



ACTION PLAN

BULGARIAN SMALL AND MEDIUM ENTERPRISES PROMOTION AGENCY



1. INTRODUCTION

SUPPORT Project, funded with the second call of the INTERREG Europe Programme, addresses the difficulties found by the municipalities and the regional authorities in the implementation of the energy efficiency policies.

The main goal of BSMEPA as SUPPORT Project partner especially aims to tackle the challenges emerging during the transition from strategy design to implementation of energy efficiency (EE) policy for the SMEs. In compliance with the Energy Efficiency Act of Bulgaria the Ministry of Economy is responsible for the energy efficiency improvement in small and medium-sized enterprises as well as the energy consumption of the industrial systems.

Part I – General information

Project: Support Local Governments in Low Carbon Strategies (SUPPORT)

Partner organisation: BULGARIAN SMALL AND MEDIUM ENTERPRISES PROMOTION AGENCY – PP9

Other partner organisations involved (if relevant): The responsible body for the policy instrument: DG European Funds for Competitiveness of the Ministry of Economy - Managing Authority of Operational Programme “Competitiveness and Innovations 2014 - 2020” (OPIC); Directorate Economic Policy with the Ministry of Economy, Ministry of Energy, Agency for Sustainable Energy Development, Municipalities of Sofia and Bourgas, Association of the Bulgarian Energy Agencies.

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Part II – Policy context

The Action Plan aims to impact:

<input checked="" type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument addressed: Operational Programme Innovation and Competitiveness 2014 - 2020 (OPIC), Priority Axis 3 "Energy and Resource Efficiency", Thematic Objective 4 and Thematic Objective 6.

Operational Programme "Innovation and Competitiveness" 2014-2020 (OPIC) is the main program document at national level outlining the support for the Bulgarian small and medium enterprises (SMEs) from the European structural and investment funds for the period 2014-2020.

In order to study the effect of the energy efficiency supporting measures and funding procedures for the companies provided by OPIC and to receive feedback and comments from the beneficiaries, a survey was commissioned by the Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA) and prepared by the Economic Policy Institute. The study seeks to summarize and analyse information on energy savings of Bulgarian small and medium-sized companies (SME), beneficiaries of the al Programme "Innovation and Competitiveness" 2014-2020, which applied successfully under procedure BG16RFOP002-3.001 "Energy Efficiency for Small and Medium-sized Enterprises". Furthermore, the report aims at providing recommendations based on the feedback received by the surveyed companies. This information is needed for justification of the Action Plan for SUPPORT project developed by BSMEPA as partner organization.

The report shows that 67% of the micro, small and medium-sized enterprises surveyed stated that they had fulfilled the planned energy savings by implementing their project activities, with 19% overcharging them. Table 1 presents the share of companies that have failed to meet the projected energy savings, which accounts for one third of all companies that are in the sample. From feedbacks and talks with company representatives that fall into this group, it is clear that, in general, the reason for failing to meet the planned energy savings is that the period for achieving the set goals is not over yet - for example, much of the projects are completed in 2018 and to date it is still early to take into account the real value of the planned energy savings achieved.

Table 1. Relative share of companies in relation to the achieved energy savings in the project under the procedure

Companies that have failed to meet the planned energy savings	33%
Companies that have succeeded to meet the planned energy savings	67%

Enterprises that have overcharged planned energy savings	19%
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The survey results show that an improved energy efficiency of surveyed companies has been achieved mainly by replacing existing machinery and/or equipment with energy saving ones or by acquiring new energy saving machinery and/or equipment that have not been in use by the respective SME before the project started. Introducing energy management systems and the corresponding certification are considered the next more important tool for improving energy efficiency. Additional activities that were implemented by beneficiaries within their energy efficiency projects include utilization of remaining energy as well as application of heating and cooling systems.

The feedback from the survey on the energy savings of the Bulgarian small and medium-sized companies (SME), which were beneficiaries of the Operational Programme “Innovation and Competitiveness” 2014-2020 and the discussions with the local stakeholders showed a need for practical approach to building effective industrial energy efficiency policy through a focus on energy management, industrial system optimization, and measurement and documentation to support the continuous improvement. This approach should not be targeted to the use of energy efficient technologies in a specific sector; instead, it has to address the opportunities for improving energy efficiency that are common across all industrial sectors.

The challenges around effectively implementing policy instruments such as advice, voluntary audits, grants and loans were raised by the national stakeholders and the need for policy mix to deliver both bill and carbon savings was suggested. SMEs face various barriers that deter them from adopting energy efficiency measures; they often lack the time and resources to explore energy efficiency options, and they lack information about where and how energy is used in their businesses. They do not have the internal capacity to develop and implement energy efficiency projects, and rarely view energy efficiency as a priority. In many cases, their access to financing for energy efficiency measures is constrained by insufficient capacity to develop bankable projects with financial institutions, which often remain reluctant to provide financial products due to perceived risks and a lack of a suitable product.

Part III – Details of the actions envisaged

ACTION 1: Creation of National Energy Management Information System

1. The background (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

Some of the most valuable good practices from SUPPORT Project presented by BSMEPA to the Bulgarian stakeholders were the **Energy Management Information System (EMIS) of Croatia** and the **Regional shared knowledge framework on energy data collection and management ANERGO**, developed by ALEA in Romania. The introduction of these energy management systems resulted in:

detecting huge energy and water consumers; energy and water consumption cost planning; new priorities for renovation (ESCO, state and EU grants); fast detection of water leakage (unmeasurable savings) and soft EE measures: contracting power supply, reduced costs of excessive reactive energy and heat energy power lease.

The obligation to implement intelligent metering systems for electricity and natural gas is determined in Directive 2009/72/EC and Directive 2009/73/EC (Annexes 1, 2).

The Bulgarian economy is characterized as one of the most energy-intensive and highly dependent, in comparison with other European countries, on the import of energy resources.

Action 1 aims development of Energy Management Information System for implementation of integrated approach in the field of energy efficiency and renewable energy, by supporting The Bulgaria's Sustainable Energy Development Agency to improve the quality and quantity of the energy services provided to Bulgarian enterprises, as well as to increase the opportunities for energy management, collecting, processing and delivering of information on key energy intensity indicators by sectors of economic activities in Bulgaria.

The IS will be centralized tool for continuous gathering, monitoring, analysis, interpretation and reporting of energy and water consumption data in public buildings and industry at local, regional and national level.

2. Action: Establishment of Information system for collecting and data processing for the basic energy efficiency indicators by sectors of economic activities in Bulgaria

The Action will be implemented as a grant procedure funded by Operational Program "Innovation and Competitiveness" 2014-2020 (OPIC), with dedicated beneficiary the Agency for Sustainable Energy

Development (ASED) under Priority Axis 3 "Energy and Resource Efficiency", Investment priority 3.1. "Energy Technologies and Energy Efficiency" OPIC 2014-2020.

The main objective of the procedure is the establishment of energy management information system by industrial sectors and by types of fuels and energy (including RES) in Bulgaria which will be managed by ASED. The platform will be an important tool for the policy makers for the optimal implementation of energy efficiency policy and funding through appropriate financial mechanisms. At the same time the IS will be an access point to new or upgraded functionalities a Help Desk for provision of services related to EE issues to companies and citizens.

As a result of the implementation of the envisaged Action, it is expected to be achieved a positive effect on upgrading the capacity for implementation of EE measures in Bulgaria and evaluation of their results, more effective planning and implementation of specific EE and RES policies, and to increase the interest of the businesses and citizens to EE and RES measures, which will help to achieve sustainable energy development.

The IS will be developed by a project implemented by the Agency for Sustainable Energy Development with the following activities:

- Development of the Energy Management Information System, including Help Desk for energy efficiency and renewable energy.
- Development of sample ESCO contracts;
- Development of guidelines for energy efficiency audits of enterprises, including SMEs;
- Training seminars and consulting on EE for SMEs and for energy managers in energy efficiency management and BDS EN ISO 50001 in industrial enterprises;
- Information campaigns to promote the ESCO mechanism;

Target groups/indirect beneficiaries of the Action:

- About 71,000 businesses, including SMEs
- Persons engaged in energy efficiency auditing of enterprises, industrial systems and outdoor artificial lighting systems
- Ministries, municipalities, regional authorities
- Citizens interested in obtaining information on energy efficiency

Step 1: Preparation of the funding procedures by the MA of OPIC.

1.1 Inclusion of the action in the current programming schedule of Operational programme

“Innovations and Competitiveness”.

- 1.2 Preparation of the documentation for the application for funding.
- 1.3 Submission and adoption of the project proposal by the applicant (ASED).

Step 2: Development of the information system

- 2.1. Procurement of the preparation / development of documentation for the projected public procurement Contracting for the SW and for the hardware
- 2.2. Identification of data sources and collection of information for initial upload.
- 2.3. SW development, customization and testing the functionalities
- 2.4. Initial upload of information

Step 3: Trainings and information campaigns

Indicators for successful project implementation:

- 1 Integrated information system. Helpdesk built ('Help Desk')
- 300 trained companies for implementing ESCO contracts
- 120 trained energy efficiency consultants
- 600 trained energy managers of enterprises

Alignment with EU policies and objectives

The Action is in compliance with 2012 Energy Efficiency Directive (2012/27/EU), Articles 8 and 9. The state support for energy audit or energy management systems with a roadmap should be developed for the companies including a list of prioritised energy efficiency actions. Companies should be required to implement the prioritised actions as far as they meet specific criteria. Action 1 facilitates the actions and creates conditions for a comprehensive monitoring system at national and regional level for monitoring the energy consumption in industry along with a list of relevant EE services aiming its reduction.

3. Players involved (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

Ministry of Energy, responsible for the energy policy the development of a competitive and reliable infrastructure, security and diversification of sources and supply routes of the energy resources and an overall improvement of the energy efficiency.

Ministry of Economy, DG "EU Funds for competitiveness" is MA of OPIC which provides the funding sources for the action and is responsible for preparation of the call for proposals, evaluation and award procedures, the monitoring and implementation process. "Economic Policy" Directorate of the ministry is responsible for the development of the SME competitiveness and innovation policy.

Bulgarian SME Promotion Agency, responsible for the implementation of programs and measures to promote competitiveness, innovation and cluster development of SMEs in compliance with the SME Strategy and RIS3 Strategy of Bulgaria. The Agency participates in the control bodies to monitor the OPIC and has the opportunity to propose measures for its optimization

Other: The municipalities and regional authorities in Bulgaria, National Statistical Institute, Bulgarian Chamber of Commerce and Industry, Bulgarian Industrial Association, non-government organizations, energy auditors, energy agencies and energy traders, etc. They will be information providers and at the same time end-users of the services delivered by the platform.

4. **Timeframe**

2019 - Preparation of the procedure by the MA of OPIC, Application procedure and Contract signature

12/2019-12/2021 Implementation of the Action

5. **Costs** (if relevant)

4 107 815 BGN (2 100 292 Euro);

3 491 643,04 BGN is EU funding and 616 172, 30 BGN is national co-funding.

6. **Funding sources** (if relevant):

Operational Program "Innovation and Competitiveness" 2014-2020 (OPIC), with the financial support of the European Union through the European Regional Development Fund and 15% national funding.

Date: 17.09.2019

Signature: 

Stamp of the organisation (if available): 