

BULGARIA

MARCH 1st, 2023

3rd NATIONAL ROUNDTABLE

**THE NATIONAL DECARBONISATION FUND
STRUCTURING, OPERATIONAL MANAGEMENT,
MARKET DEPLOYMENT**

Organised by EnEffect

Supported by the Municipal Energy Efficiency Network EcoEnergy, with representatives from the Ministry of Regional Development and Public Works and the Ministry of Energy



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ROUNDTABLE HIGHLIGHTS

10 SPEAKERS

**80 DELEGATES
IN PERSON**

**72 ONLINE
PARTICIPANTS**

5 SESSIONS

**Welcome Session | Opening Plenary
2 Specialised Technical Sessions
Closing Plenary Session**

01

SESSION

**Priority areas for the
functioning of the National
Decarbonisation Fund.
Sources of capitalisation
and leveraging of private
capital**

02

SESSION

**Renovation of the
residential buildings stock:
introduction of financing
instruments and
responsiveness to the
needs of vulnerable
groups**

03

SESSION

**Renovation of the public
building stock**

Key Takeaways

The Minister of Energy should determine the next steps for the launch of the National Decarbonisation Fund by making the necessary legislative changes to structure it. Energy efficiency and energy savings remain the best tools for energy independence. The 100% grant and the lack of market liberalisation remain an obstacle to actually opening up the market for financial instruments to improve energy efficiency.

Nikolay Nalbantov, Ministry of Energy

We expected the interest in the renovation programme to exceed two or three times the available resources, but it looks like it will be even bigger. There is no way to meet this interest and achieve the goals of the Long-Term Renovation Strategy without reducing the grant component.

Dobromir Vassilev, Ministry of Regional Development and Public Works

Bulgaria has made progress in energy efficiency policies, but there are still a number of barriers. The main one is the expectation that 100% grant funding will continue, but there is also a need for new financial instruments and professional training, including for energy auditors. The World Bank will continue to support the country in these areas.

Ivan Krofak, World Bank

Over the years we as financial institutions have definitely improved our capacity. In fact, there are already enough alternative financial instruments available, and a coordinating unit is needed. The renovation programmes are structured in the Ministries, while the ready-made products are offered by financial institutions such as FLAG Fund, Fund of Funds, National Trust EcoFund in collaboration with commercial banks.

Dochka Vassileva, Fund of Funds

The National Decarbonisation Fund should unite and coordinate all financial instruments, identifying the policies and financial products to be offered by the existing financial mechanisms. It needs to be structured quickly and not delayed in order to accumulate all the funds already managed by the existing financial mechanisms on the market.

Nadya Dankinova, Fund FLAG

Roundtable Conclusions

SESSION 1

PRIORITY AREAS FOR THE FUNCTIONING OF THE NATIONAL DECARBONISATION FUND. SOURCES OF CAPITALISATION AND LEVERAGING OF PRIVATE CAPITAL

- There is no need for a financial capitalisation of the National Decarbonization Fund (NDF) because there are already well-structured financial instruments that need to be coordinated and managed. It is therefore crucial to establish a coordination unit in the Council of Ministers to combine and channel the funds available under the different lines to the priority sectors.
- One of the priorities of the upcoming NDF should be to support the implementation of high-quality projects and the verification of results.
- It is also important to develop dedicated financial instruments for risk sharing and to ensure the provision of technical assistance for project management.
- In addition to the application of the One-Stop-Shop principle, for certain localities (such as smaller municipalities) the most effective form of advice remains direct personal contact.

SESSION 2

RENOVATION OF THE RESIDENTIAL BUILDINGS STOCK INTRODUCTION OF FINANCING INSTRUMENTS AND RESPONSIVENESS TO THE NEEDS OF VULNERABLE GROUPS

- The interest in the renovation programme exceeds the available resources by several times. In order to meet this interest and to achieve the objectives of the long-term renovation strategy, the grant component needs to be reduced.
- A definition is needed for energy poverty and targeted mechanisms to support households - both to support their participation in building renovation programmes and to protect them in future market liberalisation.
- Raising awareness of the benefits of all the planned measures and instruments can be done through a well-structured communication campaign that will lead to a gradual change in public attitudes in support of the overall process of renovation and maintenance of the building stock.
- The most vulnerable groups should be given priority and even receive a 100% grant, but this requires that the definition of energypoverty, which has not yet been officially introduced, is adopted as soon as possible.

Roundtable Conclusions



SESSION 3

RENOVATION OF THE PUBLIC BUILDING STOCK

- Public resources for building renovation are limited and need to be allocated carefully, but it is clear there are ways to accumulate sufficient funds. The market really needs building renovation. Commercial banks already have green targets and are ready to provide financial products that reach end users.
- The cooperation of municipalities with different financial institutions is becoming mandatory for the successful implementation of sustainable public building renovation projects. The creation of the position of energy managers in municipalities could contribute significantly to the successful implementation of sustainable energy projects and to the certification of savings achieved.
- The role of the NDF should be to provide flexible schemes according to the financial parameters and ambitions of the renovation projects. The fund should support and guide municipalities, without competing with existing working instruments.
- Resources need to be mobilised to increase the capacity not only of municipal experts but also of building users, for example through local information campaigns, meetings, and workshops.

The 3 sessions were moderated by:

Dragomir Tzanev, Executive Director of EnEffect

Stanislav Andreev, Managing Director of EnEffect Consult

Todor Galev, Research Director at the Center for the Study of Democracy

