



**1<sup>st</sup> SMAFIN National Roundtable in Bulgaria**

**Wednesday 19 May 2021**

**Sofia, Intercontinental Hotel and online**

[www.smafin.eu](http://www.smafin.eu)



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## **AGENDA AND BACKGROUND PAPER**

1<sup>st</sup> SMAFIN NATIONAL ROUNDTABLE IN Bulgaria

**Wednesday 19 May 2021**

**10.30 – 16.30 (Sofia, Intercontinental Hotel and online)**

“Climate and energy: policies and financial mechanisms for sustainable development in the new planning period”

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## THE SMAFIN PROJECT IN CORELLATION WITH THE NATIONAL OBJECTIVES

The first roundtable in Bulgaria aims to build on the achievements of the previous SEIFs, launching a permanent platform for stakeholders to participate in the development, implementation and monitoring of future programs and financial mechanisms for energy efficiency and renewable energy in all economic sectors, with a special focus on building renovation. 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, manufacturers and suppliers of construction products, universities, and NGOs will join forces towards the common goal to:

- Establish a platform for contacts between supporting initiatives and stakeholders to mediate and stimulate investments in energy efficiency,
- Generate recommendations for development of programs and mechanisms stimulating private investments in energy efficiency at national level,
- Promote good practices in various thematic areas related to energy management,
- Stimulate the implementation of quality renovation projects of public and residential buildings and the participation of financial institutions and citizens in national programs and local initiatives.

The first roundtable in Bulgaria has been planned in a hybrid form – both online and with physical participation, fully respecting the COVID-19 safety guidelines. The format of the SMAFIN RT will follow that of previously held SEIFs, featuring an opening (plenary) session, three parallel sessions and a closing plenary and panel discussion. The event will be held in Bulgarian. English translation is provided for the opening plenary.

Its main topic is focused on the new programming period, with special attention dedicated to the National Recovery and Resilience Plan, as well as on the Programme Development of the Regions 2021-2027 – both being currently in centre of the national policy debate and a high priority are for actors of the entire spectrum of the energy efficiency and especially the building renovation process.

With regards to discussions and consultations with the main stakeholders and working group members, the following topics have been carefully chosen as main pillars for the event:

- Financing of energy efficiency foreseen in the Recovery and Resilience Plan and the Programme Development of the Regions 2021-2027. The role of the upcoming National Decarbonization Fund.
- The role of local authorities in the implementation of national policies for energy efficiency

- Quality assurance: Energy audits, certification, and development of energy efficiency renovation projects

The Recovery and Resilience Plan and the Programme Development of the Regions 2021-2027 in Bulgaria have a huge financial component targeting building renovation projects in the residential sector (alongside projects for public buildings). As different from many other countries, the municipalities are the main beneficiaries and operational managers of these projects and are the driving force behind attracting market-based (private) financing. The quality and the ambition level of the municipal energy efficiency plans/strategies is crucial to fully optimize the leveraging of the private financial resources via the national and EU public funds. Within coherent energy efficiency long-term strategies and action plans, a variety of already available and newly emerging instruments and national and international financing mechanisms can support the successful structuring, aggregation and implementation of the actual projects, while Green Public Procurement (GPP) approaches will ensure the quality of the projects and the achievement of the short- and long-term municipal goals.

The quality of the energy efficiency projects and in particular on deep energy building renovation also depends on the quality of the energy audits, which provide the technical and financial parameters of the projects to be financed. This is an important component to guarantee the actual results of the projects and establish trust in the financial institutions and investors, as well as to all players along the investment projects value-chain. The energy auditing also provides viable market instruments to stimulate end-user demand, both as professional consultancy services optimizing the costs and as certification tools increasing the value of the properties on the real estate market.

The 1st SMAFIN Roundtable in Bulgaria is organised by **EnEffect** ([www.eneffect.bg](http://www.eneffect.bg)). It is supported by **Municipal Energy Efficiency Network EcoEnergy** ([www.ecoenergy-bg.net](http://www.ecoenergy-bg.net)) and despite the complex political situation (a new caretaker government stepping into power few days before the event) has attracted governmental representatives from the **Ministry of Regional Development and Public Works** and the **Sustainable Energy Development Agency** (an executive energy under the Ministry of Energy).

## AGENDA

<b>10:30- 12:30</b>	<b>Introductory plenary (120 min)</b>
<b>Welcome</b>	<b>Dragomir Tzanev</b> , Executive Director, EnEffect
<b>10:35 – 12:30</b>	<b>EU and national energy efficiency policies</b>
<b>Moderator:</b>	<b>Dragomir Tzanev</b> , Executive Director, EnEffect
	<b>"Main results of previous SEIFS"</b> <b>Marko Markov</b> , Econoler Bulgaria, organizer and moderator of the previous forums
	<b>"National policies in support of energy efficiency"</b> <b>Ivaylo Alexiev</b> , Executive Director of Sustainable Energy Development Agency
	<b>"Building renovation in the recovery and resilience plan"</b> <b>Julian Popov</b> , BPIE
	<b>"Good practices in existing financial mechanisms for energy efficiency in the building sector"</b> <b>Nadya Dankinova</b> , FLAG Fund and Sustainable Cities Fund
	<b>"Energy Efficiency Watch survey results: Towards new narratives for the energy transition"</b> <b>Kristina Dely</b> , Energy Cities
	<b>Discussion and gathering feedback for EEW4 narratives</b>
<b>12:30-13:30</b>	Lunch break

## THEMATIC PARALLEL SESSIONS

<b>13:30 – 14:30</b> <b>Parallel sessions</b>	<b>1<sup>st</sup> Thematic parallel session (60 min)</b>
	<b>Financing of energy efficiency foreseen in the Recovery and Resilience Plan and the Programme “Development of the Regions 2021-2027”. The role of the upcoming National Decarbonization Fund.</b>
<b>Moderator</b>	<b>Dragomir Tzanev</b> , Executive Director, EnEffect
	<b>“Energy efficiency in the Programme Development of the Regions 2021-2027”</b> <b>Pavlina Aleksova, Lyudmila Stoykova</b> , Ministry of Regional Development and Public Works
	<b>“Main aspects in the Recovery and Resilience Plan (RRP)”</b> <b>Jordan Nikolov</b> , Bulgarian Association for Construction Insulation and Waterproofing <b>Dragomir Tzanev</b> , EnEffect
	<b>“The role of the future National Decarbonization Fund for the successful policy implementation”</b> <b>Marko Markov</b> , Econoler
	<b>Discussion</b> – Participation of group of experts
<b>14:30-15:00</b>	Coffee break

<b>13:30 – 14:30</b> <b>Parallel sessions</b>	<b>2<sup>nd</sup> Thematic parallel session (60 min)</b>
	<b>The role of local authorities in the implementation of national policies for energy efficiency</b>
<b>Moderator</b>	<b>Stanislav Andreev</b> , Managing Director of EnEffect Consult
	<b>"Energy efficiency in the Programme Regional Development"</b> <b>Pavlina Aleksova, Lyudmila Stoykova</b> , Ministry of Regional Development and Public Works
	<b>"Opportunities for the municipalities foreseen in the RRP"</b> <b>Stanislav Andreev</b> , EnEffect Consult
	<b>"The new Covenant of Mayors. Development of investment concepts with the support of EU City Facility"</b> <b>Teodora Stanisheva</b> , EcoEnergy
	<b>"The role of GPP"</b> <b>Todor Popov</b> , Director of the Directorate: Administrative, Legal and Information Services in Gabrovo municipality
	<b>Discussion</b> - Participation of group of experts
<b>14:30-15:00</b>	Coffee break

<b>13:30 – 14:30</b> <b>Parallel sessions</b>	<b>3<sup>rd</sup> Thematic parallel session (60 min)</b>
	<b>Quality assurance: Energy audits, certification, and development of energy efficiency renovation projects</b>
<b>Moderator</b>	<b>Alexander Stankov</b> , EnEffect
	<b>"Good practices for achieving high energy classes of building renovation"</b> <b>Aleksander Stankov</b> , EnEffect
	<b>"Energy efficiency certification"</b> <b>Angelina Tomova</b> , Energy Agency of Plovdiv



	<p><b>“Requirements for EE projects”</b>  <b>Atanas Stoykov</b>, Bulgarian Energy Efficiency and Renewable Sources Fund</p>
	<p><b>Discussion</b> - Participation of group of experts</p>
<b>14:30 – 15:00</b>	Coffee break
<b>15:00 – 16:30</b>	<b>Closing plenary, lessons learned and upcoming activities (90 min)</b>
	<b>Presentation of the outcomes of the parallel sessions, moderators of the three sessions</b>
Moderator	<b>Asya Dobrudjalieva</b> , Habitat Bulgaria
	<p><b>Ivan Velkov</b>, Bulgarian Facility Management Association  <b>Jordan Nikolov</b>, Bulgarian Association for Construction Insulation and Waterproofing  <b>Kamelia Georgieva</b>, National Trust EcoFund  <b>Ivaylo Alexiev</b>, Sustainable Energy Development Agency  <b>Dobri Mitrev</b>, Member of the Management Board and Secretary General of BIA  <b>Tanya Hristova</b>, Chairman of EcoEnergy and Mayor of Gabrovo</p>
	Q&A
<b>16:30</b>	End of the discussion

The event will be held in Bulgarian. English translation is provided for the opening plenary.

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

### **Financing of energy efficiency foreseen in the Recovery and Resilience Plan and the Programme “Regional Development”. The role of the upcoming National Decarbonization Fund.**

The 1st parallel session will address main aspects from national strategic documents with relation to energy efficiency, with an overview of the national priorities, and the national 2030 and 2050 targets. Specifically, the first part will be focused on the energy efficiency as foreseen in the Programme “Regional Development” presented by representatives from the Ministry of Regional Development and Public Works, followed by presentation regarding the Recovery and Resilience Plan (RRP), and lastly - about the opportunities that the National Decarbonization Fund could open to attract financing for building renovation projects.

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:

- Are the resources under the Recovery and Resilience Plan and the Programme Development of the Regions 2021-2027 for building renovation sufficient to reach the national and EU targets for decarbonisation of the building stock?
- Are the planned grants going to be combined with other EU funds, and especially with available credit lines?
- Can it be expected that public funds attract private financing in order to increase the scope of the renovation?
- Are we confident that the projects would target the cost-optimal renovation levels and avoid lock-in effects?
- How should the future National Decarbonisation Fund should be structured in order to enable the participation of commercial banks and specialized funds in the renovation programmes and to stimulate private investments?
- How should the proposed “Technical assistance” component of the Fund function and what type of support it should offer to the different actors in the investment projects’ value chain?
- Which stakeholders are the most influential on stimulating participation and attracting financing for building renovation projects at national and local level?

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

### **The role of local authorities in the implementation of national policies for energy efficiency**

This session is focused on the ways and tools at hand for the municipal actors to best utilize the financial resources foreseen in the programs.

The first part of the session is going to be focused on the Programme Development of the Regions 2021-2027, and the reforms in the Recovery and Resilience Plan that are relevant to building renovation with respect to specific financial and temporal aspects. Next off will be an overview of international mechanisms and initiatives for technical support and sound energy management at the local level so that the full benefits from the building renovation programs can be utilized and market financing can be attracted. Lastly, there is a presentation and discussion about practical application of Green Public Procurement and its relevance to the national EE policies.

The presentations will be followed by a discussion about barriers and challenges that local administrations face in the successful implementation and financing of EE projects, and how to overcome them through creating trust in the financial institutions. The discussion will be based on the following questions:

- What are the main obstacles and barriers (technical and legal) to the introduction of training / enhancement skills clauses for energy efficient construction in the public procurement in Bulgaria?
- What are the main barriers to attracting private financing for public building renovation in your experience?
- What measures / tools are needed to overcome these barriers? Which are the main stakeholders/ partners that would commit to such measures?
- Which are the most important public institutions that need to be informed about the benefits of the GPP?
- Which stakeholders are not yet sufficiently involved?

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

## **Quality assurance: Energy audits, certification, and development of energy efficiency renovation projects**

Each building renovation project is based on an energy audit in which a technical and financial assessment of the implementation of possible energy efficiency measures is made. Based on this assessment, organizations apply for funding under various programs. As the project approval is based on the recommendations given in the energy audit, the technical design and the implementation of the measures follow these recommendations. Even if better technical solutions are available or there are inaccuracies in the energy audit it is difficult to update the project as it is approved on the basis of the energy audit itself.

Unfortunately, at this stage a large percentage of the developed energy audits are not of the required quality, mistakes are often made, and the level of ambition of the proposed measures is low. This leads to distortion of the final results, respectively to compromised implementation of the building renovation projects.

The working group that includes a representative from Sustainable Energy Development Agency and Energy Efficiency and Renewable Sources Fund, will discuss the common problems and errors within the energy audits and the current state of the energy certification schemes, looking for solutions to improve their quality in order to increase the trust of the financing institutions, and, respectively, the application of audits and energy certificates in the actual structuring of the projects.

The discussion will be based on the following questions.

- What is and what should be the role of energy audits in the building renovation projects?
- What could be the role of the digital services in energy certification process?
- Do energy auditors have the capacity and experience? To what extent does this affect the quality of the audits?
- Do the available certification schemes have any impact on the projects' design and financing?
- How to increase the end-user demand for professional advice?
- Which specific instruments should we discuss during our next meetings?

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 (Sustainable Energy Development Agency), financing institutions (National Trust Eco Fund) business and professional associations (Bulgarian Industrial Association, Bulgarian Facility Management Association), industry chambers

(Bulgarian Construction Chamber), and local authorities (EcoEnergy/Gabrovo Municipality). The session will be chaired by a representative of Habitat Bulgaria, an institution providing micro-crediting for building renovation for low-income households, thus having an excellent understanding of the most widely cited barriers to building renovation. 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) 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.
- 3) Important stakeholders who are not yet actively involved in the debate on energy efficiency policies and programs and further steps in the dissemination of the roundtable's outcomes.