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**ENERGY EFFICIENCY OF THE BUILDING STOCK:  
THE CORNERSTONE OF THE SUSTAINABLE ENERGY  
TRANSITION**  
**National roundtable for financing energy efficiency  
investments in Bulgaria**

**30 January 2024**  
**Sofia, tbd and online**

**BACKGROUND PAPER AND AGENDA**



## VISION

In the light of diplomatic efforts for a global approach to decarbonisation, tripling renewable energy capacity and doubling the speed of energy efficiency improvements by 2030, the strategic and regulatory framework at European level now requires new, significantly increased ambitions in the context of overall climate and energy policies. A concrete example is the recently adopted Energy Efficiency Directive, which has set significantly higher and binding targets at national level, which will impact on the development of Bulgarian strategic, planning, and regulatory documents. The new version of the Energy Performance of Buildings Directive is now in its final stages of preparation, and it is already clear it will set extremely ambitious minimum energy performance targets for both new buildings and building renovation projects.

Meanwhile in Bulgaria, work is finally underway on the update of the Integrated National Energy and Climate Plan (NECP), which is expected to set specific targets for reducing energy consumption and limiting carbon emissions. A positive development was marked by the recent amendment of the Energy Act, which has put on the agenda the long-delayed reform of energy market liberalisation and has introduced relative clarity on concepts and issues that are increasingly entering the public discourse, such as the protection of energy-poor consumers and the setup of energy communities. An amendment to the Energy Efficiency Act is also currently under preparation, which will define the structure, governance and functioning of the National Decarbonisation Fund, the main financial instrument in the NECP, which is expected to provide the necessary resources for policy implementation.

In this context, the upcoming XII round table on financing sustainable energy projects will focus on the adoption of a shared vision on national priorities with a view to the practical application of the European guiding principle "Energy Efficiency First". Discussions on the national strategic framework will be linked to reforms in the key sector of building renovation, which would make it possible to implement market-based projects given the expected exhaustion of funds under available investment programmes and a reduction in the intensity of public support. Issues of creating institutional capacity for integrated management of energy policies will also be addressed, allowing public resources to be targeted efficiently in the areas with the greatest investment needs and avoiding duplication of functions between existing and future financial instruments.

In view of the leading role of energy efficiency in the building sector not only for the achievement of national goals, but also for the improvement of the urban environment and the living standards of the population, a cornerstone of the event will be the discussion panel with the participation of international and Bulgarian financial institutions, which will aim to identify market opportunities for large-scale investments in the sector. The discussion in this session will also provide guidance on the structuring, capitalization, and management of the National Decarbonization Fund, which is expected to provide the tools for a more active involvement of private financial institutions in view of the requirements of the European Taxonomy and the increased market interest identified during the previous roundtables.

Following the discussions in the previous events, two of the key tools for policy implementation will be explored in detail: the concept of smart buildings and related certification tools, which are becoming increasingly important for the banking sector, and the professional management of building stock, which preserves and enhances their economic value. Invited members of the professional community will not only assess the barriers to implementation, but also present workable solutions



for their nationwide deployment to engage consumers, increase the financial sector's understanding of the deep energy renovation market, and consequently, increase long-term investment.

Traditionally, the event will be organized in a plenary session and thematic workshops, which will be followed by a closing panel discussion with representatives of public institutions, business associations, local authorities, and energy experts. The round table will culminate in the adoption of a joint declaration which will provide a basis for broad public discussions and attract strong public and media interest in view of the topicality of the issues raised and the need for clear institutional positions. It is these positions, supported by immediate action for strategic planning and the development of financing and technical assistance instruments, that would provide a real opportunity for informed decision-making by business, civil society, and local authorities, who are expected to lead the energy transition in the situation of recovery from the economic and energy crisis.

#### FORMAT:

- Opening plenary session (two 1-hour panels) with the participation of keynote speakers from the national government, prominent NGOs consulting the NECP development, and local authorities
- In-depth technical discussion sessions (60-90 min.) with two or three introductory lectures and open discussion (ca. 30-45 min)
- Closing plenary session (30 min.) with presentation of the results of the thematic sessions and panel discussion

#### LEADING TOPICS:

- The strategic approach towards the national decarbonisation targets
- Innovative financing models for the decarbonisation of the building stock
- Professional services for smart and efficient buildings

#### PARTICIPANTS:

- Representatives of the national government and the Parliament's Committee on Energy
- Financing institutions
- Local authorities
- NGOs, energy agencies, local government networks
- Energy consultants
- Branch chambers, industrial, commercial, and professional associations and unions
- Universities and research centers
- Energy service suppliers



## PROVISIONAL AGENDA

**30<sup>th</sup> January 2024**

**Sofia, Hotel Intercontinental and online:** <https://us02web.zoom.us/j/86903673874>

09:00 – 09:30	<i>R e g i s t r a t i o n</i>
	<b>THE STRATEGIC APPROACH TOWARDS THE NATIONAL DECARBONISATION TARGETS</b> Moderator: Dragomir Tzanev, EnEffect
	<b>PANEL 1: THE STRATEGIC APPROACH</b>
09:30 – 09:00	<b>THE INTEGRATED NATIONAL ENERGY AND CLIMATE PLAN AS A TOOL TO GUIDE INVESTMENT DECISIONS</b> <i>Rumen Radev, Minister of Energy</i>
10:00 – 10:15	<b>STRATEGIC VISION FOR THE NATIONAL POLICIES FOR CLIMATE NEUTRALITY</b> <i>Julian Popov, Minister of Environment and Water</i>
09:30 – 09:45	<b>THE BUILDING SECTOR AS A CORNERSTONE OF THE DECARBONISATION OF THE BULGARIAN ECONOMY</b> <i>Andrey Tsekov, Minister of Regional Development and Public Works (invited)</i>
10:15 – 10:30	<b>LEGISLATIVE AGENDA IN THE AREA OF CLIMATE AND ENERGY</b> <i>Representative of the Energy Commission at the National Parliament (invited)</i>
10:30 – 10:45	<b>ECONOMIC IMPACT OF THE DECARBONISATION POLICIES: A RISK OR AN OPPORTUNITY?</b> <i>Maria Mincheva, Bulgarian Industrial Association</i>
10:45 – 11:15	<i>C o f f e e b r e a k</i>
	<b>PANEL 2: DECARBONISATION OF THE BUILDING STOCK: THE FUTURE OF THE NATIONAL DECARBONISATION FUND</b>
11:15 – 11:30	<b>THE RENOVATION OF THE BUILDING STOCK: A CHALLENGE AND AN OPPORTUNITY</b> <i>Angelina Boneva, Deputy Minister of Regional Development and Public Works</i>
11:30 – 11:45	<b>INVESTMENT GAPS IN THE RENOVATION OF THE BULGARIAN BUILDING STOCK</b> <i>Ivaylo Alexiev, Executive Director, Sustainable Energy Development Agency</i>
11:45 – 12:00	<b>STRUCTURING AND FUNCTIONING OF THE NATIONAL DECARBONISATION FUND</b> <i>Iva Petrova, Deputy Minister of Energy</i>
12:00 – 12:15	<b>THE ROLE OF THE PUBLIC FINANCING MECHANISMS FOR IMPLEMENTATION OF THE NATIONAL DECARBONISATION POLICIES</b> <i>Ivaylo Yaidzhiev, Deputy Minister of Finance</i>
12:15 – 12:30	<b>DISCUSSION</b>
12:30 – 13:30	<i>L u n c h b r e a k</i>



<b>Discussion session 1:</b> <b>Innovative financing models for the decarbonisation of the building stock</b>	
13:30 - 14:45	<p><b><u>Presentations (10 minutes each):</u></b></p> <ul style="list-style-type: none"><li>• Peter Sweatman, Climate Strategy &amp; Partners</li><li>• Ivaylo Alexiev, Sustainable Energy Development Agency</li><li>• Bilyana Mladenova, Association of Bulgarian Banks</li></ul> <p>Facilitator: Marko Markov, Econoler</p> <p><b><u>Discussion:</u></b></p> <ul style="list-style-type: none"><li>➤ What are the implications of the EU taxonomy on the development of innovative financing products in support of buildings' energy efficiency?</li><li>➤ What are the expectations of the financing institutions for the market demand for financing of clean energy solutions?</li><li>➤ What are the possible avenues for involvement of the commercial financing sector in the deployment of the public support mechanisms?</li></ul> <p><b><u>Participants (invited):</u></b> SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, Fund of Funds, Bulgarian Development Bank, National Trust EcoFund, FLAG Fund, BIA, Econoler, AEE, BCC, commercial banks, energy and financial consultants, NGOs, etc.</p>
14:45 – 15:15	<i>C o f f e e b r e a k</i>
<b>Discussion session 2:</b> <b>Professional services for smart and efficient buildings</b>	
15:15 - 16:30	<p><b><u>Presentations (10 minutes each) from:</u></b></p> <ul style="list-style-type: none"><li>• Yordan Nikolov, Renovate Bulgaria / BACIW</li><li>• Tsveta Naniova, BACC</li><li>• Stanislav Andreev, EnEffect</li></ul> <p>Facilitator: Ivan Velkov, Bulgarian Industrial Association</p> <p><b><u>Discussion (30 minutes)</u></b></p> <ul style="list-style-type: none"><li>➤ What are the mainstream opportunities and the key challenges for large-scale investments in building renovation?</li><li>➤ Where do we see the role and the position of the National Decarbonisation Fund?</li><li>➤ How does smart buildings and integration in the energy system affect the financing opportunities?</li><li>➤ What are the implications of the expected amendments of the EPBD?</li></ul> <p><b><u>Participants (invited):</u></b> SEDA, Bulgarian Energy Efficiency and Renewable Sources Fund, BIA, AEE, BCC, energy and financial consultants, National Trust EcoFund, FLAG Fund, commercial banks, etc.</p>
16:30 - 17:00	<b>THE ROLE AND FUNCTIONS OF THE NATIONAL DECARBONISATION FUND AS A KEY VEHICLE TO DRIVE FORWARD THE ENERGY TRANSITION</b> <b><i>Panel discussion with session facilitators</i></b>
17:00	<b>SUMMARY AND CLOSING OF THE ROUNDTABLE</b>
17:00 – 18:30	<i>N e t w o r k i n g c o c k t a i l</i>



## **1<sup>st</sup> THEMATIC TECHNICAL SESSION: INNOVATIVE FINANCING MODELS FOR THE DECARBONISATION OF THE BUILDING STOCK**

Financial institutions and investors are now compelled to align their offerings with the EU's environmental objectives, fostering the creation of innovative financing products that prioritize energy-efficient building renovations. Thus, the EU taxonomy will act as a catalyst for the development of financing instruments that address Bulgaria's energy efficiency goals while contributing to broader European sustainability objectives. At the same time, the building renovation support mechanisms in Bulgaria continue to exhibit an unprecedentedly high grant component. Currently, the Second phase of the National energy efficiency renovation programme offers 80% subsidy. Although market-based schemes and financing instruments, such as specialized credit lines and revolving funds, have been explored, the depth and scale of private investment is far from the necessary level to ensure the transition to low-carbon buildings and foster a more sustainable built environment. Following brief presentations by key stakeholders, the discussion part will focus on the following issues:

- What are the implications of the EU taxonomy on the development of innovative financing products in support of buildings' energy efficiency?
- What are the expectations of the financing institutions for the market demand for financing of clean energy solutions?
- What are the possible avenues for involvement of the commercial financing sector in the deployment of the public support mechanisms?

## **2<sup>nd</sup> THEMATIC TECHNICAL SESSION: PROFESSIONAL SERVICES FOR SMART AND EFFICIENT BUILDINGS**

Smart buildings harness cutting-edge technologies to optimize energy usage, enhance efficiency, and elevate overall performance. The incorporation of these intelligent systems into the energy grid fosters a dynamic and responsive approach to energy consumption. This transformative shift not only unlocks cost-saving opportunities for building owners but also creates novel financial prospects through innovative business models. Against the backdrop of the EPBD recast and its heightened focus on advancing energy efficiency and building automation, there is a clear call for specialized professional services to facilitate their implementation and maintenance. If Bulgaria is to transition to a more sustainable and technologically advanced built environment, the expertise of skilled professionals in the smart buildings sector becomes indispensable.

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

- What are the mainstream opportunities and the key challenges for large-scale investments in building renovation?
- Where do we see the role and the position of the National Decarbonisation Fund?
- How does smart buildings and integration in the energy system affect the financing opportunities?
- What are the implications of the expected amendments of the EPBD?