

НАЦИОНАЛЕН
ДОБЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

REPORT ON THE ACTIVITY

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

31 December 2017



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 joint efforts of the governments of the Republic of Bulgaria and the Republic of Austria, two deals for sale of Assigned Amounts Units (AAU) with the Republic of Austria pursuant to art. 17 of the Kyoto Protocol were finalized. As of the end of 2015, 45 public projects were implemented under both deals, amounting to a total of BGN 32 937 914. The financial participation of NTEF amounts to BGN 27 147 227. 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.

Since March 2015, NTEF has been implementing a new Climate Investment Program, financed on the basis of a decision of the Council of Ministers pursuant to § 4 from the transitional and final provisions of the Climate Mitigation Act. The Program provides financing for projects aiming at energy efficiency improvement of sites – public state and/or municipal property and for NTEF's administrative maintenance. In 2016, the Pilot Scheme for promoting the use of electric vehicles in the public sector was also started within the framework of the climate investment program (CIP). During 2017, financial instruments for the energy efficiency projects in partnership with EBRD are developed and implemented, aiming at improving the efficiency of the public financial resource.

Since August 2016, NTEF has been implementing the pilot scheme of a new Investment Program “Mineral Waters”, financed with funds provided through the budget of the Ministry of Environment and Water with Council of Ministers Decree No 254/2016.

During 2016, NTEF in partnership with the Berlin Independent Institute for Environment (UfU) and the Romanian organization Environ supported by the German Federal Ministry of Environment started the implementation of a Project for improving the energy consumers' behavior in the Bulgarian schools.

During 2017, the preparation of the Program “Microprojects for the Climate”, financed with proceeds under the Agreement for Annual Emissions Allocation between the Republic of Bulgaria and the Republic of Malta (Decision of the Council of Ministers No 175/29.03.2017), was started.

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФУНД



NATIONAL
TRUST
ECO FUND

REPORT ON THE ACTIVITY

INDEPENDENT AUDITOR'S

REPORT

FINANCIAL STATEMENTS

31 December 2017



Yakimovo Municipality



Serdika District in Sofia

REPORT ON THE ACTIVITY	7
I. INTRODUCTION	7
II. MANAGEMENT BOARD ACTIVITY	9
III. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS WITHIN THE FRAMEWORK OF THE CLIMATE INVESTMENT PROGRAM (CIP).....	11
1. Selection and approval of projects under CIP	12
1.1. Maintaining an ongoing project portfolio under CIP	12
1.2. Selection and evaluation of projects under CIP by the Standing Commission for Selection, Control and Reporting on CIP Implementation and approval of projects by MB of NTEF	12
2. Implementation of projects under the Climate Investment Program (CIP) during 2017	13
IV. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS WITHIN THE FRAMEWORK OF THE INVESTMENT PROGRAM “MINERAL WATERS” (IPMW), PILOT SCHEME	25
1. Selection and approval of projects under IPMW	25
1.1. Setting up pilot projects’ portfolio under IPMW	25
1.2. Selection and evaluation of projects under IPMW by the Standing Commission for Selection, Control and Reporting on Project Implementation and approval of projects by MB of NTEF	25
2. Implementation of projects under the Pilot Scheme of the Investment Program “Mineral Waters”	25
V. INSTITUTIONAL DEVELOPMENT, INTERNATIONAL RELATIONS AND PUBLIC RELATIONS.....	27
1. Institutional development	27
2. Activities related to financing programs and mechanisms	27
2.1. Activities related to the preparation of new financing programs and schemes	27
2.2. Project for climate protection through improved behavior of the energy consumers in the European schools (Project 50/50).....	28
3. International Relations and Public Relations	28
VI. SOURCES OF FUNDING, COSTS AND FINANCIAL STATUS OF NTEF	31
1. Sources of funding	31
1.1. Proceeds pursuant to Decision No 27 / 13.01.2017	31
1.2. Proceeds pursuant to Ordinance No 1/04.03.2015	31
1.3. Proceeds under Project for climate protection through improved behavior of the energy consumers in the European schools (Project 50/50).....	31
1.4. Proceeds as per CoM Decision No 175/29.05.2017 under the Agreement for Annual Emissions Allocation between the Republic of Bulgaria and the Republic of Malta	31
2. Funds allocation	31
2.1. Project financing under the Climate Investment Program	31
2.2. Spent funds for the administrative costs of the Fund	34
3. NTEF financial status as of 31.12.2017	36
VII. MAIN RISKS, RELATED TO THE ACTIVITY OF THE FUND	37
1. Operational risks	37
2. Risks related to the financial instruments.....	37
VIII. IMPORTANT EVENTS AFTER THE DATE OF THE FINANCIAL REPORT DRAFTING	38
IX. POSSIBLE FUTURE DEVELOPMENT OF THE FUND.....	38
ANNEXES:	
Annex 1 Applications and forms, submitted to NTEF for examination during 2017	39
Annex 2 Forms approved by MB of NTEF during 2017	49
Annex 3 Budget implementation for financing other programs and for administrative costs of NTEF as of 31.12.2017	51
Annex 4: Information on NTEF cash as of 31.12.2017	53
INDEPENDENT AUDITOR’S REPORT	55
FINANCIAL STATEMENTS	61
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER.....	63
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER.....	64
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER.....	65
NOTES TO THE FINANCIAL STATEMENTS.....	66



REI Burgas



Venec Municipality

REPORT

on the activity of the

NATIONAL TRUST ECOFUND

for the period

01 January – 31 December 2017

LIST OF THE USED ABBREVIATIONS

AAU	Assigned Amount Units
BAS	Bulgarian Academy of Science
BNT	Bulgarian National Television
CAA	Civil Aviation Administration
CCC	Cultural Community Center
CCF	Combined Childcare Facility
CCMA	Climate Change Mitigation Act
CIP	Climate Investment Program
CIW	Construction & Installation Works
CoM	Council of Ministers
CoMD	Council of Ministers Decree
CTS	Culinary Trade School
DCC	Diagnostic Consultative Center
DPSC	Personal Development Supporting Center
EB	Executive Bureau
ES	Elementary School
ESM	Energy Saving Measures
FCF	Full-day Childcare Facility
GSS	General Secondary School
IFA	Intangible Fixed Assets
IPMW	Investment Program “Mineral Waters”
ITQID	Information and Teachers Qualification Improvement Department
LC	Labor Code
MB	Management Board
MCC	Municipal Childhood Complex
MES	Ministry of Education and Science
MEW	Ministry of Environment and Water
MF	Ministry of Finance
MHAT	Multiprofile Hospital for Active Treatment
MMA	Military Medical Academy
NAMRB	National Association of Municipalities in the Republic of Bulgaria
NRA	National Revenue Agency
NTEF	National Trust EcoFund
PHNSM	Profiled High School of Natural Science and Mathematics
PPA	Public Procurement Act
PS	Primary School
RLP	Regulated Land Parcel
SS	Secondary School
SS	Secondary School
TFA	Tangible Fixed Assets
TU	Technical University
UfU	Independent Institute for Environmental Issues - Berlin
UMHATEM	University Multiprofile Hospital for Active Treatment and Emergency Medicine
UN	United Nations
VSS	Vocational Secondary School
YCIC	Youth Cultural Information Center

REPORT ON THE ACTIVITY

I. INTRODUCTION

According to the Ordinance on the Structure and Activity of the National Trust Eco Fund (NTEF), each calendar year until 30 April the Fund has to prepare and submit to the Council of Ministers of the Republic of Bulgaria through the Ministry of Environment and Water a Report on the activity of the Fund during the previous year, which is approved by the Management Board.

The Annual NTEF report presents the implementation of the Action Plan and the Fund's budget for 2017, which is prepared in compliance with the NTEF Strategy 2014-202, approved by the Management Board of NTEF on 30 October 2014.

The report will be also submitted to the current donors, which for 2017 are the Government of Bulgaria and the Federal Ministry of Environment, Construction and Nuclear Safety of the Republic of Germany.

The annexes from 1 to 4 represent an inseparable part of this year's report.

Executive Bureau Director:

Kamelia Georgieva

19 January, 2018



Smolyan Municipality



Dimitrovgrad Municipality

II. MANAGEMENT BOARD ACTIVITY

In compliance with the Ordinance on the Structure and Activity of the National Trust Eco Fund, adopted with Council of Ministers Decree (CoMD) No 96 of 10.05.2004 (amended with SG No 71 of 10.09.2010 and SG No 81 of 30.09.2014), NTEF's Management Board consists of seven people, in this number chairman, two deputy chairmen and four regular members, as well as three alternates. As of the end of the reported 2016 the composition of the NTEF's Management Board (MB) includes the following members:

- Chairman of NTEF's Management Board – Associate Professor Dr. Irena Georgieva, appointed by the Council of Ministers of the Republic of Bulgaria (Decision No 799 of the CoM of 14.10.2015).
- Representative of the Ministry of Environment and Water (MEW) – Deputy Minister Reneta Koleva until 25.05.2017, when she was replaced by Deputy Minister Atanaska Nikolova. The Representative of the Ministry of Environment and Water is also Deputy Chairman of the Management Board.
- Representative of the Ministry of Finance (MF) – Deputy Minister Marinela Petrova
- Representative of the Ministry of Energy – Deputy Minister Konstantin Delisivkov – until 08.06.2017, when he was replaced by Deputy Minister Zhecho Stankov.
- Representative of the National Association of municipalities in the Republic of Bulgaria – Ginka Chavdarova
- Representative of the Bulgarian Academy of Science (BAS) – Prof. Nikola Malinovski, Deputy Chairman of the Management Board;
- Representative of the environmental non-governmental organizations – Mrs. Lyubomira Kolcheva – Director of EcoObsnost Foundation”.

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. Valeri Vulev – State Expert from Real Sector and State Aid Directorate”.

Seven (7) regular meetings of Management Board (MB) of NTEF were convened during 2017.

The first meeting was dedicated to the discussion of the Plan for the activity and budget of NTEF for the period 01 January – 31 December 2017, approval of reports on the implementation of energy efficiency projects under the Climate Investment Program and discussion of proposals for announcing a call for bids under scheme for promoting the use of electric and hybrid vehicles. Nine project proposals under the Pilot scheme of Investment Program “Mineral Waters” (IPMW), which had received approval from the Commission for Evaluation, Selection and Reporting on the Project Implementation, were also approved at this meeting.

During the second meeting of NTEF Management Board, the annual report and the financial statement of NTEF for 2017 were approved and a Deputy Chairman of the Management Board was elected. A survey of the implemented projects under the active schemes and programs was carried out.

During the third meeting an update of the NTEF plan and budget for 2017 was discussed and approved in connection with CoM Decision No 175/29.03.2017 on the approval of a Draft Agreement for Annual Emissions Allocation between the Republic of Bulgaria and the Republic of Malta. Amendments in the Operational Manual for the Climate Investment Program in connection with the implementation of the pilot projects during 2017 were discussed and approved. Projects under the Scheme for promoting the use of electric and hybrid vehicles, approved for financing and proposed by the Commission for Selection and Control, were presented at that meeting. Reports on the implementation of energy efficiency projects under the Climate Investment Program were

approved. New proposals for energy efficiency projects, which have received approval from the Commission for Evaluation, Selection and Reporting on the Project Implementation under CIP were discussed and approved during this meeting. A mandate was given to the Chairman of the NTEF MB to sign the agreement with the European Bank for Reconstruction and Development (EBRD) for cooperation under the pilot projects, implemented with combined financing.

During the fourth meeting, the Management Board of the Fund discussed proposals for the way of spending the funds from the proceeds under the Agreement for Annual Emissions Allocation between the Republic of Bulgaria and the Republic of Malta. Amendments in the Operational Manual for the Climate Investment Program were discussed and approved. The financing of medical facilities, using the budget designated for this purpose for 2017 was discussed at that meeting. A decision for support of the submitted by MB of NTEF concept for integrated waste management project under the LIFE Program in partnership with the Ministry of Environment and Water and several municipalities from Southwest Bulgaria was taken.

The last (fifth) meeting was dedicated to the presentation of approved by the Commission for Selection and Control project proposals under the scheme for promoting the use of electric and hybrid vehicles. New energy efficiency project proposals under CIP, which have received approval from the Commission for Evaluation, Selection and Reporting on the Project Implementation, were discussed, as well as the current status of the implemented energy efficiency projects under CIP. During these meeting reports on the implementation of energy efficiency projects under the Climate Investment Program were approved. MB of NTEF discussed and approved a Draft Agreement with Denkstatt Bulgaria OOD for cooperation under pilot energy efficiency projects within the framework of Horizon 2020 Program. During this meeting, a proposal of MB of NTEF for the preparation of National Communication under UNFCCC with funds, received by NTEF by virtue of CoM Decision No 175/29.03.2017 was also discussed.

All MB meetings are duly recorded, signed and archived.

For the purposes of preparation of the MB meetings the materials were introduced by the Executive Bureau on a timely manner for review and analysis by the MB members, followed by focused, targeted and thorough discussions. Despite the different positions of the MB members on some particular issues, it is important to underline, that the Management Board of NTEF operates always in the conditions of open and thorough debate to reach consensus and in principle observation of the legal documents.

The Management Board of NTEF has been always involved and committed to the attraction of financial resources for the implementation of NTEF programs. It is important to point out, that in 2017 this process was significantly delayed and at the current moment it doesn't lead to new financial sources, excluding the Climate Microprojects Program.

III. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS WITHIN THE FRAMEWORK OF THE CLIMATE INVESTMENT PROGRAM (CIP)

The Climate Investment Program was initiated, based on CoM Decision 201/26.03.2015 and with provision of funds on the grounds of § 4 from the transitional and final provisions of the Climate Change Mitigation Act. In 2016, with CoM Decision No 80/11.02.2016, NTEF was issued additional funds amounting to BGN 15 000 000. The funds were planned to finance projects for improving the energy efficiency of state and municipal sites and for promoting the use of electric and hybrid vehicles by the public institutions (BGN 1 000 000). During 2017, with Decision of the Council of Ministers (No 27/13.01.2017), additional funds amounting to BGN 14 298 000 were issued to NTEF. The funds were envisioned for financing projects for improving the energy efficiency of state and municipal sites and for promoting the use of electric and hybrid vehicles by the public institutions (BGN 1 000 000). Buildings, which are health care facilities owned by sole proprietors with 100% state or municipal participation (CoM Decision No 493/28.08.2017), are added to the sites, which are envisioned for financing.

In 2017, the Executive Bureau (EB) of NTEF after approved preliminary report of NTEF MB, which contains analysis and proposals for changes in the terms for financing different types of sites, prepared and proposed for approval amendments of the Operational Manual of CIP. The objective of these changes is to ensure higher efficiency of the public funds' use for financing energy efficiency projects within public sites. The analyses consider the specifics and respectively, the objective opportunities for achieving energy efficiency, the possibility for generating savings of financial resource on the basis of the reduced energy consumption, as well as the conditions for demarcation with regard to active programs using European funds in Bulgaria, financing similar energy efficiency measures within public sites.

In 2017, the mechanism for preliminary control on the investment projects and procedures under the Public Procurement Act (PPA), with which the beneficiaries select the Construction and Installation Works (CIW) contractors, was discussed. A change in the Operational Manual was adopted, with which the Executive Bureau will not nominate its representative to the commissions for appointing CIW contractors as per PPA procedure, while introducing follow-up Checklist-I based control prior to the signing of a financial agreement.

An important aspect of the development of Climate Investment Program is the intensive activity of the Executive Bureau, aimed at finding possibilities to improve the efficiency of the public investments in energy efficiency projects in the public field. The Executive Bureau received the full support of NTEF MB with that regard. It is expressed in the approval of earmarked budgets for two pilot project groups.

The first project group includes the projects with implementation of financial instruments for combined financing of projects, involving attraction of private investors through guaranteed energy savings contracts (ESCO contracts). BGN 2 000 000 (two million) were set aside for them within the annual budget for 2017. A Cooperation Agreement with the European Bank for Reconstruction and Development for the implementation of these projects has been signed.

The second group of projects is related to the implementation of the European standards for monitoring the results of the energy efficiency measures within the framework of a project under Horizon 2020 Program of Denkstatt Bulgaria OOD, with which company there is a signed cooperation agreement as well.

1. Selection and approval of projects under CIP

1.1. Maintaining an ongoing project portfolio under CIP

Energy efficiency projects under CIP

The collection of Project proposals continued during 2017, regulated by the Operational Manual of the Climate Investment Program. The receiving of letters of interest was an ongoing activity until the month of October, when with the amendments of the Operational Manual the requirement for publishing calls for collecting applications for expressed interest with a specified deadline introduced. The application forms, containing the complete project proposals, are submitted by the beneficiaries following the receiving of notification for approved Letter of Interest from the Commission for Evaluation, Selection and Reporting on the Project Implementation. With the amendments in the Operational Manual of October 2017, for the letters of interest, as well as for the submitted forms, it is required to submit them within a specified deadline.

During the reported year, a total of 68 Letters of Interest for financing energy efficiency measures for improving the energy efficiency of public sites were submitted (Annex 1.1.).

21 forms of Project proposals, based on approved Letters of Interest, were submitted (Annex 1.2.).

Projects under the Pilot Scheme for promoting the use of electric vehicles in the public sector

During 2017, two calls for collecting project proposals for purchasing electric vehicles with respective deadlines 20.04.2017 and 02.10.2017 were published. The total number of submitted forms is 17, with which the beneficiaries applied for the purchasing of 14 electric vehicles - M1 or N1 category, 1 electric bus and 6 small goods electric vehicles, category L7e. (*Annex 1.3.*)

During the accounting year, the list with eligible for financing types of electric vehicles was significantly enlarged in the published calls. The accent was laid on the vehicles, which the municipalities can use for their utility services – cleaning, park maintenance, social patronage, inspections, ensuring in-settlement public transport within small settlements with small passenger flow, etc.

To the eligible mid-range electric vehicles (M1 and N1 category) and electric (plug in), hybrid categories (M1 and N1) are added:

- vans
- vans - M1 and N1 category (6+1 and 7+1 seats);
- small goods electric vehicles - L7e category;
- and possibility for subsidizing the purchasing of different types of superstructures for cleaning, load transportation, irrigation, etc. for electric vehicles, L7e category.

To enable the launching of the calls, the Executive Bureau conducted detailed preliminary studies of the needs of the potential beneficiaries through participation in forums, individual meetings, market surveys in Bulgaria and Europe. During the launching of the calls, information campaigns, involving joint press conferences with the participation of the Minister of Environment and Water and publications in central printed and electronic media, were organized.

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

According to the Rules of Procedure of NTEF and the Operational Manual of CIP, the approval of the projects is accomplished in two main stages. The first stage represents a *preliminary selection* of projects, based on submitted Letter of interest through the implementation of preliminary announced mandatory compliance requirements. The second stage represents an *evaluation and ranking of projects* pursuant to preliminary announced application requirements, as well as to methodology and criteria for evaluation and selection of appropriate projects for financing under CIP. With Protocol 101/14.6.2016, MB of NTEF has introduced changes in the Operational Manual

under CIP, with which only the project proposals at second stage of application (“Form”), are subject of approval by the Management Board. The project proposals at phase “Letters of Interest” are approved by the Standing Commission for Selection, Control and Reporting on Project Implementation, after which the results are reported to NTEF MB and the Executive Director provides information to the candidates about the decision of the Commission.

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

The Standing Commission consists of two representatives of the Executive Bureau (EB) of NTEF and one representative of each ministry - Ministry of Environment and Water, Ministry of Finance and Ministry of Energy, appointed by virtue of orders, issued by the relevant ministers.

During 2017, three meetings of the Standing Commission for Selection, Control and Reporting on CIP Implementation were held. During these meetings 33 letters of interest were discussed (Phase 1), as well as 38 project forms for evaluation and ranking (Phase 2) of public beneficiaries (including 16 forms under the Pilot scheme for promoting the use of electric vehicles).

Approval of projects by MB of NTEF

As a result of the work of the Standing Commission, 33 letters of interest have been submitted.

As a result of the work of the Standing Commission, 35 forms of projects (including 15 forms under the Pilot Scheme for promoting the use of electric vehicles) have been submitted to the Management Board for approval. The number of the approved by MB of NTEF projects is different from the number of the projects examined by the Commission, since there are projects, which have been postponed or have not been approved based on different reasonable grounds. The meetings of the MB of NTEF, during which projects were approved for financing, were held on 30 June and 28 November 2017 ([Annex 2](#))

2. Implementation of projects under the Climate Investment Program (CIP) during 2017

Implementation of energy efficiency projects under CIP

The National Trust EcoFund finances projects for energy efficiency of public beneficiaries under CIP with a **maximum sum amounting to 85% of the total value of the projects**. The remaining 15% are provided by each of the beneficiaries in the form of co-financing.

The work of the Executive Bureau for the implementation of the energy efficiency projects started immediately after their approval by the MB of NTEF.

The active work with the **beneficiaries started still during the preliminary control on the investment projects**. Their initial approval is accomplished after a preliminary appointed meeting in order for conducting an on-site check in the presence of technical experts on the part of the beneficiary on the completeness of the technical documentation and only after the establishment of full compliance with that regard, the two documentation sets are accepted for preliminary control. The next step is the examination by the NTEF technical experts and the preparation of opinions regarding the compliance with the requirements towards the characteristics of the investment projects. The NTEF team does not express opinion with regard to the designer’s solutions, but only checks the compliances of the different construction and installation works (CIW) and materials with regard to the separate elements of the investment project, availability of all signatures and seals for attestations and approvals, removal of listed brands and types of materials, etc. The work on the investment projects requires precision, professional knowledge and familiarization with the relevant legislation. The feedback from the beneficiaries about the work of the team in this direction is positive, since this step ensures the smooth and unproblematic flow of the PPA procedures for selection of contractors, as well as the non-problematic reporting of the contractors’ work related to the implementation of CIW.

During 2017 as well, the preliminary control under the tender procedures for the selection of CIW contractors was accomplished with the support of a professional legal team. The work with the experts of this team is performed in direct interaction with the beneficiaries and the central role is played by the Executive Board's team. The EB provides a preliminary prepared model package of the tender procedure documentation and specifies several parameters of the procedure – maximum deadline for CIW implementation and the right set of materials and equipment, for which submission of the necessary certificates in the technical bid is required, etc. The preliminary control is performed in two stages of examination of the documentations by the legal consultant, while the last examination of the documentation is accomplished by EB and the approved package is provided to the Beneficiary. Following publication of the procedure with the Public Procurement Agency, another examination is carried out and upon demand a publication of a Decision for changing/terminating the procedure is recommended but this has been needed on very rare occasions.

The process of implementation, financing and completion of the public projects is regulated in the Operational Manual of CIP and includes the following steps:

- Following the completion of the tender procedures for selection of contractors and signing of contracts between them and the beneficiaries under the projects, NTEF signs a financing contract with the Beneficiaries. The beneficiaries submit interim and final reports on the implementation of their projects, while the Executive Bureau examines and approves these reports. In the process of construction implementation, EB executes permanent monitoring, including on-site check on each stage of the construction activities' financing. In the majority of the cases during the implementation process, saving of funds is achieved, since NTEF is financing only lawfully justified and actually implemented CIW.
- Following the payment pursuant to the final report of the beneficiary there is an auditor's examination on the part of specially selected auditor with international experience, who has been selected through an open selection procedure pursuant to PPA.
- Based on it, the Director of the EB submits a report to the MB of NTEF.
- MB of NTEF takes decisions related to the completion of the relevant projects, based on this report and on the report of the auditors.

During 2017 the Executive Bureau of NTEF was working actively on the implementation of 76 energy efficiency projects involving 101 sites.

During 2017, 32 energy efficiency projects were **completed, audited and reported** by virtue of a decision of MB of NTEF, amounting to a total value of BGN 16 976 507 and involving **NTEF subsidy of BGN 13 810 701.**

As a result of the implementation of these projects, an annual reduction of the greenhouse gas emission to the amount of **407 756 t/ CO_{2eq}** for the full life cycle of the projects was achieved.

The completed projects in 2017 are as follows:

Project No 156

Improving the energy efficiency of 29 GSS "Kuzman Shapkarev", Serdika region of Sofia city Municipality

The financing for the project, provided by NTEF, is BGN **313 084.11.**

The project includes the following activities: 1. Replacement of windows and doors 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Replacement of lighting fixtures and systems. 5. Rehabilitation of heating system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **3 662.4 t/CO_{2eq}** for the entire project life cycle.

Project No 183

Improving the energy efficiency of FDK "Radost", Yassenkovo village, Venets Municipality

The financing for the project, provided by NTEF, is BGN **111 586.83**.

The project includes the following sites and activities: 1. Thermal insulation of walls. 2. Thermal insulation of roof. 3. Building of water heating system (WHS). 4. Building of boiler system. 5. Installment of solar system for household hot water (HHW). 6. Replacement of lighting fixtures.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **887.70 t/CO_{2eq}** for the entire project life cycle.

Project No 192

Improving the energy efficiency and reducing the greenhouse gas emissions at the local health infrastructure on the territory of Pavlikeni Municipality

The financing for the project, provided by NTEF, is BGN **928 241.91**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of roof. 3. Thermal insulation of facades. 4. Automated regulation of heating system. 5. Replacement of boiler. 6. Replacement of heat distribution network. 7. Installment of RES (flat solar collector). 8. Replacement of lighting.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **23 205 t/CO_{2eq}** for the entire project life cycle.

Project No 214

Modernization of the street lighting in Kaolinovo Municipality

The financing for the project, provided by NTEF, is BGN **2 148 437.87**.

The project includes the following activities: 1. Replacement of lighting fixtures. 2. Implementing highly efficient control system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **138 379.8 t/CO_{2eq}** for the entire project life cycle.

Project No 220*

Implementation of a package of measures for improving the energy efficiency of Covered athletics track, adhering to Sport Facility "Hristo Botev" – Vratsa city

The financing for the project, provided by NTEF, is BGN **624 568.13**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Energy efficiency optimization of the electric system. 5. Modernization of heating system. 6. Energy efficiency optimization of existing ventilation-conditioning systems.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **24 173 t/CO_{2eq}** for the entire project life cycle.

Project No 222

Implementing repair works, related to improving the energy efficiency of Unit 2 of a building of RDMoI – Veliko Tarnovo

The financing for the project, provided by NTEF, is BGN **489 723.15**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Replacement of water heating system (WHS). 5. Automation of boiler station.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **3 372 t/CO_{2eq}** for the entire project life cycle.

Project No 241

Implementing energy efficiency measures in the building of PS “Hristo Botev”, Krepost village, Dimitrovgrad Municipality

The financing for the project, provided by NTEF, is BGN **352 530.96**.

The project includes the following activities: 1. Thermal insulation of facades. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Replacement of luminaires. 5. Gas supply (boiler and boiler pumps). 6. New building's system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **2 300.4 t/CO_{2eq}** for the entire project life cycle.

Project No 249

Energy reconstruction and modernization of Cultural Community Center “Napredak – 1870” – Lyaskovets city

The financing for the project, provided by NTEF, is BGN **605 983.54**.

The project includes the following activities: 1. Thermal insulation of walls. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Improving heat transfer efficiency. 5. Improving the distribution network efficiency. 6. Automated control. 7. Improving the efficiency coefficient of the heat supply; 8. Building and optimization of “Ventilation-Recuperation” system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **4 530 t/CO_{2eq}** for the entire project life cycle.

Project No 262*

Improving the energy efficiency of the buildings of ES “Otets Paisii”, city of Harmanli

The financing for ES “Otets Paisii”, city of Harmanli, provided by NTEF, is BGN **186 221.94**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Improving the efficiency of the heating system. 5. Change in the fuel base (replacement of the boiler-pipe network).

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **2 380 t/CO_{2eq}** for the entire project life cycle.

Project No 267*

Implementing energy efficiency measures in the buildings of ES “St.St. Kiril i Metodii” – building 1 – Dolni Dabnik city

The financing for the project, provided by NTEF, is BGN **347 460.64**.

The project includes the following activities: 1. Thermal insulation of roof. 2. Replacement of windows and doors. 3. Introduction of solar system for hot water production for sanitary and household purposes. 4. Replacement of existing water heating boiler with a boiler using natural gas.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **703 t/CO_{2eq}** for the entire project life cycle.

Project No 268*

Implementing energy efficiency measures in the buildings of ES “St.St. Kiril i Metodii” – building 2 – Dolni Dabnik city

The financing for the project, provided by NTEF, is BGN 103 392.10.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Introduction of solar system for hot water production for sanitary and household purposes.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by 495 t/CO_{2eq} for the entire project life cycle.

Project No 269*

Implementing energy efficiency measures in the building of PS “St.St. Kiril i Metodii” – Gorni Dabnik village

The financing for site PS “St.St. Kiril i Metodii” – Gorni Dabnik village, provided by NTEF, is BGN 475 915.24.

The project includes the following activities: 1. Thermal insulation of facades. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Replacement of heaters and boiler. 5. Installment of water heating boiler. 6. Replacement of luminaires.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by 4 653 t/CO_{2eq} for the entire project life cycle.

Project No 270*

Implementing energy efficiency measures in administrative building – Club of the Pensioner in Sadovets – Dolni Dabnik Municipality

The financing for the project, provided by NTEF, is BGN 114 568.90.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Introduction of solar system for hot water production for sanitary and household purposes. 5. Installation of condensing gas boiler for the introduction of heating system in the building.

As a result of the implemented ESM the greenhouse gas emissions have been reduced by 36 t/CO_{2eq} for the entire project life cycle.

Project No 272

Reducing the greenhouse gas emissions through introducing energy efficiency measures in Cultural Community Center “Vladimir Vakov” – Komoshtitsa village, Yakimovo Municipality

The financing for the project, provided by NTEF, is BGN 113 309.89.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of walls. 3. Thermal insulation of floor. 4. Thermal insulation of sloping roof. 5. Thermal insulation of flat roof.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by 118.30 t/CO_{2eq} for the entire project life cycle.

Project No 285

Implementing energy efficiency measures in municipal educational infrastructure in the building of 90 GSS “Gen. Hose De San Martin”, Lyulin region of Metropolitan Municipality

The financing for the project, provided by NTEF, is BGN **831 245.48**.

The project includes the following activities: 1. Revision of existing windows and doors and replacing of doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Thermal insulation of floor. 5. Improving the efficiency of the heating system and restoring the ventilation system. 6. Improving the efficiency of the lighting system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **6 880.8 t/CO_{2eq}** for the entire project life cycle.

Project No 287

Reducing the harmful emissions and improving the energy efficiency of building and facilities in unit "Dormitory 2", UT "T.Kableshev", Sofia city

The financing for the project, provided by NTEF, is BGN **884 756.94**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of walls. 3. Thermal insulation of roof. 4. Thermal insulation of floor. 5. Replacement of the heat supply system. 6. Replacement of the heating system. 7. Replacement of household hot water (HHW) production system with a system on solar collectors.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **10 580.1 t/CO_{2eq}** for the entire project life cycle.

Project No 290

Implementing energy efficiency measures in FDK No 10 "Detelina" and in CCF No 11 "Mitko Palauzov", Smolyan city, Smolyan Municipality

The financing for the project, provided by NTEF, is BGN **277 766.59**.

The project includes the following sites and activities:

Site FDK No 10 "Detelina", Smolyan city – 1. Thermal insulation of walls. 2. Replacement of windows and doors. 3. Replacement of the fuel base. 4. Automated regulation system.

Site CCF No 11 "Mitko Palauzov", Smolyan city – 1. Thermal insulation of walls. 2. Replacement of windows and doors. 3. Thermal insulation of roof.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **3 576 t/CO_{2eq}** for the entire project life cycle.

Project No 291

Implementing energy efficiency measures in the building of GSS "Vasil Levski", Vetovo city.

The financing for the project, provided by NTEF, is BGN **406 315.89**.

The project includes the following activities: 1. Thermal insulation of facades. 2. Thermal insulation of roof. 3. Replacement of luminaires. 4. Replacement of boiler system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **6 729 t/CO_{2eq}** for the entire project life cycle.

Project No 324

Ensuring appropriate and efficient infrastructure in Dormitory No 1 of ITQID at Trakia University – Stara Zagora city to achieve sustainable development and life quality improvement

The financing for the project, provided by NTEF, is BGN **325 904.01**.

The project includes the following activities: 1. Thermal insulation of walls and on window sides. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Thermal insulation of eave. 5. Installment of RES (solar system for household hot water (HHW)).

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **4 173.30 t/CO_{2eq}** for the entire project life cycle.

Project No 340*

Implementing energy efficiency measures in two municipal schools - GSS "Episkop K. Preslavski" and GSS "Yordan Yovkov", city of Burgas.

The financing for the sites GSS "Episkop K. Preslavski" and GSS "Yordan Yovkov", city of Burgas, provided by NTEF, is BGN **1 115 981.53**.

The project includes the following activities:

- GSS "Episkop K. Preslavski": 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of roof. 4. Thermal insulation and replacement of a part of the radiators and installment of thermostatic radiator valves. 5. Automation for heating control. 6. Automation for household hot water control;
- GSS "Yordan Yovkov": 1. Thermal insulation of facades. 2. Thermal insulation of roof. 3. Replacement of windows and doors. 4. Repair and setting of the heating substation.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **9 907 t/CO_{2eq}** for the entire project life cycle.

Project No 345

Restructuring and improvement of the energy efficiency of Cultural Community Center "Dimitar Blagoev", Dobrinishte city, Bansko municipality

The financing for the project, provided by NTEF, is BGN **106 841.38**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of roof. 3. New heating system. 4. Building of automated control system for the heating installation. 5. Replacement of luminaires and repair of electric system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **6 052.80 t/CO_{2eq}** for the entire project life cycle.

Project No 347

Restructuring and improving of the energy efficiency of Cultural Community Center "Nikola Vaptsarov", Bansko city

The financing for the project, provided by NTEF, is BGN **155 286.62**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of roof. 3. New heating system. 4. Building of automated control system for the heating system. 5. Replacement of luminaires and repair of electric system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **1 268.10 t/CO_{2eq}** for the entire project life cycle.

Project No 349*

Thermal insulation and accompanying measures in the building of IOMT of BAS

The financing for the project, provided by NTEF, is BGN **263 469.14**.

The project includes the following activities: 1. Thermal insulation of facades. 2. Thermal insulation of roof. 3. Replacement of lighting fixtures.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **1 316 t/CO_{2eq}** for the entire project life cycle.

Project No 352*

Implementing energy efficiency measures for the provision of quality public-cultural activities by Cultural Community Center "St.St. Kiril i Metodii". Rakovski Municipality

The financing for the project, provided by NTEF, is BGN **255 440.65**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of floor.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **2 965 t/CO_{2eq}** for the entire project life cycle.

Project No 356*

Implementing energy efficiency measures in the building of PS "St Paisii Hilendarski", city of Kazanlak.

The financing, provided by NTEF, is BGN **208 325.59**.

The project includes the following activities: 1. Thermal insulation of facades; 2. Replacement of windows and doors; 3. Thermal insulation of roof.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **1 802 t/CO_{2eq}** for the entire project life cycle.

Project No 358

Major repair of Cultural Community Center "Otets Paisii-1905" in Polski Trambesh city

The financing for the project, provided by NTEF, is BGN **242 935.40**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Thermal insulation of facades. 3. Thermal insulation of floor. 4. Thermal insulation of roof. 5. Improving the efficiency of the heating and ventilation systems. 6. ESM for the lighting system.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **2 112 t/CO_{2eq}** for the entire project life cycle.

Project No 360

Energy efficiency rehabilitation of building to be used by the Information and Teachers' Qualification Improvement Department at the Trakia University – Stara Zagira city

The financing for the project, provided by NTEF, is BGN **390 955.34**.

The project includes the following activities: 1. Replacement of windows and doors. 2. Insulation of walls. 3. Insulation of roof.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **4 173.30 t/CO_{2eq}** for the entire project life cycle.

Project No 361*

Implementing energy efficiency measures in PS "Kulata", Kazanlak city.

The financing, provided by NTEF, is BGN **328 362.89**.

The project includes the following activities: 1. Thermal insulation of walls. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Replacement of internal heating system.

As a result of the implemented energy saving measures (ESM), the greenhouse gas emissions have been reduced by **2 016 t/CO_{2eq}** for the entire project life cycle.

Project No 387

Repair and introduction of energy efficiency measures for the building of Basin Directorate "Black Sea Region", Varna city

The financing for the project, provided by NTEF, is BGN **506 850.57**.

The project includes the following activities: 1. Thermal insulation on external walls. 2. Replacement of windows and doors on facades. 3. Thermal insulation of roof. 4. Thermal insulation of floor. 5. Replacement of heating system. 6. Replacement of luminaires.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **2 685 t/CO_{2eq}** for the entire project life cycle.

Project No 390

Introducing energy efficiency measures in the administrative building, Burgas city

The financing for the project, provided by NTEF, is BGN **267 174.98**.

The project includes the following activities: 1. Thermal insulation of walls. 2. Replacement of windows and doors. 3. Thermal insulation of roof. 4. Thermal insulation of floor. 5. Replacement of luminaires with energy saving luminaires. 6. Improving the efficiency of the distribution network for heating and hot water.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **11 822.10 t/CO_{2eq}** for the entire project life cycle.

Project No 397

Introducing energy saving measures in FDK No 7 "Kalina" with Daily Center for children with disabilities, Dupnitsa Municipality

The financing for the project, provided by NTEF, is BGN **91 729.05**.

The project includes the following activities: 1. Automated regulation of the heating system. 2. Installment of RES (photovoltaic station).

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **1 066 t/CO_{2eq}** for the entire project life cycle.

Project No 409

Introduction of energy saving measures in CCF (combined childcare facility) No 11 "Taushanitsa", Dupnitsa city

The financing for the project, provided by NTEF, is BGN **236 315.60**.

The project includes the following activities: 1. Thermal insulation of walls. 2. Thermal insulation of ceiling. 3. Replacement of windows and doors. 4. Thermal insulation of ceiling of boiler room. 5. Replacement of lighting fixtures with energy saving lighting fixtures.

As a result of the implemented ESM, the greenhouse gas emissions have been reduced by **592.50 t/CO_{2eq}** for the entire project life cycle.

** Sites, whose construction and installation works (CIW), have been carried out and paid for during 2015, but which have undergone audit and have been reported as completed by the Management Board during 2017.*

In the end of the reporting period (31 December 2017) **6 projects with 7 sites** are in a process of implementing construction and installation works. The beneficiaries under these projects are: 4 municipalities (one municipality has two projects), one university and one ministry, and the sites are:

- Schools – 3
- University educational building – 2
- Health care facilities – 2

In the end of this period, 14 tender procedures for 26 sites have been opened but not closed or have closed with a contract for CIW, but do not have a contract for NEF financing. The beneficiaries are 11 municipalities, 1 regional unit of the ministry and the sites are as follows:

- Schools – 5
- Administrative buildings – 8
- Health care facilities – 2
- Kindergartens – 4
- Municipal students' dormitories - 2
- House of culture – 1
- Municipal children's complex – 1
- Street lighting - 3

At this stage, **object of preliminary control on tender procedures in the end of the accounting 2017, are 9 projects with 11 sites**. The beneficiaries under these projects are: 5 municipalities, 2 educational facilities and 1 state agency, and the sites are:

- Administrative buildings - 3
- Kindergartens – 3
- Dormitory – 1
- Educational buildings – 2
- Health care facilities – 2

As of the end of the accounting period, **21 projects and 31 sites are at the stage of preliminary control of the investment project**. The beneficiaries under these projects are: 16 municipalities, 2 educational facilities, and the sites are:

- Schools – 9
- Administrative buildings – 1
- Kindergartens – 9
- Dormitories – 1
- Cultural Community Centers and Cultural Centers – 3
- Health care facilities 6
- Street lighting – 1
- Social services – 1

Implementation of projects under the Pilot Scheme for promoting the use of electric vehicles in the public sector

During 2017, the NTEF financing under the Scheme for Promoting the Use of Electric Vehicles is determined with a Decision of the Management Board for each call for bids and is differentiated based on the vehicle type.

During the reported year a subsidy for entirely electric vehicles' categories M1 and N1 (BGN 20 000) was envisioned, for electric (plug in) hybrid categories M1 and N1 (BGN 10 000), for electric vans, categories M2 and N2 (BGN 40 000), vans – categories M1 and N1 (6+1 and 7+1 seats),

small goods electric vehicles, category L7e (BGN 15 000), as well as a possibility for subsidizing the purchasing of different types of superstructures (up to BGN 3 000) for cleaning, freight transportation, irrigation, etc. to the vehicles, L7e category. The uncovered by the subsidy part of the supply price of the vehicles is ensured as a co-financing by the beneficiaries.

During 2017 as well, the implementation of this type of projects starts with the **preliminary control on the specially developed and coordinated with the Public Procurement Agency** model documentation for conducting public procurement related to selection of electric vehicles' suppliers. The process of financing and completing the car supply projects is regulated in the CIP Operational Manual in its part for electric vehicles and includes the following steps:

- Following completion of the tender procedures for suppliers' selection and signing contracts between them and the Contractors under the projects, NTEF signs contracts for financing with the Beneficiaries.
- The payment of the subsidies is accomplished after the submission and approval by the Executive Bureau of the necessary documents, proving the supply of the relevant vehicles (invoices, reception-delivery protocols, insurance, registration documents from the Road Traffic Police (RTP), branding using NTEF provided logo).

During 2017, 14 (fourteen) vehicles were supplied, out of which: 11 (eleven) entirely electric vehicles and 3 (three) electric (plug in) hybrid vehicles. The purchasing of the remaining 20 (twenty) vehicles, in this number 12 (twelve) all-electric vehicles, 2 (two) electric buses and 3 (three) electric goods vehicles L7e, approved during 2017, is pending.

Among the users of the vehicles are municipalities, ministries and state agencies.



Regional Directorate of Ministry of Interior Veliko Tarnovo

IV. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS WITHIN THE FRAMEWORK OF THE INVESTMENT PROGRAM “MINERAL WATERS” (IPMW), PILOT SCHEME

The Investment Program “Mineral Waters” started based on Council of Ministers Decree No 322 / 24.11.2016, with which NTEF has been assigned the administration of funds amounting to BGN 3 500 000 for financing projects, leading to utilization of the heat energy of the mineral waters and as a result – direct or indirect reduction of the greenhouse gas emissions.

1. Selection and approval of projects under IPMW

1.1. Setting up pilot projects’ portfolio under IPMW

In November 2016, a call and guidelines for application were published, which contained a fixed deadline for collecting projects with high degree of preparedness. The deadline for the submission of the application forms was 16 December 2016. Within the call framework, 9 application forms were submitted. (*Annex 1.4*).

During the reported 2017, neither a new call for bids was published, nor new forms submitted.

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

According to the NTEF Rules of Procedure and the Operational Manual for IPMW, Pilot Scheme, the approval of the projects is accomplished based on a submitted application form and ranking according to preliminary announced application requirements, as well as methodology and criteria for evaluation and selection of appropriate projects for financing. The projects are approved at two levels: Standing Commission for Selection, Control and Reporting on the Implementation of Projects and Management Board.

Selection and evaluation of projects by the Standing Commission on selection, control and reporting on the implementation of IPMW

During 2017, one meeting of Standing Commission on selection, control and reporting on the implementation of IPMW was held. 9 (nine) forms of projects from the Pilot Program phase were examined at this meeting. The meeting was held on 20.01.2017.

Approval of projects by NTEF MB

As a result of the work of the Standing Commission, 9 (nine) project proposals have been submitted for approval to the MB.

The total amount of the approved projects is BGN 5 921 707. The envisioned NTEF-provided subsidy amounts to BGN 2 960 853.

2. Implementation of projects under the Pilot Scheme of the Investment Program “Mineral Waters”

During 2017, MB of NTEF worked actively on the implementation of nine projects under the Pilot scheme of IPMW.

The work on the implementation of the projects under IPMW started immediately after their approval by the MB of NTEF with the first stage of the projects’ implementation – the preliminary control on the investment projects for their completeness and availability of all necessary elements for the successful implementation of the projects

The preliminary control on the investment projects for all of the nine projects was completed during the accounting year.

The preliminary control on the procedures for the contractor’s selection is implemented with the support of a professional legal team. The work with the experts of this team is performed in

direct interaction with the beneficiaries, the central role being played by the Executive Bureau team. The EB provides preliminary drafted tender documentation model package.

During 2017, all nine projects under IPMW – Pilot Scheme finished the preliminary control on the tender procedures.

During 2017, following the completion of the tender procedures, two financing contracts were signed (with Mineralni Bani Municipality and Polski Trambesh Municipality) with maximum NTEF-provided subsidy, amounting to a total of BGN 400 945.

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

V. INSTITUTIONAL DEVELOPMENT, INTERNATIONAL RELATIONS AND PUBLIC RELATIONS

1. Institutional development

As of the end of the reported period, the EB staff includes 10 full time employees – one director, seven experts (chief experts and experts) and two technical attendants (technical assistant and driver). They occupy the relevant positions in the staff list, endorsed by the MB of NTEF and enacted on 01.01.2015. Nine out of the fourteen positions are occupied and all of the three departments are staffed with experts pursuant to the actual needs of the Fund. All expert positions are occupied by employees, who are university graduates according the requirements of the position chart.

All members of the Executive Bureau took part in training on communication skills and protocol for conducting meetings. In addition to this training, EB representatives also participated in trainings on developments in the Accountancy Act.

NTEF has a statute of Contracting Authority within the meaning of the Public Procurement Act (PPA). During 2017, for the purposes of selecting contractors or suppliers PPA compliant tender procedures were conducted for providing legal services for the implementation of NTEF activity and for executing control on PPA application to the construction & installation works under the projects of the beneficiaries. The “Buyer’s Profile” section on the NTEF web page is maintained within the framework of the legal requirements.

NTEF’s office has not been changed since the establishment of the Fund. Its whole maintenance is accomplished with the funds in the NTEF administrative budget.

The fixed assets of the Fund include computers, copying machines, conditioners and other office equipment, vehicles and office furniture.

The document turnover at EB is accomplished correctly. Since its establishment the whole documentation of the Fund has been archived and stored.

2. Activities related to financing programs and mechanisms

During 2017, the Executive Bureau continued to work for benefiting on the opportunities to use NTEF as a mechanism under new financing programs and schemes.

2.1. Activities related to the preparation of new financing programs and schemes

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

In connection with the implementation of the provisions of the Climate Change Mitigation Act (CCMA), NTEF started working on developing new mechanisms for implementing the NTEF functions, included in the normative act. A survey of the experience of other countries is being carried out, as well as a study of the opportunities for implementing new forms of financing.

Accounting for the need for more efficient use of the public resources during 2016, the EB team made a profound analysis and comparison of the rules and conditions for financing projects through the Fund with existing ones under three of the new Operational programs (RDOP, RADP and EEA Financial Mechanism).

The prepared report was submitted to the MB of NTEF with a proposal to update the Operational Manual for the Climate Investment Program for improving the energy efficiency of public sites. The report contains recommendation for including the described in it priorities in the core of the system for evaluation and ranking of projects, which will be financed during the next programming period, as well as for reflecting the state-aid related changes from the European regulations.

The conducted studies also outlined possibilities for the implementation of a new financing scheme, combining a grant with a guaranteed result contract (ESCO). Such a new scheme can overcome the restrictions and deficiencies of each one of the two separate (until the present

moment) forms of financing (**a grant and a guaranteed result contract (ESCO)**) and to ensure a significantly more efficient use of the public resource and multiplication of its results through the attraction of private capital.

During 2017, considering the need for more efficient use of public resources and based on a report from 2016, NTEF:

- Started Pilot scheme for financing public energy efficiency projects, combining subsidy with guaranteed energy savings contracts (ESCO contracts). It is expected that the new scheme will overcome the restrictions and deficiencies of each of the two separate (until that moment) forms of financing (subsidy and guaranteed energy savings contract) and will ensure significantly more efficient use of the public resource and replication of its effects through the attraction of private capital.
- The financing priorities were finalized, using project ranking depending on their eligibility with regard to alternative sources of financing, including private capitals.

Another direction in the work of the Fund for more efficient use of the available financial resources is the financing of two pilot energy efficiency projects (of Samokov Municipality and Metropolitan Municipality – “Lyulin” Region) through the introduction of minimum standards, which should be met by the projects. Such standards are:

- Standards for complex solving of energy problems of the buildings (Energy audits can be combined with dynamic energy modelling of the overall building’s refurbishment);
- Standards for evaluation and verification of the operational efficiency of the implemented energy saving measures (ESM);
- Standards and procedures, related to the operation, maintenance and monitoring of the buildings after ESM implementation;
- Standards for managing the implemented ESM.

2.2. Project for climate protection through improved behavior of the energy consumers in the European schools (Project 50/50)

During 2017, NTEF in partnership with the Berlin Independent Institute for (UfU), the Romanian organization Environ and with the support of the German Federal Ministry of Environment continued the implementation of a Project for improving the behavior of the energy consumers in the Bulgarian schools.

During the accounting year, the major priorities of the activities under the project were related to the concrete measures and recommendations, which the participating schools and their energy teams have undertaken for the energy-related education of the students and for the reduction of the energy consumption, as well as to their recommendations for the technical optimization of the buildings.

Main conclusions, related to the need for the future successful continuation of the project in the Bulgarian schools were outlined, as well as the importance of prerequisites, such as:

- the need for combining educational activities and investment measures
- the need for institutional support to the schools

A National Conference for sharing the experience under the project was held.

Until present, the project reports have been approved by the leading partner.

3. International Relations and Public Relations

During 2017, **the international contacts of NDEF** were focused mainly on our interrelations with the partners from Romania and Germany.

A Partnership Agreement with the European Bank for Reconstruction and Development for implementation of guaranteed energy savings contracts has been prepared, which after relevant decision, taken by NTEF MB, has been signed.

A Partnership Agreement with Denkstatt Bulgaria EOOD for implementation of European standards for energy efficiency projects under Horizon 2020 Program has been prepared, which after relevant decision taken by NTEF MB, has been signed.

Representatives of NTEF EB and of MB took part in the annual workshop of KPC Vienna (the Austrian partner of NTEF during the implementation of the National Green Investment Scheme) on the problems of the climate changes, dedicated to the mechanisms for climate action financing.

In 2017, NTEF participated in a working meeting of the Central and Eastern European Sustainable Energy Network, which was held in Prague. The focus of the meeting was directed towards tackling the challenges of the energy transition with Horizon 2050, as well as towards the different approaches for achieving the European targets regarding the greenhouse gas emissions, energy efficiency, and the opportunities for a wider use of renewable energy.

The NTEF web pages (www.ecofund-bg.org) in Bulgarian and in English languages are updated in a timely manner. It contains the necessary information for the structure and activity of both funds of both funds, for the new programs and priority areas for financing new programs and priority activities for financing of projects, the application terms, the criteria for evaluation and description of the completed projects.

The website also performs important functions related to the Project and program management, since on it there is a regular notification of their status of their implementation and the pending steps.

Through NTEF website wide publicity and current information is distributed about the effective programs and the news about the Fund.

Within the framework of the project on public awareness about the climate changes, financed by the German Ministry for Environment (completed in 2015) NTEF created an additional web site www.myclimate.bg. The web site continues its operation, providing support to the Fund in relation to climate oriented education and awareness.

Within the framework of the Climate Change Public Awareness Project, financed by the German Ministry of Environment, NTEF organized a conference on topic “The students are saving energy in their school“, which was held in Sofia. The objective of the conference was to present the experience of the schools participating in the project and to discuss the future continuation of the project, as well as the future inclusion of new participants in it.

The information printed materials of NTEF, addressed to the potential users, as well as to potential fund donors, were provided to all stakeholders during different meetings. For consecutive twentieth year, NTEF is supporting the publication of the Yearbook of the Worldwatch Institute “State of the World” in Bulgarian language.

In June 2017 at the traditional NTEF annual event, in addition to the presentation of the annual report of the Fund for 2016, a seminar was organized on the topic “NTEF approaches for implementing flexible financial instruments during public subsidizing of energy efficiency projects“. During the event the annual awards within the competition in memory of Mimi Pramatarova targeted towards pupils and students were also bestowed. In 2017, prizes were awarded for implemented students’ projects in the climate field.

The project of Secodary School “Ivan Vazov“-Mezdra for “Eco-corner “Vazovche”“ involves the creation of an eco-corner in the school, which will shape a position in the young people towards activities, protecting the nature and will encourage aesthetics, creativity and sense of initiative. More than 350 students from different age groups, parents, teachers and volunteers from the local community are included in the activities. Among he achieved results is the separation of a lane and places for relaxation in the school yard, produced and mounted bird feeders, promoting environmentally sound life style and maintaining clean environment.

The team of the High School of Mathematics and Natural Sciences “Prof. Emanuil Ivanov“, Kyustendil implemented project “Environmental Monitoring of Dragovishtitsa River“. 112 young people aged 6-26 years, participating in the collection of environmental data in the area of

Dragovishtitsa River, monitoring and description of the ecosystems, measuring the parameters of the individual environmental components using modern digital apparatuses and statistical analyses, were included in the project activities. Scientific articles and a book with the results have been published, and a data base in the National Information System for biomonitoring has been generated.

The students from the Vocational High School of Tourism “Doctor Vasil Beron“, Veliko Tarnovo implemented a project “Class Room – borrowing from nature“. The project is implemented at the instigation of the students from eco-club “Silivryak“ and is aiming at improving the school aesthetic environment through separation of an area for sport, playing, relaxation and a garden, full of different spices.

During 2017, NTEF took part in the joint forum with the Ministry of Environment and Water in connection with the announcement of the consecutive call for projects under the Scheme for Promoting the Use of Electric Vehicles in the Public Sector.

A series of working meetings with partner organizations and institutions were held, aiming at timely and adequate informing of the potential and actual beneficiaries of the NTEF programs about the ways for applying and implementing projects, financed by NTEF.

During this year, NTEF participated in three forums of the National Association of Municipalities of the Republic of Bulgaria, aiming at popularizing the Fund’s programs and studying the needs of the municipalities, as well as at discussing the new financial instruments for implementation of energy efficiency projects.

In implementation of its activities, the Executive Bureau established several important partnerships, which contribute to the implementation of the NTEF strategy.

As a result of the successful partnership with **European Bank for Reconstruction and Development**, NTEF in cooperation with their technical assistance team developed a method for combined financing of projects for improvement of the energy efficiency of public sites. During 2018, the first pilot project resulting from this cooperation will be initiated in Stara Zagora.

In 2017, NTEF also works in partnership with the team of **Denkstatt Bulgaria OOD**, which is the Bulgarian partner under a project of several European countries under Horizon 2020 Program. The aim of the joint work is to ensure more stable, predictable and reliable energy savings and to provide opportunity for bigger private investments through a more efficient and transparent market. In the core of the system are the protocols of the Investment Confidence Project (ICP) Europe, which guarantee complete and stable directions for developing projects at European level. This would allow the market subjects to significantly harmonize the project evaluation processes with regard to their energy characteristics. In this partnership, NTEF works intensively to finance two pilot projects, ensuring their management and financing, while the role of the partners from Denkstatt is to provide the expertise related to the implementation of the already mentioned protocols. During 2017, the cooperation was focused on public buildings, and in 2018 work related to street lighting projects should be carried out.

The NTEF partnership with the **Bulgarian Association for Electric Vehicles**, which is also a source of expertise in the field, is successfully developing.

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

1. Sources of funding

1.1. Proceeds pursuant to Decision No 27 / 13.01.2017

The proceeds, pursuant to Decision No 27 / 13.I.2017 amount to BGN 15 298 000. The funds are designated for financing the activities in three main directions:

- Financing projects for improving the energy efficiency of sites – public state and/or municipal property under the Climate Investment Program (BGN 13 583 100).
- Financing projects under the Pilot scheme for promoting the use of electric vehicles in the public sector (BGN 950 000).
- Covering the administrative costs of NTEF (BGN 764 900).

1.2. Proceeds pursuant to Ordinance No 1/04.03.2015

In accordance with the provisions of the Ordinance, the proceeds during the accounting year amount to BGN 602 699. The funds are designated for grant financing of projects и activities under art. 56, par. 1, it.1-4 and 6 of the Climate Change Mitigation Act and for preparation of strategic and plan related documents for introducing measures for limiting or adaptation to the climate change.

1.3. Proceeds under Project for climate protection through improved behavior of the energy consumers in the European schools (Project 50/50)

In compliance with the Agreement between NTEF and the Independent Institute for Environment in Berlin for implementing the Project for climate protection through improved behavior of the energy consumers in the European schools, the size of the grant is EUR 14 670 or BGN 28 699 (currency exchange rate of the bank – BGN 1.95/1 EUR). Co-financing on the part of NTEF to the amount of BGN 7 061 is envisioned. The project implementation will continue until April 2018.

1.4. Proceeds as per CoM Decision No 175/29.05.2017 under the Agreement for Annual Emissions Allocation between the Republic of Bulgaria and the Republic of Malta.

Pursuant to Decision No 175/29.03.2017, the proceeds for 2017 amount to BGN 281 806. The funds are designated for activities for mitigation and adaptation to the climate change, endorsed by the Management Board of the Fund:

- For activities for mitigation and adaptation to the climate change (BGN 267 700)
- For NTEF administrative costs (BGN 14 100)

2. Funds allocation

2.1. Project financing under the Climate Investment Program

Financing of energy efficiency projects

The total paid sums under investment projects for activities related to improving the energy efficiency of public sites under CIP **during 2017 are BGN 8 904 630**. More detailed cost breakdown is presented in Table 2.1.1 of this section.

Table 2.1.1. Financed by NTEF payments to projects under the Climate Investment Program during 2017

Project No	Beneficiary/ project/ name	Amount according to financing contract with NTEF (85% of the total value with included VAT)	Disbursed funds by projects (85% financing) during the current year (2017) - BGN
156	Modernization and implementation of energy efficiency measures at GSS "Kuzman Shapkarev", Serdika region – Sofia Municipality	314 838.52	313 084.10
183	Improving the energy efficiency of FDK "Radost", Yassenkovo village, Venets Municipality, Shumen District	127 870.24	111 586.83
212	Saving energy for clean environment – Kaspichan city	182 341.12	182 125.61
214 **	Modernization of the street lighting in Kaolinovo Municipality	2 299 752.47	1 147,073.59
222 **	Implementing repair activities, related to increasing the energy efficiency of Unit 2 of a building of RDMol- Veliko Tarnovo city	505 870.37	440 326.02
246 ***	Improving the energy efficiency of the Polyclinics – Shabla city, Shabla Municipality	186 778.01	0.00
249	Energy reconstruction and modernization of Cultural Community Center "Napredak-1870" – Lyaskovets city	640 012.97	605 983.54
272	Reducing the greenhouse gas emissions through introduction of energy efficiency measures in Cultural Community Center "Vladimir Vakov" – Komoshtitsa village, Yakimovo Municipality	115 738.64	113 309.89
285	Implementing energy efficiency measures in the building of 90 GSS "Gen. Huse De San Martin, Sofia municipality, Lyulin region	836 322.39	831 245.48
287	Reducing the harmful emissions and improving the energy efficiency of building and facilities in Unit - Dormitory 2, Transportation University "T. Kableskov"	884 756.97	884 756.93
290	Implementing energy efficiency measures in FDK 10 "Detelina" and CCF 11 "Mitko Palauzov", Smolyan city	297 960.11	277 766.59
291 **	Implementing energy efficiency measures in the building of GSS "Vasil Levski" – Vetovo city, Vetovo Municipality	406 890.71	268 670.12
294	Energy efficiency project for administrative building of MEW	564 964.68	512 916.84
324	Ensuring appropriate and profitable infrastructure at Dormitory No 1 of ITQID, adhering to the Trakia University	442 401.64	325 904.01
328-1*	Introducing energy efficiency measures in the school educational infrastructure in Veliko Tarnovo Municipality - SMNS "Vasil Drumev"	365 753.18	67 395.87
328-2*	Introducing energy efficiency measures in the school educational infrastructure in Veliko Tarnovo Municipality - PS "Sveti Patriarh Evtimii"	323 331.29	84 346.11
329 ***	Improving the energy efficiency in 44-th GSS "Neofit Bozveli", Poduene region, Sofia city	388 695.03	0.00

345	<i>Reconstruction and improvement of the energy efficiency of Cultural Community Center "D. Blagoev", Dobrinishte city, Bansko Municipality</i>	109 570.02	106 841.38
347	<i>Reconstruction and improvement of the energy efficiency of Cultural Community Center "Nikola Vaptsarov", Bansko city</i>	155 383.65	155 286.62
358	<i>Major repair for Cultural Community Center "Otets Paisii-1905", Polski Trambesh city</i>	255 716.86	242 953.40
360	<i>Energy efficient rehabilitation of a building of the Information and Teachers Qualification Department at the Thracian University</i>	425 857.91	390 955.33
377	<i>Energy efficiency measures for the building of the Public Health and Health Care Faculty at University "Prof. D-r Asen Zlatarov, Burgas city</i>	743 698.93	740 031.67
387	<i>Introducing energy efficiency measures in the building of the Basin Directorate, Varna city</i>	513 885.68	506 850.57
390	<i>Introducing energy efficiency measures in the administrative building of the Regional Inspectorate on Environment and Water (RIEW), Burgas city</i>	267 182.16	267 174.99
397	<i>Introducing energy saving measures in FCF No 7 "Kalina", with Daily center for children with disability, Dupnitsa municipality</i>	99 101.60	91 729.05
409	<i>Introducing energy saving measures at CCF "Taushanitsa", in Dupnitsa city</i>	236 512.90	236 315.60
Public projects - CIP		13 361 984.36	8 904 630.14

* Projects – partially paid during 2017, final payment is due in 2018.

** Projects - partially paid during 2016 and completed in 2017.

*** Projects, under which payment is due in 2018.

During 2017, 67% from the envisioned budget for investment projects were paid. The remaining funds are transferred to the budget. The remaining funds are transferred to the budget for 2018, when the projects, which are under implementation during the accounting year, will be finished.

Financing of projects under the Pilot Scheme for promoting the use of electric vehicles in the public sector

The total value of the planned budget funds for delivery of electric vehicles and “plug in” hybrids during 2017 is BGN 1 814 500.

During 2017, 14 (fourteen) vehicles were supplied, out of which: 11 (eleven) all-electric vehicles and 3 (three) electric (plug in) hybrid vehicles.

The total subsidy paid by NTEF for the supply of the abovementioned vehicles amounts to BGN 250 000. A more detailed description of the costs is provided in Table 2.1.2 of this section.

Table 2.1.2: Projects under the Pilot Scheme for promoting the use of electric vehicles, financed by NTEF during 2017

Project / name	Number of vehicles	Actual financing amount in 2017
A. Electric vehicles		
EM 010/Project for promoting the use of electric vehicles – Asenovgrad Municipality	2	40 000,00
EM 026/ Project for promoting the use of electric vehicles – Samokov Municipality	2	40 000,00
EM 023/ Project for promoting the use of electric vehicles – Ministry of Economy	1	20 000,00
EM 018/ Project for promoting the use of electric vehicles – Burgas Municipality	2	40 000,00
EM 008/ Project for promoting the use of electric vehicles – Slivnitsa Municipality	1	20 000,00
EM 016/ Project for promoting the use of electric vehicles – Gabrovo Municipality	1	20 000,00
EM 005/ Project for promoting the use of electric vehicles – Smolyan Municipality	1	20 000,00
EM 031/ Project for promoting the use of electric vehicles – Vratsa Municipality	1	20 000,00
Total all-electric	11	220 000,00
B. “Plug in” hybrids		
EM 013/ Project for promoting the use of electric vehicles -MLSP	3	30 000.00
Total “Plug in” hybrid vehicles	3	30 000,00
Total all-electric/“Plug in” hybrid vehicles	14	250 000,00

The implementation of the budget for financing the delivery of electric vehicles and “plug in” hybrid vehicles is 14%. The implementation, which is lower than 100%, is due to two main reasons:

- The planned in the Pilot Scheme limitations for the specifications of vehicles compared with the actual needs of the Beneficiaries.
- For the majority of the public institutions, the planning for and inclusion in the budget of the necessary co-financing amounts has proved to be impossible.

2.2. Spent funds for the administrative costs of the Fund

During 2017 the main sources of funds for covering the administrative costs of NTEF are **Climate Investment Program Mineral Waters Investment Program** in their part related to the Fund’s administration..

The administrative costs budget includes also the funds under the Project for climate protection through improved behavior of the energy consumers in the European schools.

The total amount of the funds for covering the administrative costs of NTEF is BGN 946 857 (Table 2.3.)

During the past 2017, the administrative costs a total amount of BGN 650 121 was spent, which represented 68.7% of the funds envisioned in the budget.

Table 2.3: Implementation of the budget for covering the administrative costs of NTEF during 2017

Cost allocation	Plan BGN	Report BGN	Performance %
A. INVESTMENTS	22 000	8 935	1,4%
1. Acquisition of tangible fixed assets (TFA)	12 000	5 895	0,9%
2. Acquisition of intangible fixed assets (IFA)	10 000	3 040	0,5%
B. INSTITUTIONAL DEVELOPMENT	30 000	2 920	0,4%
1. Advisory services for institutional development	25 000	-	
2. Other costs related to institutional development	5 000	2 920	0,4%
C. CURRENT COSTS	894 857	638 266	98,2%
1. Improving the qualification, remunerations, social security and health insurance	364 857	306 527	47,2%
a. Staff training	5 500	3 997	0,6%
b. Labor remunerations	296 382	250 484	38,5%
c. Social security and health insurance	51 415	42 271	6,6%
d. Social allowances pursuant to the Labor Code (LC)	11 560	9 775	1,5%
2. Advisory services	164 000	75 996	11,7%
3. Maintenance and office costs – overhead costs	126 000	62 048	9,5%.
a. Electricity, heating, phones, e-mail, water, etc.	50 000	16 297	2,5%
6. Fuel and lubricating materials, car maintenance	20 000	8 467	1,3 %
c. Insurance and security	6 000	3 999	0,6%
d. Office consumables and service provision	50 000	33 285	5,1%
4. Administrative-managerial costs	205 000	170 385	26,2%
a. Business trips	30 000	9 258	1,4%
b. Representative costs	-	-	-
c. Public relations	60 000	34 959	5,4 %
d. Administrative and financial costs (in this number audit)	115 000	126 168	19,4 %
5. Management Board operating costs	35 000	23 310	3,6%
TOTAL COSTS	946 857	650 121	100,0%

In structural terms, the cost allocation by budget items compared to the total amount of the used funds for administration is the following: administrative and management costs – 26.2%; costs for raising the qualification, remunerations, social and health insurance – 47.2%; advisory services costs – 11.7%; maintenance and office costs – 9.5%; costs for purchasing fixed assets – 1.4%; operating costs of the Management Board – 3.6%, and costs for institutional development of the Fund – 0.4%.

The implementation of the budget for administrative maintenance of the activity is shown in *Annex 3*.

Clarifications related to the budget implementation in connection with the administrative costs:

Table 2.4: Information on the incurred costs by economic elements and their change compared with the previous period has been presented in the table below

	2017 BGN '000	2016 BGN '000	Change BGN '000	Change %
Assets-related costs	(9)	(5)	4	80%
Institutional development costs	(3)	(6)	(3)	(50%)
Staff-related costs	(306)	(291)	15	5%
Costs for project implementation consultants	(77)	(174)	(97)	(56%)
Maintenance and office costs	(62)	(106)	(44)	(42%)
Administrative-managerial costs	(170)	(207)	(37)	(18%)
MB-related costs	(23)	(26)	(3)	(12%)
Total	(650)	(815)	(166)	(20%)

As a whole, the total operating costs of the Fund have been reduced by about 20%, compared with the same costs for the previous year. The reduction is due mainly to the decreased costs for advisory services, related to project selection and implementation – by 56%, of the costs for maintenance and office consumable - by 42%, and of administrative-managerial costs – by 18%.

In total, the operating costs during 2017 amount to about 7.1% of the costs for financing projects throughout the year (respectively about 7% represent the current operating costs, the activities for selecting new and monitoring implemented projects, including the costs for developing new mechanisms and exploring new financing sources and only about 0.1% are the costs, related to the institutional strengthening of the Fund and asset purchasing).

3. NTEF financial status as of 31.12.2017

As of 31.12.2017 the sum of the Fund's assets is BGN 22 026 000 (31.12.2016 – BGN 15 633 000), in this number cash and cash equivalents amounting to BGN 21 988 000 (31.12.2016 – BGN 15 572 000).

The total sum of the liabilities of NTEF is formed mainly by financing to the amount of BGN 21 986 000 (31.12.2016 – BGN 15 596 000).

NTEF cash funds are kept in accounts with Unicredit Bulbank AD. As of 31.12.2017, NTEF has BGN 21 987 006 in its accounts with Bulbank AD. As of 31.12.2017, the cash on hand of NTEF amounts to BGN 588. The allocation of the funds is shown in *Annex 4*.

In most summarized form, NTEF financial status as of 31.12.2017 may be presented as follows:

Total NTEF funds as of 31.12.2017	BGN 21 987 594
Committed funds under projects with signed contracts for NTEF financing as of the end of 2017	BGN 1 513 760
Committed funds for financing projects for energy efficiency of medical institutions	BGN 3 000 000
Committed funds for combined financing of energy efficiency projects (through a grant and a guaranteed energy savings contract)	BGN 2 000 000
Committed funds for financing pilot energy efficiency projects, involving Energy Efficiency Management Standards	BGN 1 000 000
Non-committed funds for future projects and for maintaining the operation	BGN 14 473 834

VII. MAIN RISKS, RELATED TO THE ACTIVITY OF THE FUND

1. Operational risks

The National Trust EcoFund is managed by a Management Board, which consists of a Chairman, two vice chairmen and another four members. Three ministries at a deputy minister level and three non-governmental institutions – the National Association of Municipalities in the Republic of Bulgaria, BAS and NGO in the environment protection field are represented in it. The Ordinance on the structure and activity of the Fund also envisions the appointment of alternate members of the Management Board with a voting right from the three ministries for the cases, in which the deputy ministries cannot take part in the meetings. Thus, the risk of impossibility to conduct the meetings of the MB of NTEF is minimized.

Regarding the cases of control on NTEF on the part of different control bodies, risks can be anticipated, since throughout all its years of existence until present the Fund has maintained a high level of organization for its documentation. In each case of control on the part of different bodies the Fund has provided the requested documentation and has fulfilled the relevant prescriptions. Within this meaning it cannot be considered that there is a risk for the Fund.

Regarding the costs, which are necessary for the successful operation of the Fund, it should be mentioned that they are always depending on the implementation of the respective programs with investment nature and there is no demand for covering costs, which are not linked to the relevant project financing. NTEF is optimizing its operational costs, implementing a policy of conservative decisions in relation to the need for and the appropriateness of each individual cost. Within this meaning, we cannot think that there are also risks related to the needed costs for the operational functioning of NTEF.

2. Risks related to the financial instruments

Objectives and policy of the management regarding risk management

There are different types of risk with regard to the financial instruments. The financial risks, which are possible to be incurred by the Fund are: market risk, credit risk and liquidity risk.

As a result of the use of financial instruments the Fund is potentially exposed to a market risk, and more particularly to a risk, resulting from changes in the currency exchange rate or interest risk.

The bigger part of the operations of the Fund is accomplished in BGN. The transactions of the Fund in foreign currencies are not exposing the Fund to a significant currency related risk. The Fund's policy is directed towards minimization of the interest risk in case of long-term financing. As of 31 December 2017, the Fund is not exposed to a risk of a change in the market interest rates.

The credit risk is the risk, related to a defaulting on the payment of its liability to the Fund on the part of a given counterparty. The Fund's exposure to a credit risk is limited to the amount of the balance value of the financial assets, accounted in the end of the reported period, as specified below:

	2017 BGN '000	2016 BGN '000
Financial assets' groups – balance values:		
Trade and other receivables	-	3
Cash and cash equivalents	21 988	15 572
Balance value	21 988	15 575

The credit risk related to cash and cash equivalents is considered to be insignificant, since the counterparties are banks with a good image and high external evaluation of the credit rating.

The liquidity risk represents the risk that the Fund will not be able to pay back its liabilities. The Fund is meeting the need for liquid funds through careful monitoring of the incoming and outgoing

cash flows, occurring in the course of the operational activity. The need for liquid funds is monitored for different current time periods. The need for liquid funds in the short-, middle- and long-term are budgeted.

VIII. IMPORTANT EVENTS AFTER THE DATE OF THE FINANCIAL REPORT DRAFTING

No corrective events or significant non-corrective events have occurred between the date of the financial report and the date of its approval for publication.

IX. IX. POSSIBLE FUTURE DEVELOPMENT OF THE FUND

The National Trust EcoFund is implementing its Development Strategy 2014 – 2020, which contains the main development objectives of the Fund until 2020.

During 2018, NTEF will continue the implementation of its two existing programs – Climate Investment Program with its two schemes – for energy efficiency of public sites and for promoting the use of electric vehicles and Investment Program “Mineral Waters”. Special attention will be paid to the possibilities for **improving the effectiveness and efficiency of the investments** in three directions, namely:

- A scheme for combined financing of projects for improving the energy efficiency of public sites with the aim to increase the contribution of the non-refundable subsidy and attract investment capital through the implementation of energy efficiency guaranteed energy savings contracts or credits from different sources is being implemented. The idea is the non-refundable financing on the part of the Fund to be only to the amount, which is necessary to make the implementation of these contracts possible.
- Another direction of NTEF’s efforts for the near future is the implementation of pilot projects, involving the application of the so called International protocols for measuring and checking the results from the investments in energy efficiency. NTEF has started talks and cooperation with the Bulgarian participants in an international project, supported by the European program for scientific research and innovations Horizon 2020.
- In October 2017, the Operational Manual of the Climate Investment Program was revised, resulting into more clear definitions of its priorities and project selection criteria on the basis of the prepared by NTEF EB in 2016 analysis for demarcating the NTEF programs with regard to the existing programs with EU financing.

Simultaneously with that, NTEF will also continue to implement **projects and activities, which are aiming at improving the awareness of the population** and the education of the young people on topics related to climate change.

It will also continue its activities for **attracting new sources for financing** existing and new investment programs. It is important to pay attention to the need of additional institutional support for the urgent provision of financial resources for the effective programs of NTEF.

The team of the Executive Bureau of NTEF will continue to operate as a **relatively small, but efficient team**. Team expansion can be expected only if any of the initiatives, which have been undertaken during 2017, will be implemented and learning new activities during 2018 and afterwards will be needed.

ANNEX 1
Table 1.1

APPLICATIONS, SUBMITTED TO NTEF FOR EXAMINATION DURING 2017

PROJECT No	BENEFICIARY	PROJECT TITLE	SITE	PROJECT VALUE	REQUESTED FINANCING
493	Ruse Municipality	"Implementing energy efficiency measures for sites from the educational and social infrastructure on the territory of Ruse Municipality – stage 1 Site 1: Kindergarten "Detelina" – Ruse city"	Kindergarten "Detelina" – Ruse city	BGN 101 523.70	BGN 86 295.15
494	Tsenovo Municipality	"Implementing energy efficiency measures for site Kindergarten "Baba Tonka", Tsenovo village, Ruse District"	Kindergarten "Baba Tonka", Tsenovo village, Ruse District	BGN 54 245.00	BGN 46 108.25
495	Tsenovo Municipality	"Implementing energy efficiency measures for site Combined administrative building in Krivina village, Tsenovo Municipality, Ruse District"	Combined administrative building in Krivina village, Tsenovo Municipality, Ruse District	BGN 50 205.00	BGN 42 674.25.
496	Tsenovo Municipality	"Implementing energy efficiency measures for site Municipality, Tsenovo village, Ruse District"	Municipality, Tsenovo village, Ruse District	BGN 112 012.00	BGN 95 210.20
497	Tsenovo Municipality	"Implementing energy efficiency measures for site single-floor commercial building, Dolna Studena village, Tsenovo Municipality, Ruse District"	Single-storey commercial building, Dolna Studena village, Tsenovo Municipality, Ruse District"	BGN 18 994.00	BGN 16 144.90.
498	Tsenovo Municipality	"Implementing energy efficiency measures for site Commercial building, 20 Han Asparuh St., Dolna Studena village, Tsenovo Municipality, Ruse District"	Commercial building, 20 Han Asparuh St., Dolna Studena village, Tsenovo Municipality, Ruse District	BGN 102 127.00	BGN 86 807.95
499	Belovo Municipality	"Improving the energy efficiency of the buildings of Cultural Community Center "Hristo Botev 1931", Gabrovitsa village, Belovo Municipality"	Cultural Community Center "Hristo Botev 1931", Gabrovitsa village, Belovo Municipality	BGN 218 005.20	BGN 185 304.42
500	Sozopol Municipality	"Reconstruction and modernization of street lighting of Sozopol Municipality"	Street lighting of Sozopol Municipality	BGN 3 288 000.00	BGN 2 794 800.00
501	Gabrovo Municipality	"Introduction of energy saving measures, modernization and repair of the street lighting of Gabrovo city"	Street lighting of Gabrovo city	BGN 4 212 985.20	BGN 3 581 037.42
502	Metropolitan Municipality –	"Improving the energy efficiency of 79 SS "Indira Ghandi" within RLP XIII- for school, quadrant 4, "Lyulin-7 micro region"	79 SS "Indira Ghandi" within RLP XIII- for school, quadrant	BGN 1 463 865.86	BGN 1 244 285.98

	Region "Lyulin"	neighbourhood, as per the plan of Sofia city, according to updated Energy Efficiency Audit Report"	4, "Lyulin-7 micro region"		
503	Ardino Municipality	"Improving the energy efficiency of the building of Cultural Community Center "Rodopska Iskra", Ardino city, Ardino Municipality"	Cultural Community Center "Rodopska Iskra", Ardino city, Ardino Municipality	BGN 141 717.60	BGN 120 459.96
504	Ardino Municipality	"Reducing the greenhouse gas emissions through introduction of energy efficiency measures in Administrative building – Ardino city"	Administrative building – Ardino city	BGN 183 228.00	BGN 155 743.80
505	Samokov Municipality	"Introduction of energy efficiency measures in the building of SS "Otets Paisii" – Samokov city"	SS "Otets Paisii" – Samokov city"	BGN 520 874.00	BGN 442 742.90
506	Belovo Municipality	"Improving the energy efficiency of the buildings of two Cultural Community Centers on the territory of Belovo Municipality"	Cultural Community Center "Blagoi Zahariev – 1932" - Belovo city, Belovo Municipality	BGN 241 796.40	BGN 205 526.94
506	Belovo Municipality	"Improving the energy efficiency of the buildings of two Cultural Community Centers on the territory of Belovo Municipality"	Cultural Community Center "Prosveta - 1928" – Momina Klisura village, Belovo Municipality	BGN 227 556	BGN 193 422.60
507	Samokov Municipality	"Introduction of energy efficiency measures in the building of SS "Nikola Valchev"- Samokov city"	SS "Nikola Valchev" - Samokov city"	BGN 740 667.00	BGN 629 566.95
508	Shumen Municipality	"Introduction of energy efficiency measures in Cultural Community Center "Boyan Penev - 1949", unit 1 and 2, Shumen city, Shume Municipality, Shumen District"	in Cultural Community Center "Boyan Penev - 1949", unit 1, Shumen city	BGN 105 980.00	BGN 90 083.00
511	Pavlikeni Municipality	"Improving the energy efficiency of Cultural Community Center "Bratstvo - 1884", Pavlikeni city	Cultural Community Center "Bratstvo - 1884", Pavlikeni city	BGN 636 770.00	BGN 541 254.50
512	Iskar Municipality	"Rehabilitation of the street lighting of Iskar Municipality through introduction of energy saving measures"	Street lighting of Iskar Municipality, Pleven District	BGN 2 229 589.50	BGN 1 895 151.08
513	MM – Region "Nadezhda"	"Improving the energy efficiency of 63 PS "Hristo Botev"	63 PS "Hristo Botev" - MM – Region "Nadezhda"	BGN 614 782.08	BGN 522 564.77
514	Institute of Electronics at BAS	"Investment project for improving the energy efficiency and accompanying measures for the building of the Institute of Electronics at BAS"	Institute of Electronics at BAS	BGN 482 968.00	BGN 410 522.80
515	Ruse Municipality	"Implementing energy efficiency measures for sites from the educational and social infrastructure on the territory of Ruse Municipality – stage 1"	Creche No 4 – Ruse city	BGN 293 968.84	BGN 249 873.51
515	Ruse Municipality	"Implementing energy efficiency measures for sites from the educational and social infrastructure on the territory of Ruse Municipality – stage 1"	Creche No 9 – Ruse city	BGN 313 229.59	BGN 266 245.15

515	Ruse Municipality	Implementing energy efficiency measures for sites from the educational and social infrastructure on the territory of Ruse Municipality – stage 1“	Kindergarten “Sinchets” – Ruse city, Sredna Kula neighborhood	BGN 279 527.58	BGN 237 598.44
516	MHAT “National Cardiology Hospital” EAD – Sofia city	“Introducing energy saving measures and current repair of the buildings of Home 1 and Home 3 of Cardiology Rehabilitation Ward of MHAT “National Cardiology Hospital” EAD, located within quadrant 80 as per the plan of Bankya city, 6 Sheinovo St.”	Home 1 of Cardiology Rehabilitation Ward MHAT “National Cardiology Hospital” EAD, Bankya city, 6 Sheinovo St.	BGN 871 116.68	BGN 740 449.18
516	MHAT “National Cardiology Hospital” EAD – Sofia city	“Introducing energy saving measures and current repair of the buildings of Home 1 and Home 3 of Cardiology Rehabilitation Ward of MHAT “National Cardiology Hospital” EAD, located within quadrant 80 as per the plan of Bankya city, 6 Sheinovo St.”	Home 3 of Cardiology Rehabilitation Ward MHAT “National Cardiology Hospital” EAD, Bankya city, 6 Sheinovo St.	BGN 673 456.56	BGN 572 438.08
517	Isperih Municipality	“Renovation and energy saving measures of Cultural Community Center “Samobrazovanie” – Golyam Porovets village, Isperih Municipality“	Cultural Community Center “Samobrazovanie” – Golyam Porovets village, Isperih Municipality	BGN 163 731.89	BGN 139 172.11
518	Isperih Municipality	“Renovation and energy saving measures of Cultural Community Center “Saznanie - 1927” – Vazovo village, Isperih Municipality, 4 Zdravets St.”	Cultural Community Center “Saznanie - 1927” – Vazovo village, Isperih Municipality, 4 Zdravets St.	BGN 121 329.88	BGN 103 130.40
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, CCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	V-th PS “Mityo Stanev” – Stara Zagora	BGN 172 082.69	BGN 146 270.29
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, UCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	FCF No 20 “Mir” – Stara Zagora	BGN 187 257.43	BGN 159 168.82
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, CCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	CCF No 26 “Liliya”, Hrishteni village	BGN 101 720.63	BGN 86 462.53
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, CCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	FCF No 35 “Svoboda” – Stara Zagora	BGN 108 789.36	BGN 92 470.96
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, CCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	FCF No 68 “Patilanova Tsarstvo”	BGN 119 036.46	BGN 101 180.99
519	Stara Zagora Municipality	“Introducing energy saving measures in V-th PS, FCF No 20, CCF No 26, FCF No 35, FCF No 68 and Site for Cultural and Public Activity“	Site for Cultural and Public Activity	BGN 167,000.00	BGN 141,950.00

520	Nikopol Municipality	"Improving the energy efficiency of the buildings of PS "Patriarh Evtimii", Novachene village and Municipal Children Complex, Nikopol city"	PS "Patriarh Evtimii", Novachene village	BGN 958,260.91	BGN 814,521.77
520	Nikopol Municipality	"Improving the energy efficiency of the buildings of PS "Patriarh Evtimii", Novachene village and Municipal Children Complex, Nikopol city"	Municipal Children Complex, Nikopol city	BGN 307,216.45	BGN 261,133.98
521	Technical University - Sofia	"Implementation of a package of measures for improving the energy efficiency of educational building No 4 of the Technical University – Sofia"	Educational building No 4 of the Technical University – Sofia	BGN 3,073,668.00	BGN 2,612,617.80
522	Septemvri Municipality	"Improving the energy efficiency in the administrative building of the municipal administration – Septemvri city, Septemvri Municipality"	Building of the municipal administration – Septemvri city	BGN 403,130.33	BGN 342,660.78
523	Kazanlak Municipality	"Introducing energy saving measures in municipal building – Childhood Center (CCC "Vazrodna Iskra - 2000"), Kazanlak city"	Childhood Center (CCC "Vazrodna Iskra - 2000"), Kazanlak city	BGN 268,529.27	BGN 228,249.88
524	Septemvri Municipality	"Major repair of the fencing structures, elements and roof of Cultural Community Center "Vazrahzdane" – 1926", located within RLP III – house of culture, quadrant 44 as per the plan of Karabunar village, Septemvri Municipality"	Cultural Community Center "Vazrahzdane" – 1926", Karabunar village, Septemvri Municipality	BGN 670,858.08	BGN 570,229.37
525	Veliki Preslav Municipality	"Introducing energy saving measures in the administrative building of Veliki Preslav Municipality"	The administrative building of Veliki Preslav Municipality	BGN 399 056.00	BGN 339 197.60
526	Kostinbrod Municipality	"Improving the energy efficiency in administrative building with fire brigade of Kostinbrod Municipality, Kostinbrod city, 23A Slavyanska St."	Administrative building with fire brigade of Kostinbrod Municipality, Kostinbrod city	BGN 254 667.60	BGN 216 467.46
527	Septemvri Municipality	"Improving the energy efficiency and the quality characteristics of the street lighting in 15 settlements within Septemvri Municipality"	The street lighting in 15 settlements within Septemvri Municipality	BGN 2 136 235.17	BGN 1 815 799.89
528	Dryanovo Municipality	"Improving the energy efficiency in PS "Razvitie-1869" – Dryanovo city"	PS "Razvitie-1869" – Dryanovo city	BGN 853 922.73	BGN 725 834.32
529	Shumen Municipality	"Introducing energy efficiency measures in Cultural Community Center "Razvitie– 1897", Dibich village, Shumen Municipality, Shumen District"	Cultural Community Center "Razvitie– 1897", Dibich village, Shumen Municipality, Shumen District	BGN 36 254.75	BGN 30 816.54
530	Plovdiv Municipality	"Current repair for the introduction of energy efficiency measures in Creative-educational facility of Plovdiv University "Paisii Hilendarski"	Creative-educational facility of Plovdiv University "Paisii Hilendarski"	BGN 998 018.85	BGN 848 316.02
531	Pernik Municipality	"Renewal of municipal complex "Palace of Culture", Pernik city – stage 1	"Palace of Culture", Pernik city	BGN 1 007 197.00	BGN 856 117.45

532	Slivnitsa Municipality	"Introducing energy saving measures in the street lighting system of Slivnitsa Municipality"	Street lighting system of Slivnitsa Municipality	BGN 1 550 568.00	BGN 1 317 982.80
533	Bulgarian National Radio	"Total renovation and energy refurbishment of the program-editorial building of BNT"	Building of BNT	BGN 3 889 215.00	BGN 3 305 832.75
534	Shumen Municipality	"Introduction of energy efficiency measures in Cultural Community Center "Otets Paisii – 1931", Gradishte village, Shumen Municipality, Shumen District	Cultural Community Center "Otets Paisii – 1931", Gradishte village, Shumen Municipality	BGN 61 655.00	BGN 52 406.75
535	Dimitrovgrad Municipality	"Replacement of street lighting with energy saving one on the territory of Dimitrovgrad city, Dimitrovgrad Municipality"	Street lighting, Dimitrovgrad city	BGN 1 652 250.00	BGN 1 404 412.50
537	Ruse Municipality	"Implementing energy efficiency measures on sites of the educational and social infrastructure on the territory of Ruse Municipality - stage 1"	Creche No 5 – Ruse city	BGN 263 925.14	BGN 224 336.37
537	Ruse Municipality	"Implementing energy efficiency measures on sites of the educational and social infrastructure on the territory of Ruse Municipality – stage 1"	Creche No 12 – Ruse city	BGN 239 049.30	BGN 203 191.91
537	Ruse Municipality	"Implementing energy efficiency measures on sites of the educational and social infrastructure on the territory of Ruse Municipality – stage 1"	PS "Hristo Smirnenski" – Ruse city, "Dolapite" neighborhood	BGN 269 056.60	BGN 228 698.11
538	Radomir Municipality	"Implementing energy efficiency measures on site: YCIC "Evropa" and PDSC-MCC– Radomir city"	YCIC "Evropa" and PDSC-MCC– Radomir city	BGN 185 000.00	BGN 157 250.00
539	Vratsa Municipality	"Repair, modernization and energy efficiency in "Volleyball Hall to Sport Complex "Hristo Botev", Vratsa city"	Volleyball Hall to Sport Complex "Hristo Botev", Vratsa city	BGN 774 000.00	BGN 657 900.00
540	Elin Pelin Municipality	"Improving the energy efficiency of a health care building within RLP VIII, quadrant 82, Elin Pelin city"	Health care facility building within RLP VIII, quadrant 82, Elin Pelin city	BGN 1 589 643.53	BGN 1 351 197.00
541	Kazanlak Municipality	"Introduction of energy efficiency measures in PS "Hristo Botev", Enina village"	PS "Hristo Botev", Enina village	BGN 451 290.42	BGN 383 596.86
542	Research Institute of BAS	"Energy efficiency measures in the building of the Institute of Mineralogy and Crystallography at BAS"	Institute of Mineralogy and Crystallography at BAS	BGN 303 954.00	BGN 258 360.90
543	Shumen Municipality	"Introduction of energy efficiency measures in Cultural Community Center "Napredak 1920" in Tsarev Brod village, Shumen Municipality, Shumen District"	Cultural Community Center "Napredak 1920" in Tsarev Brod village, Shumen Municipality	BGN 46 073.00	BGN 39 162.05
544	Lyubimets Municipality	"Improving the energy efficiency of the systems for external artificial lighting on the territory of Lyubimets city"	Street lighting, Lyubimets city	BGN 975 764.40	BGN 829 399.74

545	Gabrovo Municipality	"Introduction of ESM in buildings of the Technical University – Gabrovo, building "Rector's Office" and building "University Library"	Technical University – Gabrovo, building "Rector's Office"	BGN 314 347.00	BGN 267 194.95
545	Gabrovo Municipality	"Introduction of ESM in buildings of the Technical University – Gabrovo, building "Rector's Office" and building "University Library"	Technical University – Gabrovo, building "University Library"	BGN 83 554.00	BGN 71 020.90
546	Dalgopol Municipality	"Implementing energy efficiency measures on sites: Kindergarten "Prolet", Tsonevo village and Kindergarten "Shtastilvo Detstvo", Medovets village, Dalgopol Municipality"	Kindergarten "Prolet", Tsonevo village	BGN 72,802.80	BGN 61,882.38
546	Dalgopol Municipality	"Implementing energy efficiency measures on sites: Kindergarten "Prolet", Tsonevo village and Kindergarten "Shtastilvo Detstvo", Medovets village, Dalgopol Municipality"	Kindergarten "Shtastilvo Detstvo", Medovets village	BGN 394,962.00	BGN 335,717.70
547	Dalgopol Municipality	"Improving the energy efficiency on sites : Administrative building (building B), Dalgopol city and Building with special designation – Firefighting Depot, Dalgopol city"	Administrative building (building B), Dalgopol city	BGN 151,630.00	BGN 128,885.50
547	Dalgopol Municipality	"Improving the energy efficiency on sites : Administrative building (building B), Dalgopol city and Building with special designation – Firefighting Depot, Dalgopol city"	Firefighting Depot, Dalgopol city	BGN 202,236.00	BGN 171,900.60
548	Ruse Municipality	"Implementing energy efficiency measures in: Kindergarten "Slantse", 14 Sheinovo St., Ruse city"	Kindergarten "Slantse", 14 Sheinovo St., Ruse city	BGN 19,286.88	BGN 16,393.85
549	Sungurlare	"Energy efficiency project in PS "Otets Paisii", Saedinenie village"	PS "Otets Paisii", Saedinenie village	BGN 111,879.60	BGN 95,097.66
550	Krumovgrad Municipality	"Implementing energy efficiency measures in the building of Block A of MHAT "Jivot + " EOOD, Krumovgrad city"	Block A of MHAT "Jivot + " EOOD, Krumovgrad city	BGN 703,780.00	BGN 598,213.00
551	Burgas Municipality	"Implementing energy efficiency measures in PS "Bratya Miladinovi", Burgas city"	PS "Bratya Miladinovi", Burgas city	BGN 436,740.75	BGN 371,229.64
552	Burgas Municipality	"Introduction of energy efficiency measures in PHNSNM "Akademik N. Obreshkov", Burgas city"	PHNSNM "Akademik N. Obreshkov", Burgas city	BGN 804 757.00	BGN 684 043.45
553	Burgas Municipality	"Introduction of energy efficiency measures in PS "Anton Strashimirov", Burgas city"	PS "Anton Strashimirov", Burgas city	BGN 729 645.00	BGN 620 198.25
554	Stamboliiski Municipality	"Improving the energy efficiency in the administrative building of the municipal administration – Stamboliiski city, Stamboliiski Municipality"	Municipal administration – Stamboliiski city	BGN 115 000.00	BGN 97 750.00
555	Chepelare Municipality	"Improving the energy efficiency in the building of Cultural Community Center "Rodopska Iskra 1880", Chepelare city "	Cultural Community Center "Rodopska Iskra 1880", Chepelare city	BGN 453 797.40	BGN 385 727.79
556	Region Izgrev", Metropolitan Municipality	"Improving the energy efficiency in 11 SS "Sv. Pimen Zografski", Region "Izgrev", Metropolitan Municipality"	11 SS "Sv. Pimen Zografski", Region "Izgrev", Metropolitan Municipality	BGN 1 041 351.00	BGN 885 148.35

557	Chernoochene Municipality	"Introduction of energy efficiency measures on site: PS "Vasil Levski" – Komuniga village, Chernoochene Municipality"	PS "Vasil Levski" – Komuniga village, Chernoochene Municipality	BGN 620 297.36	BGN 527 252.76
558	Region "Vazravdane" - Metropolitan Municipality	"Introduction of energy efficiency measures in 67 PS "Vasil Drumev", Sofia city"	67 PS "Vasil Drumev", Sofia city	BGN 472 939.08	BGN 401 998.22
559	Region "Vazravdane" - Metropolitan Municipality	"Introduction of energy efficiency measures in 76 PS "William Saroyan", Sofia city"	76 PS "William Saroyan", Sofia city"	BGN 400 350.13	BGN 340 297.61
560	Region "Studentski - Metropolitan Municipality	"Introduction of energy efficiency measures in the big building of 55 SS "Petko Karavelov "- Region "Studentski"	55 SS "Petko Karavelov "- Region "Studentski	BGN 1 638 098.44	BGN 1 392 383.67
561	National Institute of Justice	"Vacation home „Sv. Sv. Konstantin i Elena“, Varna city for the building of National Training Center for the needs of all bodies of the judiciary"	National Training Center for the needs of all bodies of the judiciary	BGN 994 483.00	BGN 994 483.00
562	UMHATEM "N.I.PIROGOV" EAD	"Introduction of energy efficiency measures on site "Cardiologic Clinics"	Cardiologic Clinics	BGN 1 317 864.00	BGN 1 120 184.40
563	MILITARY MEDICAL ACADEMY (MMA)	"Improving the energy efficiency of the central building of MMA – MHAT – Sofia"	Central building of MMA – MHAT – Sofia	BGN 5 741 864.70	BGN 4 880 585.00

Table 1.2

FORMS, SUBMITTED TO NTEF FOR EXAMINATION DURING 2017

Project No	BENEFICIARY	PROJECT TITLE	SITE NAME, SETTLEMENT	PROJECT VALUE	REQUESTED FINANCING
362	Gabrovo Municipality	"Repair, modernization and implementation of energy saving measures in a building of DCC 1 Gabrovo EOOD – second unit"	DCC 1 Gabrovo EOOD – second unit	BGN 1 014 284.92	BGN 253 571.23
364	Gabrovo Municipality	"Repair, modernization and implementation of energy saving measures in a building of DCC 1 Gabrovo EOOD – first unit"	DCC 1 Gabrovo EOOD – first unit	BGN 1 319 324.21	BGN 329 831.05
381	Brusartsi Municipality	"Supporting the sustainable development of Brusartsi Municipality through introduction of energy saving measures in GSS "Hristo Botev", Brusartsi city	GSS "Hristo Botev", Brusartsi city	BGN 878 195.60	BGN 746 466.26
399	Ivanovo Municipality	"Renovation of the facades of Cultural Community Center "Hristo Botev 1925", Ivanovo village and replacement of the flagstones of the adhering external space"	Cultural Community Center "Hristo Botev 1925", Ivanovo village	BGN 119 188.91	BGN 101 310.57.
410	Region "Krasno Selo" - Metropolitan Municipality	"Implementation of measures for improving the energy efficiency and reducing the energy consumption in the building of 34 PS "Stoyu Shishkov"	"Hristo Botev 1925", Ivanovo village - Metropolitan Municipality, Region "Krasno Selo"	BGN 1 253 701.99	BGN 1 065 646.69
411	Region "Krasno Selo" - Metropolitan Municipality	"Implementation of measures for improving the energy efficiency and reducing the energy consumption in the building of 142 PS "Veselin Hanchev"	142 PS "Veselin Hanchev" - Metropolitan Municipality, Region "Krasno Selo"	BGN 1 039 330.16	BGN 883 430.64 л
416	Pavlikeni Municipality	"Improving the energy efficiency of PS "Filip Totyu", Varbovka village, Pavlikeni Municipality"	PS "Filip Totyu", Varbovka village, Pavlikeni Municipality	BGN 383 321.12	BGN 325 822.95
421	Byala Slatina Municipality	"Implementation of energy efficiency measures in administrative building of Byala Slatina Municipality"	administrative building of Byala Slatina Municipality	BGN 1 095 568.15	BGN 931 232.93
426	Kaspichan Municipality	"Implementation of energy efficiency measures in Cultural Community Center "Osvobojudenie -1904", Kaspichan city, Kalugeritsa neighborhood, Shumen District"	Cultural Community Center "Osvobojudenie -1904", Kaspichan city, Kalugeritsa neighborhood, Shumen District	BGN 161 212.21	BGN 137 030.38
428	Kaspichan Municipality	"Implementation of energy efficiency measures in Cultural Community Center "Prosveta - 1911", Pliska city, Kaspichan Municipality, Shumen District"	Cultural Community Center "Prosveta - 1911", Pliska city, Kaspichan Municipality, Shumen District	BGN 307 379.76	BGN 261 272.80

432	Kaspichan Municipality	"Implementation of energy efficiency measures in Cultural Community Center "Probuda-1928", Kaspichan city, Shumen District"	Cultural Community Center "Probuda-1928", Kaspichan city	BGN 574 477.29	BGN 488 305.70
434	Strelcha Municipality	"Renovation and implementation of energy efficiency measures of Cultural Community Center "Prosveshtenie", Strelcha city"	Cultural Community Center "Prosveshtenie", Strelcha city	BGN 599 033.14	BGN 509 178.17
436	NRA	"Improving the energy efficiency and reducing the environmental impact through decreased consumption of energy and resources in the administrative building of NRA on address: Sofia, 52 Dondukov Blvd."	NRA on address: Sofia, 52 Dondukov Blvd.	BGN 466 933.34	BGN 396 893.34
437	NRA	"Improving the energy efficiency and reducing the environmental impact through decreased consumption of energy and resources in the administrative building of NRA on address: Sofia, 29 Aksakov St."	NRA on address: Sofia, 29 Aksakov St.	BGN 20 000.00	BGN 17 000.00
438	NRA	"Improving the energy efficiency and reducing the environmental impact through decreased consumption of energy and resources in the administrative building of NRA on address: Plovdiv, 106 Skopie St."	NRA on address: Plovdiv, 106 Skopie St.	BGN 553 333.33	BGN 470 333.33
439	NRA	"Improving the energy efficiency and reducing the environmental impact through decreased consumption of energy and resources in the administrative building of NRA on address: Sliven, 19 Stolipin St."	NRA on address: Sliven, 19 Stolipin St.	BGN 87 333.33	BGN 74 233.33
461	Vratsa Municipality	"Energy efficiency measures in Culinary Trade School (CTS) Vratsa"	CTS Vratsa	BGN 3 337 380.31	BGN 2 836 773.26
463	Vratsa Municipality	"Energy efficiency measures in Secondary School Dormitory – Vratsa city"	Secondary School Dormitory – Vratsa city	BGN 2 746 108.15	BGN 2 334 191.93
475	Chepelare Municipality	"Building new energy saving street lighting along the road to artists' residence "Pamporovo-BNT" and Evridika Hotel, Pamporovo Resort Complex"	Street lighting along the road to artists' residence "Pamporovo-BNT" and Evridika Hotel, Pamporovo Resort Complex"	BGN 115 308.98	BGN 57 654.49
489	Kozlodui Municipality	"Reconstruction and building of efficient and ecological energy saving street lighting on the territory of Kozlodui Municipality"	street lighting on the territory of Kozlodui Municipality	BGN 2 447 647.70	BGN 2 080 500.55
502	Metropolitan Municipality – Region "Lyulin"	"Improving the energy efficiency of 79 SS "Indira Ghandi" within RLP XIII - for a school, quadrant 4, "Lyulin-7 micro region" neighborhood as per the plan of Sofia city, according to updated Energy Efficiency Audit Report"	79 SS "Indira Ghandi" within RLP XIII - for a school, quadrant 4, "Lyulin-7 micro region" neighborhood	BGN 1 463 865.86	BGN 1 244 285.98

**PROJECTS, SUBMITTED FOR EXAMINATION UNDER THE PILOT PROGRAM FOR PROMOTING THE
USE OF ELECTRIC VEHICLES**

No	Beneficiary	Vehicle Type
1	Metropolitan Municipality	2 pcs. all-electric, L7e cat.
2	Slivnitsa Municipality	1 pc - all-electric bus
3	Nesebar Municipality	3 pcs. all-electric, L7e cat.
4	Haskovo Municipality	1 pc. all-electric, L7e cat.
5	Vratsa Municipality	1 pc. all-electric
6	Stamboliiski Municipality	2 pcs. all-electric
7	Metropolitan Inspectorate at Metropolitan Municipality	1 pc. all-electric
8	Vocational Secondary School (VSS) "V. Peev", Svoge city	2 pcs. all-electric + bus
9	Sliven Municipality	1 pc. all-electric
10	Ministry of Education and Science (MES)	1 pc. all-electric
11	Metropolitan Inspectorate at Metropolitan Municipality	1 pc. all-electric
12	Gotse Delchev Municipality	1 pc. all-electric
13	Blagoevgrad Municipality	1 pc. all-electric
15	Burgas Municipality	1 pc. all-electric
16	Gabrovo Municipality	1 pc. all-electric
17	Directorate General "Civil Aviation Administration (CAA)"	1 pc. all-electric

ANNEX 2

Projects under the Climate Investment Program, Energy Efficiency Scheme, approved by the MB during the meeting held on 30.06.2017.

No	Incoming No	Beneficiary	Site
1	432	Kaspichan Municipality	Cultural Community Center "Probuda-1928"
2	489	Kozlodui Municipality	Street lighting on the territory of Kozlodui Municipality
3	475	Chepelare Municipality	Street lighting , Chepelare
4	434	Strelcha Municipality	Cultural Community Center "Prosveshenie" – Strelcha city
5	399	Ivanovo Municipality	Cultural Community Center "Hristo Botev 1925", Ivanovo village
6	428	Kaspichan Municipality	Cultural Community Center "Prosveta -1911", Pliska city
7	421	Byala Slatina Municipality	Administrative building of Byala Slatina Municipality
8	426	Kaspichan Municipality	Cultural Community Center "Osvobojdenie-1904", Kaspichan city
9	410	Krasno Selo Region – Sofia Municipality	School - 34 PS "Stoyu Shishkov"
10	429	Kaspichan Municipality	Cultural Community Center "Vasil Levski -1924", Varbyane village
11	430	Kaspichan Municipality	Cultural Community Center "Vasil Levski -1927", Zlatna Niva village
12	393	Lesichovo Municipality	Building of Kitchen Unit, adhering to Home for Elderly People with Physical Disabilities "Sveta Petka", Shtarkovo village
13	411	Krasno Selo Region – Sofia Municipality	School - 142 PS "Veselin Hanchev"
14	415	Pavlikeni Municipality	School - PS "Sv.Sv. Kiril i Metodii", Batak village

Projects under the Climate Investment Program, "Electric Vehicles Scheme", approved by the MB during the meeting held on 30.06.2017.

No	Project No	Beneficiary	Vehicle Type
1	EM 029/3	Nesebar Municipality	Electric, goods vehicle, L7e category
2	EM 030	Haskovo Municipality	Electric, goods vehicle, L7e category
3	EM 033	Metropolitan Inspectorate	Electric vehicle
4	EM 028	Slivnitsa Municipality	Electric van
5	EM 035	Sliven Municipality	Electric vehicle
6	EM 027/1	Metropolitan Municipality	Electric, goods vehicle, L7e category
7	EM 027/2	Metropolitan Municipality	Electric, goods vehicle, L7e category
8	EM 029/1	Nesebar Municipality	Electrical, goods vehicle, L7e category
9	EM 029/2	Nesebar Municipality	Electric, goods vehicle, L7e category
10	EM 031	Vratsa Municipality	Electric vehicle
11	EM 032/1	Stamboliiski Municipality	Electric vehicle
12	EM 032/2	Stamboliiski Municipality	Electric vehicle

Projects under the Climate Investment Program, “Energy Efficiency Scheme”, approved by the MB during the meeting held on 28.11.2017.

No	Incoming No	Beneficiary	Site
1	364	Gabrovo Municipality	Building of DCC 1 Gabrovo EOOD – first unit
2	362	Gabrovo Municipality	Building of DCC 1 Gabrovo EOOD – second unit
3	381	Brusartsi	School – GSS “Hristo Botev”, Brusartsi city
4	502	Metropolitan Municipality - Lyulin Region	School - 79 SS “Indira Ghandi”
5	416	Pavlikeni Municipality	School - PS "Filip Totyu", Varbovka village
6	463	Vratsa Municipality	Secondary school boarding house – Vratsa city

Projects under the Climate Investment Program, “Electric Vehicles Scheme”, approved by the MB during the meeting held on 28.11.2017.

No	Incoming No	Beneficiary	Vehicle Type
1	EM 040/1	Burgas Municipality	Electric vehicle
2	EM 041/1	Gabrovo Municipality	Electric vehicle
3	EM 039/1	Blagoevgrad Municipality	Electric vehicle
4	EM 036/1	Ministry of Education and Science	Electric vehicle
5	EM 037/1	Metropolitan Inspectorate at Metropolitan Municipality	Electric vehicle
6	EM 038/1	Gotse Delchev Municipality	Electric vehicle
7	EM 042/1	Directorate General "Civil Aviation Administration" (CAA)	Electric vehicle

Projects under the Investment Program, “Mineral Waters”, approved by the MB during the meeting held on 24.01.2017

No	Incoming No	Beneficiary	Site
1	MB-006	Razlog Municipality	Water pipeline, pumping station, storage reservoir and water meters of water sources
2	MB-002	Poliski Trambesh Municipality	Pumping station
3	MB-008	Velingrad Municipality	Water pipeline, ground part and equipment, water intake facilities, reconstruction and repair of measuring chamber
4	MB-005	Burgas Municipality	Water pipeline 2, pumping station 2, equipment well 2 and ground part of water intake facilities
5	MB-003	Sapareva Banya Municipality	Storage reservoir
6	MB-009	Septemvri Municipality	Pipeline 2
7	MB-004	Panagyurishte Municipality	Water pipeline, storage reservoir and CO3 belt A
8	MB-001	Minerlani bani Municipality, Haskovo District	Pumping station, water pipeline 2 and storage reservoir
9	MB-007	Berkovitsa Municipality	Water pipeline

ANNEX 3

Table 3.1

IMPLEMENTATION OF THE BUDGET FOR FINANCING OTHER PROGRAMS AND ADMINISTRATIVE SUPPORT OF NTEF TO 31.XII.2017

	Plan - Total (BGN)	Report - Total (BGN)	Implementat ion - Total (%)	Administrat ive costs Plan	Administrat ive costs Report	Implement ation - CIP (%)	Administrat ive costs IPMW - Plan	Administrat ive costs - Report	Implement ation - IPMW (%)	Plan - ΔE	Report - ΔE	Implement ation - ΔE (%)
Part A - INVESTMENTS	22 000	8 935	41	19 290	8 935	46	2 710	0	0	0	0	#DIV/0!
1. Tangible fixed assets	12 000	5 895	49	10 522	5 895	56	1 478		0	0	0	0
2. Intangible fixed assets	10 000	3 040	30	8 768	3 040	35	1 232	0	0	0	0	#DIV/0!
Part B - INSTITUTIONAL DEVELOPMENT	30 000	2 920	10	26 304	2 920	11	3 696	0	0	0	0	#DIV/0!
1. Advisory services - institutional development	25 000	0	0	21 920		0	3 080	0	0			0
2. Other costs - institutional development	5 000	2 920	0	4 384	2 920	67	616	0	0	0	0	0
Part C - CURRENT COSTS	894 857	638 266	71	778 979	601 564	77	108 817	6 334	6	7 061	30 368	430
1. Improving the qualification of the IVB, remunerations, social and health insurance	364 857	306 527	84	314 275	302 951	96	43 521	0	0	7 061	3 576	51
a. Staff training	5 500	3 997	73	4 822	3 997	83	678		0			
b. Labour remunerations	296 382	250 484	85	254 656	247 554	97	35 782		0	5 944	2 930	49
c. Social and health insurance	51 415	42 271	82	44 661	41 625	93	5 637		0	1 117	646	58
d. Social supplements compliant to the Labor Code (LC)	11 560	9 775	85	10 136	9 775	96	1 424		0			0
	0	0	0									0
2. Advisory services	164 000	75 996	46	143 795	71 343	50	20 205	1 467	7		3 187	0
2A. Reserve for administrative costs	0	0	0	0	0	0		0	0		0	0
3. Maintenance and office costs	126 000	62 048	49	110 477	59 868	54	15 523	0	0	0	2 180	0
a. Electricity, heating, phones, e-mail, water, etc.	50 000	16 297	33	43 840	14 117	32	6 160		0		2 180	0
b. F&L and car maintenance	20 000	8 467	42	17 536	8 467	48	2 464		0			0
c. Insurances and property protection	6 000	3 999	67	5 261	3 999	76	739		0		0	0
d. Office consumables and servicing	50 000	33 285	67	43 840	33 285	76	6 160		0		0	0
4. Administrative-managerial costs	205 000	170 385	83	179 744	146 520	82	25 256	2 440	10	0	21 425	0
a. Business trips	30 000	9 258	31	26 304	8 971	34	3 696	40	1		247	0
b. Representation costs	0	0	0	0	0	0	0	0	0	0	0	0
c. Public relations	60 000	34 959	58	52 608	11 381	22	7 392	2 400	32		21 178	
d. Administrative and financial costs (incl. audit)	115 000	126 168	110	100 832	126 168	125	14 168		0		0	0
5. Costs related to the MB activity	35 000	23 310	67	30 688	20 883	68	4 312	2 428	56	0	0	0
Part D - RESERVE	0	0	0	0		0	0		0	0	0	0
TOTAL	946 857	650 121	69	824 573	613 419	74	115 223	6 334	5	7 061	30 368	430

Table 3.1

COST ALLOCATION	Previous year (2016)			Accounting year (2017)		
	Plan (BGN)	Report (BGN)	Implementation (%)	Plan (BGN)	Report (BGN)	Implementation (%)
Part A - INVESTMENTS						
1. Tangible fixed assets	7 000	5 460	78	22 000	8 935	41
2. Intangible fixed assets	5 000	5 460	109	12 000	5 895	49
	2 000	0	0	10 000	3 040	30
Part B - INSTITUTIONAL DEVELOPMENT						
1. Advisory services - institutional development	10 000	5 882	59	30 000	2 920	10
2. Other costs - institutional development	5 000	0	0	25 000	0	0
	5 000	5 882		5 000	2 920	58
Part C - CURRENT COSTS						
1. Improving the qualification of the MB, remunerations, social and health insurance	1 045 581	802 469	77	894 857	638 266	71
a. Staff training	313 011	290 675	93	364 857	306 527	84
b. Labour remunerations	5 000	5 205	0	5 500	3 997	73
c. Social and health insurance	254 423	235 154	92	296 382	250 484	85
d. Social supplements compliant to the Labor Code (LC)	42 793	39 861	93	51 415	42 271	82
	10 795	10 455	97	11 560	9 775	85
2. Advisory services related to the project selection and implementation	249 856	173 768	70	164 000	75 996	46
3. Maintenance and office costs - overhead costs						
a. Electricity, heating, phones, e-mail, water, etc.	145 200	105 822	73	126 000	62 048	49
b. F&L and car maintenance	60 000	36 504	61	50 000	16 297	33
c. Insurances and property protection	20 200	11 942	0	20 000	8 467	0
d. Office consumables and servicing	10 000	6 211	62	6 000	3 999	67
	55 000	51 165	93	50 000	33 285	67
4. Administrative-managerial costs						
a. Business trips	312 514	206 652	66	205 000	170 385	83
b. Representation costs	41 835	29 562	71	30 000	9 258	31
c. Public relations	0	0	0	0	0	0
d. Administrative and financial costs (incl. audit)	160 379	81 114	51	60 000	34 959	58
	110 300	95 976	87	115 000	126 168	110
5. Costs related to the MB activity	25 000	25 552	102	35 000	23 310	67
Part D - RESERVE [4% of (A+B+C)]						
	0	0	0	0	0	0
TOTAL COSTS	1 062 581	813 811	77	946 857	650 121	69
Net costs:	1 062 581	813 811	77	946 857	650 121	69

ANNEX 4**INFORMATION ON NTEF FUNDS AS OF 31.12.2017**

Available cash in NTEF bank accounts and in hand:									
									8 673 093,00 BGN
Sum of deposited funds in BGN, according to Table 1									
									13 314 501,68 BGN
Total BGN, as of 31.12.2017									
									21 987 594,68 BGN

Table 1: Monthly deposits in BGN:

No of deposit account	Date of deposit	Principal	Expected interest for the period	Maturity	Annual interest % for the period
70002522574086	23.09.2016	5 006 251,88	0,00	23.03.2018	0,00%
70002522602514	22/10/2016	6 007 502,25	0,00	22.04.2018	0,00%
70002522602528	22/10/2016	2 300 747,55	0,00	22.01.2018	0,00%
		13 314 501,68	0,00		
				Prepared by:	
				/Antonia Todorova/	



Some of the purchased electrical cars



INDEPENDENT AUDITOR'S REPORT



The educational project



The educational project



Grant Thornton Ltd.
26, Cherni Vrah Blvd, 1421 Sofia
4, Paraskeva Nikolau Str., 9000 Varna

T (+3592) 987 28 79, (+35952) 69 55 44
F (+3592) 980 48 24, (+35952) 69 55 33
E office@gtbulgaria.com
W www.gtbulgaria.com

**To the Managing Board of
National Trust Ecofund
Sofia, Bulgaria**

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **National Trust Ecofund** (the Fund), which comprise the statement of financial position as at 31 December 2017 and the statement of profit or loss and other comprehensive income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management report, prepared in accordance with Bulgarian Accountancy Act, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit .

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section “Information Other than the Financial Statements and Auditor’s Report Thereon”, regarding annual management report, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA), issued on 29 November 2016. The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- the information in the management report is consistent with the financial statements for the same reporting period;
- the management report is prepared in accordance with the applicable legal requirements; and
- as a result of the acquired knowledge and understanding of the activities of the Fund and the environment in which it operates, we have found no cases of material misrepresentation in the management report.

Mariy Apostolov
Managing partner

**Registered auditor responsible for the
audit**

Grant Thornton Ltd.
Audit firm



30 March 2018
Bulgaria, Sofia



The energy teams in action



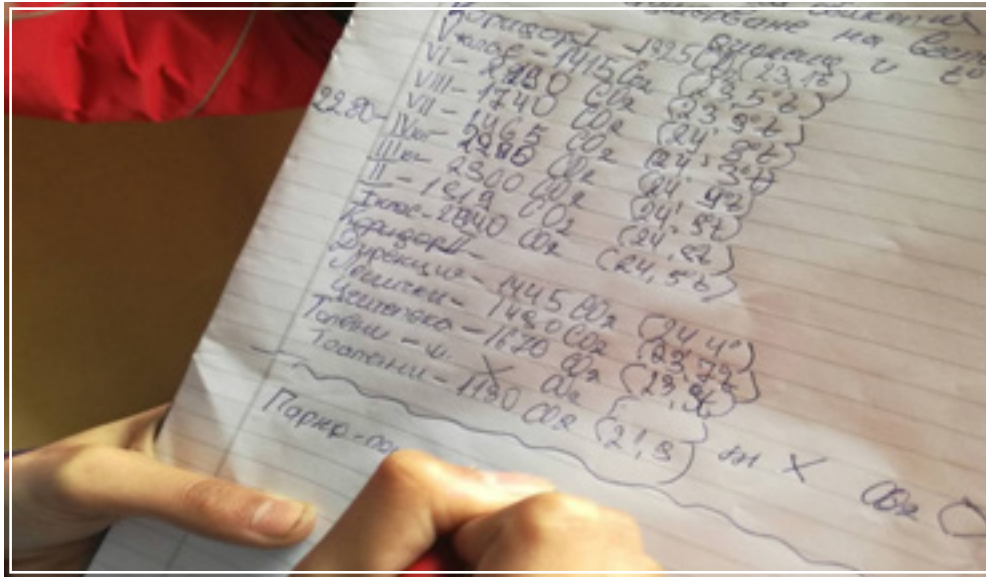
The energy teams in action

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

FINANCIAL STATEMENTS



The results of the energy teams in the schools



The results of the energy teams in the schools

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

Assets	Note	2017 BGN '000	2016 BGN '000
Non-current			
Intangible assets	5	10	21
Plant and equipment	6	28	37
Non-current assets		<u>38</u>	<u>58</u>
Current			
Receivables	7	-	3
Cash and cash equivalents	8	21 988	15 572
Current assets		<u>21 988</u>	<u>15 575</u>
Total assets		<u>22 026</u>	<u>8 895</u>

	Note	2017 BGN '000	2016 BGN '000
Liabilities			
Financing	9	21 986	15 596
Pension and other employee obligations	10.2	33	33
Trade and other payables	11	7	4
Total liabilities		<u>22 026</u>	<u>15 633</u>

Prepared by: Antonia Todorova
(Antonia Todorova)

Director of
the Executive Bureau: Kamelia Georgieva
(Kamelia Georgieva)

Date: 16 January 2018

Audited according to the auditor's report dated 30 March 2018

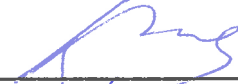
Mariy Apostolov
Managing partner
Registered auditor responsible for the audit
Grant Thornton Ltd.
Auditing Company



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	Note	2017 BGN '000	2016 BGN '000
Administrative and institutional development expenses financing income	12	613	794
Non-current assets financing income	5,6,12	28	27
Projects financing income for other programs – DE	12	29	15
Projects financing income	12	9 155	13 576
Projects funding costs	13	(9 155)	(13 576)
Cost of materials	14	(22)	(27)
Hired services expenses	15	(292)	(442)
Employee benefits expense	10.1	(303)	(301)
Depreciation of non-financial assets	5,6	(28)	(27)
Other expenses	16	(24)	(37)
Finance costs	17	(1)	(2)
Finance income	17	3	19
Net result for the year		3	19
Total comprehensive income		3	19

Prepared by: 
(Antonia Todorova)

Director of
the Executive Bureau: 
(Kamelia Georgieva)

Date: 16 January 2018


Audited according to the auditor's report dated 30 March 2018.


Mariy Apostolov
Managing partner
Registered auditor responsible for the audit
Grant Thornton Ltd.
Auditing Company



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Note	2017 BGN '000	2016 BGN '000
Operating activities			
Received targeted funding Malta	9	282	-
Received targeted funding Aviation quotas	9	603	2 609
CIP financing received	9	15 298	15 000
MW program financing received	9	-	3 500
Other financing received	9	29	15
Cash paid for project financing	13	(9 155)	(13 576)
Cash paid for institutional development		(3)	(6)
Cash paid for programs DE		(26)	(30)
Cash paid to suppliers		(293)	(429)
Cash paid for program MW		(6)	(55)
Cash paid to employees and for social security		(305)	(271)
Other payments, net		(6)	(9)
Cash flow from operating activities		6 418	6 748
Investing activities			
Purchase for acquisition of non-current assets	5,6	(8)	(6)
Interest received	17	6	17
Cash flow from investing activities		(2)	11
Net change in cash and cash equivalents		6 416	6 759
Cash and cash equivalents, beginning of year		15 572	8 813
Cash and cash equivalents, end of year	8	21 988	15 572

Prepared by: 
(Antonia Todorova)

Director of
the Executive Bureau: 
(Kamelia Georgieva)

Date: 16 January 2018

Audited according to the auditor's report dated 30 March 2018

Mariy Apostolov
Managing partner
Registered auditor responsible for the audit
Grant Thornton Ltd.
Auditing Company



The accompanying notes on pages from 66 to 83 form an integral part of the financial statements.

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:

- '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.
- 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)
- 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.

In accordance with the Regulation on Organization and Activities of the National Trust EcoFund of 10 May 2004 CMD No. 96 (amended with State Gazette No.71/10 September 2010 and State Gazette No.81/30 September 2014), 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.

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 2017 comprises of:

Managing Board:

- Chairman of NTEF's Management Board – Associate Professor Dr. Irena Georgieva, appointed by the Council of Ministers of the Republic of Bulgaria (Decision No 799 of the CoM of 14.10.2015).
- Representative of the Ministry of Environment and Water (MEW) – Deputy Minister Reneta Koleva until 25.05.2017, when she was replaced by Deputy Minister Atanaska Nikolova. The Representative of the Ministry of Environment and Water is also Deputy Chairman of the Management Board.
- Representative of the Ministry of Finance (MF) – Deputy Minister Marinela Petrova

- Representative of the Ministry of Energy – Deputy Minister Konstantin Delisivkov – until 08.06.2017, when he was replaced by Deputy Minister Zhecho Stankov.
- Representative of the National Association of Municipalities in the Republic of Bulgaria – Ginka Chavdarova
- Representative of the Bulgarian Academy of Science (BAS) – Prof. Nikola Malinovski, Deputy Chairman of the Management Board;
- Representative of the environmental non-governmental organizations – Mrs. Lyubomira Kolcheva – Director of EcoObsnost Foundation”.

Executive Bureau:

EB Director	Kamelia Georgieva
Chief Accountant	Antonia Todorova
Accountant	Margarita Manolova

Chief technical expert – Project Manager	Ivaylo Tsekov
Expert programs management	Teodora Stanisheva

Chief Expert project management	eng. Mihail Denkov
Expert project management	eng. Galina Veleva
Technical assistant	Elena Mihayova
Driver	Bozhidar Valchkov

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

As at 31 December the total number of personnel is 9 (31 December 2016 - 10).

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:

- Clean-up of past environmental pollution and damage;
- Reduction of air pollution and limitation of climate change;
- Clean water protection;
- Protection of biodiversity ;
- Other main areas, included in the national policy of environmental protection.

The main sources of financing as at 31 December 2017 include:

- a) target funding of the Climate Investment Programme (CIP) in CoM Decision № 201/ 26.03.2015 and 80/11.02.2016;
- b) target funding for pilot scheme of Investment programme "Mineral Waters" in CoM Decision №322/24.11.2016;
- c) Revenues in accordance with Ordinance №1 / 04.03.2015 laying down the terms and procedures for spending of proceeds from the sale of quotas for emissions from aviation activities by tender.
- d) Target funding per project of annual emission allocation between the Republic of Bulgaria and the Republic of Malta under the CoM Decision № 175 / 29.03.2017

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). For the purposes of paragraph 1, item 8 of the Supplementary Provisions of the accounting applicable in Bulgaria, the term "IFRS as adopted by the EU" represent the International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and Council

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 2016) unless otherwise stated.

The financial statements are prepared under the going concern principle.

As of the date of the financial statement the management have made assessment for the ability of the Fund to continue as a going concern based on the information available. After making enquiries, the management has 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.

The Investment Climate Programme starts based on Decision of the Council of Ministers (201/26 March 2015) with the provision of funds pursuant to § 4 of the transitional and final provisions of the Act to limit climate change. Funding of the Program continued in 2016 and 2017, respectively, by Decisions of the Council of Ministers № 80 / 11.02.2016 and No 27 / 13.01.2017. The funds were earmarked for financing projects to improve the energy efficiency of state and municipal sites and to promote the use of electric vehicles and hybrid cars by public institutions.

In 2017 the project proposals, regulated by the Operational Management of the Climate Investment Program, continued. The acceptance of calls for expressions of interest was a permanent process until October, when the amendments to the RTD introduced the requirement to publish invitations with a fixed deadline. Forms containing full project proposals are submitted by the beneficiaries after receipt of a letter of interest for the selection of projects approved by the Commission for the selection and reporting of projects. The amendments to the October 2017 BD, the letter and the Forms submitted, require that they be submitted within a specified period of time.

During the accounting year were received:

- 68 Requests for Expressions of Interest for Financing Measures to Improve the Energy Efficiency of Public Buildings
- 21 Project proposal forms based on approved applications for expression of interest.

In 2017 under the Mineral Water Investment Program, based on Decree No. 322/24.11.2016 of the Council of Ministers, the NTEF has a budget amounting to BGN 3,500,000. They are intended to finance projects that lead to the utilization of the thermal energy of mineral waters and as a result - direct or indirect reduction of greenhouse gas emissions.

Nine (9) projects have been approved for a total amount of BGN 5 921 707. The envisaged subsidy from the NTEF amounts to BGN 2 960 853.

Taking into account the specifics of these projects, two financing contracts with an expected subsidy from the NTEF amounting to BGN 400 945 were concluded at the end of the accounting year.

In 2016, the NTEF, in partnership with the Berlin Independent Environmental Institute (UfU), the Romanian Environ organization and with the support of the Federal Ministry of the Environment of the Republic of Germany, started implementing a project to improve the behaviour of energy users in Bulgarian schools. The project continued in 2017. The main priorities of the project activities were related to the specific measures and recommendations that the participating schools and their energy teams have taken on the energy education of students and the reduction of energy consumption and their recommendations for technical optimization of the buildings.

In 2017, the Climate Microprojects Program was launched. The funds shall be made in accordance with the Agreement for the transfer of annual emission allocations between the Republic of Bulgaria and the Republic of Malta and on the basis of Decision of the Council of Ministers No 175 / 29.03.2017. The funds are intended for mitigation and adaptation to climate change.

3. Changes in Accounting Policies

3.1. New standards, amendments and interpretations to IFRS, effective from 1 January 2017

The Company 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 Company's financial statements for the annual period beginning 1 January 2017:

IAS 7 "Statement of Cash Flows" (amended) effective from January 1, 2017, adopted by the EU

IAS 12 "Income Taxes" (as amended), effective from 1 January 2017, adopted by the EU
Annual improvements to IFRS 2014-2016

- IFRS 12 "Disclosure of Participations in Other Entities" - Explanation on the Scope of the Standard, in force since 1 January 2017, has not yet been adopted by the EU

Disclosure requirements apply to shareholdings in other entities that are classified as held for sale, except for the summary financial information.

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

As of the date of approval of these financial statements, new standards, amendments and interpretations to existing standards have been published but have not entered into force or been adopted by the EU for the financial year beginning on 1 January 2017 and have not been applied from an earlier date by the Fund. They are not expected to have a material effect on the Fund's financial statements. The management expects all standards and amendments to be adopted in the Fund's accounting policy in the first period beginning after the date of their entry into force.

The changes are related to the following standards:

- 1. IFRS 2 Share-based Payment (amended) effective from 1 January 2018 has not yet been adopted by the EU
- 2. IFRS 4 Insurance Contracts (as amended) effective from 1 January 2018 has not yet been adopted by the EU
- 3. IFRS 9 "Financial Instruments" in force as of 1 January 2018, adopted by the EU
- 4. IFRS 9 "Financial Instruments" (amended) - Hedging reporting, effective from 1 January 2018, has not yet been adopted by the EU
- 5. IFRS 9 "Financial Instruments" (as amended) - Prepayments with negative offsetting effective from 1 January 2019 have not yet been adopted by the EU
- 6. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (amended), date of entry into force not yet defined, not yet adopted by the EU
- 7. IFRS 14 "Deferred Accounts at Regulatory Prices" effective from January 1, 2016, has not yet been adopted by the EU
- 8. IFRS 15 "Revenue from contracts with customers" effective from January 1, 2018, adopted by the EU
- 9. IFRS 15 "Revenue from contracts with customers" (as amended) effective from 1 January 2018, adopted by the EU
- 10. IFRS 16 "Leases", effective from 1 January 2019, has not yet been adopted by the EU
- 11. IFRS 17 "Insurance Contracts" in effect from 1 January 2021, not yet adopted by the EU

- 12. IAS 28 "Investments in Associates and Joint Ventures" (as amended) - Long-term interests in associates and joint ventures in effect from 1 January 2019 not yet adopted by the EU
- 13. IAS 40 "Investment property" (as amended) - Transfer of investment property in effect from 1 January 2018 has not yet been adopted by the EU
- 14. IFRIC 22 "Transactions and prepayments in foreign currency" effective from 1 January 2018 has not yet been adopted by the EU
- 15. IFRIC 23 "Income Taxes Uncertainty" effective from 1 January 2019 has not yet been adopted by the EU
- 16. Annual improvements for 2014-2016 - IFRS 1 "First-time Adoption of IFRSs" and IAS 28 "Investments in Associates and Joint Ventures"

4. Summary of accounting policies

4.1. Overall considerations

The most 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 the 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.

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 for the periods 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. Intangible assets

The Fund's intangible assets comprise of software and internet portal. They are recorded at cost of acquisition, including all import duties, non-refundable taxes and direct costs associated with preparing the asset for use where the capitalized costs are amortized based on the straight-line method over the estimated useful lives of the assets as It is believing that he is limited.

Subsequent assessment is carried at cost of acquisition less accumulated depreciation and impairment losses. The impairments are recorded as an expense and are recognized in the profit or loss/profit or loss and other comprehensive income for the period.

Subsequent expenses incurred in connection with intangible assets subsequent to their initial recognition are recognized in the profit or loss and other comprehensive income for the period they occur, unless thanks to them asset can generate more than initially expected future economic benefits when these costs can be measured reliably and attributed to the asset. If these conditions are met, the costs are added to the cost of an asset.

Residual values and useful lives of intangible assets are reviewed at each reporting date.

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

- Software 2 years
- Other 3 years

Amortization included in the profit or loss and other comprehensive income within "Depreciation of non-financial assets".

Gains or losses arising on the disposal of intangible assets 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 intangible assets amounts to BGN 700.

4.8. 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 at every reporting date.

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;
- Vehicles – 4 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.

4.9. 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 assets and cash-generating units are tested for impairment at least annually. All other 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.

4.10. 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.

4.10.1. Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the category Loans and receivables upon initial recognition.

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 of the Fund. 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 expense related to the possession of financial instruments is recognized in the profit or loss on receipt regardless of how the carrying amount of the financial asset to which it relates is measured and is presented in the profit or loss account and the other comprehensive income on the lines "Financial expenses", "Financial income".

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 of the Fund 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".

4.10.2. 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 assessed 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.

4.11. Cash and cash equivalents

Cash and cash equivalents consist of available cash, cash on bank accounts, term deposits and short-term deposits.

4.12. Post-employment 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.

4.13. Provisions, contingent liabilities and contingent assets

Provisions are recognized when it is probable that current liabilities resulting from a past event will result in an outflow of resources from the Fund and a reliable estimate of the amount of the liability can be made. It is possible that uncertainty is the timing or the amount of outgoing cash flow. A current obligation arises from the existence of a legal or constructive obligation as a result of past events, such as legal disputes or burdensome contracts. Restructuring provisions are recognized only if a detailed formal restructuring plan has been developed and implemented or the management

has announced the main points of the restructuring plan before those that would have affected them. Provisions for future operating losses are not recognized.

The amount recognized as a provision is calculated on the basis of the most reliable estimate of the costs necessary to settle a current liability at the end of the reporting period, taking into account the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the probable need for outflow for debt repayment is determined taking into account the group of liabilities as a whole. Provisions are discounted when the effect of time differences in the value of money is significant.

Benefits from third parties in respect of a liability that the Fund is certain to receive are recognized as a separate asset. This asset may not exceed the value of the respective provision.

Provisions are reviewed at the end of each reporting period and their value is adjusted to reflect the best estimate.

Where an outflow of economic resources is unlikely to arise from a going concern, a liability is not recognized. Contingent liabilities should then be valued at the higher of the comparable provision described above and the initially recognized amount less accumulated amortization.

Possible outflows of economic benefits that do not yet meet the criteria for recognition of an asset are considered as contingent assets.

4.14. 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.

4.14.1. 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.

4.14.2. Useful life of depreciable assets

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

As at 31 December 2017 the Management assesses that the useful lives represent the expected utility of the assets to the Fund. The carrying amounts are analyzed in note 5 and 6. Actual results, however, may vary due to technical obsolescence, particularly relating to IT equipment.

5. Intangible assets

The Fund's intangible assets comprise of software and internet portal. The carrying amounts for the reporting periods under review can be analyzed as follows:

	Internet portal BGN '000	Software BGN '000	Total BGN '000
Gross carrying amount			
Balance at 1 January 2017	38	1	39
Additions, separately acquired	-	3	3
Disposals	-	-	-
Balance at 31 December 2017	38	4	42
Amortization			
	(18)	-	
Balance at 1 January 2017			(18)
Amortization	(13)	(1)	(14)
Balance at 31 December 2017	(31)	(1)	(32)
Carrying amount at 31 December 2017	7	3	10

6. 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	Vehicles BGN '000	Fixture and fittings BGN '000	Software BGN '000	Total 'BGN '000
Gross carrying amount					
Balance at 1 January 2017	48	38	17	3	106
Additions, separately acquired	5	-	-	-	5
Disposals	-	-	(1)	-	(1)
Balance at 31 December 2017	53	38	16	3	110
Amortization					
Balance at 1 January 2017	(34)	(15)	(17)	(3)	(69)
Amortization	(5)	(9)	-	-	(14)
Disposals	-	-	1	-	1
Balance at 31 December 2017	(39)	(24)	(16)	(3)	(82)
Carrying amount at 31 December 2017	14	14	-	-	28

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.

7. Other receivables

As at 31 December 2017 other receivables comprise of interest receivables amounting to BGN 3 thousand.

8. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2017 BGN '000	2016 BGN '000
Bank deposits	13 315	13 309
Cash at bank	8 672	2 262
Cash in hand	1	1
Cash and cash equivalents	21 988	15 572

The Fund has no blocked cash and cash equivalents.

9. Conditional Financing

The conditional financing includes:

	31.12.2017 BGN '000	31.12.2016 BGN '000
Undrawn portion of grants for funding of operations, including:	21 983	15 577
- Undrawn portion of grant for funding of operations – CIP	15 013	9 466
- Undrawn portion of grant for funding of operations – Malta	282	-
- Undrawn portion of grant for funding of operations -MW	3 439	3 445
- Undrawn portion of grant for funding of operations – Aviation quotas	3 212	2 609
- financing for purchasing of non-current assets	37	57
Result of operating activities for the year	3	19
Carrying amount at 31 December	21 986	15 596

Undrawn portion of the funding of operations includes:

	31.12.2017 BGN '000	31.12.2016 BGN '000
Carrying value at 1 January	15 596	8 866
Recognized revenue from financing in the statement of profit or loss and other comprehensive income	(9 825)	(14 412)
Recognized financing during the period	16 212	21 123
Result for the period	3	19
Carrying amount at 31 December	21 986	15 596

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

- 1. Provided targeted funding from CIP at the amount of BGN 15 298 thousand for finance investment projects and administrative activities of NTEF.
- 2. Provided targeted funding of the pilot scheme IPMW amounted to BGN 3500 thousand to finance investment projects.
- 3. Provided funding for spending of proceeds from the sale of aviation quotas in the amount of BGN 3 212 thousand.

10. Employee remuneration

10.1. Employee benefit expenses

Expenses recognized for employee benefits include:

	2017 BGN '000	2016 BGN '000
Wages, salaries	(260)	(260)
Social security costs	(43)	(41)
Employee benefits expenses	(303)	(301)

10.2. 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:

	2017 BGN '000	2016 BGN '000
Current:		
Employee obligations	16	17
Unused holiday leaves	10	8
Social security obligations	7	8
Current pension and other employee obligations	33	33

11. Trade and other payables

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

	2017 'BGN '000	2016 BGN '000
Current:		
Payables for legal and other services	5	-
Payables for income tax and others	2	4
	7	4

12. Conditional grant income

The conditional grant income amounts to BGN 9 825 thousand. (2016: BGN 14 412 thousand) and is equal to the amount of the reported expenses on operating activities during the year, including expenses for project financing – BGN 9 155 thousand (2016: BGN 13 576 thousand), administrative expenses and institutional development – BGN 613 thousand (2016: BGN 794 thousand), expenses for program DE – BGN 30 thousand and BGN 28 thousand – for non-current assets (2016: BGN 27 thousand).

13. Project funding costs

Financing of public projects is realized based on two programs:

13.1. 13.1 Financing of public projects under the Climate Investment Programme (CIP)

The funds are for financing projects for improving the energy efficiency of sites - public state and / or municipal property, as well as for promoting the use of electric cars and hybrid cars.

Payments under the contracts for funding CIP concluded between NTEF and beneficiaries are made by bank transfer from an account NTEF. In 2017 actual amounts disbursed to Beneficiaries by projects of that program amounted to BGN 8 905 thousand.

Detailed description of the reported costs in 2017 for project financing of CIP is provided in the table below:

Project №	Beneficiary / Project/ Name	Amount under a Grant agreement with NTEF (Total incl. VAT)	Amount under a Grant agreement with NTEF (85 % of total incl. VAT)	Actual amount of funding during the reporting year 2017 (financing 85%)
156	Modernization and implementation of energy efficiency measures at GSS "Kuzman Shapkarew", Serdika region – Sofia Municipality	370,398.26	314,838.52	313,084.10
183	Improving the energy efficiency of FDK "Radost", Yasenkovo village, Venets Municipality, Shumen District	150,435.58	127,870.24	111,586.83
212	Saving energy for clean environment – Kaspichan city	214,518.97	182,341.12	182,125.61
214 **	Modernization of street lighting in the Municipality Kaolinovo - Municipality Kaolinovo	2,705,591.14	2,299,752.47	1,147,073.59
222 **	Implementing repair activities, related to increasing the energy efficiency of Unit 2 of a building of RDMol- Veliko Tarnovo city	595,141.61	505,870.37	440,326.02
246 ***	Improving the energy efficiency of the Polyclinics – Shabla city, Shabla Municipality	219,738.84	186,778.01	0.00
249	Energy reconstruction and modernization of Cultural Community Center "Napredak-1870" – Lyaskovets city	752,956.43	640,012.97	605,983.54
272	Reducing the greenhouse gas emissions through introduction of energy efficiency measures in Cultural Community Center "Vladimir Vakov" – Komoshtitsa village, Yakimovo Municipality	141,197.18	115,738.64	113,309.89
285	Implementing energy efficiency measures in the building of 90 GSS "Gen. Hose De San Martin, Lyulin region, Sofia municipality	983,908.69	836,322.39	831,245.48
287	Reducing emissions and improving the energy efficiency of buildings and facilities on campus Dormitory 2 – Transportation University „Todor Kableshev“	1,040,890.55	884,756.97	884,756.93
290	Implementation of Energy Efficiency Measures for Kindergarten 10 "Detelina" and Kindergarten 11 "Mitko Palauzov" in the town of Smolyan "	350,541.31	297,960.11	277,766.59
291 **	Implementation of energy efficiency measures in the building of the school "Vasil Levski", town of Vetovo – Vetovo Municipality	478,694.95	406,890.71	268,670.12
294	Energy Efficiency Project of an Administrative Building of the Ministry of Environment and Water	664,664.33	564,964.68	512,916.84
324	Ensuring appropriate and profitable infrastructure at Dormitory No 1 of ITQID, adhering to the Thracian University	520,472.52	442,401.64	325,904.01

The accompanying notes on pages from 66 to 83 form an integral part of the financial statements.

328-1*	Introducing energy efficiency measures in the school educational infrastructure in Veliko Tarnovo Municipality - SMNS "Vasil Drumev"	430,297.86	365,753.18	67,395.87
328-2*	Introducing energy efficiency measures in the school educational infrastructure in Veliko Tarnovo Municipality - PS "Sveti Patriarh Evtimii"	380,389.75	323,331.29	84,346.11
329 ***	Improving the energy efficiency in 44-th GSS "Neofit Bozveli", Poduene region, Sofia municipality	457,288.27	388,695.03	0.00
345	Reconstruction and improvement of the energy efficiency of Cultural Community Center "D. Blagoev", Dobrinishte city, Bansko Municipality	128,905.91	109,570.02	106,841.38
347	Reconstruction and improvement of the energy efficiency of Cultural Community Center "Nikola Vaptsarov", Bansko city	182,804.29	155,383.65	155,286.62
358	Major repair for Cultural Community Center "Otets Paisii-1905", Polski Trambesh city	300,843.37	255,716.86	242,953.40
360	Energy efficient rehabilitation of a building of the Information and Teachers Qualification Department at the Thracian University	501,009.31	425,857.91	390,955.33
377	Energy efficiency measures for the building of the Public Health and Health Care Faculty at University "Prof. D-r Asen Zlatarov, Burgas city	874,939.92	743,698.93	740,031.67
387	Introducing energy efficiency measures in the building of the Basin Directorate, Varna city	604,571.39	513,885.68	506,850.57
390	Introducing energy efficiency measures in the administrative building of the Regional Inspectorate on Environment and Water (RIEW), Burgas city	314,331.95	267,182.16	267,174.99
397	Introducing energy saving measures in FCF No 7 "Kalina", with Daily center for children with disability, Dupnitsa municipality	116,590.12	99,101.60	91,729.05
409	Introducing energy saving measures at CCF "Taushanitsa", in Dupnitsa city	278,250.47	236,512.90	236,315.60
	Public projects - CIP	13,759,372.97	11,691,188.05	8,904,630.14

ELECTRIC Vehicles

010	Project for promoting the Use of Electric Vehicles - Asenovgrad Municipality	119,996.40	40,000.00	40,000.00
026	Project for promoting the use of electric vehicles Samokov Municipality	119,009.00	40,000.00	40,000.00
023	Project for promoting the use of electric vehicles - Ministry of Economy	68,268.00	20,000.00	20,000.00
018	Project for promoting the use of electric vehicles Burgas Municipality	107,856.00	40,000.00	40,000.00
008	Project for promoting the use of electric vehicles Slivnitsa Municipality	58,000.00	20,000.00	20,000.00
013	Project for promoting the Use of Electric Vehicles MLSP	191,280.00	30,000.00	30,000.00
016	Project for promoting the use of electric vehicles Gabrovo Municipality	61,612.80	20,000.00	20,000.00
005	Project for promoting the Use of Electric Vehicles Smolyan Municipality	44,880.00	20,000.00	20,000.00
031	Project for promoting the Use of Electric Vehicles Municipality of Vratsa	54,000.00	20,000.00	20,000.00
	Public Projects - IPC electric vehicles	824,902.20	250,000.00	250,000.00

* Projects partly paid in 2017, and final payment due in 2018.

** Projects partly paid in 2016 and completed in 2017.

*** Projects with payments is due in 2018.

The accompanying notes on pages from 66 to 83 form an integral part of the financial statements.

13.2. Financing of public projects under a pilot scheme Investment Program for mineral waters.

Spending money on this program is based on CM Decree № 322 / 24.11.2016. They are for financing environmental municipality projects, leading to the use of the thermal energy of mineral water.

Two projects have been launched in 2017, and seven are in the pipeline. No payments were made in 2017 due to a longer implementation period.

14. Cost of materials

	2017 BGN '000	2016 BGN '000
Heating	(1)	(1)
Electricity	(4)	(3)
Stationery	(3)	(3)
Others	(14)	(20)
	(22)	(27)

15. Hired services expenses

Hired services expenses include:

	2017 BGN '000	2016 BGN '000
Consulting fees	(111)	(179)
Telecommunication	(8)	(89)
Insurance and security	(4)	(17)
Service-station fees	(33)	(51)
Audit services, including of the project financed	(126)	(94)
Others	(10)	(12)
	(292)	(442)

16. Other expenses

Other expenses include:

	2017 BGN '000	2016 BGN '000
Business trip expenses	(10)	(30)
Others	(14)	(7)
	(24)	(37)

17. Finance costs and finance income

During the reporting period the accounted financial income are interest on deposits, their amount is BGN 3 thousand. The financial costs are BGN 1 thousand, representing bank charges and foreign exchange transaction costs.

18. Related party transactions

Related parties of the Fund include key management personnel.

Unless otherwise stated, transactions with related parties were not performed under special conditions and not given or received any guarantees.

Key management personnel comprise Management Board members. Remuneration of key management personnel include the following costs:

	2017 BGN '000	2016 BGN '000
Short-term remunerations:		
Remunerations	9	12
Total short-term remunerations	9	12
Total remunerations	9	12

19. Categories of financial assets and liabilities

The carrying values of financial assets and liabilities of the Fund may be submitted in the following categories:

Financial assets	Note	2017 BGN '000	2016 BGN '000
Loans and receivables:			
Trade and other receivables	7	-	3
Cash and cash equivalents	8	21 988	15 572
		21 988	15 575
Financial liabilities	Note	2017 BGN '000	2016 BGN '000
Financial liabilities at amortized cost:			
Trade and other payables	11	7	4
		7	4

20. Major risks related to the Fund.

20.1. Risks related to operating activities

NTEF is managed by a Management Board composed of a Chairman, two Vice Chairmen and four other members. Three ministries are represented at the level of deputy minister and representatives of three non-governmental institutions - the National Association of Municipalities in Bulgaria, BAS and NGO in the field of environmental protection. Ordinance on the structure and activity of the Fund provides for the determination of alternative board members with voting power from the three ministries in cases where deputy ministers can not participate in meetings. Thus, the risk of being unable to conduct the meetings of the Board of NTEF is minimized.

Regarding the cases of control of NTEF by various supervisory bodies can predict risks, as through all of its years of existence the Fund maintains a high degree of organization of its records. In any case of controls by different bodies the Fund has provided the required documentation and have implemented the relevant prescriptions. In this sense, it cannot be considered that a risk to the Fund exist.

In terms of expenses, necessary for the successful operation of the Fund, it should be noted that they are always depending on the implementation of the programs of investment character and there is no need to cover costs that are not bound by appropriate funding for projects. NTEF optimize their operating costs as a policy of conservative decisions regarding the necessity and appropriateness of each expense. In this sense, it can be considered that there are risks in terms of costs necessary for the operational functioning of NTEF.

20.2. Risks, related to financial instruments

Objectives and policy management with regard to risk management

There are various risks with respect to financial instruments. For more information on financial assets and liabilities by category Fund see note 19. Financial risks that may arise for the Fund are market risk, credit risk and liquidity risk.

Risk management of the Fund is carried out by the central administration of the Fund in cooperation with the Board. Priority management is to provide short- and medium-term cash flows by minimizing the exposure to financial markets.

Financial risks to which it is possible to be exposed Fund are listed below.

20.2.1. Market risk analysis

Consequently, the use of financial instruments the Fund may be exposed to market risk and in particular to the risk of changes in currency exchange rates and interest rate risk.

Currency risk

The majority of the operations of the Fund are carried out in Bulgarian lev. Transactions of the Fund in foreign currencies do not expose the Fund to currency risk .

Interest risk

The Fund's Policy is directed towards minimizing the interest risk. As at 31 December 2017 the Fund is not exposed to a risk of change in market interest rates.

20.2.2. Credit risk analysis

Credit risk is the risk that a counterparty fails to pay its obligation to the Fund. Exposing the Fund to credit risk is limited to the carrying amount of financial assets recognized in the reporting period as indicated below:

	2017	2016
	BGN '000	BGN '000
Groups of financial assets - carrying amounts:		
Trade and other receivables	3	3
Cash and cash equivalents	21 988	15 572
Carrying amount	21 991	15 575

The fund does not provide its financial assets as collateral.

The credit risk on cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

20.2.3. Analysis of liquidity risk

Liquidity risk is the risk that the Fund cannot meet its obligations. The Fund meets the needs of its liquidity, taking care of incoming and outgoing cash flows arising in the course of operations. Liquidity needs are monitored in various current periods. Liquidity needs in the short, medium and long term are budgeted.

21. Commitments in connection with the Climate Investment Programme (CIP)

By the end of 2017, financing contracts have been signed by the NTEF, which have not yet finished at a total value of BGN 1 265 thousand. The unspent part of CIP funding amounts to BGN 15,013,000, of which BGN 6,000,000 are earmarked for pilot projects, BGN 1,560,000 are earmarked for the incentive scheme for the use of electric vehicles. BGN 7,453,000 remain to fund the fund and new projects.

In the period 01.01.2017 - 31.12.2017, a total of 41 public investment projects were completed, 9 of which for electric vehicles.

During the 2017 NTEF operations in connection with the implementation of public projects on CIP are focused on the following directions:

- Preliminary control of technical projects and tendering procedures for such projects. The Ecofund performs preliminary control on 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 and after selecting contractors, the Fund enters into contracts with beneficiaries.

- 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 CIP concluded between NTEF and beneficiaries are performed through bank.

Available and unused funds under CIP in 2017 will be used in 2018 to finance public projects for energy efficiency and administrative needs of the Fund.

22. Commitments in connection with implementation of the Investment Program Mineral Water

In the year 2017, two financing contracts (with the Mineral Baths and the Municipality of Polski Trambesh) were concluded with the maximum subsidy from the NTEF amounting to BGN 400 945 after the completion of the tender procedures.

23. Post-reporting date events

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

24. Authorization of the financial statements

The financial statements for the year ended 31 December 2017 (including comparatives) were approved by the Management on **26th March 2018**.



The annual event of NTEF 2017

“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 EcoFund”**, submitted by **Æquilibrium Consulting GmbH** upon an order of the German Federal Ministry for Economic Cooperation and Development (September 2003), under the Stability Pact.

„Due to“ 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.

Its performance the ntef built an impressive reputation among international institutions and donors”.

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

“All activities, allowed or supported as greening activities, are performed in compliance with the sustainable development principles and with the applicable international and national laws, regulations, rules, guidelines and standards, including art. 87, 88 And 89 from the treaty establishing the european community, related to the state aid.”

From **“Final independent audit report for expressing certainty regarding the implementation of projects, financed within the framework of the National Green Investment Scheme”**, prepared by Grant Thornton OOD (December, 2015).

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

1574 Sofia, Bulgaria
67 B Shipchenski prohod Blvd
Tel.: +359 2 973 36 37; 973 38 16
Fax: +359 2 973 38 18
E-mail: ecofund@ecofund-bg.org

www.ecofund-bg.org
www.myclimate.bg