:00	**Presentations (10 minutes each) from:** **Dochka Vassileva, Fund of Funds** **Sophia Kassidova, BDB** **Vesela Gladnikova, Fibank** **Kirill Velichkov, UBB** **Facilitator: Marko Markov, Econoler Bulgaria** **Discussion (1 hour)** ➢ **What are the operational financing instruments supporting the clean energy transition of the Bulgarian economy within the current financial frameworks and is in the pipeline for the biggest public funds?** ➢ **What are the expectations of the financing institutions for the market demand for financing of clean energy solutions?**

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	➢ **What are the possible avenues for involvement of the commercial financing sector in the deployment of the public support mechanisms?** **Participants (invited): SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, BIA, Econoler, AEE, BCC, commercial banks, energy and financial consultants, NGOs, etc.**
13:00 – 14:00	*LUNCH*
	Discussion session 2: **Solutions to support sustainable energy investments at the local level**
14:00 - 15:30	**Presentations (10 minutes each) from:** **Mariana Hanamova, Cleantech Bulgaria** **Tsveta Naniova, BACC** **Eleonora Ivanova, Bulgarian-Romanian Chamber of Commerce and Industry** **Todor Popov, Gabrovo Municipality, Stanislav Andreev, EnEffect** **Facilitator: Dragomir Tzanev, EnEffect** **Discussion (1 hour)** ➢ **What are the experiences from the implementation of the support programmes under the NRRP and how they can be supported?** ➢ **What is the status of the development of the reform of the establishment of one-stop shops at local/regional level?** ➢ **What are the implications of the recent changes of the Energy Act for utilization and of renewable energy and initiation of energy communities?** ➢ **Do we already have a stable basis to mitigate energy poverty through a broad portfolio of political and financial instruments, targeting local level implementation?** **Participants (invited): SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, BIA, AEE, BCC, energy and financial consultants, National Trust EcoFund, FLAG Fund, etc.**
14:30 - 15:30	**DO WE HAVE A BETTER VISION FOR THE DEVELOPMENT OF THE SUSTAINABLE ENERGY FINANCING SYSTEM AFTER THE DEPLETION OF THE PUBLIC FINANCING RESOURCES?** ***Panel discussion with representatives of National Trust EcoFund, Alliance for Energy Efficiency, public authorities, professional and industry associations, energy experts***
16:30	**SUMMARY AND CLOSING OF THE ROUNDTABLE**

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101083787

PROVISIONAL AGENDA

27th NOVEMBER 2023

Sofia, Hotel Hemus and online

Zoom: https://us02web.zoom.us/j/81724251036

09:30 – 10:00	*Registration*
Preslav Hall	**STRATEGIC VISION, POLICIES AND REFORMS: HOW TO BRING ON THE ENERGY TRANSITION** Moderator: Dragomir Tzanev, EnEffect
10:00 – 10:15	**WELCOME AND OPENING OF THE PLENARY: CONTEXT AND REVIEW OF THE RESULTS OF THE ROUNDTABLES** ***Dragomir Tzanev, EnEffect, Zdravko Georgiev, Association of Bulgarian Energy Agencies, Nadezhda Babcheva, Deputy Mayor, Sofia Municipality***
10:15 – 10:30	**THE INTEGRATED NATIONAL ENERGY AND CLIMATE PLAN AS A TOOL TO GUIDE INVESTMENT DECISIONS** ***Krasimir Nenov, Deputy Minister of Energy***
10:30 – 10:45	**VALUATION OF CLIMATE POLICIES / NATIONAL POLICIES FOR CLIMATE NEUTRALITY** ***Reneta Koleva, Deputy Minister of Environment and Water***
10:45 – 11:00	**THE BUILDING SECTOR AS A CORNERSTOBE OF THE DECARBONIZATION OF THE BULGARIAN ECONOMY. CURRENT RESULTS AND EXPECTATIONS FOR THE NATIONAL RENOVATION PROGRAMME** ***Angelina Boneva, Deputy Minister of Regional Development and Public Works***
11:00 – 11:15	**KEY OPPORTUNITIES AND CHALLENGES FOR LARGE-SCALE INVESTMENT IN BUILDING RENOVATION** ***Asen Gasharov, EIB***
11:15 – 11:30	**DISCUSSION**
11:30 – 12:00	*Coffee break*
	Discussion session 1: **The global outlook on the development of the financial instruments and the implications on the Bulgarian Decarbonisation Fund**
12:00 - 13:30	**Presentations (10 minutes each) from: Mariano Gonzalez, World Bank, Asen Gasharov, EIB, Kiril Raytchev, Alliance for Energy Efficiency** **Facilitator: Marko Markov, Econoler** **Discussion (1 hour)**

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	➢ **What are the implications of the EU taxonomy on the development of innovative products in support of buildings' energy efficiency?** ➢ **Is there investment interest for energy efficiency projects in the building sector from the international financial institutions?** ➢ **What are the mainstream opportunities and the key challenges for large-scale investments in building renovation?** ➢ **Where do we see the role and the position of the National Decarbonisation Fund?** **Participants (invited): SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, BIA, Econoler, AEE, BCC, commercial banks, energy and financial consultants, NGOs, etc.**
13:30 – 14:30	*Lunch break*
	Discussion session 2: **Monitoring and evaluation tools for smart and efficient buildings**
14:30 - 15:30	**Presentations (10 minutes each) from: Sustainable Energy Development Agency, EnEffect, SOFENA. Facilitator: Stanislav Andreev, EnEffect** **Discussion (30 minutes)** ➢ **What are the positive sides and the limitation of the national certification system and how can we guarantee quality?** ➢ **Do we need additional certification cervices and is there a market niche for specialized financing products?** ➢ **How does smart buildings and integration in the energy system affect the financing opportunities?** ➢ **What are the implications of the expected amendments of the EPBD?** **Participants (invited): SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, BIA, AEE, BCC, energy and financial consultants, National Trust EcoFund, FLAG Fund, commercial banks, etc.**
	Discussion session 3: **Skills for the clean energy transition: ensuring quality and financial savings from the implementation of ambitious energy performance standards**
15:30 - 16:30	**Presentations (5 minutes each) from: Sofia Energy Center, Chamber of Installers in Bulgaria, SOFENA, EnEffect, Pazardzhik Energy Agency, New Bulgarian University** **Facilitator: Zdravko Georgiev, SOFENA** **Discussion (30 minutes)** ➢ **What are current skills gaps for delivering quality nZEBs/ZEBs in light of the upcoming changes in the regulatory framework?** ➢ **What structural measures can be undertaken for the monitoring, forecasting and improvement of the skills in the construction sector at all qualification levels?** ➢ **What are the current best practices and existing training opportunities that can be replicated and multiplied at national leval?** **Participants (invited): BIA, BCC, SEDA, education and training providers, energy agencies, energy and financial consultants, NGOs, etc.**
16:30 – 17:00	**SUMMARY AND CLOSING OF THE ROUNDTABLE** ***Panel discussion with thematic session leaders*** ***Facilitator: Dragomir Tzanev, EnEffect***

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033787

PROVISIONAL AGENDA

30th January 2024

Sofia, Hotel Intercontinental and online: https://us02web.zoom.us/j/86903673874

09:00 – 09:30	*Registration*
	THE STRATEGIC APPROACH TOWARDS THE NATIONAL DECARBONISATION TARGETS **Moderator: Dragomir Tzanev, EnEffect**
	PANEL 1: THE STRATEGIC APPROACH
09:30 – 09:00	**THE INTEGRATED NATIONAL ENERGY AND CLIMATE PLAN AS A TOOL TO GUIDE INVESTMENT DECISIONS** *Rumen Radev, Minister of Energy*
10:00 – 10:15	**STRATEGIC VISION FOR THE NATIONAL POLICIES FOR CLIMATE NEUTRALITY** *Julian Popov, Minister of Environment and Water*
09:30 – 09:45	**THE BUILDING SECTOR AS A CORNERSTOBE OF THE DECARBONISATION OF THE BULGARIAN ECONOMY** *Andrey Tsekov, Minister of Regional Development and Public Works (invited)*
10:15 – 10:30	**LEGISLATIVE AGENDA IN THE AREA OF CLIMATE AND ENERGY** *Representative of the Energy Commission at the National Parliament (invited)*
10:30 – 10:45	**ECONOMIC IMPACT OF THE DECARBONISATION POLICIES: A RISK OR AN OPPORTUNITY?** *Maria Mincheva, Bulgarian Industrial Association*
10:45 – 11:15	*Coffee break*
	PANEL 2: DECARBONISATION OF THE BUILDING STOCK: THE FUTURE OF THE NATIONAL DECARBONISATION FUND
11:15 – 11:30	**THE RENOVATION OF THE BUILDING STOCK: A CHALLENGE AND AN OPPORTUNITY** *Angelina Boneva, Deputy Minister of Regional Development and Public Works*
11:30 – 11:45	**INVESTMENT GAPS IN THE RENOVATION OF THE BULGARIAN BUILDING STOCK** *Ivaylo Alexiev, Executive Director, Sustainable Energy Development Agency*
11:45 – 12:00	**STRUCTURING AND FUNCTIONING OF THE NATIONAL DECARBISATION FUND** *Iva Petrova, Deputy Minister of Energy*
12:00 – 12:15	**THE ROLE OF THE PUBLIC FINANCING MECHANISMS FOR IMPLEMENTATION OF THE NATIONAL DECARBONISATION POLICIES** *Ivaylo Yaidzhiev, Deputy Minister of Finance*
12:15 – 12:30	**DISCUSSION**

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101033787

12:30 – 13:30	*Lunch break*
	Discussion session 1: **Innovative financing models for the decarbonisation of the building stock**
13:30 - 14:45	**Presentations (10 minutes each):** • Peter Sweatman, Climate Strategy & Partners • Ivaylo Alexiev, Sustainable Energy Development Agency • Bilyana Mladenova, Association of Bulgarian Banks **Facilitator: Marko Markov, Econoler** **Discussion:** ➢ What are the implications of the EU taxonomy on the development of innovative financing products in support of buildings' energy efficiency? ➢ What are the expectations of the financing institutions for the market demand for financing of clean energy solutions? ➢ What are the possible avenues for involvement of the commercial financing sector in the deployment of the public support mechanisms? **Participants (invited):** SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, BIA, Econoler, AEE, BCC, commercial banks, energy and financial consultants, NGOs, etc.
14:45 – 15:15	*Coffee break*
	Discussion session 2: **Professional services for smart and efficient buildings**
15:15 - 16:30	**Presentations (10 minutes each) from:** • Yordan Nikolov, Renovate Bulgaria / BACIW • Tsveta Naniova, BACC • Stanislav Andreev, EnEffect **Facilitator: Ivan Velkov, Bulgarian Industrial Association** **Discussion (30 minutes)** ➢ What are the mainstream opportunities and the key challenges for large-scale investments in building renovation? ➢ Where do we see the role and the position of the National Decarbonisation Fund? ➢ How does smart buildings and integration in the energy system affect the financing opportunities? ➢ What are the implications of the expected amendments of the EPBD? **Participants (invited):** SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, BIA, AEE, BCC, energy and financial consultants, National Trust EcoFund, FLAG Fund, commercial banks, etc.
16:30 - 17:00	**THE ROLE AND FUNCTIONS OF THE NATIONAL DECARBONISATION FUND AS A KEY VEHICLE TO DRIVE FORWARD THE ENERGY TRANSITION** ***Panel discussion with session facilitators***
17:00	**SUMMARY AND CLOSING OF THE ROUNDTABLE**
17:00 – 18:30	*Networking cocktail*


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