

MINUTES FROM THE
PUBLIC CONSULTATION
[on the] DRAFT
OF THE
LONG-TERM NATIONAL STRATEGY TO
SUPPORT THE RENOVATION OF THE NATIONAL BUILDING STOCK OF RESIDENTIAL AND NON-
RESIDENTIAL BUILDINGS FOR THE PERIOD 2021-2050

The public consultation took place on:	5 and 6 March 2020
Venue:	Sustainable Energy Development Agency (AUER) 11 Serdika Street, Sofia
Participants in the thematic groups: <i>(a list of the participants is set out in Annex 1)</i>	<ol style="list-style-type: none">1. Professional organisations, the National Association of Municipalities, academic community — Technical University of Sofia, University of Architecture, Construction and Geodesy, morning session)2. Financial institutions (5 March 2020, afternoon session)3. NGOs, energy traders, associations of property owners (6 March 2020)
Members of the working group tasked with the implementation of the Long-term Strategy	AUER, Ministry of Energy, Ministry of Regional Development and Public Works, Fund of Funds
Representatives of the technical consultant	Building Performance Institute Europe

Public consultation agenda:

Registration of participants

Overview of the national housing stock. Cost-effective approaches to renovation — packages of measures

Policies and measures promoting cost-effective major renovation. Additional benefits.

Discussion

Assessment of expected energy savings and the necessary investments.

Financial mechanisms for implementation of the Long-term Strategy and possibilities for investment mobilisation.

Discussion

The public consultation does not have the aim of reaching a broad consensus on specific matters discussed in the draft Strategy. The adopted approach is to allow a free exchange of opinions between the participants and provide them with a possibility to pose questions to the team responsible for the development of the Strategy.

In the space of one and a half days, a broad discussion took place that touched upon all aspects of the Long-term Strategy. More specifically, the following issues were discussed:

- Difficulties relating to the renovation of multi-family residential buildings
- Prioritisation of the types of buildings to be renovated
- While the availability of instruments with a 100 % grant component is a major barrier to building stock renovation, most owners of buildings have limited financial means, which precludes the deployment of financial mechanisms on a larger scale. It is necessary that financial instruments be structured in a way that takes into account the differences in the financial means of the various groups of occupants.
- This requires a more active ESCO market and removal of the barriers to its development.
- Insufficient public awareness of energy efficiency and low interest in energy saving. Difficulties in convincing the general public of the benefits of major renovation of buildings. Need to properly and widely communicate the benefits of energy efficiency improvements and major renovation of buildings.
- Participants in the financial group shared details of existing or future financial instruments.
- Realistic level of ambition of the Long-term Strategy.
- Energy Efficiency First as the leading principle of the strategic document.
- Emphasis on an integrated approach to renovation in order to achieve the ambitious targets set without neglecting the step-by-step approach to renovation.
- Existence of areas in Bulgaria with limited access to bank financing for the implementation of energy efficiency projects and need for a special approach to these areas.

The participants in the discussion agreed on some basic principles, advocated in the Strategy, such as:

- 1) Bulgaria has a significant potential for upgrading energy efficiency and offers real conditions for improving the comfort of living, enhancing the health and improving the working capacity of occupants, increasing the disposable income of households, job creation and increasing the overall competitiveness of the Bulgarian economy.
- 2) However, the achievement of tangible and measurable positive results in these areas will require a significant acceleration of renovation and therefore leveraging available funding by significant private investment.
- 3) Need to review regulations on the energy efficiency of buildings on a regular basis in line with the 'Energy Efficiency First' principle in order to align them with the decarbonisation objective for both new and renovated existing buildings. This process should engage the capacity of all key actors in the investment process and ensure that a system of control and penalties for non-compliance with statutory requirements is put in place, as well as strengthen the monitoring of compliance with the requirements laid down in applicable law governing the management and maintenance of building stock.
- 4) Need to provide sustainable financial instruments for the implementation of the long-term renovation strategy that are suitable for different target groups and types of building in order to attract additional private investment, including through the more active

participation of the owners of buildings. combining the funding available from the ESIF, international financial institutions, specialist funds, programmes, the national budget and private sources in an optimal manner and ensuring that a possibility is available to combine various public and private financial mechanisms.

- 5) Improving the capacity of the construction sector to ensure compliance with the requirements set out in the strategy in a manner that is timely and conforms to a high quality standard, and creating regulatory and technical conditions for building stock to be renovated using modern materials, products and technologies that ensure the sustainability of renovation processes and a minimal environmental footprint. Improving the system for quality control of construction works and construction materials and products used and applying penalties for non-compliance with regulations.
- 6) Need for systematic monitoring of the technical parameters and effects of the renovation of buildings in order to enhance the monitoring of implementation, ensure that deficiencies are rectified in a timely manner and processes are optimised at programme and operational level.
- 7) Continuous development of administrative and technical capacity both by systematically providing technical assistance to stakeholders (including local authorities) for the implementation of programmes supporting the renovation of buildings and by stimulating the introduction of accompanying tools such as professional building management, the implementation of energy management systems and the use of innovative information and communication technologies to ensure better connectivity of buildings to external systems and better responsiveness to the needs of their occupants.
- 8) Support for strengthening the professional capacity of the actors in the investment process by continually updating the system of vocational education and training, lifelong learning and promoting continuing professional training of designers, construction specialists and workers.
- 9) Ensure a stronger commitment, responsibility and active participation of owners through a systematic communication campaign at national and local level to improve understanding of the benefits of energy efficiency and change public attitudes in support of the overall process of renovation and maintenance of buildings.
- 10) Provide support for research and development and the implementation of pilot and demonstration building renovation projects leading to maximum levels of energy efficiency at proven cost optimality; Enhance the leadership role of public authorities in demonstrating the benefits of energy efficient buildings at optimal parameters of energy consumption and generation.

The general impression of the stakeholders who participated in the discussions is that the Long-term Strategy is a comprehensive, and well-structured document, which takes into account national specificities and outlines a strategic policy vision for the renovation of the national building stock in the long term.

Proposals/comments	Accepted/Rejected
Elaborate a vision in relation to the strategy	Accepted in principle. Proposal expected.
Introduce changes to tax policy and create incentives in combination with taxes and fees	The comment was accepted in principle. An opinion should be sought from the Ministry of Finance.
Integration of Registry Agency [as] a database for	The comment has been accepted. Possibilities to

Proposals/comments	Accepted/Rejected
Elaborate a vision in relation to the strategy	Accepted in principle. Proposal expected.
<p>gathering information about buildings as an element of the property register</p> <p>The structure of the financial instruments should take into account the need for dedicated funding for ancillary activities which are often an integral part of energy efficiency measures. In some cases, they are an essential requirement for the subsequent implementation of energy efficiency measures.</p>	<p>do this will be examined. There is no need to modify the current text of the strategy.</p> <p>The comment has been accepted. The Strategy contains an estimate of the share of investment needed for the implementation of accompanying measures in addition to energy-saving measures.</p>
Ensuring that funds are available for technical assistance to develop specific projects (including as a grant component) should be a mandatory element of any financial instrument.	The comment was accepted. The analysis of the financial instruments in the Strategy highlights the need for mandatory technical assistance. The analysis also examines the available opportunities to fund its provision from grant assistance.
Several financial instruments with proven experience in financing energy efficiency improvement projects have already been established and operate in Bulgaria. Their potential should be preserved and further developed in the next programming period.	The comment has been accepted. The section of the Strategy dealing with the financial instruments developed to enable its implementation provides a detailed overview of the existing sources of funding.
A possible approach to the structuring of financial instruments may be to further develop similar entities with a proven track record that already exist instead of establishing a new national fund.	The comment has been accepted. The Strategy outlines the general structure of the national decarbonisation fund. The details of its structure will be determined by taking into account existing entities and the possibilities to use them as a basis.
The Strategy should specify the technical measures that will allow certain microclimate levels to be achieved.	Rejected. The proposal is beyond the scope of the strategy.
Ensure that ownership the different types of buildings in the public sector (i.e. buildings owned by the central government and local authorities), which represent a major segment that merits special attention, be taken into account in the implementation of measures and the financial parameters of the individual activities in order to raise the visibility of the results achieved through the implementation of a dedicated financial policy in this subgroup.	The comment has accepted. It has already been taken into account in the Strategy, which contains an analysis of the applicability of each instrument to the different groups of buildings in terms of ownership.
The specific measure to which each financial instrument applies should be indicated, along with the relevant timeframe and institution responsible for its implementation.	The comment has been accepted. The section of the Strategy which contains an analysis of existing barriers and identifies possible measures to overcome them indicates (where possible) the financial instrument that will support the implementation of the measure as well as the institution responsible for implementation.

Proposals and comments to the Long-term strategy*:

**A video and audio recording of the discussion is available, which has been made with the consent of the parties in attendance. The audio and video recording have been used solely for the purpose of drawing up these minutes.*

Annex 1: Participants in the public consultations conducted under project Long-term National Strategy for Renovation of the National Housing Stock of Residential and Non-residential Buildings for the period 2021-2050

1. Chamber of Architects in Bulgaria
2. Chamber of Construction Companies in Bulgaria
3. Chamber of Investment Design Engineers
4. Bulgarian Association of Architects and Consultant Engineers
5. Chamber of Installation Companies in Bulgaria
6. Chamber of Energy Auditors
7. Bulgarian Facility Management Association
8. University of Architecture, Civil Engineering and Geodesy
9. Technical University, Sofia
10. National Association of Municipalities in Bulgaria
11. Chamber of Energy Auditors
12. Energy efficiency Centre N Effect
13. World Bank
14. Energy Efficiency Alliance
15. Energy Efficiency and Renewable Sources Fund
16. Econoler S.A
17. Fund of Local Authorities and Governments in Bulgaria — FLAG EAD
18. Sustainable Cities Fund
19. National Trust EcoFund
20. Sofia Energy Agency SOFENA
21. EVN Bulgaria
22. Bulgarian Sustainable Development Institute
23. Energy Management Institute
24. Association of Bulgarian Energy Agencies
25. Foundation Shelter for Humanity — Habitat Bulgaria
26. Bulgarian Association for Project Management in the Construction Industry
27. Association for Facade Engineering Solutions
28. Association for the Earth

The attendance of representatives of the abovementioned organisations has been documented by compiling attendance lists. In accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance) the data contained in attendance lists cannot be used for any purpose other than reporting on the results of the organised event.

