

Buildings refurbishment and urban mobility policies

The REC experience in Bulgaria

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April 9, 2014



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Short background

- The Energy efficiency act (implementing the Energy Performance of Buildings Directive 2002/91/EC) and the National Energy Efficiency Action Plan (NEEAP) considers 9% of GHG emissions decrease for 2008-2016 with intermediary target of 3% for 2008-2010 period
- The National Renewable Energy Action Plan (NREAP) - 16% share of RES in the gross final energy consumption and 10% renewables in the transport sector



Recommendations on energy efficiency

- Covering the “financial gap” – 77`000 EUR average investment with payback for 8 years or partial coverage by the national or EU funds (20 to 30%).
- Obtaining quantitative information on the original targets of each programme or credit line.
- The post refurbishment procedures - qualitative protocols for monitoring and evaluating the GHG saving by residential buildings.
- Energy audits and proper advisory by independent bodies, such as a local government office, local energy agency has to be introduced to assist the households in the decision process on the most efficient investments. The decision has to be based on common knowledge but not on advices by merchants.



Recommendations on energy efficiency

- Implementing renewable technologies – covering all possible gaps in the energy efficiency legislation (the EE Act in Bulgaria).
- Provide sufficient information about new technologies to households.
- Increasing the accessibility index of the governmental subsidy programmes - usually large scale programmes.
- Innovative finance mechanisms could be developed to leverage governmental funding more efficiently with private funding.
- All financing mechanisms should be accessible easily and application procedures should be simplified and streamlined to motivate the private sector to invest into large scale retrofit projects.
- Such mechanisms should reduce the payback time and the security requirements to improve the access of the households.
- Interest rate subsidies and guarantees can be applied more widely. State guarantees can be applied to the private loans.



Recommendations for urban mobility

- Taxation policies – special taxes for new cars, should be introduced, as well as special policies for calming the traffic.
- Introducing new policies for urban mobility as a zero GHG mechanisms.
- Assessing and covering all policy gaps especially at planning level – the Ordinance #2 / 29.06.2004 for planning and design of communication and transport systems for urbanized territories.



The paradox with the policies for climate change

- Refurbishments resulting in annual household carbon dioxide emission reductions of between 60 and 80 percent can cost up to EUR 27.5 billion per year, or EUR 10,000 per home. Cost is therefore a significant barrier to progress in this area. In Bulgaria the existing commercial loans serve only to high-income homeowners, who represent 9,7%¹ of the society.

¹ Stoyan Panchev, *Defining and measuring the middle class in Bulgaria*, Institute of Market Economics, June 2013.



Thank you for your attention!



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