



# Background note and agenda for Roundtable 1

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## Deliverable 3.2 of the BeSMART project

Responsible partner: EcoEnergy

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## SUMMARY

The background notes and agendas of the national roundtables for financing energy efficiency investments in Bulgaria conducted under the BeSMART project are prepared with the goal to present the concept, specific targets and organizational details regarding the events, including detailed description of the content and expected outcomes of each of the sessions. They include analysis on the expected synergies with external policy developments, legislative actions, strategic planning activities and/or major events, and identify potential impacts on specific policy processes, also considering the regional and local dimensions of the political process in the context of strengthening the multi-level governance approached and financial decentralisation of the Bulgarian municipalities. When applicable, the concept notes also outline the initiation of specific working groups and the expected outputs of their work, whereas optimal utilization of the capacity of the team members and supporting stakeholders and integration of the results in the ongoing policy dialogue is constantly pursued.

The agenda and organization of the roundtables for financing energy efficiency investments in Bulgaria follow the established models of the Sustainable Energy Investment Forum (SEIF), including opening plenary with keynote speakers (appr. 1 hour), small group discussions on specific issues facilitated by renowned and experienced experts (2 rounds of 1.5 hours), and closing plenaries featuring open discussions (appr. 1.5 hours), presenting the conclusions and recommendations of the small groups and targeting the establishment of common positions and policy action. Considering the COVID-19 pandemic, additional options for organization of hybrid events are considered, taking all precautionary measures to limit health risks to the maximum possible extent.



**BULGARIAN RECOVERY AND RESILIENCE PLAN: ARE WE ABLE TO CONVEY THE PLANED REFORMS WITH THE CURRENT INVESTMENT PRIORITIES?**

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

**5 October 2021, 10:30 – 17:00  
Sofia, Sofia Hotel Balkan and online**

**BACKGROUND PAPER AND AGENDA**

## VISION

Energy efficiency policies continue to be in the forefront of the expert discussions in Bulgaria in the beginning of the next planning period, largely focusing on the relation between the strategic targets, the planned investment mechanisms and the various supporting instruments of legal, financial, technical, and social nature that are necessary for successful policy implementation. Unfortunately, the still ongoing political crisis has slowed down the adoption of key planning documents and the development of the financial framework enabling the reforms envisaged in the relevant national strategies.

In particular, the National Recovery and Resilience Plan (NRRP) is still under consideration, with Bulgaria being one of the only two EU countries which have not yet submitted a final version to the EC. Being a key instrument to foster investment in energy efficiency, it has been under scrutiny since the publication of its first draft in late 2020; today, after 4 revisions, the investment priorities on energy efficiency topics still raise controversial opinions and questions regarding their long-term sustainability and practical implementation.

Considering the increased pressure for the business and public sector from the constantly raising electricity and gas prices and the upcoming full liberalisation of the electricity market strongly reflecting on the energy costs for individual households, the need for intensified investments in energy efficiency and renewable energy projects becomes more and more stringent. However, the need for gradual transition from grant-intensive policies and financing schemes to more sustainable financing instruments requiring increased participation by project owners and final beneficiaries still remains an unsolved issue which is recognised as policy priority but often improperly addressed by the investment priorities.

In light of these topical issues and the expected third parliamentary elections within 2021, the roundtable under the BeSMART project in Bulgaria will aim to build on the conclusions of the previous event organized on 19<sup>th</sup> May 2021 (proceedings to be found [here](#)), which has specifically identified the need to further reflect on the long-term continuity and transparency of the policies, with the objective to strengthen the connection between the ambitious strategic goals and the immediate investment priorities and financial instruments. Representatives from central and local authorities, financing institutions, branch chambers, industrial, commercial, and professional associations and unions, providers of professional services in the construction sector, universities, and NGOs will join forces towards the common goal to suggest optimisation paths for the final version of the NRRP, and to discuss the practical implications of the implementation of the investment priorities, which vastly depend exactly on the cooperation between the above actors. To this aim, the capacities of the project partners and supporters **Sustainable Energy Development Agency, Bulgarian Construction Chamber, Bulgarian Industrial Association, NTEF, UACEG, Econoler Bulgaria, Alliance for Energy Efficiency, Energy Efficiency and Renewable Sources Fund, EnEffect, EcoEnergy, Sofia Municipality and the Municipality of Gabrovo** will be complemented (depending on the political situation) by involvement of relevant ministries and Parliamentary commissions, and by actively engaging the financial sector as one of the key actors in the suggested reforms.

#### OBJECTIVES OF THE FORUM:

- To summarize the planned reforms and create a common understanding of the concept and logic of the NRRP (considering the last available version)
- To work on recommendations for development of investment priorities and mechanisms stimulating large-scale uptake and private investments in energy efficiency at national level
- To suggest mechanisms for practical implementation of the investment priorities and identify potential barriers and corresponding solutions enabling smooth uptake from the final beneficiaries

#### FORMAT:

- Opening plenary session (60-90 min.) with the participation of keynote speakers from the national government, the Parliament, and representatives of executive agencies, in a physical presence format with up to 30 invited participants and broadcasted online
- Three parallel thematic sessions (120 min.) with 2 or 3 introductory lectures (ca. 10-15 min. each) and open discussion (ca. 60-75 min). The sessions will be attended by a limited number of on-site visitors, combined with an online broadcast with the possibility of including additional participants (including invited speakers who are unable to travel)
- Closing plenary session (90 min.) with presentation of the results of the thematic sessions and panel discussion (combined face-to-face and online format)

The event will take place in Bulgarian, as parallel translation would be provided in case of external presentations.

#### LEADING TOPICS:

- Concept, reforms and investment priorities in support of energy efficiency in the Recovery and Sustainability Plan and the Regional Development Program
- Renovation of the residential building stock (Project 9a of the NRRP)
- Renovation of the public building stock (Project 9b of the NRRP)
- Support for small-scale renewable energy installations (Project 10 of the NRRP)

#### PARTICIPANTS:

- Representatives of the executive and 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

**5<sup>th</sup> October 2021**

Sofia Hotel Balkan, 5, "Sveta Nedelya" Square

Zoom: <https://us02web.zoom.us/j/89150891950>

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

October 5 <sup>th</sup>	<b>Parallel session 1: Financing for residential building renovation in the National Recovery and Resilience Plan</b>
13:30 - 15:30	<b><u>Set-the-scene presentation: Dragomir Tzanev, EnEffect (ca. 20 min)</u></b> <ul style="list-style-type: none"> <li>➤ Main features of Investment project 9a</li> <li>➤ Connection between the LTRS and the planned investment</li> <li>➤ Links between the planned reforms (Decarbonization Fund, energy poverty definition, one-stop shops, on-bill financing) and the approach of the investment project</li> </ul> <b><u>Participants:</u></b> SEDA, BCC, EnEffect, UACEG (project partners), MRDPW, BAIC, BACC, BGFMA, financing institutions, branch organizations, energy service providers, NGOs, managers of homeowners' associations, etc.

October 5 <sup>th</sup>	<b>Parallel session 2:</b> <b>Financing energy efficiency of public and industrial buildings in the National Recovery and Resilience Plan</b>
13:30 - 15:30	<u>Set-the-scene presentations:</u> <u>Marko Markov, Econoler (ca. 20 min)</u> <ul style="list-style-type: none"> <li>➤ Main features of Investment project 9b at the NRRP</li> <li>➤ Combining public subsidies with financial instruments. Update of Ordinance № RD-16-347 of April 2, 2009 on ESCO Services</li> <li>➤ The role of the future Decarbonisation Fund</li> </ul> <u>Zoya Vassileva, Mattig Management Partners (10 min.)</u> <ul style="list-style-type: none"> <li>➤ What is the perfect grant component for renovation projects?</li> </ul> <u>Participants:</u> BIA, AEE, NTEF, Econoler, EcoEnergy, Sofia Municipality, Gabrovo Municipality (project partners), Fund of Funds, EERSF, financing institutions, NAMRB, municipalities, NGOs, etc.
October 5 <sup>th</sup>	<b>Parallel session 3:</b> <b>Implementation of the investment project for small-scale renewables in the National Recovery and Resilience Plan</b>
13:30 - 15:30	<u>Set-the-scene presentation: Genady Kondarev, E3G (ca. 20 min)</u> <ul style="list-style-type: none"> <li>➤ Main features of Investment project 10 at the NRRP</li> <li>➤ Connection with other renovation support and clean air programmes</li> <li>➤ Need for additional financing mechanisms to support co-financing</li> <li>➤ Practical implementation: the role of the local authorities</li> </ul> <u>Participants:</u> 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	<i>C o f f e e   b r e a k</i>
16:00 - 17:30	<b>CLOSING SESSION: LESSONS LEARNED AND UPCOMING ACTIVITIES</b>
16:00 - 16:30	<b>PRESENTATION OF THE CONCLUSIONS OF THE PARALLEL SESSIONS</b> <b><i>Moderators of the three sessions</i></b>
16:30 - 17:10	<b>DO WE POSSESS THE RIGHT TOOLS TO IMPLEMENT THE REFORMS IN THE NRRP CONSIDERING BUILDINGS' ENERGY EFFICIENCY?</b> <b><i>Discussion with the participation of representatives of public authorities, professional and industry associations, financing institutions, municipalities and energy experts</i></b>
17:10 - 17:30	<b>QUESTIONS AND ANSWERS</b>
17:30	<i>E n d   o f   t h e   e v e n t</i>

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

### Financing for residential building renovation in the National Recovery and Resilience Plan

The 1st parallel session will address the financing of residential building renovation as foreseen in the Investment project 9a from the NRRP. Dedicated presentations will also shed light on its connection with the LTRS and planned investments, as well as the underlying link between the planned reforms (Decarbonization Fund, energy poverty definition, on-bill financing) and the approach of the investment project.

After the presentations, there will be an open discussion on the opportunities and challenges for the financial institutions to take an active and successful role in the building renovation process. The discussion will be based on the following questions:

- Does the provisioned investment programme (project 9a) provide the necessary foundation to reach the 2030 targets set in the national Long-term Renovation Strategy?
- Is the investment programme coherent to the related reforms provisioned in the plan – energy poverty definition, on-bill financing, one-stop shops, and National Fund for Decarbonisation?
- Are the necessary mechanisms for securing participation of vulnerable households and supporting the co-financing part already in place?

## 2<sup>nd</sup> THEMATIC PARALLEL SESSION:

### Financing energy efficiency of public and industrial buildings

This session will focus on the financing aspects concerning public and industrial buildings, as the current growing energy prices put strong pressure on the business and public sector, with an ever-increasing need for greater investments in energy efficiency and renewable energy projects. Presentations will cover the main features of Investment project 9b from the NRRP, the ways and means of combining public subsidies with financial instruments, and the role of the future National Fund for Decarbonisation in the structuring of the financing for the investment projects

The presentations will be followed by a discussion covering the following issues:

- Is there a clear idea what would be the mechanism for combining the public grants with financial instruments?
- What is the optimal level of the grant component and how it should be calculated?
- What would be the procedure for implementation of EPC schemes with the involvement of the National Fund for Decarbonisation, as foreseen in the plan?

### 3<sup>rd</sup> THEMATIC PARALLEL SESSION:

#### Implementation of the investment project for small-scale renewables

The third parallel session will delve into the main features of Investment project 10 from the NRRP, further addressing its connection to other renovation support programmes and the necessary involvement and role of the local authorities. Currently, Bulgaria has an obligation to transpose of the new EU Directive on Renewables within national legislation, and focus on working on the envisioned tasks.

The discussion will be based on the following questions:

- What would be the practical management and operational procedures for the implementation of the programme?
- What would be the criteria for selection of the applicants and would there be any local-level consultancy or communication mechanisms in place?
- What would be the role of the local authorities?
- Do we need addition financing mechanisms to support the co-financing part on behalf of the homeowners?

#### PANEL DISCUSSION AND CONCLUSIONS

The roundtable will be concluded with presentations on the outcomes of the three parallel sessions, which would then be discussed among an expert panel consisting of representatives of executive bodies, financing institutions, business and professional associations, NGOs, and local authorities.

The questions to be discussed are:

- 1) Impressions from the conclusions presented by the facilitators of the parallel sessions and key topics to be addressed in the following roundtables
- 2) How to ensure links with the previous meeting(s)
- 3) Key issues that need to enter from the professional discussions into the political and media discourse to initiate the necessary reforms in energy efficiency policies
- 4) Can we realistically achieve the foreseen in the NRRP reforms with the current tools?

