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## **FINANCING FOR ZERO-ENERGY BUILDINGS AND BUILDING RENOVATIONS**

**National roundtable for financing energy efficiency  
investments in Bulgaria**

**1–2 June 2023**

**Burgas, Expo Centre "Flora" and online**

**BACKGROUND PAPER AND AGENDA**



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## VISION

Bulgaria is on the verge of an important change in its grant-intensive building renovation financing practice. Starting on 31<sup>st</sup> May 2023, Phase II of the NRRP support scheme for the sustainable energy renovation of the residential building stock will feature a 20 % co-financing component, which marks a turning point that has the potential for an increase in the participation of both building owners and market actors.

Although this long-awaited transition has generated huge interest, the most pressing issue still remains the absence of specialized financial instruments in support of the homeowners. With different aspects of the programme still uncertain and in absence of a well-executed mainstream communication campaign, it is important that the topic remains afloat on the public discourse as well as a high priority on the politicians' agenda.

Meanwhile, the structuring of the National Decarbonisation Fund - the key reform in the NRRP expected to address the outstanding questions related to the renovation of public and residential buildings - is far from taking full shape. As evidenced during the previous roundtables, despite clear recommendations from the international consultant, there are still no final political solutions regarding its structuring and functioning. In any case, however, the decisions made during this decisive phase of the renovation programme will strongly affect the future of the Fund.

In parallel, at EU level, significant developments regarding the European building sector policies were announced earlier in March, when the EP adopted the EPBD recast with clear targets for minimum performance requirements and renovation of the most inefficient buildings at national level, with rates significantly exceeding those experienced so far in Bulgaria. The foreseen changes, together with the requirements under the EU Taxonomy Regulation in the context of the European Green Deal, are inextricably linked to the creation of adequate supporting financial schemes. These developments have already attracted the attention of the financial sector to the topic of building renovation, and to the realization that a common understanding among all stakeholders is crucial for the success of the policies in question.

While the political instability in Bulgaria remains, with no clear signs of a ruling coalition being formed following the latest National elections from 2<sup>nd</sup> of April, the need for bold decision-making on the topics posited cannot be undervalued. Despite the uncertain involvement of the relevant ministries at the upcoming roundtable, the active advocacy will continue, as the generated policy recommendations will be brought to the attention of the relevant governing structures. With the aim of presenting the latest revisions in question, representatives of DG ENER and MEPs active in the development of the EU building policies have been invited, together with representatives of the EIB, responsible for the initial structural report of the NDF.

Traditionally, the event will feature thematic sessions, where representatives from financial institutions, commercial banks, as well as branch chambers, industrial, commercial and professional associations and construction sector professionals, alongside all other stakeholders will be invited for an in-depth dive into the opportunities for sustainable financing mechanisms for building renovation projects. Best practice presentations from abroad have been planned, with a special guest-speaker from the US Department of Energy Washington Office to discuss the successful measures taken in decarbonizing the building stock overseas.



On the following day, an additional specialized session discussing the role of the local governance for achieving sustainable built environment will take place, supported by the parallel NECPlatform project. Within this session, representatives of the responsible ministries are invited for a review of the national support programmes, followed by a panel discussion with municipal officials on the opportunities and challenges of the realization of the projects and providing support to the local communities. On this basis, a workshop on the possibility of attracting ELENA funding to Bulgarian municipalities will be organized with the support of EIB, giving floor for concrete ideas for bundling of individual projects in streamlined investment concepts.

#### FORMAT:

- Opening plenary session (120 min.) with the participation of keynote speakers from the national government, the EU Parliament, and representatives of executive agencies in hybrid format
- Two in-depth technical discussion sessions (90 min.) with 3 introductory lectures (ca. 10-15 min. each) and open discussion (ca. 45-60 min)
- Plenary session (90 min.) with presentation of the results of the thematic sessions and panel discussion
- Additional specialized session on financing opportunities supported by EIB

The event will take place in Bulgarian with parallel English translation for the external presentations.

#### LEADING TOPICS:

- 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
- Opportunities for financing of municipal energy efficiency and renewable energy investments

#### PARTICIPANTS:

- Representatives of European Parliament and DG ENER
- Local authorities
- Financing institutions
- Branch chambers, industrial, commercial and professional associations and unions
- Providers of professional services in the construction sector
- Manufacturers and suppliers of construction products and materials and renewable energy technologies
- Universities and research centers
- NGOs, energy agencies, local government networks
- Energy consultants
- Energy suppliers



## PROVISIONAL AGENDA

**1 -2 JUNE 2023**

**Burgas, Expo Centre "Flora" and online**

Zoom: TBD

### 1 JUNE, THURSDAY

Hall 2

09:30 – 10:00

*R e g i s t r a t i o n*

Hall 2

**NATIONAL ROUNDTABLE ON SUSTAINABLE ENERGY INVESTMENT**

Moderator: Dragomir Tzanev, EnEffect

10:00 – 10:15

**WELCOME AND OPENING PLENARY**

*Dragomir Tzanev, EnEffect*

*Representative of Burgas Municipality*

10:15 – 10:35

**ENERGY EFFICIENCY IN THE BUILDING SECTOR IN THE EU ENERGY AGENDA**

*Representative of DG ENER (invited)*

10:35 – 10:55

**THE ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE: WHAT ARE THE IMPLICATIONS FOR THE BULGARIAN RENOVATION POLICIES**

*Radan Kanev, MEP (invited)*

10:55 – 11:15

**THE EUROPEAN SOCIAL INVESTMENT FUND: A TOOL TO STIMULATE BUILDING RENOVATION**

*Petar Vitanov, MEP (invited)*

11:15 – 11:35

**STRATEGIES AND TOOLS TO ATTRACT MARKET FINANCING IN BUILDING RENOVATION**

*Asen Gashtarov, EIB*

11:35 – 12:00

**FINANCIAL INSTRUMENTS IN SUPPORT OF ENERGY EFFICIENCY IN BUILDINGS**

*Representative of Fund of Funds*

12:00 – 12:30

**DISCUSSION**

12:30 – 13:30

*L U N C H*

JUNE 1<sup>st</sup>

**Discussion session 1:**

**The transition towards co-financing by the owners for the implementation of the national renovation programmes**

13:30 - 15:00

**Presentations (10 minutes each) from: Ministry of Regional Development and Public Works, Burgas Municipality, Renovate Bulgaria (invited)**

**Discussion (1 hour)**

- What is the interest to the first stage of the national renovation programme?
- What is the feedback from the municipalities and the homeowners' associations?



	<ul style="list-style-type: none"> <li>➤ What are the attitudes towards the second stage of the programme requiring co-financing from the homeowners?</li> <li>➤ How can we influence them in the direction of mass participation in the second stage of the programme?</li> <li>➤ Are there financial mechanisms in place to secure the co-financing?</li> </ul> <p><u>Participants (invited):</u> SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, BIA, Econoler, UACEG, AEE, BCC, commercial banks, energy and financial consultants, NGOs, etc.</p>
15:00 – 15:30	<p><b>BEST PRACTICES FROM OVERSEAS: POLICIES AND MEASURES TO DECARBONISE THE BUILDING STOCK</b></p> <p><i>Meredydd Evans, U.S. Department of Energy, Washington Office</i></p>
<b>JUNE 1<sup>st</sup></b>	<p><b>Discussion session 2:</b></p> <p><b>Financing instruments in support of new energy efficient buildings</b></p>
15:30 - 17:00	<p><u>Presentations (10 minutes each) from:</u> Romanian Green Building Council, Deloitte, Burgas architecture office / construction company, commercial banks (invited)</p> <p><u>Discussion (1 hour)</u></p> <ul style="list-style-type: none"> <li>➤ What are the implications of the EU taxonomy on the development of innovative products in support of buildings' energy efficiency?</li> <li>➤ What is the current market interest towards energy efficient buildings as perceived by the major stakeholders – investors, contractors, designers, financiers?</li> <li>➤ What are the positive sides and the limitations of the national certification system and how can we guarantee quality?</li> <li>➤ Do we need additional certification services and is there a market niche for specialized financing products?</li> </ul> <p><u>Participants (invited):</u> SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, BIA, AEE, BCC, commercial banks, energy and financial consultants, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, etc.</p>
17:00	<p><b>SUMMARY AND CLOSING OF THE ROUNDTABLE</b></p>

#### ADDITIONAL SESSION ON 2<sup>nd</sup> JUNE, FRIDAY

09:30 - 10:00	<b>POLICIES AT EU AND NATIONAL LEVEL</b>
09:30 - 09:45	<p><b>ACTIVITIES OF MUNICIPAL ENERGY EFFICIENCY NETWORK IN SUPPORT OF THE MULTILEVEL DIALOGUE</b></p> <p><i>Dragomir Tzanev, EnEffect</i></p>
09:45 - 10:00	<p><b>THE NATIONAL ENERGY AND CLIMATE PLAN: REPORTING, ENERGY BALANCING, STRATEGIC GOAL-SETTING. THE ROLE OF THE BUILDING SECTOR</b></p> <p><i>Representative of the Ministry of Energy (invited)</i></p>
10:00 - 10:15	<p><b>DEVELOPMENT OF THE REGIONS PROGRAMME: OPPORTUNITIES AND CHALLENGES FOR THE LOCAL AUTHORITIES</b></p> <p><i>Representative of the Ministry of Regional Development and Public Works (invited)</i></p>
10:15 - 10:30	<p><b>THE LOCAL AUTHORITIES: KEY DRIVERS OF THE EU ENERGY TRANSITION</b></p> <p><i>Petya Pishmisheva, co-chair of the EU office of the Covenant of Mayors</i></p>



10:30 - 11:00	<b>THE LOCAL AUTHORITIES AS KEY IMPLEMENTATION AGENTS OF THE EU AND NATIONAL CLIMATE AND ENERGY POLICIES</b> <i>Panel discussion with representatives of Bulgarian municipalities (Burgas, Gabrovo and Sofia)</i>
11:00 - 11:30	<i>C o f f e e b r e a k</i>
11:30 - 13:15	<b>AVAILABLE FINANCING INSTRUMENTS</b>
11:30 - 11:45	<b>THE PROGRAMMES OF THE NATIONAL TRUST ECOFUND: CURRENT OPPORTUNITIES AND FUTURE TRENDS</b> <i>Representative of NTEF (invited)</i>
11:45 - 12:00	<b>FINANCING INSTRUMENTS AND TECHNICAL ASSISTANCE OPPORTUNITIES OF FLAG FUND</b> <i>Representative of FLAG Fund</i>
12:00 - 13:00	<b>OPPORTUNITIES FOR FINANCING OF MUNICIPAL ENERGY EFFICIENCY AND RENEWABLE ENERGY INVESTMENTS THROUGH THE EUROPEAN LOCAL ENERGY ASSISTANCE - ELENA</b> <b>Seminar with representatives of local authorities, financial institutions, and energy specialists</b> <i>Moderator: Assen Gashtarov, EIB</i>
13:00 - 13:15	<b>Q &amp; A</b>
13:15 - 13:30	<b>END OF THE CONFERENCE: ANNOUNCEMENT OF THE BULGARIAN NATIONAL ENERGY AND CLIMATE PLATFORM</b>
13:30	<i>L u n c h</i>

## 1<sup>st</sup> THEMATIC TECHNICAL SESSION:

### The transition towards co-financing by the owners for the implementation of the national renovation programmes

From the 31<sup>st</sup> of May 2023 until the end of the year, as stipulated by the NRRP support scheme for the sustainable energy renovation of the building stock, the programme enters Phase II, with 20% co-financing by the owners. While this long-awaited transition is no doubt a much necessary positive development, there are still certain hurdles along the way to be considered, such as the absence of specialized financial mechanisms in place, and the mixed messages both from the media and the responsible institutions. To this end, the first thematic technical session will delve deep into the necessary steps to be taken in the imminent start of the second stage and the means of encouraging greater participation, stepping on the feedback received from the initial stage.

Overlooking the processes and with first-hand experience, representatives from the Ministry of Regional Development and Public Works, Burgas Municipality, as well as the Renovate Bulgaria initiative have been invited to share their findings with 10-minute presentations.

After the presentations, there will be an open discussion on the experience of the initial stage of the renovation programme, as well as the attitudes and interest towards the upcoming phase, from the point of view of the key stakeholders participating in the building renovation process. The discussion will be based on the following questions:



- What is the interest to the first stage of the national renovation programme?
- What is the feedback from the municipalities and the homeowners' associations?
- What are the attitudes towards the second stage of the programme requiring co-financing from the homeowners?
- How can we influence them in the direction of mass participation in the second stage of the programme?
- Are there financial mechanisms in place to secure the co-financing?

## **2<sup>nd</sup> THEMATIC TECHNICAL SESSION:**

### **Financing instruments in support of new energy efficient buildings**

The following thematic session will provide an in-depth overview of the financing opportunities for new energy efficient buildings, also taking into consideration the new zero-emission building requirements stemming from the EPBD amendment and the potential and fast development of local renewable energy installation. Stepping on current EU-level developments relevant to the building stock, discussed during the open plenary, and building on conclusions from the 1<sup>st</sup> technical session, professionals from the consulting sector and commercial banks have been invited for short presentations to explore best case practices on different institutional levels, and from abroad.

Following brief presentations by key organizations and actors in the field, the discussion part will focus on the following issues:

- What are the implications of the EU taxonomy on the development of innovative products in support of buildings' energy efficiency?
- What is the current market interest towards energy efficient buildings as perceived by the major stakeholders – investors, contractors, designers, financiers?
- What are the positive sides and the limitations of the national certification system and how can we guarantee quality?
- Do we need additional certification services and is there a market niche for specialized financing products?

## **ADDITIONAL SPECIALIZED SESSION:**

### **The role of the local governance for achieving sustainable built environment: Opportunities for financing of municipal energy efficiency and renewable energy investments**

The additional session is organized on the following day, June 2<sup>nd</sup>, within the framework of LIFE's project NECPlatform\*.

The session will present the available financing instruments in the country, discussing in detail the programmes of the National Trust EcoFund and Fund FLAG, and there will be a dedicated seminar on the opportunities for financing of municipal energy efficiency and renewable energy investments through the European Local ENergy Assistance – ELENA, moderated by a representative of the EIB.

The session is designed for local authorities, financial institutions, and energy specialists.





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*\*NECPlatform envisages the creation of platforms for dialogue to support the implementation of commitments for actualization of the national energy and climate plans (obligation for Member States), promoting cooperation between interested parties, and in particular the active participation of Bulgarian municipalities in the determination of measures, the adaptation of local plans to national goals and priorities, and the reporting of achievements results. According to the requirements of Regulation (EU) 2018/1999 on the management of the Energy Union, each member state is obliged to prepare updated drafts (2023) and final national plans in the field of energy and climate (2024), as well as to determine a monitoring and control system that will report on them by 2030. More information for the implementation of the project in Bulgaria is available [here](#).*