

**PIMS #2940, MSP Proposal: Building the Local Capacity for Promoting Energy
Efficiency in Private and Public Buildings**

Endorsement letter and Commitment letters

REPUBLIC OF BULGARIA



MINISTRY OF ENVIRONMENT AND WATER

26 August, 2004

Subject: Support letter for UNDP/GEF Project "Building the Local Capacity for Promoting Energy Efficiency in Private and public Buildings".

Dear Mr. Buhne,

In my capacity as a GEF Operational Focal point I would like to state support to the above mentioned project.

The previous UNDP-GEF project, managed by the EnEffect NGO, has substantially raised awareness among municipalities regarding energy efficiency opportunities. Over the last several years, Bulgarian energy efficiency policies have been strengthened substantially, especially on the legal side with adoption of the Energy Act and Energy Conservation Act, as well as on the final side, with plans to establish the Bulgarian Energy Efficiency Fund as part of the World Bank-GEF project.

At the same time, there are areas both of national interest, and global importance in terms of greenhouse gas reduction, which remain untapped. These include exploring of energy efficiency opportunities within buildings, especially social infrastructure, as well as improvement of energy auditing capacities, education for energy efficiency building standards and norms, work with small and medium enterprises and ESCO type companies.

We deem that the proposed project adds on in a synergetic manner to other initiatives currently supported by the government of Bulgaria.

Yours sincerely,

Fathme Iliaz
Deputy Minister

Mr. Neil Buhne
Resident Representative
UNDP Office in Bulgaria

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Action			MZ CG	
Date	10. 09. 2004			
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Good

Housing +

Mr. Neil Buhne
UNDP Resident Representative for Bulgaria
Sofia

Datum: 10 April 2005
Betreft: Matra Project Sustainable
Housing Management in Bulgaria
Uw kenmerk:

Tel: 030 6000713
Fax: 030 6090569
e-mail: info@housingplus.nl

Dear Mr. Buhne,

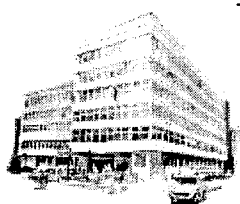
The Foundation Housing +, in co-operation with the Dutch housing organisations Woondrecht and De Nieuwe Unie, and the Bulgarian Housing Association is implementing a project to promote Sustainable Housing Management in Bulgaria. The project will also address the promotion of energy efficiency in residential buildings. The project is funded by the Ministry of Foreign Affairs of Netherlands under the MATRA programme. The total funding is € 350,000. The project will run until the end of July, 2006.

Given the above, we look forward to co-operating with the related UNDP/GEF project "Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings" currently under development in terms of identifying areas of common interest and possible joint actions.

Kind regards



Mark van Wees
Project Manager



99-00-26/13 06.05

REPUBLIC OF BULGARIA
MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS

1202 Sofia, Bulgaria, Kiril and Methodius Str. 17-19,
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Date 16. 06. 2005



Info

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13 June 2005

To:
Mr. Neil Buhne
Resident Representative
UNDP Office in Bulgaria

Subject: Support Letter for UNDP/GEF Project Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings

The Ministry of Regional Development and Public Works (MRDPW) would like to state its support to the "Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings" project that has been designed by UNDP with support from the Center for Energy Efficiency EnEffect and is envisaged to be financed by GEF, Bulgarian institutions and other partners. The objective of the project as stated in the draft proposal supports the Bulgarian government policy related to the improvement of energy efficiency in buildings.

In the beginning of 2005 the Government adopted the National Programme for renovation of the residential buildings in the Republic of Bulgaria. The Programme foresees the renovation of more than 650 000 dwellings for a period of 15 years, including implementation of energy efficiency measures. The public buildings are also a target for reducing their energy consumption. While the national policy and legislation support the large-scale buildings improvements, that type of activities are quite new for Bulgaria and the Government will need significant assistance from projects like that with the capacity building, institution strengthening, introducing new technologies and the experience of more advanced countries.

The project focuses:

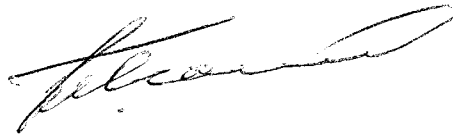
- Support the institutional framework and enhance awareness
- Promoting housing associations as a path to energy efficiency improvements in residential buildings
- Capacity building and awareness raising both of the demand side (buildings owners and managers) and energy efficiency services providers.

- Promoting ESCOs
- Supporting monitoring and information dissemination activities

will add value to the efforts of the MRDPW towards buildings enhancement by covering activities that are important for the successful start and scale-up of the process.

The support of the State and MRDPW to the renovation and energy efficiency improvements in buildings is estimated to the equivalent of USD 55,300,000 for the period 2006 – 2009. The total Government subsidy for the project is USD 553,000,000 for 2006 – 2020. The government programme is expected to raise USD 2,766,660,000 for the same period.

Yours Sincerely,



Belin Mollov
Deputy Minister

МИНИСТЕРСТВО НА ЕНЕРГЕТИКАТА
И ЕНЕРГИЙНИТЕ РЕСУРСИ



АГЕНЦИЯ
ПО ЕНЕРГИЙНА ЕФЕКТИВНОСТ

София 1000, ул. Екзарх Йосиф N:37, ет. 3, Тел./ Факс: 981 5802

Letter of Support

The Energy Efficiency Agency (EEA) would like to express its support to the UNDP/GEF project "Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings". The project is in line with the national policy related to the promotion of energy efficiency in private and public buildings and industry.

The fulfillment of the main objectives of the project, namely:

- promoting energy efficiency market in private and public buildings in Bulgaria;
- strengthening the institutional framework related to energy efficiency;
- enhancing the capacity of local energy efficiency service providers; and
- disseminating widely throughout the country the results, experiences and the lessons learnt from the project

will support the efforts of the EEA to reduce energy consumption and greenhouse gas emissions in Bulgaria.

The project under consideration may serve as a model for overcoming the existing barriers and for facilitating the market transformation towards more energy efficient building stock.

Tasko Ermenkov
Executive Director

A handwritten signature in blue ink, consisting of a large, stylized 'T' followed by a series of loops and a final flourish.



13 May 2005

Frank

Dear Mr. Pinto,

Subject: Links between UNDP core program and proposed GEF project *Energy Efficiency at Buildings in Bulgaria*

For the last year the UNDP country office in Bulgaria has been developing a medium-size project proposal to the Global Environment Facility on increasing energy efficiency at buildings. The proposal, to which this letter serves as an attachment, defines the scope of the project, its global impact in terms of greenhouse gas emissions reduction, as well as other parameters traditionally required by the GEF. With this letter, I would like to emphasize the value of the proposed GEF intervention given synergies with two UNDP projects in Bulgaria.

One of the envisaged UNDP/GEF project components is focusing on stimulating demand for energy efficiency investments in small and medium size enterprises. Over a number of years, UNDP has been working closely with the Government of Bulgaria in the JOBS project, establishing 40 business centers all over the country to facilitate employment generation and small-and-medium size business development. Through the proposed UNDP/GEF project, our intention is to expand the scope of the services rendered by the JOBS business centers, enabling them to act as liaison points between energy efficiency service providers and interested small-and-medium size enterprises. The GEF project would build initial capacity of these business centers in the area of energy efficiency, provide them with training and necessary information on energy efficiency. It is expected that the JOBS business centers can provide in-kind contribution to the project of at least USD 500,000. We hope that by the end of the project these business centers would be able to significantly raise demand for energy efficiency investments in local SMEs.

Secondly, UNDP and Sofia City municipality have recently agreed on a joint project to develop and test for the first time a full renovation program for residential panel block buildings, based on European best practices. The total budget of the project is USD 2,523,100 and its implementation is scheduled to start in mid 2005. The project aims to provide a tested and replicable approach for the successful implementation of a municipal/national panel blocks renovation program, which will have multi-dimensional development impacts in terms of reduced urban poverty, improved quality of life and reduced CO₂ emissions. The project

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Mr. Frank Pinto
GEF Executive Coordinator

.../.

activities include: 1) establishing a "one stop" Service Centre in Sofia for supporting the city residents in the renovation of their buildings; 2) implementing a public awareness campaign; 3) introducing a financial incentive system for private owners; 4) renovating 1 municipal panel and 6 privately owned panel block buildings / sections; 5) testing of community based upgrading of surrounding areas; and 6) stocktaking of the project experience and institutionalization of the tested structures, mechanisms and processes.

It is envisaged, that while the Panel Blocks project acts as a focal point for the establishment of a one-stop support facility for residents in Sofia, the UNDP/GEF project will take that experience further, exploring options to establish support centers in other Bulgarian cities, relying on lighter and relatively low-cost institutional set-ups (NGOs, municipal structures, etc.). Similarly, the UNDP/GEF project would complement the awareness raising component of the Panel Blocks project, initiating measures in other cities in Bulgaria by building on the on-going cooperation and good contacts established through the previous UNDP/GEF Gabrovo demonstration project. The UNDP/GEF project is also expected to bring in additional expertise on the energy efficiency aspects and on the public incentive schemes to be elaborated and tested in the framework of the Panel Blocks project. Finally, both projects would seek to complement each other in supporting the Government of Bulgaria in finalizing specific instruments for implementation of framework policies, such as the National Program for Refurbishment of Residential Buildings. Other synergies will be explored as both projects are being implemented.

I very much hope that the outlined ways for mainstreaming of energy efficiency into various aspects of development assistance that our country office is rendering, would strengthen our proposal to the GEF, and make it possible to undertake the much needed capacity building and awareness raising activities in a timely and effective manner.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Neil Buhne', with a large loop at the start and a long horizontal stroke extending to the right.

Neil Buhne
UN Resident Coordinator
UNDP Resident Representative

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Tel./ fax: +359 2 987 0559

To
The Resident Representative
United Nations Development Programme
Bulgaria
Mr. Neil Buhne

25.07.2005

Regarding: "A Group of Residential Buildings with Shops and Offices" Pilot Project
in Blagoevgrad downtown

Dear Mr. Buhne,

A group of Bulgarian investors has prepared the construction of a group of residential buildings, including shops and offices in Blagoevgrad downtown. With the present letter we express our interest the site to be included in Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings project of the United Nations Development Programme and the Global Environment Facility as a pilot example, showing the potential for constructing new building stock with high energy efficiency and contemporary functional and aesthetical characteristics.

As you know Blagoevgrad is University center with rich cultural traditions and architectural heritage. It is a regional center of significant importance for the overall development of the South-West Region of Bulgaria. We believe that a successful pilot project in Blagoevgrad may have significant impact on the construction practices in the region and in the whole country.

The envisaged complex will have about (*number of apartments/premises*) with a built residential area of about 9,000 sq.m., and commercial area of about 2,500 sq.m., total: 11,500 sq.m. During the design and construction solutions will be sought for the most efficient use of local energy sources, including renewables, and the most efficient energy use during the use residential and commercial areas. All these measures should not increase unreasonably the cost of the project and should be based on economically feasible solutions. The initial estimates show that the cost of the project comes to about BGN 4,250,750 (\$2,796,500 at the exchange rate of BGN 1,52 = \$1).

We are convinced that energy efficiency should be promoted as one of the leading buildings quality criterion. The latest efforts of the government towards creating a favourable legal environment for improving energy efficiency undoubtedly will give results in the future. But the experience for designing and constructing new buildings with high energy efficiency is still very limited. This gives us a good reason to think that including the Group of Residential Buildings with Shops and Offices site in Blagoevgrad downtown in framework of the Building the Local Capacity for Promoting Energy Efficiency in Private and Public Buildings project of the United

Nations Development Programme and the Global Environment Facility will contribute to:

- achieving high quality of the projects and their implementation, using the rich experience of the developed countries;
- the integration of the results of the pilot project in the overall policy for introducing the energy efficiency principles in all main stages of the design and construction process;
- the construction of the site based on contemporary financial schemes and instruments, which will promote the high energy efficiency and use of renewable energy sources;
- the introduction of modern energy control in the site

On our side we declare that we will:

- to cooperate in the design and construction of the site and in achieving the optimum operational, aesthetical and energy characteristics;
- to provide the opportunity to leading Bulgarian and foreign specialists to offer solutions for achieving maximum efficiency and using renewable energy sources;
- provide information on the project and its implementation for publishing and dissemination in other Bulgarian municipalities with the purpose of supporting local design and construction practices.

Sincerely yours,

Georgi Iliev

