

Annual Activity Report
Independent Auditor's Report
Financial Statements

NATIONAL TRUST ECOFUND

31 December 2014



NATIONAL TRUST
ECO FUND

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REPORT

on the activity of the

NATIONAL TRUST ECO FUND

for the period

01 January – 31 December 2014

“THE NTEF IS A WELL-MANAGED AND HIGHLY EFFECTIVE PUBLIC INSTITUTION, ENVIRONMENTAL FINANCING INSTITUTION WITH FEW WEAKNESSES AND MANY STRENGTHS, MAKING IT UNIQUELY VALUABLE INSTITUTION IN BULGARIA.

WITH CLEAR AND TANGIBLE GOVERNMENT SUPPORT THE FUND HAS THE POTENTIAL TO PERFORM A MUCH GREATER ROLE IN MOBILIZING AND MANAGING THE FINANCIAL RESOURCES NEEDED TO MEET THE ENVIRONMENTAL CHALLENGES OF EU ACCESSION.”

From “Review and Assessment of the National Trust Eco Fund”, submitted by Aequilibrium Consulting GmbH upon an order of the German Federal Ministry for Economic Cooperation and Development (September 2003), under the Stability Pact.

“ TO A LARGE EXTENT THE NTEF HAS PERFORMED VERY WELL IN TERMS OF: RELEVANCE, EFFECTIVENESS, EFFICIENCY, SUSTAINABILITY, AND IMPACT REACHING. THE ACTIVITIES OF THE NTEF WERE ALSO LARGELY IN LINE WITH THE GOOD PRACTICES OF PUBLIC ENVIRONMENTAL EXPENDITURE MANAGEMENT. WHAT IS TRULY IMPRESSIVE IS THAT THE FUND MANAGED TO MAINTAIN HIGH PROFESSIONALISM AND ACHIEVE ITS OBJECTIVES IN A VERY COMPLICATED CONTEXT, WHICH IS ENDEMIC FOR ALL COUNTRIES IN TRANSITION.

DUE TO ITS PERFORMANCE THE NTEF BUILT AN IMPRESSIVE REPUTATION AMONG INTERNATIONAL INSTITUTIONS AND DONORS”

From “Assessment of the National Trust Eco Fund and the Debt-for-Environment Swap Agreement” submitted by ECORYS SEE Research and Consulting (January 2011)

Since the beginning of its activities until the completion of the swap deal “Debt-for-Environment” NTEF has financed 100 investment projects, providing more than BGN 26 500 000. Therefore, the Fund has played the role of a decisive factor for mobilizing additional BGN 115 100 000 from other, mainly international sources, for the implementation of environmental protection projects in Bulgaria.

In the end of 2011, as a result of the efforts of the government of the Republic of Bulgaria, two AAU sale deals with the Republic of Austria pursuant to art. 17 of the Kyoto Protocol were finalized. As of the end of 2014, 40 public projects were implemented under both deals, amounting to a total of BGN 27 432 978. The financial participation of NTEF is BGN 23 318 031. Two projects for energy production from renewable energy sources have also been financed applying the “de minimis” rule. The financial participation of the Fund in them amounts to BGN 757 062.

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LIST OF ABBREVIATIONS

AAU	Assigned Amount Units
AC	Advisory Council
AAUSA	Assigned Amount Units Sale Agreement
BAS	Bulgarian Academy of Science
CCCF	Combined Child Care Facility
CCMA	Climate Change Mitigation Act
CIW	Construction & Installation Works
CM	Council of Ministers
CSS	Comprehensive Secondary School
EB	Executive Bureau
EMEPA	Enterprise for Management of Environmental Protection Activities
EPA	Environmental Protection Act
ES	Elementary School
ESM	Energy saving measures
FDK	Full-Day Kindergarten
FLSS	Foreign Language Secondary School
KP	Kyoto Protocol
KPC	Kommunalkredit Public Consulting GmbH
MB	Management Board
ME	Municipal Enterprise
MEE	Ministry of Economy and Energy
MEW	Ministry of Environment and Water
MF	Ministry of Finance
MHAT	Multiprofile Hospital for Active Treatment
MSS	Secondary School of Mathematics
MSSM	Model Secondary School of Mathematics
NAMRB	National Association of Municipalities in the Republic of Bulgaria
NGIS	National Green Investment Scheme
NGO	Non-Governmental Organization
NTEF	National Trust Eco Fund
NU	Nursery
PAF	Protected Areas Fund
PPA	Public Procurement Act
PS	Primary School
RES	Renewable energy sources
RSANTEF	Regulation on the Structure and Activity of the National Trust Eco Fund
SDA	Spatial Development Act
UN	United Nations
VSS	Vocational Secondary School
VSSGCCT	Vocational Secondary School for Garments, Catering and Chemical Technologies
WB	World Bank

I. INTRODUCTION

By 30 April of each calendar year, the National Trust Eco Fund (NTEF) prepares and submits to the Council of Ministers through the Ministry of Environment and Waters a Report on the Fund's operation for the previous year, approved by the Management Board.

The report is also submitted to the current donors. For 2014 these are the Government of the Republic of Austria and the International Bank for Reconstruction and Development (World Bank).

The annexes from 1 to 5 represent an inseparable part of the annual report.

Acting Director of the Executive Bureau:


Kamelia Georgieva

Chief Accountant:


Ivailo Tsekov

18 February, 2015

II. MANAGEMENT BOARD ACTIVITY

In compliance with the Regulation on the Structure and Activity of the national Trust Eco Fund (RSANTEF), approved with Ordinance of the Council of Ministers (CM) No 96 of 10.05.2004 (amended with SG No 71 of 10.09.2010), the NTEF Management Board consists of seven people, in this number chairman, two deputy chairmen and four regular members, as well as three alternative members. As of the end of the reported 2014, the composition of the Management Board (MB) of NTEF is as follows:

- Chairperson of MB of NTEF – Associate Professor, PhD, Irena Georgieva, appointed by the Council of Ministers of the Republic of Bulgaria (Decision No 600 of the CM of 02 September 2010).
- Representative of the Ministry of Environment and Water (MEW) – Deputy Minister Pavel Gudzhеров, Deputy Chairman of the Management Board (MB).
- Representative of the Ministry of Finance (MF) – Deputy Minister Kiril Ananiev;
- Representative of the Ministry of energy – Deputy Minister Anton Pavlov;
- Representative of the Bulgarian Academy of Science (BAS) – Prof. Naum Yakimov, Deputy Chairman of the Management Board (MB).
- Representative of the environmental non-governmental organizations – Mrs. Lyubomira Kolcheva – Director of EcoObshnost Foundation”;
- Representative of the National Association of the Municipalities in the Republic of Bulgaria (NAMRB) – Mrs. Ginka Chavdarova, Executive Director of NAMBR.

Alternate with a voting right from the Ministry of Environment and Water is Mrs. Boryana Kamenova – Director of Directorate “Climate Change Policy”. Alternate with a voting right from the Ministry of Economy and Energy is Mr. Nikolay Nalbantov – Director of Energy Efficiency and Environmental Protection Directorate. Alternate with a voting right from the Ministry of Finance is Mr. Alexander Gargov – State Expert from Real Sector Finance Directorate

Eight (8) regular meetings of MB of NTEF were convened during 2014.

The first meeting was dedicated to the discussion of the Plan for the activity and the budget of NTEF for the period 01 January – 31 December 2014, as well as to approval of newly submitted projects under Axis 1 of the National Green Investment Scheme (NGIS).

During the second meeting, the current status of the implemented projects under the two AAU sale deals was discussed, as well as the submitted resignation of the Director of the EB of NTEF, whose position pursuant to art. 18 par. 4 of RSANTEF shall be temporarily assigned to the Chairperson of the Management Board.

During the third meeting, the annual report of NTEF for 2013 was approved and the current status of the implementation of projects under the two AAU sale deals was discussed.

During the fourth meeting, the reports on completed projects from the second deal under NGIS were approved and a decision was taken for requesting reimbursement of funds from the special account with the Ministry of Finance to repay the non-interest loans, taken from EMEPA for the current financing of the projects. New project proposals were discussed, which had received preliminary and final approval by the Project Selection, Control and Reporting on the Implementation Commission.

During the fifth meeting, the reports on completed projects under the second NGIS deal were approved and a decision was taken to request reimbursement of funds from MF. A Draft NTEF Strategy for the period 2014-2020 was also discussed, as well as the pending negotiations related to the unabsorbed funds from the second deal with the Republic of Austria under NGIS and the potential option for using them to finance a part of the approved projects on the reserve list.

The sixth meeting was dedicated to the approval of reports on the completion of projects under the second NGIS deal and a decision was taken to submit a request for reimbursement of the funds to the Ministry of Finance. At this meeting, after reporting on adopted by the Council of Ministers amendments in RSANTEF, a new Acting Director of EB of NTEF was appointed until the opening of competition for this position.

The seventh meeting was dedicated to the approval of reports on the completion of projects under the second NGIS deal and a decision was taken to submit a request for reimbursement of the funds to the Ministry of Finance. The edited NTEF Strategy for the period 2014-2020 and NTEF Rules of Procedure were approved. During the same meeting, updated versions of a part of the documents, representing annexes to the Operational Manual of NTEF, were also approved.

During the last (eight) MB meeting for 2014, decisions were taken for approval of the reports on the completion of the last projects under the first and the second NGIS deal and a decision was taken to submit a request for reimbursement of the funds to the Ministry of Finance. At this meeting, the implementation of the Project for strengthening NTEF institutional capacity, financed by the World Bank, as well as the preparation of the additionally proposed projects for implementation were discussed.

III. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS, FINANCED WITH FUNDS FROM THE NATIONAL GREEN INVESTMENT SCHEME

1. Selection and approval of NGIS projects

1.1. Setting up permanent NGIS project portfolio

The collection of project proposals continued during 2014. It was regulated by the Operational Manual of the National Green Investment Scheme. The receiving of Letters of Interest is an ongoing process. Calls with fixed terms are not published. The application forms, containing the full project proposals, shall be submitted by the beneficiaries after receiving notification for approved Letter of Interest from the Management Board. They do not contain specified submission deadline.

During the reported year, a total of 38 Letters of Interest under Axis 1 for financing energy efficiency measures in public buildings have been submitted. (*Annex 1*).

Based on the approved Letters of Interest, 26 application forms with project proposals under Axis 1 have been provided (*Annex 1*).

1.2. Selection and evaluation of projects under NGIS by the Standing Commission for Selection, Control and Reporting on the Implementation of NGIS and approval of projects by MB of NTEF

According to the Rules of Procedure of NTEF and the Operational Manual of NGIS, the project approval is accomplished in two main phases. The first phase represents the so called *preliminary project selection* based on submitted Letter of Interest through the application of preliminary announced mandatory conformity requirements. The second phase represents *project evaluation and ranking* according to preliminary announced application requirements, as well as methodology and criteria for evaluation and selection of appropriate projects for NGIS financing. Each of the phases involves a three-level approval: Standing Commission for Selection, Control and Reporting on the Implementation of NGIS, Management Board, Donors' Advisory Council / AAU Buyer.

Selection and evaluation of projects by the Standing Commission for Selection, Control and Reporting on the Implementation of NGIS

Six meetings of the Standing Commission for selection, control and reporting on the implementation of NGIS were held during 2014. 27 letters of interest were reviewed at these meetings (Phase 1), as well as 22 project application forms for the purpose of evaluation and ranking (Phase 2) of public beneficiaries under Axis 1.

Project approval by MB of NTEF

As a result of the commission's work a total of 21 public projects under Axis 1 have been submitted, out of which 11 at Phase 1 and 10 at Phase 2. The meetings of the NTEF Management Board, during which project approval took place, were held respectively on 30 January and 9 July 2014. (*Annex 2 – List of the approved projects at Phase 2 - 32 projects under Axis 1*).

2. Implementation of projects under the National Green Investment Scheme during 2014

The National Trust Eco Fund concludes financing contracts with public beneficiaries to a **maximum value, amounting to 85% of the value of the projects, as it has been approved by the Commission and NTEF Management Board**. The remaining 15% are provided by each beneficiary in the form of co-financing. During the process of selecting contractors for the activities under the projects, these values are reduced based on a market principle. NTEF signs an Additional Agreement to the Financing Agreements with the beneficiaries, in which this actual value and the finalized project implementation schedule are determined. Thus, a certain funds savings for NTEF are formed. During construction, in the majority of the cases funds savings are again achieved, since NTEF finances only legally proved and actually performed construction and installation works. Under these conditions, we report on the financial implementation of the projects in several steps:

- value of the project according to the financing agreement – maximum total value and maximum subsidy value (85%);
- value of the project after the selection of the contractors and relevant subsidy value at this stage (85%);
- value of the project after its completion and relevant subsidy value (85%).

The process of financing and completion of the public projects is regulated in a Tripartite Framework Agreement for provision of funding under the Green Investment Scheme, signed by the Ministry of Finance, EMEPA and NTEF. It includes the following steps:

- After the completion of the tender procedures for selection of contractors and the signing of agreements between them and the project beneficiaries, NTEF signs an agreement for non-interest loan with EMEPA. Through this agreement, bridge financing for each separate project is provided. The funds from this loan are used for the interim and final payment for the respective site. The beneficiaries submit interim and final reports on the implementation of their projects and the Executive Bureau reviews and approves these reports.
- The payment based on the final report is followed by auditors' review on the part of purposefully selected auditor with international experience, applying open procedure according to PPA for the deals with the Republic of Austria.
- The beneficiaries' and the auditors' reports are subject to review and approval by the Standing Commission for Selection, Control and Reporting on the Implementation of NGIS. A protocol for the work of the commission is drafted.
- Based on this protocol, the Director of the Executive Board (EB) submits a report to the MB of NTEF.
- MB has its own commission, which reviews all documents, serving as a ground for the report of the EB Director and drafts a protocol, which is submitted to a meeting of the NTEF MB.
- MB of NTEF takes a decision and sends a Report addressed to the Minister of Finance on whose base funds are released from the Special account, into which the money from the deals for AAU sale have been deposited, and the sum of money issued by EMEPA to NTEF in the form of non-interest loan is reimbursed.

The public projects, for which the non-interest loan has been reimbursed, are considered completed.

The maximum amount of funding for investment projects in public buildings, as envisioned in the financing agreements with NTEF under both deals, amounts to BGN **32 312 033 (85 % of the value of the entire projects)**.

The total value of the actual NTEF financing for the energy efficiency projects in public buildings under Axis 1 **under the first and the second deal, for the period 2011 – 2014 is BGN 23 318 031 (85% of the actual value of the completed projects).**

The maximum amount of NTEF financing for projects under Axis 2 for energy production from renewable energy sources, for which there are concluded and implemented agreements and for which the “de minimis” conditions have been observed, amounts to BGN 757 061. Out of them, **BGN 574 115** have been provided during 2014.

The list of the implemented projects under NGIS with NTEF financing is presented in *Annex 3*.

2.1. Completed projects for improving the energy efficiency of public sites (Axis 1) during 2014

Within the period 01.01.2014 – 31.12.2014, 21 investment projects were partially or fully completed under Axis 1 of NGIS – 3 from the first AAU sale agreement with the Republic of Austria and 18 - within the Second AAU sale agreement

Under the first AAU sale deal the contracted projects were completed still in 2013. Following conducted negotiations between the Bulgarian and the Austrian parties, an agreement has been reached and a **Supplemental agreement has been signed, through which another three public projects will be financed**, amounting to a total value of **BGN 1 840 781**, with maximum NTEF financing equal to **BGN 1 564 664**.

During 2014, two projects from the second deal were fully implemented and one was partially implemented (one of the two sites, envisioned in the project of Svishtov Municipality, amounting to a total value of **BGN 1 193 387** as per the financing agreements with NTEF. The actual financing for them, performed through NTEF, is **BGN 1 139 848**.

The implementation of the second site from the last of the three projects **will be completed during 2015**.

The total value of the public projects **from the second AAU sale deal**, for which NTEF has signed financing agreements under NGIS and which have been in a process of implementation during the reporting period, is **BGN 22 566 495**. The maximum amount of the financing, which is envisioned to be carried out through the NTEF for these projects is **BGN 19 181 520**.

During 2014, **17 out of the 19 projects were fully implemented**, for which there were financing contracts, and one project was partially implemented (one of the sites of Godech Municipality, postponed for 2015) – amounting to a total value of **BGN 17 690 182** as per their financing agreements with NTEF. The agreement with Samokov Municipality has not been implemented and has been postponed for 2015 due to a delay in the procedure for contractor's selection. Following the conducted procedures for selection of contractors pursuant to PPA and the actual performance of CIW, NTEF financial participation amounts to **BGN 13 630 367**.

Detailed information about the value and the essence of the projects completed during 2014 is provided hereinbelow in this section.

2.1.1. Projects under the First deal, completed during 2014

Project No 27-II

“Sustainable development of Bratsigovo Municipality through implementation of energy efficiency measures in the educational infrastructure - CCCF “Bozhura Furnadzhieva”

The financing, provided by NTEF, is **BGN 185 734.00**. Site – CCCF “Kokiche”: 1. Repair of heating installation; 2. Installation of a new boiler, using pellets.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **22 t/CO_{2eq} CO_{2eq} on annual basis.**

Project No 84

"The buildings of the schools in the city of Svishtov – high energy efficiency level – improved life quality, living and working environment"

The financing, provided by NTEF, amounts to **BGN 112 391.14**. Site CSS "Nikolay Katranov": 1. Replacement of existing boiler system.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **128 t/CO_{2eq} CO_{2eq} on annual basis.**

Project No 165

"Rehabilitation of external heat pipeline from geothermal borehole "Geizera" for supplying thermal heating to PS "Hr. Botev", municipal administrative building, Community Cultural Center (CCC) "Prosveten Lach", and FDK "Sv. Anna" - city of Sapareva Banya"

The financing, provided by NTEF, amounts to **BGN 841 723.00**. The project includes reconstruction and rehabilitation of heat pipeline.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **1849.00 t/CO_{2eq} CO_{2eq} on annual basis.**

2.1.2. Projects under the Second deal, completed during 2014

Project No 3-I

"A new home for more children's smiles – energy efficiency measures in the building of NU "Prolet" – Svilengrad Municipality"

The financing, provided by NTEF, amounts to **BGN 309 626.97**. Site - NU "Prolet": 1. Thermal insulation of roof; 2. Thermal insulation of external walls; 3. Thermal insulation of floor; 4. Replacement of windows and doors; 5. ESM for the lighting system; 6. ESM for building systems; 7. ESM for measuring, checking and control devices.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **247 t/CO_{2eq} on annual basis.**

Project No 22

"Improving the energy efficiency of MHAT "Dr. S. Rostovtsev" – Momchilgrad city"

The financing, provided by NTEF, amounts to **BGN 649 466.73**. Site - MHAT "Dr. S. Rostovtsev": 1. Thermal insulation of external facade; 2. Replacement of windows and doors; 3. Internal thermal insulation of sub-roof space; 4. Reconstruction of heating installation and boiler room.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **254 t/ CO_{2eq} on annual basis.**

Project No 29

"Introduction of energy efficiency measures in FDK "Detski Svyat" - Polski Trambesh city".

The financing, provided by NTEF, amounts to **BGN 64 496.56**. The following activities have been performed in FDK "Detski Svyat" – Polski Trambesh city: 1. External thermal insulation of walls; 2. Insulation of ceiling; 3. External thermal insulation of walls (buildup); 4. Heating system efficiency improvement.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **40.21 t/CO_{2eq} on annual basis**.

Project No 32

"Energy efficient educational infrastructure in Pavel Banya Municipality".

The financing, provided by NTEF, amounts to **BGN 700 857.39**.

The project includes the following sites and activities:

Site „Nursery”– Pavel Banya city: 1. Hydro-insulation of roof; 2. Insulation of external walls; 3. Facade painting; 4. Replacement of windows and doors.

Site CSS "Hristo Botev" and VSS for Catering and Hotel Management, Pavel Banya city: 1. Thermal insulation of walls; 2. Insulation of roof; 3. Replacement of windows and doors.

Site PS "N. Y. Vaptsarov", Gabarevo village: 1. Thermal insulation of walls; 2. Replacement of windows and doors; 3. Thermal insulation of roof.

Site PS "General Skobelev", Skobelevo village: 1. Thermal insulation of external walls; 2. Replacement of windows and doors; 3. Thermal insulation of roof.

Site PS "Vasil Levski", Gorno Sahrane village: 1. Thermal insulation of external walls; 2. Replacement of windows and doors; 3. Thermal insulation of roof; 4. Thermal insulation of floor.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **325.1 t/CO_{2eq} on annual basis**.

Project No 47

"Implementation of energy efficiency measures in VSSWPC "Tsar Ivan Asen II" – Haskovo"

The financing, provided by NTEF, amounts to **BGN 153 296.00**. The project includes the following activities: 1. Insulation of roof; 2. Insulation of external walls.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **88 t/CO_{2eq} on annual basis**.

Project No 94

"Integrated approach for improving energy efficiency of municipal social infrastructure on the territory of Kostenets Municipality".

The financing, provided by NTEF, amounts to **BGN 153 479.66**. The project includes the following activities on site PS "Hr. Smirneski" – Momin Prohod city: 1. Thermal insulation of external walls; 2. Thermal insulation of floor; 3. Thermal insulation of roof; 4. Replacement of windows and doors; 5. ESM for building systems.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **37 t/CO_{2eq} on annual basis**.

Project No 96

“Implementation of energy saving measures in the Youth Center – Venets village, Venets Municipality”

The financing, provided by NTEF, amounts to **BGN 391 614.76**. The following activities have been implemented: 1. Replacement of windows and doors; 2. Thermal insulation of external walls; 3. Thermal insulation of roof; 4. Lighting system; 5. Lighting; 6. “Air-air” heat pump systems.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **516 t/CO_{2eq} on annual basis**.

Project No 97

“Implementation of energy saving measures in PS “Hristo Botev” – Dalgo Pole village, Kaloyanovo Municipality”

The financing, provided by NTEF, amounts to **BGN 68 115.88**. The following activities have been implemented: 1. Thermal insulation of roof; 2. Thermal insulation of external walls; 3. Thermal insulation of floor; 4. Replacement of windows and doors.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **31 t/CO_{2eq} on annual basis**.

Project No 132-1-2

“Implementation of energy saving measures in the educational infrastructure of Veliko Tarnovo Municipality - PS “Petar Beron”

The financing, provided by NTEF, amounts to **BGN 255 265.30**. The following activities have been implemented: 1. Thermal insulation of roof; 2. Thermal insulation of external walls; 3. Replacement of windows and doors; 4. Photovoltaic system.

As a result of the implemented energy saving measures, the greenhouse gas emissions have been reduced by **103.02 t/CO_{2eq} on annual basis**.

Project No 137

“Implementation of energy saving measures in the health infrastructure on the territory of Ardino Municipality”

The financing, provided by NTEF, amounts to **BGN 109 451.20**. The following activities have been implemented on site: MHAT “Ardino”, city of Ardino: 1. Installation of external thermal insulation; 2. Replacement of windows and doors; 3. Thermal insulation of roof structure; 4. Thermal insulation of distribution network; 5. Installation of thermostatic valves on heaters and setting up the automatic regulation systems.

As a result of the implemented energy saving measures, the greenhouse gas emissions have been reduced by **38 t/CO_{2eq} on annual basis**.

Project No 138

“Improving the energy saving measures in the educational infrastructure on the territory of Ardino Municipality”

The financing, provided by NTEF, amounts to **BGN 1 368 470.30**. The following activities have been implemented on site VSS "Hristo Smirnenski" – city of Ardino: 1. Replacement of windows and doors; 2. Thermal insulation of external walls; 3. Thermal insulation of floor; 4. Thermal insulation of roof; 5. ESM on building systems; 6. Boiler system related measures.

As a result of the implemented energy saving measures, the greenhouse gas emissions have been reduced by **385.17 t/CO_{2eq} on annual basis**.

Project No 141

"Implementation of energy saving measures in the educational network of Yambol Municipality"

The financing, provided by NTEF, amounts to **BGN 3 370 668.49**.

The project includes the following sites and activities:

Site VSS "Vasil Levski" and SSM "Atanas Radev" (shared building) – 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors.

Site FLSS "Vasil Karagyzov" and ES "Prof. Noikov" (shared building); 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors; 4. RES – photovoltaic panels.

Site PS "Dimcho Debelyanov" – 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors.

Site PS "Nikolay Petrini" – 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors.

Site FDK "Slantse": 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors; 4. RES – photovoltaic panels;

Site FDK "Bilyana": 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors; 4. RES – photovoltaic panels;

Site FDK "Chervenata Shapchitsa": 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Replacement of windows and doors; 4. RES – photovoltaic panels.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **804 t/CO_{2eq} on annual basis**.

Project No 142

"Improving the energy efficiency of the public educational and administrative infrastructure on the territory of Stambolovo Municipality".

The financing, provided by NTEF, amounts to **BGN 305 708.77**.

The project includes the following sites and activities:

Site CCC "Saznanie", Zhalti Bryag village: 1. Replacement of windows and doors; 2. Insulation of roof; 3. Insulation of external walls.

Site PS "Hristo Botev", Silen village: 1. Replacement of windows and doors; 2. Insulation of roof; 3. Thermal insulation of external walls; 4. ESM for boiler system; 5. ESM for measuring, checking and control devices; 6. ESM for building's systems; 7. ESM for lighting.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **203 t/CO_{2eq} on annual basis**.

Project No 143*"Ecological efficiency through energy savings", VSSGCCT – Shumen city"*

The financing, provided by NTEF, amounts to **BGN 392 421.48**. The following activities have been implemented: 1. Thermal insulation of roof; 2. Thermal insulation of external walls; 3. Thermal insulation of floor; 4. Replacement of windows and doors.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **74 t/CO_{2eq} on annual basis**

Project No 151*"Improving the energy efficiency of the buildings of: FDK "Zornitsa", CSS "Sv. Konstantin Kiril Filosof", CSS "Konstantin Velichkov", Nursery "Slancho", MSSM "Acad. Kiril Popov", CSS "Bratya Miladinovi", ME "Chistota" for better air quality in Plovdiv region – Plovdiv Municipality"*

The financing, provided by NTEF, amounts to **BGN 2 210 579.85**. The project includes the following sites and activities:

Site CSS "Sv. Konstantin Kiril Filosof", 44 A G. Kondolov Str.: 1. Gasification of boiler system; 2. Replacement of windows and doors; 3. Thermal insulation – renovation of walls; 4. Insulation of roof; 5. Heating system.

Site CSS "Konstantin Velichkov" – 1. Replacement of windows and doors; 2. Thermal insulation of walls; 3. Thermal insulation of roof; 4. Replacement of filament lamps with energy saving lamps.

Site ME "Chistota" – 1. Gasification of the boiler system; 2. Replacement of windows and doors; 3. Thermal insulation – renovation of roof; 4. Thermal insulation of walls.

Site Nursery "Slancho" – Measures for the boiler system.

Site MSSM "Acad. Kiril Popov" – 1. Measures on boiler system; 2. Thermal insulation of walls; 3. Thermal insulation of roof.

Site CSS "Sv. Konstantin Kiril Filosof" (Chorlu Street): 1. Gasification of boiler premise; 2. Replacement of windows and doors; 3. Thermal insulation – renovation of roof; 4. Thermal insulation of walls; 5. ESM on lighting.

Site CSS "Bratya Miladinovi" – 1. Gasification of boiler system; 2. Replacement of windows and doors; 3. Thermal insulation – renovation of roof; 4. Thermal insulation of walls.

Site FDK "Zornitsa" – Gasification of the boiler system.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **933.53 t/CO_{2eq} on annual basis**.

Project No 152*"Introduction of energy saving measures in MHAT – Kazanlak Municipality"*

The financing, provided by NTEF, amounts to **BGN 2 224 464.26**. The following activities under ESM have been performed: 1. Replacement of windows and doors; 2. Thermal insulation of external walls; 3. Internal thermal insulation of the sub-roof space; 4. Replacement of heating installation; 5. Photovoltaic system for HWB.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **232 t/CO_{2eq} on annual basis**.

Project No 154

“Improving the energy efficiency of public buildings in Belene city and reducing the harmful emissions, generated in the public sector of the municipality – Belene Municipality”.

The financing, provided by NTEF, amounts to **BGN 648 592.37**. The project includes the following sites and activities:

Site Medical Center “Bel medic” – Belene city – 1. Replacement of windows and doors; 2. Thermal insulation of external walls; 3. Thermal insulation of roof; 4. ESM on boiler room.

Site MHAT - city of Belene – 1. Replacement of windows and doors; 2. Insulation of external walls; 3. Insulation of roof; 4. ESM by building's systems.

Site Community Cultural Center “Hristo Botev” - city of Belene: 1. Replacement of windows and doors; 2. Insulation of external walls; 3. Insulation of roof.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **1786 t/CO_{2eq} on annual basis**.

Project No 162

“Ensuring municipal educational infrastructure with high energy efficiency level in Godech Municipality”.

The financing, provided by NTEF, amounts to **BGN 253 790.69**. **The following activities are implemented on site: CCCF “Yurii Gagarin” – Godech city** – 1. Replacement of facade windows and doors; 2. Thermal insulation on facades; 3. Thermal insulation of floor; 4. Replacement of boiler system and WHS.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **71.16 t/CO_{2eq} on annual basis**.

2.2. Completed projects for energy production from renewable energy sources (Axis 2) during 2014

The financing procedure for this type of projects is regulated in the International AAU Sale Agreement between Republic of Bulgaria and Republic of Austria, the Agreement for provision of funding under the Green Investment Scheme between MF and NTEF (17.04.2012), as well as in the project financing agreements between NTEF and the beneficiaries. The logic behind this funding scheme is that NGIS finances the beneficiary as an incentive for reducing the greenhouse gas emissions (in analogical manner with the “Joint Implementation” type of projects).

The financing of these projects is accomplished in two tranches and the first payment is considered to be advanced payment. It is made on the basis of submitted initial report (compliant with NTEF established format) following the commissioning of the relevant energy producing installation and upon fully completed investment process. This report is approved by an auditor with international experience, who has been specially selected through an open procedure pursuant to PPA for the deals with the Republic of Austria, as well as by the representative of the Austrian party to the AAU sale deal. The report of the beneficiary and the reports of the auditors are subject to revision and approval by the Standing Commission for Selection, Control and Reporting on the Implementation under NGIS. A protocol is drafted for the work of the Commission. Based on it, the Director of the EB submits a report to the MB of NTEF. MB has its commission, which examines all the documents, serving as a ground for the report of the EB Director and drafts a protocol, which is submitted to the meeting of MB of NTEF. MB of NTEF takes a decision and sends a Report to the Minister of Finance, on which

base a limit is issued to NTEF from the Special account, into which the proceeds from the AAU sale deals have been transferred and payments are made to the beneficiary.

The description of the single financed project **under Axis 2 from the first deal** is as follows:

Project No 87

“Eco Energy Park “Dospat” – production of electricity from RES with capacity 1.5 MW” - Eco Energia Dospat EOOD

The project represents the installation for gasification of wood materials (residual from the logging and leftovers from the wood processing). In the core of the project is the obtaining of a high-calorific syngas, using specific equipment. The installation is a closed system, consisting of gasifier, gas purification system and engine with electricity generator.

The maximum amount of the financing, which will be accomplished through NTEF is **BGN 365 897**. In 2013, based on the submitted initial report and performance evaluation by the Standing Commission for Selection, Control and Reporting on the Implementation of NGIS, the first payment under the contract has been made to the amount of BGN 182 948.50. **During 2014**, after the relevant verification of reduced greenhouse gas emissions and the relevant report approval procedures, the final payment was made to the amount of **BGN 182 948, 50**.

The single implemented **project under Axis 2 from the second deal** is approved for financing on the ground of art.1.2. from the AAU Sale Agreement of April 2012. This is a project, whose ownership is with significant Austrian participation and which has been approved after announced **extraordinary call for project proposals**, where a new selection criterion was the significant Austrian participation in the project ownership. The investment process under the project has been fully finished and the installation for energy production from RES has been commissioned before the moment of the project proposal submission.

The maximum amount of the financing, which was approved by NTEF, is **BGN 391 166**. **During 2014**, after the relevant procedure for verification of reduced greenhouse gas emissions and the respective report approval procedures, the envisioned payment was made amounting to **BGN 391 166**.

During the reporting period, no weaknesses have been allowed, regarding the use of the funds according to their designation, as well as regarding the transparency of the project selection and implementation procedures. No weaknesses and deviations from the public funds' disbursement requirements have been allowed during the process of conducting tenders for selection of contractors and suppliers under the NTEF financed projects.

IV. SOURCES OF FUNDING, COSTS AND FINANCIAL STATUS OF NTEF

1. Sources of funding

1.1. Proceeds from AAU sale

As a result of the joint efforts of the government of the Republic of Bulgaria and EB of NTEF two AAU sale deals have been finalized – the first one during November 2011 and the second – during April 2012. The received funds are used for the financing of projects under the first and second axis of NGIS (Table 1.1).

Таблица 1.1: Постъпления от продажба на ПЕЕ

Proceeds from AAU sale	EUR	BGN
Total proceeds from the two AAU sale deals	17 800 000	34 813 240
Envisioned funds for project financing	16 910 000	33 072 578
Envisioned funds for administrative costs (5% of the total amount of the proceeds)	890 000	1 740 662

1.2. Proceeds under Agreement between the Republic of Bulgaria and the World Bank for strengthening NTEF capacity

In compliance with the financing agreement between MEW and the World Bank, the grant amount for improving NTEF institutional capacity is USD 203 000.

2. Funds allocation

2.1. Project financing

The total paid amount for construction and installation works (CIW), deliveries and services under investment projects **for 2014 are BGN 15 344 330**. In a more detailed manner the costs for project financing are presented in Table 2.1 of this section.

The total value of the **funds, planned in the budget for financing investment projects during 2014, is BGN 22 102 634**. Out of them, the envisioned costs under the projects from the First AAU sale deal are: BGN 1 564 664 for public projects under Axis 1 and BGN 182 949 for corporative projects. The envisioned funds for projects from the Second AAU sale deal are respectively: BGN 19 181 523 for public projects under Axis 1 and BGN 1 173 498 for projects under Axis 2.

The implementation of the budget for investment project financing **as a whole is 69%**.

The implementation of the budget in its part for public projects **from the first deal under Axis 1 is 73 % of the envisioned and 100% - from the envisioned for projects under Axis 2**.

The implementation of the budget in its part for public projects **from the first deal under Axis 1 is 71% and 29% - from the envisioned under Axis 2**.

The implementation below 100% is mainly due to the following factors:

- ❖ Due to appeals in front of the Supreme Administrative Court against the procedures for selection of contractors for three projects (of Samokov Municipality, one site of Godech Municipality and one site of Svishtov Municipality) were not implemented in 2014.
- ❖ For all projects as a result of the conducted tender procedures for selection of contractors and for implementation of energy saving measures, the actual value of the implementation of the projects is lower than the envisioned in the financing contract.
- ❖ From the envisioned three projects under Axis 2, included in the second deal, none has been implemented. The reasons for that are rooted in the decision of one of the project owners to receive funding under operational program, with which he deprived himself of the possibility for receiving more state aid, as well as the impossibility of the other two projects to start and to fulfill their investment intentions. The three projects have been replaced by only one project with a significant Austrian ownership.

Table 2.1: Payments under projects, accomplished by NTEF in 2014
(Under both AAU sale deals)

(BGN)

Project / name	Amount according to financing contract with NTEF (85% of the total value with included VAT)	Amount for financing after the conducting tender procedure (85% of the total value with included VAT)	Actual amount of financing during the reported 2014 (85% of the total value with included VAT)
A. Public projects under Axis 1			
Project No 3-I "A new home for more children's smiles – energy efficiency measures in the building of NU "Prolet" – Svilengrad Municipality "	482 066	350 829	309 627
Project No 2 "Replacement of windows and doors and renovation of the facade of PVS "Neofit Rilski" with the aim of introducing energy saving measures – Samokov municipality "	983 503	0	0
Project No "Improving the energy efficiency of MHAT "Dr. S. Rostovtsev" – city of Momchilgrad"	681 367	673 216	649 467
Project No 27-II "Sustainable development of Bratsigovo Municipality through implementation of energy efficiency measures in the educational infrastructure - CCCF "Bozhura Furnadjieva"	186 601	185 734	185 734
Project No 29 "Introduction of energy efficiency measures at FDK "Detski Svyat", city of Polski Trambesh "	128 337	64 601	64 497

Project No 32 "Energy efficient educational infrastructure in Pavel Banya Municipality "	926 616	744 744	700 857
Project No 47 "Implementation of energy efficiency measures in VSSWPC "Tsar Ivan Asen II" – Haskovo"	160 612	153 296	153 296
Project No 84 "The buildings of the schools in the city of Svishtiov – high energy efficiency level – improved life quality, living and working environment"*	495 207	116 527	112 391
Project No 94 "Integrated approach for improving the energy efficiency of the municipal social infrastructure on the territory of Kostenets Municipality "	198 887	154 385	153 480
Project No 96 "Implementation of energy efficiency measures in the Youth Center – Venets village, Venets Municipality "	566 924	392 176	391 615
Project No 97 "Implementation of energy efficiency measures in PS "Hristo Botev" – Dalgo Pole village, Kaloyanovo Municipality "	102 974	70 334	68 116
Project No 132-1 "Implementation of energy efficiency measures in the educational infrastructure of Veliko Tarnovo Municipality - PS "Petar Beron""	301 800	255 277	255 265
Project No 137 "Improving the energy efficiency of the health infrastructure on the territory of Ardino Municipality "	109 826	109 764	109 451
Project No 138 "Improving the energy efficiency of the health infrastructure on the territory of Ardino Municipality "	1 979 062	1 374 155	1 368 470
Project No 141 "Implementation of energy efficiency measures in the educational network of Yambol Municipality "	4 169 563	3 383 286	3 370 669
Project No 142 "Improving the energy efficiency of the public educational and administrative infrastructure on the territory of Stambolovo Municipality "	330 633	308 055	305 709
Project No 143 "Ecological efficiency through energy saving", VSSGCCT, Shumen city "	602 789	399 165	392 421

Project No 151 "Improving the energy efficiency of the buildings: FDK "Zornitsa", CSS "Sv. Konstantin Kiril Filosof", CSS "Konstantin Velichkov", NU "Slancho", MSSM "Acad. Kiril Popov", CSS "Bratya Miladinovi", ME "Chistota" for better air quality in Plovdiv Municipality "	2 953 395	2 339 767	2 210 580
Project No 152 "Introduction of energy efficiency measures	2 851 397	2 231 905	2 224 464
Project No 154 "Improving the energy efficiency of public buildings in the city of Belene and reduction of the harmful emissions, generated in the public sector of the municipality – Belene Municipality "	785 221	650 516	648 592
Project No 162 "Ensuring municipal educational infrastructure with high energy efficiency level in Godech Municipality – CCCF Yuriy Gagarin"*	866 551	257 728	253 791
Project No 165 "Rehabilitation of external heat pipeline from geothermal borehole "Geizera" to supply thermal heating for PS "Hr. Botev", the building of the municipal administration, Community Cultural Center "Prosveten Lach" and FDK "Sv. Anna", Sapareva Banya Municipality	882 856	841 723	841 723
Total for public projects	20 746 187	15 057 183	14 770 215
B. Private projects			
Project No 87 "Eco Energia Dospat EOOD - Gasification and co-generation of biomass for electricity production in Barutin village, Dospat Municipality"	182 949	182 949	182 949
Project No 206 "Windfarm Balchik 1"	391 166	391 166	391 166
Project No 207 "Windfarm Balchik 2"***	391 166	0	0
Project No 208 "Windfarm Balchik 4"***	391 166	0	0
Total for private projects	1 356 447	574 115	574 115
Total under projects:	22 102 634	15 631 298	15 344 330

* One of the sites of this municipality will be implemented in 2015 due to a delay in the tender procedure.

**Projects 207 and 208 are not financed, since they have as owner the same one as for project 206 and their financing will lead to violation of the “de minimis” principle.

2.2. Fund's operating costs coverage. Budget implementation for operating costs coverage

During 2014, main source of funds for NTEF operating costs coverage is the Green Investment Scheme in its part related to the administration of the Fund.

The budget implementation for operating costs coverage is shown in **Table 2.2**.

During the past 2014, a total of BGN 539 286 were used to support NTEF activity. As a whole, the actually disbursed funds for operating costs represent 58% of the envisioned in the budget. The non-absorbed funds to the amount of BGN 137 350 for institutional development from the World Bank grant will be used during 2015 for implementing the activities, envisioned in the agreement.

With regard to the structure, the cost allocation by budget items is the following: 19.6% for institutional development; 28.1%- for qualification improvement, remunerations, social security and health insurance; advisory services related to the implementation of projects – 14.6 % of the totally incurred NTEF operating costs; maintenance and office costs – 8.4%; administrative-managerial costs – 25.2%, as well as Management Board operating costs – 4.1%.

Table 2.2: Budget implementation for operating costs coverage in 2014

Cost allocation	Plan BGN	Report BGN	Performance %
A. INVESTMENTS	8 400	0	0,0%
1. Acquisition of tangible fixed assets	6 000	0	0,0%
2. Acquisition of current assets	2 400	0	0,0%
B. INSTITUTIONAL DEVELOPMENT	250 000	105 650	42%
1. Advisory services for institutional development (World Bank grant)	243 000	105 650	43,0%
2. Other costs for institutional development	7 000	0	0,0 %
C. CURRENT COSTS	667 229	433 636	65, 0%
1. Improving the qualification, remunerations, social security and health insurance	165 472	151 386	91,0%
a. Staff training		138	0,0%
b. Labor remunerations	136 216	132 223	97,0 %
c. Social security and health insurance	24 156	19 025	79,0 %
d. Social allowances pursuant to the Labor Code (LC)	5100	0	0,0%
2 Services related to the implementation of projects - EMEPA	145 500	0	0,0%
2.A. Advisory services related to the implementation of	144 000	78 837	55,0 %

projects			
3. Maintenance and office costs – overhead costs	46 300	45 532	98.0%
a. Electricity, heating, phones, e-mail, water, etc.	26 900	23 581	88.0 %
b. Fuel and lubricating materials, car maintenance	0	0	0,0%
c. Insurance and security	2 600	2 271	87,0%
d. Office consumables and servicing	16 800	19 680	117,0%
4. Administrative-managerial costs	141 760	135 761	96,0%
a. Business trips	16240	16 522	102, 0 %
b. Representative costs	0	0	0,0 %
c. Public relations	46 400	43 593	94,0 %
d. Administrative	79 120	75 646	96,0 %
5. Management Board operating costs	24 197	22 120	91,0%
D. RESERVE 4% FROM (A+B+C)	0	0	0,0%
TOTAL COSTS	925 629	539 286	58,0%

As a whole, compared with the previous year, the total administrative costs of the Fund for 2014 are by about 45% higher than these for 2013 (See Annex 4). This result is due to the significant increase in the work volume of the Fund during the past 2014, as well as to the NTEF institutional development project, financed by the World Bank. This is reflected on all budget components for NTEF administrative cost coverage and most of all on the costs for business trips and audits of the financed projects, as well as for advisory services, related to the selection and implementation of the projects and the institutional development.

It has to be pointed out that NTEF is facing several challenges in connection with the provision of efficient conditions and technical means for the implementation of its activity. The lack of a car and of fast and highly productive device for copying, scanning and printing is envisioned to be overcome during 2015.

3. NTEF financial status as of 31.12.2014

NTEF cash funds are kept in accounts with Unicredit Bulbank AD. As of 31.12.2014, NTEF has BGN 45 133 in its accounts with Bulbank AD, out of which BGN 26 111 represent a balance from an advance payment under the Grant Agreement between the Republic of Bulgaria and the World Bank for strengthening the capacity of NTEF. The cash on hand of NTEF as of 31.12.2014 amounts to BGN 1 833. The proceeds from the AAU sales are kept in a special bank account at the disposal of the Ministry of Finance.

V. INSTITUTIONAL DEVELOPMENT, INTERNATIONAL AND PUBLIC RELATIONS

1. Administrative activity

As of the end of the reporting period, the EB staff comprises of 6 full-time employees. During 2014 working for the Executive Bureau under civil contracts were also other experts depending on the concrete needs of NTEF operation.

The document turnover at EB is accomplished correctly. The whole documentation of the Fund since its establishment is archived and stored. All Management Board meetings are duly recorded, signed and archived. The archiving of the projects under the National Green Investment Scheme in compliance with the Bulgarian and the European legislation started in 2014. For this purpose special cabinets will be purchased in 2015.

All meetings of the Management Board are duly recorded, signed and archived.

2. Activities, related to programs and financing mechanisms

During 2014, the Executive Bureau continued to work for the implementation of the possibilities to use NTEF as a mechanism under new financing programs and schemes.

2.1. Preparation for implementation, financing and monitoring of the greening projects within the framework of the National Green Investment Scheme

During the reported 2014, NTEF continued its work on implementation, financing and monitoring of the approved projects within the framework of the National Green Investment Scheme.

In connection with the above mentioned, a big part of the activities were related to:

- Collection of proposals, evaluation and selection of new project proposals within NGIS framework, including the publication of new calls for submission of projects to NTEF.
- Forming of new packages of projects for their presentation in front of potential AAU buyers.
- Development of guidelines for the beneficiaries under the public projects during the preparation of the tender documentation, their coordination with the responsible institutions, and their sending to the beneficiaries.
- Review and approval of the tender documents prepared by the beneficiaries.
- Participation of NTEF representatives as members in the Commissions for selection of contractors.
- Monitoring of the projects, including review and approval of the documents for interim payments.
- Preparation of quarterly technical and financial reports on the progress of the projects.
- Ensuring the necessary documents, references and information for the auditors in connection with the reviewing of the separate NGIS elements and the financed projects.

- Conducting meetings of the Commission for Selection, Control and Reporting on the implementation of projects under NGIS.

2.2. Activities, related to the preparation of new programs and financing mechanisms

During the reported year the Executive Bureau actively participated in the studying of possibilities for financing other programs in the field of environmental protection.

In connection with the preparation and discussion of the Draft Climate Change Mitigation Act (CCMA), the work for developing new mechanisms for implementation of NTEF functions, included in the draft act, has started at NTEF. A survey of the experience of other countries is performed, as well as the possibilities for implementing new forms of financing are studied.

2.3. Grant Agreement between the Republic of Bulgaria and the World Bank for Strengthening the Capacity of the National Trust Eco Fund (NTEF)

In connection with the new NTEF functions within the framework of the National Green Investment Scheme, MEW addressed a request for supporting the institutional development of the Fund to the World Bank.

After implementation of a series of steps for application and approval, in the end of the reported 2011 the World Bank approved grant financing to the amount of USD 203 000 for a period of 30 months with a respective non-financial contribution on the part of NTEF to the amount of USD 20 000.

The main measures, financed within the project framework, are the following:

- Developing new Strategy and Action Plan in connection with the new NTEF functions. The activity under this measure is successfully implemented by the consultant selected in compliance with the procedures of the World Bank.
- Restoration and expansion of the NTEF contacts within the partnership networks. In January 2013 the whole team of the Commission for Selection, Control and Reporting on the implementation of NGIS participated in the annual seminar on climate change of Kommunalkredit Public Consulting in Vienna. In December 2014 a delegation from MEW, MEE and MF and a representative of the EB of NTEF took part in the sessions and seminars at the Meeting of the countries-parties to the United Nations Framework Convention on Climate Change in Lima.
- Training of the staff of EB and of the NTEF experts in communication skills and implementation of the Spatial Development Act (SPA) and other acts. This activity will continue in 2015.
- Strengthening NTEF public identity through the conducting of annual public event, related to the 20th anniversary of NTEF in 2015 defining the corporative identity of the National Green Investment Scheme.
- Creation of a new web site, internet portal (virtual working place) and electronic application forms.

3. International and public relations

Two reports on project implementation under the National Green Investment Scheme **within the framework of the two deals with the Republic of Austria** were published and their distribution was started in 2014. These reports contain statements of the ministers of both countries, as well as the main information related to the Kyoto Protocol, the National Green Investment Scheme and the role of Bulgaria and Austria in the process.

The second report also contains analysis of the results from the implemented projects with a focus on the social and economic effects.

On all sites, whose renewal has been accomplished implementing energy efficiency measures financed through the National Green Investment Scheme, **denotation plates** have been produced and installed, which contain information in Bulgarian and in English about the program, its value and the quantity of the reduced greenhouse gas emissions.

NTEF activity and the implementation of the National Green Investment Scheme have been **presented at two seminars**.

The web pages of NTEF and PAF in Bulgarian and English languages were timely updated and contain the necessary information on the structure and activity of the two funds, the new programs and priority areas for project financing, application terms, evaluation criteria for the funding proposals and description of the completed projects.

The main rework of the NTEF web page and the creation of **internet portal**, as well as the development of **electronic application forms** started in the end of 2014.

The NTEF printed information materials were provided to all stakeholders during different meetings and popularization events.

NTEF international activity is focused on the contacts and the commitments of the Fund to the AAU buyers, with which an agreement has been signed on the part of the Bulgarian government, namely the Republic of Austria. In connection with the implementation of the International agreement EB of NTEF is maintaining regular connections with the agency, representative of the Austrian government, providing the relevant information and discussing next steps.

Appendix 1

Letters of interest and application forms,
submitted to NTEF for reviewing during
2014

ANNEX 1A

APPLICATIONS, SUBMITTED FOR REVIEWING TO NTEF DURING 2014

No	Project No	Location / Client	Project Title	LETTER OF INTEREST submission date
1	297	Bratya Daskalovi	"Major renewal and introduction of energy efficient measures through energy from renewable sources in the building of the municipal administration in RLP XXVIII-874 for CPS, 89 quadrant according to the plan of Bratya Daskalovi village, Bratya Daskalovi Municipality"	30.01.2014
2	298	Velingrad	Implementation of energy efficiency measures in a building of DCCYD "Nadezhda" an FDK "Detski Rai" - city of Velingrad	03.02.2014
3	299	Burgas	"Complete insulation of the building aiming at achieving maximum energy efficiency - replacement of the existing wood joinery, insulation of external walls, roof and building of heating and ventilation systems, as well as central system for domestic hot water supply"	06.02.2014
4	300	Bolyarovo	"Renovation of school building PS "Stefan Karadja", 23 Todor Uzunov Str., Bolyarovo Municipality"	10.02.2014
5	301	Cherno-ochene	"Improving the energy efficiency of the Administrative building of Chernoochene Municipality in Chernoochene village.	24.02.2014
6	302	UACG - Sofia	Implementation of a package of measures for improving the energy efficiency of the building of student' dormitory - block No 35 of the University of Architecture, Construction and Geodesy - Sofia.	28.02.2014
7	303	Zlatitsa	"Energy efficiency measures in the building of "Sveshti Plaz" hut on the territory of Zlatitsa city, Zlatitsa Municipality"	04.03.2014
8	304	Maritsa	"Implementing energy efficiency measures for the street lighting of the settlements in Maritsa Municipality"	10.03.2014
9	305	Trakia University - Stara Zagora	"Improving the educational infrastructure of the of the Equipment and Technology Faculty – Yambol city, adhering to the Trakia University - Stara Zagora through a package of energy saving measures"	03.04.2014
10	306	Technical University - Sofia	"Implementation of a package of energy saving measures for the building of the students' dormitory - block No 4 of the Technical University - Sofia.	11.04.2014
11	307	Trakia University - Stara Zagora	"Energy saving measures for Morphological Block and Gymnasium of the Medical Faculty at the Trakia University, located in RLP-I - health complex from 524 quadrant pursuant to the plan of Stara Zagora city with building identifier 68850.502.497"	30.04.2014
12	308	Svoqe	"Improving the energy efficiency of administrative building of Svoqe Municipality"	13.05.2014
13	309	Asenovgrad	"Energy efficient street lighting in Asenovgrad Municipality"	14.05.2014
14	310	Sofia (Metropolitan Municipality)	"Improving the energy efficiency of Second Multiprofile Hospital for Active Treatment – Sofia EAD"	27.05.2014
15	311	Ruse	"Implementation of energy efficiency measures in site CSS "Yordan Yovkov" in the city of Ruse	27.05.2014
16	312	Tvarditsa	"Implementation of energy efficiency measures in the buildings of: 1) CSS "G. Karavelov", city of Shivachevo, Tvarditsa Municipality, Sliven District; 2) Social care - Tvarditsa city, Tvarditsa Municipality, Sliven District"	02.06.2014
17	313	Targovishte	"Improving the energy efficiency of the building of First CSS "Sv. Sedmochislenitsi" - Targovishte city, Targovishte Municipality	01.07.2014
18	314	Simitli	"Building energy saving street lighting in Simitli city, Simitli Municipality"	28.07.2014
19	315	Maritsa	"Implementation of energy efficiency measures in FDK "Buratino" - Kostievo village, Maritsa Municipality"	29.07.2014
20	316	Maritsa	"Implementing energy efficiency measures in PS "Sv. Sv. Kiril i Metodii - Kostievo village, Maritsa Municipality"	29.07.2014

21	317	Maritsa	"Implementation of energy efficiency measures in the Health Service - Manole village, Maritsa Municipality, Plovdiv District"	29.07.2014
22	318	Nesebar	"Building energy efficient street lighting in Ravda village, Nesebar Municipality"	30.07.2014
23	319	Sofia	"Implementation of energy efficiency measures in administrative building of DNCS, 47 Hristo Botev Blvd., Sofia city"	30.07.2014
24	320	Ruse	"Implementation of energy efficiency measures on site Secondary School Dormitory in the city of Ruse"	07.08.2014
25	321	Burgas	"Introduction of energy efficiency measures in the building of Diagnostic – Consultative Center 1, Burgas – EOOD"	12.09.2014
26	322	Ruse	"Implementation of energy efficiency measures on sites: Site 1 - Municipal Children Center for Culture and Art - Ruse city and Site 2 - Combined Child Care Facility "Raina Knyaginya" - Marten city.	17.09.2014
27	323	Avren	"Building energy saving street lighting in Priseltsi village, Avren Municipality"	17.09.2014
28	324	Trakia University - Stara Zagora	"Ensuring appropriate and profitable social infrastructure in Dormitory No 1 of DIQT to the Trakia University - Stara Zagora for achieving sustainable development and improved quality of living"	09.10.2014
29	325	W&S - EOOD - city of Dobrich	"Implementation of a package of measures to improve the energy efficiency of Administrative building - Central Administration of "Water & Sewerage" EOOD - Dobrich city"	10.10.2014
30	326	Petrich	Building energy saving street lighting in Petrich city, Petrich Municipality	14.10.2014
31	327	Balchik	"Modernization of the street lighting in Balchik Municipality, Dobrich District"	12.11.2014
32	328	Veliko Tarnovo	"Introduction of energy saving measures in the school educational infrastructure in Veliko Tarnovo Municipality"	17.11.2014
33	329	Sofia	"Improving the energy efficiency in 44 th CSS "Neofit Bozveli", PODUYANE REGION Sofia"	24.11.2014
34	330	Momchilgrad	Implementation of energy efficiency measures in PS "N. Y. Vaptsarov" - Gruevo village, PS „Sv.Sv. Kiril I Metodii" - Nanovitsa village and PS "V. Levski" - Raven village, Momchilgrad Municipality	05.12.2014
35	331	Momchilgrad	„Implementation of energy efficiency measures in a building of FDK "Buket"- Raven village, Momchilgrad Municipality	05.12.2014
36	332	VSSWPC "Tsar Ivan Asen II" - Haskovo city	"Implementation of energy efficiency measures in wood processing workshops - VSSWPC "Tsar Ivan Asen II"	15.12.2014
37	333	Valchi Dol	"Repair and reconstruction of existing Home for Elderly People with Mental Deficiency /HEPMD/, RLP III, 2 quadrant, Gara Oborishte village, Valchi Dol Municipality	18.12.2014
38	335	Ruse	Implementation of energy efficiency measures on site PS "Otets Paisii" – city of Marten	09.01.2014

ANNEX 1B					
APPLICATION FORMS, SUBMITTED FOR EXAMINATION TO NTEF DURING 2014					
No	Project No	Location / Client	Project Title	LETTER OF INTEREST submission date	APPLICATION submission date
1	158	Zlatitsa	"Improving the energy efficiency of FDK "Slantse", Zlatitsa city, Zlatitsa Municipality"	27.1.2012	10.01.2014.
2	184	Etropole	"Undertaking energy efficiency measures with the aim to improve the municipal educational, administrative and medical infrastructure"	01.08.2012	14.05.2014
3	226	Vocational High School in Electrical Engineering and Electronics - Kardjali city	"Improving the energy efficiency of the school building and the dormitory of the Vocational High School in Electrical Engineering and Electronics "Kapitan Petko Voivoda"	18.12.2012	30.03.2014
4	262	Harmanli	"Improving the energy efficiency of the buildings of ES "Otets Paisii" - Harmanli city"	07.05.2013	07.04.2014.
5	263	Asenovgrad	"Implementation of measures for improving the energy efficiency of FDK "Shtastivo Detstvo" - Topolovo village and ES "Otets Paisii" - Muldava village in Asenovgrad Municipality"	09.05.2013	03.09.2014
6	265	Maritsa	"Implementing energy efficiency measures in FDK "Mechta" in Manole village, Maritsa Municipality"	13.05.2013	15.09.2014
7	267	Dolni Dabnik	"Implementation of energy efficiency measures in the buildings of ES "Sv. Sv. Kiril i Metodii" - city of Dolni Dabnik - building 1 - RLP I-604, 21 quadrant"	23.05.2013	06.01.2014
8	268	Dolni Dabnik	"Implementation of energy efficiency measures in the buildings of ES "Sv. Sv. Kiril i Metodii" - city of Dolni Dabnik - building 2 - RLP IV-1564, 97 quadrant"	23.05.2013	06.01.2014
9	269	Dolni Dabnik	"Implementing energy efficiency measures in the building of PS "Sv. Sv. Kiril i Metodii" - Gorni Dabnik village - RLP I-518, 31 quadrant"	23.05.2013	06.01.2014
10	270	Dolni Dabnik	"Implementing energy efficiency measures in the administrative building - Pensioner's Club in Sadovets - RLP VII-1166, 18a quadrant"	23.05.2013	06.01.2014.
11	275	Pleven	"Implementation of energy efficiency measures in the Students dormitory "Medik" of the Medical University - city of Pleven"	19.07.2013	10.02.2014
12	276	Chiprovtsi	"Reducing the emissions of greenhouse gases through introduction of energy efficiency measures in administrative building - Chiprovtsi city, Chiprovtsi Municipality"	02.08.2013	25.03.2014
13	277	Chiprovtsi	"Reducing the emissions of greenhouse gases through introduction of energy efficiency measures in PS "Petar Parchevich" - Chiprovtsi city"	02.08.2013	25.03.2014
14	279	Dobrich	"Improving the energy efficiency and reducing the released hazardous emissions from the building of the Community Cultural Center "Yordan Yovkov - 1870" in Dobrich city"	02.09.2013	24.03.2014
15	281	Cherven Bryag	"Implementation of energy efficiency measures in the building of "Social Service" - Cherven Bryag city"	10.09.2013	19.05.2014 (projects)
			"Implementation of energy efficiency measures in the building of DCC - 1 - Cherven Bryag city"	10.09.2013	
16	284	Tutrakan	"Modernization of street lighting of Tutrakan Municipality"	30.09.2013	06.03.2014
17	287	HST "Todor Kableshkov" - Sofia city	"Reducing the hazardous emissions and improving the energy efficiency of building and facilities of Dormitory 2 of HST "Todor Kableshkov" - Sofia city"	23.10.2013	26.11.2014
18	288	MEE	"Reconstruction and restructuring of the existing public services building within an office building - Bozhuriste village"	06.11.2013	16.12.2014
19	289	Parvomai	"Improving the energy efficiency of the building of "MHAT - Parvomai" EOOD, Parvomai Municipality"	07.11.2013	18.06.2014

20	292	Parvomai	"Improving the energy efficiency of the building of "Medical Center 1 - Parvomai" EOOD, Parvomai Municipality"	19.11.2013	18.06.2014
21	293	Military Academy	"Improving the energy efficiency of the building of the training facility of Military Academy "Georgi Staikov Rakovski"	27.11.2013	04.04.2014
22	295	Oryahovo	"Implementation of a package of measures for improving the energy efficiency of the units of Administrative building in Oryahovo city, 29 Andrey Chaprazov Str., Health Service in Selanovtsi village, 51 Stefan Stambolov Str., Administrative building in Oryahovo city, 5 Andrey Chaprazov Str., Dormitory, RLP I, 113 quadrant, identification No 54020 501.195 in Oryahovo city, 9 Sergey Rumyantsev Str. and Municipal Children Complex "Lyudmila Zhivkova" in Oryahovo city"	16.12.2013	30.10.2014
23	299	Burgas	"Complete insulation of the building with the aim to achieve maximum energy efficiency – replacement of the existing wood joinery, insulation of external walls, roof and building of heating and ventilation systems, as well as central system for domestic hot water supply"	06.02.2014	31.10.2014
24	300	Bolyarovo	"Insulation of school building of OU "Stefan Karadja" - Stefan Karadja village, 23 Todor Uzunov Str., Bolyarovo Municipality	10.02.2014	15.09.2014
25	302	UACEG - Sofia	"Implementation of a package of measures for improving the energy efficiency of the building of the students dormitory - block No35 of the University of Architecture, Civil Engineering and Geodesy - Sofia"	28.02.2014	31.10.2014
26	305	Trakia University - Stara Zagora	"Improving the educational infrastructure of Equipment & Technology Faculty – Yambol city at the Trakia University – Stara Zagora through a package of energy saving measures	03.04.2014	07.11.2014

Appendix 2

Finally approved projects for funding by
MB of NTEF during 2014

ANNEX 2

FINALLY APPROVED PROJECTS FOR FUNDING BY MB OF NTEF DURING 2014

No	Project No	Location / Client	Project Title	Decision of MB of NTEF
1	158	Zlatitsa	"Improving the energy efficiency of FDK "Slantse", Zlatitsa city"	YES - 09.07.2014
2	184	Etropole	"Undertaking energy efficiency measures with the aim to improve the municipal educational, administrative and medical infrastructure"	YES - 09.07.2015
3	201	Ruse	"Implementing energy efficiency measures in FDK "Radost" in Ruse city"	YES - 30.01.2014
4	212	Kaspichan	"We are saving energy for clean environment"	YES - 09.07.2014
5	226	Kardzhali	"Improving the energy efficiency of the school building and the dormitory of VSS for Electrical Engineering and Electronics "Kapitan Petko Voivoda"	YES - 09.07.2015
6	227	Tutrakan	"Introduction of energy efficiency measures for Municipal center for extramural activities and for Administrative building of Tutrakan Municipality"	YES - 30.01.2014
7	242	Sadovo	"Improving the energy efficiency of the building of PS - Bogdanitsa village, Sadovo Municipality, Plovdiv District"	YES - 30.01.2015
8	243	Sadovo	"Improving the energy efficiency of the building of FDK "Svoboda", Sadovo Municipality"	YES - 30.01.2016
9	244	Strazhitsa	"Implementing a package of measures to improve the energy efficiency in: 1) administrative building of the municipal administration - Strazhitsa city; 2) administrative building of BCU (Municipal building in 102 quadrant, Strazhitsa city)" 3) building of CCCF "Angel Karaliichev" - Strazhitsa city"	YES - 30.01.2017
10	249	Lyaskovets	"Energy reconstruction and modernization of CCC "Napredak 1870" in Lyaskovets city"	YES - 30.01.2018
11	250	Devin	"Reducing the greenhouse gas emissions through introduction of energy efficiency measures in CCCF "Izvorche", CCCF "Zdravets" and Culture Center, Devin city"	YES - 09.07.2014
12	254	Ugarchin	"Implementation of energy efficiency measures in administrative building of Ugarchin Municipality"	YES - 30.01.2014
13	260	Ugarchin	Implementation of energy efficiency measures in the building of PS "Hristo Botev" Kirchevo village, Ugarchin municipality"	YES - 30.01.2015
14	262	Harmanli	"Improving the energy efficiency of the buildings of ES "Otets Paisii", Harmanli city"	YES - 09.07.2014
15	261	Ugarchin	"Implementation of energy efficiency measures in the Sport Hall building - Kirchevo village, Ugarchin Municipality"	YES - 30.01.2014
16	267	Dolni Dabnik	"Implementation of energy efficiency measures in the buildings of ES "Sv. Sv. Kiril i Metodii" - Dolni Dabnik city - building 1 - RLP I-604, 21 quadrant"	YES - 09.07.2014
17	268	Dolni Dabnik	"Implementing energy efficiency measures in the buildings of ES "Sv. Sv. Kiril i Metodii" - Dolni Dabnik city - building 2 - RLP IV-1564, 97 quadrant"	YES - 09.07.2015
18	269	Dolni Dabnik	"Implementing energy efficiency measures in the buildings of PS "Sv. Sv. Kiril i Metodii" - Gorni Dabnik city - RLP I-518, кв. 31"	YES - 09.07.2016
19	270	Dolni Dabnik	"Implementation of energy efficiency measures in administrative building - Pensioner's Club in Sadovets - RLP VII-1166, 18a quadrant"	YES - 09.07.2017

20	272	Yakimovo	"Reducing the greenhouse gas emissions through introduction of energy efficiency measures in CCC "Vladimir Vakov"— Komoshtitsa village, Yakimovo Municipality"	YES - 09.07.2018
21	273	Botevgrad	"Implementation of a package of measures for improving the energy efficiency of the buildings of FDNU "Zdravets" in Botevgrad city and CCCF "Zdravets" in Trudovets village, Botevgrad Municipality"	YES - 09.07.2019
22	274	Botevgrad	"Implementation of a package of measures for improving the energy efficiency of the buildings of FDNU No2/at ODZ "Iglia"/, 28 quadrant in Botevgrad city, CCCF "Zdravets" in Litakovo village, Botevgrad Municipality, and CCCF "Zora" in Novachene village, Botevgrad Municipality"	YES - 09.07.2020
23	275	Medical University - Pleven city	"Implementation of energy efficiency measures in Students' Dormitory "Medik" of the Medical University - Pleven city"	YES - 09.07.2021
24	276	Chiprovtsi	"Reducing the greenhouse gas emissions through implementation of energy efficiency measures in administrative building of Chiprovtsi Municipality - Chiprovtsi city"	YES - 09.07.2022
25	277	Chiprovtsi	"Reducing the greenhouse gas emissions through introduction of energy efficiency measures in PS "Petar Parchevich" - Chiprovtsi city"	YES - 09.07.2023
26	278	Aitos	"Improving the educational environment through insulation of school buildings of CSS "Hristo Botev", Aitos city"	YES - 30.01.2014
27	279	Dobrich	"Improving the energy efficiency and reducing the release of hazardous gases from the building of CCC "Yordan Yovkov - 1870" - Dobrich city"	YES - 09.07.2014
28	281	Cherven Bryag	"Implementation of energy efficiency measures in the buildings of "Social Service" and DCC - I - Cherven Bryag city"	YES - 09.07.2015
29	284	Tutrakan	"Modernization of street lighting of Tutrakan Municipality"	YES - 09.07.2016
30	289	Parvomai	"Improving the energy efficiency in the building of "MHAT – Parvomai" EOOD, Parvomai Municipality"	YES - 09.07.2017
31	292	Parvomai	"Improving the energy efficiency of the building of "Medical Center I - Parvomai" EOOD, Parvomai Municipality"	YES - 09.07.2018
32	293	Military Academy "G. S. Rakovski"	"Improving the energy efficiency of the training facility building of Military Academy "G. S. Rakovski"	YES - 09.07.2019

Appendix 3

Implemented projects under NGIS using NTEF funding

ANNEX 3

IMPLEMENTED PROJECTS UNDER NGIS WITH NTEF FUNDING

No	Project No	Beneficiary	Value of the provided NTEF funding	Signing date of the agreement with NTEF	Status
1	85	Etropole Municipality	701 800,03	12.3.2012	Implemented
2	90	Chelopech Municipality	577 663,01	08.3.2012	Implemented
3	46	Trakia University - Stara Zagora	256 167,73	07.3.2012	Implemented
4	113	Bratya Daskalovi Municipality	376 095,80	09.3.2012	Implemented
5	140	Metropolitan Municipality - Lyulin	267 169,00	07.3.2012	Implemented
6	140	Metropolitan Municipality - Bankya	856 131,90	07.3.2012	Implemented
7	6-I	Dimovo Municipality	622 472,60	12.3.2012	Implemented
8	11-I	Tran Municipality	436 131,89	08.3.2012	Implemented
9	77	District Administration - Gabriovo	849 813,53	27.3.2012	Implemented
10	120	Burgas Municipality	919 521,00	13.7.2012	Implemented
11	27	Polski Trambesh Municipality	380 923,00	17.7.2012	Implemented
12	73	Ruse Municipality	118 919,18	14.8.2012	Implemented
13	135	Gabrovo Municipality	314 095,97	22.8.2012	Implemented
14	107	Dupnitsa Municipality	496 481,59	08.8.2012	Implemented
15	132-1	Veliko Tarnovo Municipality - FDK "Slantse"	119 349,79	17.8.2012	Implemented
16	41	Dolni Dabnik Municipality	146 118,66	18.7.2012	Implemented
17	28	Polski Trambesh Municipality	136 788,47	17.7.2012	Implemented
18	105	Valchi Dol Municipality	107 513,98	26.7.2012	Implemented
19	153	HST "Todor Kableshkov"	864 659,00	13.7.2012	Implemented
20	141	Yambol Municipality	3 370 668,50	23.7.2012	Implemented
21	3-I	Svilengrad Municipality	309 626,97	19.7.2012	Implemented
22	22	Momchilgrad Municipality	649 466,73	12.7.2012	Implemented
23	137	Ardino Municipality	109 451,20	18.7.2012	Implemented
24	47	VSSWPC "Tsar Ivan Asen" - Haskovo city	153 296,00	20.7.2012	Implemented
25	29	Polki Trambesh Municipality	64 496,56	17.7.2012	Implemented
26	138	Ardino Municipality	1 368 470,30	18.7.2012	Implemented
27	94	Kostenets Municipality	153 479,67	17.7.2012	Implemented
28	97	Kaloyanovo Municipality	68 115,88	18.7.2012	Implemented
30	154	Belne Municipality	648 592,38	20.7.2012	Implemented
31	96	Venets Municipality	391 614,76	27.7.2012	Implemented
32	151	Plovdiv Municipality	2 210 580,13	17.7.2012	Implemented
33	142	Stambolovo Municipality	305 708,77	17.7.2012	Implemented
34	162	Godech Municipality	253 790,69	19.7.2012	Partially implemented
35	152	Kazanlak Municipality	2 224 464,26	17.7.2012	Implemented
36	32	Pavel Banya Municipality	700 857,40	20.7.2012	Implemented
37	132-1	Veliko Tarnovo Municipality	255 265,30	17.8.2012	Implemented
38	143	VSSGCCT - Shumen city	392 421,48	26.7.2012	Implemented
39	87	"Eco Energia Dospat" EOOD - Axis 2	365 895,00	19.9.2012	Implemented
40	206	"Windfarm Balchik 1" OOD - Axis 2	391 166,00	31.10.2014	Implemented
41	84	Svishtov Municipality	112 391,14	20.12.2013	Partially implemented
42	27-II	Bratsigovo	185 734,00	18.12.2013	Implemented
43	165	Sapareva Banya	841 723,00	18.12.2013	Implemented

Appendix 4

**Budget implementation for covering NTEF
operating costs as of 31.12.2014**

ANNEX 4

BUDGET IMPLEMENTATION FOR NTEF OPERATING COSTS COVERAGE AS OF 31.12.2014

COST ALLOCATION	Previous year (2013)			Performance %	Reported year (2014)			Performance %
	Plan BGN	Report BGN			Plan BGN	Report BGN		
Part A - INVESTMENTS	35 220	4 965		0	8 400	0		0
1. Tangible fixed assets	31 420	1 961		6	6 000	0		0
2. Intangible fixed assets	3 800	3 004		79	2 400	0		0
Part B - INSTITUTIONAL DEVELOPMENT	182 500	59 417		33	250 000	105 650		42
1. Advisory services related to institutional development	178 300	56 417		32	243 000	105 650		43
2. Other institutional development related costs	4 200	3 000		71	7 000	0		0
Part C - CURRENT COSTS	391 501	307 587		79	667 229	433 636		65
1. Improving the qualification, remunerations, social security and health insurance	171 659	136 163		79	165 472	151 386		91
a. Staff training	20 000	90		0	0	138		0
b. Labor remunerations	124 580	119 533		96	136 216	132 223		97
c. Social security and health insurance	21 979	16 540		75	24 156	19 025		79
d. Social allowances pursuant to the Labor Code (LC)	5 100	0		0	5 100	0		0
2. Advisory services related to the selection and implementation of projects - EMEPA	0	0		0	145 500	0		0
2A. Advisory services related to the implementation of projects	37 400	34 989		94	144 000	78 837		55
3. Maintenance and office costs - overhead	51 560	46 739		91	46 300	45 532		98
a. Electricity, heating, phones, e-mail, water, etc.	23 500	27 730		118	26 900	23 581		88
b. Fuel and lubricating materials, car maintenance	11 600	0		0	0	0		0
c. Property insurance and security	2 300	2 366		103	2 600	2 271		87
d. Office consumables and services	14 160	16 643		118	16 800	19 680		117
4. Administrative-managerial costs	106 600	71 208		67	141 760	135 761		96
a. Business trips	7 200	14 299		199	16 240	16 522		102
b. Representative costs	0	0		0	0	0		0
c. Public relations	3 400	2 260		66	46 400	43 593		94
d. Administrative	96 000	54 649		57	79 120	75 646		96
5. Management Board operating costs	24 282	18 488		76	24 197	22 120		91
Part D - RESERVE [4% from (A+B+C)]	0	0		0	0	0		0
ВСИЧКО РАЗХОД	609 221	371 969		61	925 629	539 286		58
Revenues from advisory services	0	0		0	0	0		0
Nett costs:	609 221	371 969		61	925 629	539 286		58

Appendix 5

**Implementation of the budget for covering
NTEF operating costs as of 31.12.2013**

**Audit report of PhD Mariana Mihaylova in
compliance with the
International Standards of Auditing (ISAs)
and with audited Financial Report of
NTEF for 2014, compliant with the
International Financial Reporting
Standards (IFRS)**

INDEPENDENT AUDITOR'S REPORT

To the Managing Board of
National Trust Ecofund
Sofia, Bulgaria

Report on the Financial Statements

I have audited the accompanying financial statements of **National Trust Ecofund**, which comprise the statement of financial position as of 31 December 2014, and the statement of profit or loss and other comprehensive income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by EU and Bulgarian legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I have conducted the audit in accordance with International Standards on Auditing. Those standards require complying with ethical requirements and planning and performing the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

2

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of **National Trust Ecofund** as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by EU and Bulgarian legislation.

Report on Other Legal and Regulatory Requirements – Management's report for the year ended 31 December 2014

I have reviewed the management's report for the year ended 31 December 2014 of **National Trust Ecofund**, which is not part of the financial statements. The historical financial information in the management's report complies in its main aspects with the financial information, presented in the financial statements for the year ended 31 December 2014, prepared in accordance with International Financial Reporting Standards, as adopted by EU and Bulgarian legislation. The preparation of the management's report is responsibility of the management.

Registered Auditor



Mariana Mihaylova, PhD

Bulgaria, Sofia,
1 Rayko Daskalov, squ, entr.B, floor.2, ap.18

20 February 2015

Statement of financial position as at 31 December

Assets	Note	2014 BGN'000	2013 BGN'000
Non-current			
Plant and equipment	5	1	16
Non-current assets		<u>1</u>	<u>16</u>
Current			
Receivables	6	1	1
Cash and cash equivalents	7	47	36
Current assets		<u>48</u>	<u>37</u>
Total assets		<u>49</u>	<u>53</u>

Liabilities	Note	2014 BGN'000	2013 BGN'000
Non-current			
Financing	10	-	16
Non-current liabilities		<u>-</u>	<u>16</u>
Current			
Pension and other employee obligations	8.2	5	3
Trade payables	9	2	2
Financing	10	42	32
Current liabilities		<u>49</u>	<u>37</u>
Total liabilities		<u>49</u>	<u>53</u>

Prepared by:


(Ivailo Tsekov)

Acting Director of
the Executive Bureau:


(Kamelia Georgieva)

Date: 18 February 2015

Audited according to the auditor's report dated
20 February 2015


(Mariana Mihaylova, PhD)


The accompanying notes on pages from 4 to 20 form an integral part of the financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 December

	Note	2014 BGN'000	2013 BGN'000
Administrative and institutional development expenses financing income	11	542	363
Non-current assets financing income	5	14	13
Projects financing income	11	15 344	8 097
Projects funding costs	12	(15 344)	(8 097)
Cost of materials	13	(16)	(13)
Hired services expenses	14	(303)	(156)
Employee benefits expense	8.1	(177)	(156)
Depreciation of non-financial assets	5	(14)	(13)
Other expenses	15	(45)	(37)
Finance costs	16	(1)	(1)
Net result for the year		-	-
Total comprehensive income		-	-

Prepared by: 


(Ivailo Tsekov)

Acting Director of
the Executive Bureau: 

(Kamelia Georgieva)

Date: 18 February 2015

Audited according to the auditor's report dated
20 February 2015



(Mariana Mihaylova, PhD)



Statement of cash flows for the year ended 31 December

	Note	2014 BGN'000	2013 BGN'000
Operating activities			
NGIS financing received	10	15 793	8 414
Cash paid for project financing	12	(15 344)	(8 097)
Other financing received	10	101	-
Cash paid for institutional development		(106)	(57)
Cash paid to suppliers		(251)	(152)
Cash paid to employees and for social security		(181)	(155)
Other payments, net		(1)	(1)
Cash flow from operating activities		11	(48)
Investing activities			
Purchase for acquisition of non-current assets	5	-	(5)
Cash flow from investing activities		-	(5)
Net change in cash and cash equivalents		11	(53)
Cash and cash equivalents, beginning of year		36	89
Cash and cash equivalents, end of year	7	47	36

Prepared by: 
(Ivailo Tsekov)

Acting Director of
the Executive Bureau: 
(Kamelia Georgieva)

Date: 18 February 2015

Audited according to the auditor's report dated
20 February 2015


(Mariana Mihaylova, PhD)



Notes to the financial statements

1. Background information about the fund

The National Trust EcoFund ('the Fund') is a non-profit legal entity, established pursuant to:

1. 'Debt-for-Environment' and 'Debt-for-Nature' International Swap Agreements between the Governments of the Republic of Bulgaria and the Swiss Confederation, signed on 23 October 1995;
2. Art. 3b of the Environment Protection Act Amendments (State Gazette No. 63/14 July 1995) and Articles 66, 67, 68 and 142 a-h of the currently effective Environment Protection Act (State Gazette 91/25 September 2002, amended by Council of Ministers (State Gazette No. 46/18 June 2010));
3. Regulation on Organization and Activities of the National Trust EcoFund enacted by Council of Ministers' Decree No. 163 of 14 August 1995 (State Gazette No. 74/22 August 1995), amended by Council of Ministers' Decree No. 96 of 10 May 2004 (State Gazette No. 41/18.05.2004), amended by Council of Ministers' Decree No. 185 of 02 September 2010 (State Gazette No.71/10 September 2010) and Decree No. 301 of 19 September 2014 (State Gazette No.81/30 September 2014)

The Fund has been created with the objective of managing funds provided under the 'Debt-for-Environment' and 'Debt-for-Nature' swaps, funds generated from international trade with greenhouse-gas Assigned Amount Units (AAUs), from sale of aircraft greenhouse-gas emission quotas, as well as funds provided by governments, international financial institutions and other donors aimed at environmental protection in the Republic of Bulgaria. While performing its activities, the National Trust EcoFund acts independently and is only subject to the local legislation and the international agreements in which Bulgaria is a party.

The registered office of the Fund is at 1574 Sofia, 67 B, Shipchenski Prohod Blvd.

1.1. Ownership and management

The managing bodies of the Fund are the Managing Board, the Advisory Committee and the Executive Bureau.

The Managing Board has been comprised of seven members, including a Chairman and two Deputy Chairmen and four regular members as well as three alternative members in accordance with the Regulation on Organization and Activities of the National Trust EcoFund of 10 May 2004 CMD No. 96, amended by Council of Ministers' Decree No. 185 of 02 September 2010 (State Gazette No.71/10 September 2010).

The Advisory Committee consists of representatives of the governments and other institutions, which are sources of financing or which support the Fund's activities; the Executive Bureau organises the activities of the National Trust EcoFund.

The key managing personnel as at 31 December 2014 comprises of:

Managing Board

Chairman	- Assoc. Prof. Irena Georgieva, PhD
Deputy Chairman	- Deputy Minister Pavel Gudjerov
Deputy Chairman	- Prof. Naum Yakimov
Members:	- Deputy Minister Kiril Ananiev
	- Deputy Minister Anton Pavlov
	- Ginka Chavdarova
	- Lubomira Kolcheva

Advisory Committee:

Representative of R. of Austria	- Andrea Stockinger
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Executive Bureau:

EB Director	- CEO Kamelia Georgieva
Chief Accountant	- Ivaylo Tsekov
Accountant	- Margarita Manolova
Chief technical expert – Project Manager	- Kamelia Georgieva
Senior Technical Expert	- Eng. Mihail Denkov
Junior Technical Expert	- Neno Nenov
Technical secretary	- Elena Mihaylova

The Fund is represented and managed by the Chairman of MB – Assoc. Prof. Irena Georgieva, PhD. The operational activities are managed by the Acting Director of the Executive Bureau Kamelia Georgieva - Nikolova.

As at 31 December 2014 the total number of personnel is 6 (31 December 2013: 6).

1.2. Scope of activities

The Fund performs its activities pursuant to the Regulation on Organization and Activities of the National Trust EcoFund. The funds are used for financing and co-financing of ecological projects and activities in accordance with the conditions of the donors and with the priorities of the national ecological strategies and programs.

The activities of the Fund are focused on the following main areas:

1. Clean-up of past environmental pollution and damage;
2. Reduction of air pollution and limitation of climate change
3. Clean water protection;
4. Protection of biodiversity;
5. Funding under the National Green Investment Scheme (NGIS) that reduce greenhouse gases

The main sources of financing as at 31 December 2014 include:

- a) targeted financing within NGIS;
- b) proceeds from grant for institutional development of NTEF, financed by the World Bank

2. Basis for the preparation of the financial statements

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Fund. All amounts are presented in thousand Bulgarian leva (BGN'000) (including comparative information for 2013) unless otherwise stated.

The financial statements are prepared under the going concern principle.

After making enquiries, the directors have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Under the amendments to the Law on Environmental Protection (State Gazette. 46/18.06.2010), the National Trust EcoFund (NTEF) confers important functions in the National Green Investment Scheme (NGIS). In connection with the foregoing, the planned activities for the preparation and implementation of the above scheme provided in the Plan of NTEF for 2014 are already implemented:

1. NTEF has performed all activities in preliminary and subsequent control of the implementation of projects financed under its function of monitoring the implementation of NGIP.
2. Successfully were met the financial obligations of the Fund in respect of contracts for financing, including payments to the beneficiaries and to the EMPEA - through the reimbursement of loans for bridge financing.
3. Analyses were made on the results of the projects in the two deals for the sale of AAUs.
4. Activities for ensuring appropriate publicity for results of implemented projects in two transactions for the sale of AAUs have been conducted, including publishing the reports on the results achieved.

In accordance with the signed contract for the institutional development of NTEF under a grant from the World Bank, from the planned activities in the implementation of the contract provided for in the Plan of NTEF 2014 are met:

1. A NTEF strategy (2013 - 2020) and Action Plan 2013 – 2015 have been developed. Both documents were accepted by the Management Board of the Fund.
2. The contracts for the other activities have been signed:
 - Training of personnel in place;
 - IT Services - website and internet portal NTEF;
 - Services for publicity.

3. Changes in accounting policies

3.1. Overall considerations

The Fund has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Fund's financial statements for the annual period beginning 1 January 2014:

IAS 32 "Financial Instruments: Presentation" (amended) effective from 1 January 2014, adopted by the EU on 13 December 2012

The amendment clarifies that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy.

3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

The following new standards, amendments and interpretations to existing standards have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

IFRS 9 “Financial Instruments” effective from 1 January 2018, not yet adopted by the EU

IFRS 9 “Financial Instruments” (amended) – Hedge accounting, effective from 1 January 2018, not yet adopted by the EU

Annual Improvements to IFRSs 2012 effective from 1 July 2014, not yet adopted by the EU

These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

- IFRS 13, ‘Fair value measurement’
- Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and
- IAS 39, Financial instruments – Recognition and measurement’.

Annual Improvements to IFRSs 2013 effective from 1 July 2014, not yet adopted by the EU

The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

- IFRS 13, ‘Fair value measurement’ and

IFRS 10 “Consolidated financial statements” and IAS 28 “Investments in associates and joint ventures” (amended), effective from 1 January 2016, not yet adopted by the EU

IFRS 11 “Joint Arrangements” (amended) – Acquisition of an Interest in a Joint Operation, effective from 1 January 2016, not yet adopted by the EU

IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not yet adopted by the EU

IFRS 15 “Revenue from Contracts with Customers” effective from 1 January 2017, not yet adopted by the EU

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible Assets” (amended), effective from 1 January 2016, not yet adopted by the EU

IAS 16 “Property, plant and equipment” and IAS 41 “Agriculture” (amended) - Bearer Plants, effective from 1 January 2016, not yet adopted by the EU

IAS 19 “Employee Benefits” (amended) – Employee Contributions, effective from 1 July 2014, not yet adopted by the EU

IAS 27 “Separate financial statements” (amended), effective from 1 January 2016, not yet adopted by the EU

Annual Improvements to IFRSs 2014 effective from 1 January 2016, not yet adopted by the EU

These set of amendments impacts 4 standards:

- IFRS 5, ‘Non-current assets held for sale and discontinued operations’ regarding methods of disposal.
- IFRS 7, ‘Financial instruments: Disclosures’, (with consequential amendments to IFRS 1) regarding servicing contracts.
- IAS 19, ‘Employee benefits’ regarding discount rates.
- IAS 34, ‘Interim financial reporting’ regarding disclosure of information.

4. Summary of accounting policies

4.1. Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used for the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

4.2. Presentation of financial statements

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Fund has elected to present the statement of profit or loss and other comprehensive income in a single statement.

Two comparative periods are presented for the statement of financial position when the Fund:

- (i) applies an accounting policy retrospectively,
- (ii) makes a retrospective restatement of items in its financial statements, or
- (iii) reclassifies items in the financial statements.

4.3. Foreign currency translation

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate as published by the Bulgarian National Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4.4. Grant income

In correspondence with IAS 20 the grant income is recognised systematically and rationally as revenue in the statement of profit or loss and other comprehensive income in which are made the expenses on funding of projects for environmental protection, institutional development and the operating expenses of the Fund over the reporting period. Grants related to depreciable assets are recognized as income over the periods in proportion to the accrual of depreciation.

4.5. Interest income

Interest income is reported on an accrual basis using the effective interest method.

4.6. Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

4.7. Plant and equipment

Plant and equipment are initially measured at cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

After initial recognition, the plant and equipment is carried at its cost less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Impairment losses are recognized in the income statement for the respective period.

Subsequent expenditure relating to an item of plant and equipment is added to the carrying amount of the asset when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of the its originally assessed standard of performance. All other subsequent expenditure is recognized as incurred.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Plant and equipment acquired under finance lease agreement, are depreciated based on their expected useful life, determined by reference to comparable assets or based on the period of the lease contract, if shorter.

Depreciation is calculated using the straight-line method over the estimated useful life of individual assets as follows:

- Fixtures & Fittings 6-7 years
- IT equipment 2-3 years

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'Profit/(Loss) from sale of non-current assets'.

The recognition threshold adopted by the Fund for plant and equipment amounts to BGN 700.

4.8. Impairment testing of plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Fund's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce the carrying amount of the assets allocated to that cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.9. Financial instruments

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

All financial assets are recognized on their transaction date.

Financial assets and financial liabilities are subsequently measured as described below.

4.9.1. Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables.

Financial assets are assigned to the different categories, depending on the purpose for which the investments were acquired. The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within 'Finance costs', 'Finance income' or 'Other financial items', except for impairment of trade receivables which is presented within 'Other expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in profit or loss. The Fund's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available feature of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates for each identified group. Impairment of trade receivables are presented within 'Other expenses'.

4.9.2. Financial liabilities

The Fund's financial liabilities include trade and other payables.

Financial liabilities are recognized when the Fund becomes a party to the contractual agreements for payment of cash amounts or another financial asset to another company or contractual liability for exchange of financial instruments with another company under unfavorable terms. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'Finance costs' or 'Finance income'.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.

4.10. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current bank accounts, demand deposits and deposits up to 3 months.

4.11. Post employment benefits and short-term employee benefits

The Fund reports short-term payables relating to unutilized paid leaves, which shall be compensated in case it is expected the leaves to occur within 12 months after the end of the accounting period during which the employees have performed the work related to those leaves. The short-term payables to personnel include wages, salaries and related social security payments.

The Fund has not developed and implemented post-employment benefit plans.

Short-term employee benefits, including holiday entitlement, are current liabilities included in 'pension and other employee obligations', measured at the undiscounted amount that the Fund expects to pay as a result of the unused entitlement.

4.12. Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Fund and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Fund can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

Possible inflows of economic benefits to the Fund that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.13. Estimation uncertainty

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

4.13.1. Impairment

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Fund's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

4.13.2. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date.

At 31 December 2014 management assesses that the useful lives represent the expected utility of the assets to the Fund. The carrying amounts are analyzed in note 5. Actual results, however, may vary due to technical obsolescence, particularly relating to IT equipment.

5. Plant and equipment

Fund's plant and equipment comprise IT equipment, vehicles and office equipment. The carrying amount can be analyzed as follows:

	IT equipment BGN'000	Fixtures and fittings BGN'000	Software BGN'000	Total BGN'000
Gross carrying amount				
Balance at 1 January 2014	32	21	3	56
Disposals	(2)	(1)	-	(3)
Balance at 31 December 2014	30	20	3	53
Depreciation				
Balance at 1 January 2014	(18)	(21)	(1)	(40)
Depreciation	(12)	-	(2)	(14)
Отписана през периода	1	1		2
Balance at 31 December 2014	(29)	(20)	(3)	(52)
Carrying amount at 31 December 2014	1	-	-	1

	IT equipment BGN'000	Fixtures and fittings BGN'000	Software BGN'000	Total BGN'000
Gross carrying amount				
Balance at 1 January 2013	30	21	-	51
Additions	2	-	3	5
Balance at 31 December 2013	32	21	3	56

Depreciation

Balance at 1 January 2013	(6)	(21)	-	(27)
Depreciation	(12)	-	(1)	(13)
Balance at 31 December 2013	(18)	(21)	(1)	(40)
Carrying amount at 31 December 2013	14	-	2	16

All depreciation charges are included within 'Depreciation of non-financial assets' in Statement of profit or loss and other comprehensive income.

The Fund has no plant and equipment pledged as security for its liabilities.

6. Other receivables

At 31.12.2014 the other receivables include amounts paid for the right to use software in the amount of BGN 1 thousand (2013: BGN 1 thousand).

7. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2014 BGN'000	2013 BGN'000
Cash at bank and in hand:		
- BGN	47	36
Cash and cash equivalents	47	36

The Fund has no blocked cash and cash equivalents.

8. Employee remuneration

8.1. Employee benefits expense

Expenses recognized for employee benefits include:

	2014 BGN'000	2013 BGN'000
Wages, salaries	(154)	(139)
Social security costs	(23)	(17)
Employee benefits expense	(177)	(156)

8.2. Pension and other employee obligations

The liabilities for pension and other employee obligations recognized in the statement of financial position consist of the following amounts:

	2014 BGN'000	2013 BGN'000
Current:		
Unused holiday leaves	5	3
Current pension and other employee obligations	5	3

9. Trade payables

Trade payables recognized in the statement of financial position can be analyzed as follows:

	2014 BGN'000	2013 BGN'000
Current:		
Payables for legal and other services	2	2
	<u>2</u>	<u>2</u>

10. Conditional Financing

The conditional financing includes:

	31.12.2014 BGN '000	31.12.2013 BGN '000
Undrawn portion of grants for funding of operations, including:	42	48
- financing for purchasing of non-current assets	1	16
Carrying amount at 31 December	<u>42</u>	<u>48</u>

Undrawn portion of the funding of operations includes:

	31.12.2014 BGN '000	31.12.2013 BGN '000
Carrying amount at 1 January	48	113
Recognised in the statement of profit or loss and other comprehensive income	(15 900)	(8 473)
Grants received	15 894	8 408
Carrying amount at 31 December	<u>42</u>	<u>48</u>

The main sources of funding of the Fund's activities include:

1. Targeted funding from the NGIS amounting to BGN 449 thousands for administrative activities of NTEF.
2. Targeted funding from the NGIS amounting to BGN 15,344 thousand for financing of investment projects.
3. Targeted funding amounting to BGN 100 thousand for institutional development
4. Targeted funding from donations of individuals amounting to BGN 1 thousand.

11. Conditional grant income

The conditional grant income amounts to BGN 15,900 thousand (2013: BGN 8,473 thousand) and is equal to the amount of the reported expenses on operating activities during the year, including expenses for project financing – BGN 15,344 thousand (2013: BGN 8,097 thousand) and administrative expenses and institutional development – BGN 542 thousand (2013: BGN 363 thousand) and BGN 14 thousand for non-current assets.

12. Project funding costs

Funding of public projects is realized on the basis of the trilateral agreement between the Ministry of Finance (MoF), Enterprise for Management of Environmental Protection Activities (EMEPA) and the National Trust Ecofund.

Under the terms of the trilateral agreement EMEPA provides bridge financing for each of the specified projects to a non-budget account of the Ministry of Finance. In 2014, contracts were signed for interest-free loans with EMEPA for a total amount of BGN 15,057 thousand.

The financing of corporate projects is realized on the basis of a bilateral agreement between the Ministry of Finance and the National Environmental Trust Fund.

Under the terms of the bilateral agreement financing of private projects is carried out by a special account of the Ministry of Finance into two parts (if other terms have not been negotiated):

- 50% advance payment after the entry of the investment project into operation and
- Final payment after submission of reports by the beneficiary and verified appraiser demonstrating savings of planned investment project emissions.

Payments under the NGIS grant agreements between NTEF and beneficiaries are made through SEBP system from a special non-budget account of the Ministry of Finance. In 2014 the amounts actually disbursed to Beneficiaries under projects amounted to BGN 15,344 thousand, including BGN 574 thousand final payment for two private projects.

Detailed description of the reported costs in 2014 for project financing in the amount of BGN 15,344 thousand is provided in the table below:

Project / Name	Amount under a Grant agreement with NTEF (85% of the total incl. VAT) (in BGN)	Amount of funding after tenders (85% of the total incl. VAT) (in BGN)	Actual amount of funding during the reporting year 2014 (85% of the total incl. VAT) (in BGN)
A. Public projects			
Project No 3-I "A new home for more children's smiles – energy efficiency measures in the building of NU "Prolet" – Svilengrad	482 066	350 829	309 627

Municipality"			
Project No 2 "Replacement of windows and doors and renovation of the facade of PVS "Neofit Rilski" with the aim of introducing energy saving measures – Samokov municipality"	983 503	0	0
Project No 22 "Improving the energy efficiency of MHAT "Dr. S. Rostovtsev" – city of Momchilgrad"	681 367	673 216	649 467
Project No 27-II "Sustainable development of Bratsigovo Municipality through implementation of energy efficiency measures in the educational infrastructure - CCCF "Bozhura Furnadjieva"	186 601	185 734	185 734
Project No 29 "Introduction of energy efficiency measures at FDK "Detski Svyat", city of Polski Trambesh"	128 337	64 601	64 497
Project No 32 "Energy efficient educational infrastructure in Pavel Banya Municipality"	926 616	744 744	700 857
Project No 47 "Implementation of energy efficiency measures in VSSWPC " Tsar Ivan Asen II " – Haskovo"	160 612	153 296	153 296
Project No 84 "The buildings of the schools in the city of Svishtiov – high energy efficiency level – improved life quality, living and working environment"*	495 207	116 527	112 391
Project No 94 "Integrated approach for improving the energy efficiency of the municipal social infrastructure on the territory of Kostenets Municipality"	198 887	154 385	153 480
Project No 96 "Implementation of energy efficiency measures in the Youth Center – Venets village, Venets Municipality"	566 924	392 176	391 615
Project No 97 "Implementation of energy efficiency measures in PS "Hristo Botev" – Dalgo Pole village, Kaloyanovo Municipality"	102 974	70 334	68 116
Project No 132-1 "Implementation of energy efficiency measures in the	301 800	255 277	255 265

educational infrastructure of Veliko Tarnovo Municipality - PS "Petar Beron"			
Project No 137 "Improving the energy efficiency of the health infrastructure on the territory of Ardino Municipality "	109 826	109 764	109 451
Project No 138 "Improving the energy efficiency of the health infrastructure on the territory of Ardino Municipality "	1 979 062	1 374 155	1 368 470
Project No 141 "Implementation of energy efficiency measures in the educational network of Yambol Municipality "	4 169 563	3 383 286	3 370 669
Project No 142 "Improving the energy efficiency of the public educational and administrative infrastructure on the territory of Stambolovo Municipality "	330 633	308 055	305 709
Project No 143 "Ecological efficiency through energy saving", VSSGCCT, Shumen city "	602 789	399 165	392 421
Project No 151 "Improving the energy efficiency of the buildings: FDK "Zornitsa", CSS "Sv. Konstantin Kiril Filosof", CSS "Konstantin Velichkov", NU "Slancho", MSSM "Acad. Kiril Popov", CSS "Bratya Miladinovi", ME "Chistota" for better air quality in Plovdiv Municipality "	2 953 395	2 339 767	2 210 580
Project No 152 "Introduction of energy efficiency measures	2 851 397	2 231 905	2 224 464
Project No 154 "Improving the energy efficiency of public buildings in the city of Belene and reduction of the harmful emissions, generated in the public sector of the municipality – Belene Municipality "	785 221	650 516	648 592
Project No 162 "Ensuring municipal educational infrastructure with high energy efficiency level in Godech Municipality – CCCF Yuriy Gagarin"	866 551	257 728	253 791

Project No 165 "Rehabilitation of external heat pipeline from geothermal borehole "Geizera" to supply thermal heating for PS "Hr. Botev", the building of the municipal administration, Community Cultural Center "Prosveten Lach" and FDK "Sv. Anna", Sapareva Banya Municipality	882 856	841 723	841 723
Total for public projects	20 746 187	15 057 183	14 770 215
B. Private projects			
Project No 87 " Eco Energia Dospat EOOD - Gasification and co-generation of biomass for electricity production in Barutin village, Dospat Municipality"	182 949	182 949	182 949
Project No 206 "Windfarm Balchik 1"	391 166	391 166	391 166
Project No 207 "Windfarm Balchik 2"***	391 166	0	0
Project No 208 "Windfarm Balchik 4"***	391 166	0	0
Total for private projects	1 356 447	574 115	574 115
Total under projects:	22 102 634	15 631 298	15 344 330
Total by projects:	22 102 634	15 631 298	15 344 330

* One of the sites of this municipality will be implemented in 2015 due to a delay in the tender procedure.

**Projects 207 and 208 are not financed, since they have as owner the same one as for project 206 and their financing will lead to violation of the "de minimis" principle.

13. Cost of materials

Cost of materials includes:

	2014 BGN'000	2013 BGN'000
Heating	(2)	(2)
Electricity	(2)	(2)
Stationery	(11)	(5)
Others	(1)	(4)
	(16)	(13)

14. Hired services expenses

Hired services expenses include:

	2014 BGN'000	2013 BGN'000
Consulting fees, incl. for institutional development	(199)	(79)
Telecommunication	(4)	(5)
Insurance and security	(2)	(2)
Service-station fees	(9)	(9)
Audit services, including of the project financed	(75)	(51)
Others	(14)	(10)
	(303)	(156)

15. Other expenses

Other expenses include:

	2014 BGN'000	2013 BGN'000
Business trip expenses	(45)	(37)
	(45)	(37)

16. Finance costs and finance income

There is no finance income received during the reporting period.

Finance costs amounting to under BGN 1 thousand (2013: BGN 1 thousand) include bank charges.

17. Commitments in connection with the National Green Investment Scheme

As of the end of 2014 NTEF been contracted for financing 40 public projects totaling BGN 38,014 thousand, including BGN 1,841 thousand for three projects from realized economy under first deal for sale of AAU. The maximum amount of financing through NTEF under these projects is BGN 32,312 thousand, including the maximum amount of financing that will be made through NTEF under the three new projects – BGN 1,565 thousand.

During the period 01.01.2014 - 31.12.2014 21 public investment projects are completed or partially completed.

As of the end of 2014 NTEF have 2 funding contracts of private projects for energy production from renewable energy sources. The maximum amount of financing through NTEF in 2014 amounts to BGN 574 thousand.

In 2014 NTEF operations in connection with the implementation of these public projects are focused on the following directions:

- Preliminary control of technical projects and tendering procedures for such projects. The Ecofund performs preliminary control tendering of all public projects by performing preliminary review and agrees all tender documentation of the procedures as well as the technical projects. Upon successful completion of this procedure, the Fund submits an application for an interest-free loan from the EMEPA, which in accordance with the Trilateral Agreement between the Ministry of Finance, NTEF and EMEPA provides bridge financing for each of the identified

projects to a non-budget account of the Ministry of Finance through an interest-free loan of interim and final payments to beneficiaries until a report by an auditor is issued, which is a condition for the release of funds from the proceeds from the sales transactions of AAUs.

- Control the actual implementation and payments. Fund carries out on-the-spot checks during the implementation of projects in order to minimize the risks of failure. After verification and acceptance of works and a secondary documentary check is carried out, followed by payments to beneficiaries. Payments under contract for financing under NGIS concluded between NTEF and beneficiaries are performed through SEBP special account of the Ministry of Finance

In 2014, contracts were signed for an interest-free loan with the EMEPA for a total of BGN 15,057 thousand.

In 2014 the amounts actually disbursed to Beneficiaries under projects amounted to BGN 15,344 thousand, including BGN 574 thousand final payment for two private projects.

Before the end of 2014 have been launched negotiations between the Governments of the Republic of Bulgaria and the Republic of Austria for absorption of part of the unused revenue from the sale of AAUs for additional projects to improve the energy efficiency of public facilities. It is expected to be agreed about BGN 4 million for the implementation of projects in 2015. There remain unused funds for administrative costs. The remaining unused funds will be returned to the Austrian side after finalizing the intergovernmental negotiations.

18. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

19. Authorization of the financial statements

The financial statements for the year ended 31 December 2014 (including comparatives) were approved by the management on 18 February 2015.