



# Background note and agenda for Roundtable 5

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## Deliverable 3.6 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.



## **FINANCIAL INSTRUMENTS FOR ENERGY EFFICIENCY IN THE INDUSTRY AND SMEs**

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

**29 November 2022**

**Sofia, Hyatt Regency hotel and online**

**BACKGROUND PAPER AND AGENDA**

## VISION

The national roundtables on sustainable energy financing in Bulgaria shift their attention to the issues related to energy efficiency and renewable energy in the industry and SMEs, which are perceived to be of utmost importance for mitigating the economic crisis and avoiding the recession which many EU countries are facing. With a trend of increased clean energy investments in big manufacturers already clearly seen, questions about access to financing of SMEs and technological preparedness of all business to address the challenges remain. Overcoming these issues is largely related to the expected reforms under the National Recovery and Resilience Plan (NRRP), as financing for sustainable energy projects is depending on several support schemes, mostly targeted to the integration of renewable energy installations. Simultaneously, programmes under the EU Structural and Cohesion Funds are also expected, with the potential to address energy efficiency issues within the overall process of modernisation of the industrial technologies.

Unfortunately, due to the ongoing political crises, the reforms are slowed down and in serious risk of not being conducted on time to unlock RRM financing; 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. While there is only a minor chance of a stable governing coalition after the last Parliamentary elections on 2<sup>nd</sup> October 2022, it is expected that the Parliament itself would focus on the necessary legislative amendments in order to enable the implementation of the programmes. To this end, it would be of crucial importance that the conditions for participation are developed in a transparent way, so that both the beneficiaries and the financial sector are prepared and there is sufficient project readiness for quick and efficient investments under these programmes.

In this context, the next roundtable on sustainable energy financing will offer a platform for exchange and coordination between the national authorities, the representative business associations and the financial institutions, with the goal to provide adequate information about the expected conditions for application and evaluation and the timeframe of the support programmes, as well as about the already accessible specialized banking products operating on the market. The key issue will be the implementation of the planned reforms, which will enable the development of new business models better adapted to the needs of the SMEs and will support the attraction of market-based financing to complement the available public funding. To facilitate that goal, the agenda of the roundtable will offer presentations from the relevant public institutions providing updates on the pending reforms and the provisional timing of the support programmes, followed by the position of the industry and the SMEs, which has to be taken into account for the development of the application procedures. Further on, dedicated technical sessions will be held on the available bank products and on the requirements for quality of the projects and guarantees over the financial flows, which continues to represent a major barrier to mainstream financing to energy efficiency projects in the industry. In both sessions, the operating BeSMART technical working groups will provide their input, focusing on the application of energy performance contracting schemes as a key mechanism to ensure quality and mobilize additional financing for clean energy projects.

After the lunch break, summaries from the sessions will be presented by their facilitators, reflecting on the input from the speakers and the recommendations coming out from the discussions. These recommendations will provide the key input for the concluding panel discussion, which will gather representatives of the central government (invited), industrial chambers, energy experts and representatives of financing institutions.

#### 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 consecutive thematic sessions (75 min.) with 3 introductory lectures (ca. 10 min. each) and open discussion (ca. 45 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 (60-90 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:

- Available financial instruments in support of energy efficiency and RES in the industry and SMEs
- Energy management systems in the industry and SMEs
- The expectations of the financial sector of the national policies and the quality 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
- Suppliers of energy efficiency and renewable energy technologies
- Universities and research centers
- NGOs, energy agencies, local government networks
- Energy consultants
- Energy suppliers

## PROVISIONAL AGENDA

**29 November 2022**

Sofia, Hyatt Regency hotel and online

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

29 November	<b>FINANCIAL INSTRUMENTS FOR ENERGY EFFICIENCY IN THE INDUSTRY</b>
10:00 - 10:05	<b>WELCOME AND PRESENTATION OF THE OUTCOMES FROM THE PREVIOUS ROUNDTABLE</b> <i>Dragomir Tzanev, EnEffect</i>
10:05 - 10:15	<b>OFFICIAL ADDRESS BY THE DEPUTY MAYOR OF SOFIA DESISLAVA BILEVA</b>
10:10 - 10:25	<b>THE BUSINESS VIEW: WHAT WE NEED TO MEET THE CHALLENGES OF THE ENERGY CRISIS</b> <i>Dobri Mitrev, Bulgarian Industrial Association</i>
10:25 - 10:40	<b>FINANCING OPPORTUNITIES FOR SUSTAINABLE ENERGY PROJECTS IN THE OPERATIONAL PROGRAMME “INNOVATIONS AND COMPETITIVENESS”</b> <i>Representative from the Ministry of Innovation and Growth (invited)</i>
10:40 - 10:55	<b>BEST PRACTICES FOR FINANCING SUSTAINABLE ENERGY PROJECTS IN THE INDUSTRY AND SMALL AND MEDIUM-SIZED ENTERPRISES</b> <i>Sophia Kassidova, Bulgarian Development Bank</i>
10:55 - 11:15	<b>Questions and answers</b>
11:15 - 11:30	<i>C o f f e e b r e a k</i>
11:30 - 13:15	<b>Session 1: Available financial instruments in support of energy efficiency and RES in the industry and SMEs</b>
	<u>Presentations (10 minutes each) from representatives of commercial banks and ESCOs</u> Invited: UniCredit Bulbank, UBB, Postbank, Fibank, ProCredit, Alliance for Energy Efficiency
	<u>Discussion (1 hr)</u> <ul style="list-style-type: none"><li>➤ 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?</li><li>➤ Is the OP “Competitiveness and Innovation” contributing to the interest in financing sustainable energy?</li></ul>

- 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 INDUSTRY 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*

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

### **Available financial instruments in support of energy efficiency and RES in the industry and SMEs**

Businesses are at the forefront of the current energy crises, with the rising energy costs inevitably causing multiple increases in the costs of production and distribution. With limited resources, SMEs are among the hardest hit – something that can be alleviated significantly through the introduction of different energy efficiency measures and RES solutions, which can bring about energy savings. However, in order to get access to any innovative opportunities, businesses need to be aware of the existing support schemes and financial instruments on the market.

To this end, this session will begin with presentations by representatives of leading commercial banks and ESCOs in the country to share their available financial products that are suitable for sustainable energy projects in the industry and SMEs. They will then be joined in a discussion by representatives from the most relevant stakeholders – Bulgarian Industrial Association, Econoler, Alliance for Energy Efficiency, Bulgarian Construction Chamber, commercial banks, Fund of Funds, Bulgarian Development Bank, Energy Efficiency and Renewable Sources Fund, financial institutions, NGOs, energy services providers, local authorities, energy consultants and others.

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

- 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?

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

### **Energy management systems in the industry and SMEs**

Energy management systems have a proven track of improving both the performance and cost effectiveness – something that is highly valued by businesses regardless of their size. However, the level of implementation of such systems is not high, even though they are often accepted as condition for access to financing. Even worse, it is noticed that their actual usage after implementation is not continuous and the understanding of the benefits among the businesses is still limited. To address these issues, this thematic session will cover existing energy management models in enterprises in the country, with good practice examples, and exploration of the national SME support schemes. Then the discussion will explore the needs of the sector for the successful implementation of sustainable energy projects, focusing on monitoring and verification of results, as well as the pathways to maximizing both the energy saved and produced.

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

- 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?

## PANEL DISCUSSION AND CONCLUSIONS

The roundtable will be concluded with a plenary session focused on the lessons learnt and the needs and expectations of the financial institutions from the national policies and sustainable energy projects.

First off, the thematic sessions' moderators will present the summaries from the morning presentations and discussions. These outcomes and insights will feed into the concluding panel, where invited representatives from the financial institutions, public authorities, professional and industry associations and energy experts will get to the heart of the challenges and expectations of the financial institutions, with an outlook on crafting strong messages to the central authorities to bridge the gaps and find effective solutions that are of mutual benefit to all key actors in the sustainable energy projects' value-chain.

The questions to be discussed are:

- What are the key risks for the successful implementation of the national support programs under the RRM and the ESIFs?
- Are the commercial banks interested in providing complementary financing for publicly supported projects? What are the challenges in aligning different financing instruments?
- What are the expectations of the business sector regarding the conditions of financing and the application process? Is it ready to develop quality and technically sound clean energy programmes which would minimize the risk for both the investors and the financing institutions?
- Do we have reasonable supply of technical consultation services and do we need provision of technical support along with financial support programmes?

