



Background note and agenda for Roundtable 4

Deliverable 3.5 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.



**SUSTAINABLE ENERGY PROJECTS AT LOCAL LEVEL AS
KEY FACTOR TO OVERCOME THE ENERGY AND
ECONOMIC CRISIS**

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

**26–27 September 2022
Gabrovo, TBD**

BACKGROUND PAPER AND AGENDA

VISION

With the continuing political turmoil and a new caretaker government – forth for a period of just 2 years, with new Parliamentary elections on 2nd October but with no vision yet for a strong governing coalition, sustainable energy projects seem as secondary topic for the Bulgarian society. However, the impact of the energy and economic crisis and the looming danger for insecure energy supplies for the quickly approaching winter, make the topical area very palpable for the local authorities and businesses, which are at the forefront of the citizens' discontent and bear the immediate impact of the quickly rising prices and social insecurity. At the same time, the expected reforms on which the expected financing for sustainable energy projects is depending are slowed down and put the implementation of the National Recovery and Resilience Plan (NRRP) in serious risk; the programmes under the ESIFs are also experiencing delays and facing difficulties in their structuring due to the constantly changing political leadership in the responsible ministries.

As of recently, the Bulgarian local authorities have raised their voice for speedy resolution of these pending issues and immediate start of the financial flows for both public and private sustainable energy projects, arguing that their experience could be extremely useful for the quick and efficient practical implementation of the support programmes. Certainly, they need more administrative and professional capacity and technical assistance but are strongly motivated to realise their initiatives and ideas notwithstanding, as it is clearly understood that this is the only meaningful way to counter the negative impact of the multiple crises. With a dedicated Declaration sent out to all political parties, the relevant ministries and the President, they have raised the stakes and requested more independency and streamlined resources to address the situation in the most appropriate way.

In this context, the next roundtable on sustainable energy financing will offer a space for coordination of the actions of the national and local governance institutions with the goal to speed up the actual implementation of the projects benefitting the local businesses and citizens. The key issue will be the implementation of the reforms which will enable the inflow of market-based financing covering the needs to supplement the resources provided by the support programmes, as the expectations and needs of the financing institutions will be put forward to the attention of both the central government representatives and the local authorities. To this end, after the set-the-scene institutional presentations providing updates on the pending reforms and the provisional timing of the support programmes, a specific parallel session will be held with the participation of all relevant actors. It will be complemented by another dedicated discussion on the role of the energy management systems for providing detailed information and establishing trust in the financial flows generated by the project, which is often quoted as a major barrier to mainstream financing to energy efficiency projects not only in Bulgaria, but also EU-wide. In both sessions, presentations of relevant outputs of BeSMART technical working groups will fuel the discussions, paving the way for the elaboration of dedicated policy recommendations.

In this regard, the second day of the event will start with insights from smart financing roundtables in countries geographically and economically close to Bulgaria, which will provide further food for thought for the work of the forum. They will be followed by summaries from the roundtables from the previous day, which would reflect on the input from the guest speakers and send clear messages

to the decision-makers at the different levels of governance. The messages will be put under scrutiny by the concluding panel discussion, which will gather representatives of the central government (invited), local authorities, energy experts and representatives of financing bodies.

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
- Two parallel thematic sessions (120 min.) with 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:

- The financing institutions as key enablers of the implementation of the national support programmes
- The role of the municipal energy management systems and standards to attract market-based financing
- The task ahead of national and local authorities in enabling the efficient realisation of sustainable energy projects

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

26–27 September 2022

Starosel, Complex Starosel, and online

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

26TH SEPTEMBER, MONDAY

12:30 – 13:30	<i>R e g i s t r a t i o n</i>
	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 <i>Dragomir Tzanev, EnEffect</i>
13:45 – 14:00	REVIEW OF THE PROGRESS ON REFORMS UNDER THE NRRP AND TIMING OF THE INVESTMENT PROJECTS <i>Atanas Pekanov, Deputy Prime Minister, responsible for EU funds (invited)</i>
14:00 – 14:15	INVESTMENT PRIORITIES AND TIMING OF THE ENVIRONMENT PROGRAMME <i>Representative of the Ministry of Environment and Waters (invited)</i>
14:15 – 14:30	INVESTMENT PRIORITIES AND TIMING OF THE REGIONAL DEVELOPMENT PROGRAMME <i>Representative of the Ministry of Regional Development and Public Works (invited)</i>
14:30 – 14:45	EXPECTATIONS AND INVESTMENT NEEDS OF THE LOCAL AUTHORITIES <i>Tanya Hristova, Mayor of Gabrovo and Chairperson of EcoEnergy</i>
14:45 – 15:15	Q&A SESSION AND REACTION FROM THE INVITED FINANCING INSTITUTIONS
15:15 – 15:30	<i>C O F F E E B R E A K</i>

September 26 th	<p>Parallel session 1: The financing institutions as key enablers of the implementation of the national support programmes</p>
15:30 - 17:00	<p><u>Presentations (10 minutes each) from:</u> 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”</p> <p><u>Discussion (50 minutes)</u></p> <ul style="list-style-type: none"> ➤ 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? <p><u>Participants (invited):</u> SEDA, Econoler, AEE, BCC, EnEffect, commercial banks, Fund of Funds, Bulgarian Development Bank, local authorities, ESCO, energy consultants, etc.</p>
September 26 th	<p>Parallel session 2: The role of the municipal energy management systems and standards to attract market-based financing</p>
15:30 - 17:00	<p><u>Presentations (10 minutes each) from:</u> EnEffect, NTEF, invited local authorities, members of technical working group “Development of the ESCO Market”</p> <p><u>Discussion (50 minutes)</u></p> <ul style="list-style-type: none"> ➤ 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? <p><u>Participants (invited):</u> EcoEnergy, SEDA, EnEffect, NTEF, EERSF, FLAG Fund, ESCO, financial institutions, commercial banks, municipalities, NGOs, energy consultants, etc.</p>

27TH SEPTEMBER, TUESDAY

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

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 *C o f f e e b r e a k*

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 *L u n c h*

1st THEMATIC PARALLEL SESSION:

The financing institutions as key enablers of the implementation of the national support programmes

On an energy efficiency market dominated by grant financing, which only recently has started showing signs to be gradually shifting to more sustainable financing instruments, ensuring reliable and flexible financing instruments and mechanisms to supplement the public funds is a must. As heavy a responsibility in the hands of financing institutions this is, the steps towards success require they decisive action in accord with the central authorities in implementing the necessary reforms in the field of energy efficiency, RES, and the building sector as a whole.

To this end, this session will begin with presentations by representatives of the most active financing institutions in the country are invited, such as FLAG Fund, the Energy Efficiency and Renewable Sources Fund, joined by commercial banks (UBB, Postbank), as well as members of technical working group “Financial mechanisms and instruments promoting the development of the energy efficiency services (EES) and renewable energy sources (RES) market” to share their expectations and needs in light of the awaited national support programmes. They will then be joined in a discussion by representatives from the most relevant stakeholders – the Sustainable Energy Development Agency, Econoler, Alliance for Energy Efficiency, Bulgarian Construction Chamber, EnEffect, commercial banks, Fund of Funds, Bulgarian Development Bank, local authorities, ESCO, energy consultants and others.

The follow up discussion will be organized based on the questions listed:

- 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?

2nd THEMATIC PARALLEL SESSION:

The role of the municipal energy management systems and standards to attract market-based financing

When considering bulding renovation and the benefits and energy efficiency measures implemented at a site or achieved through a project, possibly the most efficient way they can be demonstrated is through the use of a system for energy management. Furthermore, the deployment of such systems at the municipal level has a huge potential not only towards the achievement of energy savings targets but in providing opportunities for the implementation of EPCs and ESCO solutions, as energy management systems deliver mechanisms for monitoring and evaluation and enable the effective planning of the financial flows.

However, in order to analyze and use existing data optimally, in-depth knowledge of modern automation systems and of the energy efficient technical solutions available on the market is a prerequisite, and local administrations face a myriad of challenges to deal with this on their own. Thus, this thematic parallel session will cover existing energy management models in the country, the means and best practices for capacity building of local energy managers and will focus on the benefits to

investors and financing institutions, exploring the possibilities for the development of sustainable financial tools.

The presentations will be followed by a discussion based on the following questions:

- 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?

PANEL DISCUSSION AND CONCLUSIONS

During the second day, on September 27th the roundtable will be concluded with two sessions, focused on the lessons learnt and the immediate steps of the new government and local authorities for the realisation of sustainable energy projects.

First off, speakers from SMAFIN and GreenDeal4Buildings projects, dedicated to smart financing roundtables in countries geographically, socially and economically close to Bulgaria, will present insights from the experience in Greece and Czech Republic in the attraction of private investments for sustainable building renovation projects. Next in the agenda, the parallel sessions' moderators will present the summaries from the previous day, which will feed into the concluding panel discussion. During this final session, invited representatives from the central government, local authorities, energy experts and representatives of financing bodies will focus on formulating sound recommendations for the immediate policy decisions to be made following the elections in October.

The questions to be discussed are:

- What are the immediate financing needs of the municipalities to mitigate the impact of the crises?
- What are the needs for technical assistance and development of the local potential?
- How can we help the local business to overcome the crises in a sustainable way and to emerge stronger after it?
- Have we provided the necessary transparency and trust in the reforms that are being implemented at the national level?
- What are the immediate request to the next Parliament and, hopefully, the next regular government?

