



Bulgarian Energy Efficiency Fund

Energy Efficiency Financing Options in Bulgaria

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Critical financial barriers have been eliminated

- Lack of bank credits for project financing
- Short term nature of financing
- Search of big projects
- Monopolies in financing



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Existing barriers

- Poor capacity to develop bankable projects
- Underdeveloped energy efficiency consultancy market
- Underdeveloped ESCO market
- Poor experience in partnership in project financing



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Current financing environment in Bulgaria

Various financing instruments in use:

- Bank loans
- Municipal bonds
- leasing of EE equipment
- ESCOs
- Kyoto flexible mechanisms
- Special EE funds in Bulgaria



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Special purpose funds

International Fund “Kozloduy”

(KIDSF/ EBRD established by an agreement with the EU to soften the consequences of the decommissioning of the Kozloduy NPP reactors

- 5 servicing commercial banks
- Market based interest rate
- Subsidies to the client:
 - 7.5% for energy efficiency projects
 - 20% for RES projects

Volume: € 100 000 000



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Special purpose funds (2)

Bulgaria Energy Efficiency Fund (BEEF)

(Established by the Energy Efficiency Act, 2004)

Main sponsors: GEF / World bank, Bulgarian government, Austrian government, / donors / public-private partnership

Based on market competitive conditions

Financial products: loans, partial credit guarantees, technical assistance for project development

Project size: € 15 000 - € 1 500 000



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Special Credit Line of Raifeisen bank

Oriented to finance municipal infrastructure development projects

Volume: € 20 mln from **European Investment Bank** and € 20 mln from **Raifeisen bank**

Project size: € 40 000 - € 5 000 000

Grants: 2,5 – 5% over project cost from PHARE



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Available financing sources for EE in Bulgaria

Needs vs available financing

Needs calculated of several billions of US dollars

Available financing

BEE Fund (GEF/WB) – 12 - 25 mln USD

Fund EBRD / Kozlodui – 100 mln USD

EIB / Reifaisen Bank credit line – 40 mln EUR

Acute long-term shortage of financial resources for EE investments still exists



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Equity financing - a missing financing option for energy efficiency projects

Direct impact towards EE market development

Partnerships and co-financing with the existing funds and financial instruments

Equity financing – tool for overcoming the existing limited borrowing capacity



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Technical assistance is still needed for project development

Building of local capacity on project development and use of innovative financial schemes and instruments

Train local fund managers on innovative financial practices and partnerships

Establish and support partnerships with the local special funds for financing of specific EE investment projects



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