

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

ANNUAL REPORT

REPORT OF THE INDEPENDENT AUDITOR

FINACIAL REPORT

1 January – 31 December 2025



"The NTEF is a well-managed and highly effective environmental financing public 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 Aequilibrium Consulting GmbH upon an order of the German Federal Ministry for Economic Cooperation and Development (September, 2003), under the Stability Pact.

"To a large extent the NTEF has performed very well in terms of relevance, effectiveness, efficiency, sustainability, and impact reaching. The activities of the NTEF were also largely in line with the Good Practices of Public Environmental Expenditure Management. What is truly impressive is that the Fund managed to maintain high professionalism and achieve its objectives in a very complicated context, which is endemic for all countries in transition.

Due to its performance the NTEF built an impressive reputation among international institutions and donors."

From "Assessment of the National Trust 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 related to the state aid of the Treaty establishing the European Community."

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).

Since the beginning of its activities until the completion of the "Debt-for-Environment" Swap Agreement, 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. Under the two deals, 45 public projects in the amount of BGN 32 937 914 have been implemented. The financial participation of the 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, the NTEF has been implementing the Investment Climate Program (ICP), funded by the European Union's Emissions Trading Scheme. The program provides funding for projects to improve the energy efficiency of public buildings and street lighting, and to encourage public institutions to accomplish a transit to electric mobility. It is implemented through two subprograms and two schemes.

- Through the Energy Efficiency Scheme, 108 projects have been completed by the end of 2025, with grant funding from the NTEF totaling BGN 42,003,732.
- In 2016, a scheme for promoting the use of electric vehicles by public institutions was

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for the period
1 January – 31 December 2025



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- **Annex 2:**
Report on the implementation progress of “Energy Efficiency of Municipal Schools and Kindergartens” Subprogram for 2025.
- **Annex 3:**
Project proposals under Investment Program “Mineral Waters”, submitted for examination and approved by NTEF MB during 2025.
- **Annex 4:**
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- **Annex 5:**
Statement of the NTEF's financial resources as of 31.12.2025.

REPORT OF THE INDEPENDENT AUDITOR FINANCIAL REPORT

- Statement of financial position as of 31 December 2025.
- Statement of profit or loss and other comprehensive income for the year, ending on 31 December 2025
- Cash flow statement for the year, ending on 31 December 2025
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LIST OF USED ABBREVIATIONS

BAS	Bulgarian Academy of Sciences
CCCF	Combined Child Care Facility
CCMA	Climate Change Mitigation Act
CEUAIC	Coordination of EU Affairs and International Cooperation (Directorate)
CIW	Construction and Installation Works
CM	Cadastral map
CMPP	Climate Micro Projects Program
CoM	Council of Ministers
CR	Cadastral register
DCC	Diagnostic Consultative Center
DCoM	Decree of the Council of Ministers
EB	Executive Bureau
EE	Energy Efficiency
EEMSK	Energy Efficiency of Municipal Schools and Kindergartens
ES	Elementary School
ESM	Energy Saving Measures
FDK	Full-day Kindergarten
F&L	Fuels & lubricants
ICP	Investment Climate Program
ICP	Investment Climate Program
IPMW	Investment program Mineral Waters
KG	Kindergarten
LC	Labor Code
MB	Management Board
MOEW	Ministry of Environment and Water
MF	Ministry of Finance
MHAT	Multi-profile Hospital for Active Treatment
NAMRB	National Association of Municipalities in the Republic of Bulgaria
NTEF	National Trust EcoFund
PPA	Public Procurement Act
SM	Sofia Municipality
SS	Secondary School
TFA	Tangible Fixed Assets
UN	United Nations
UfU	Independent Institute for Environmental Issues, Berlin

ANNUAL ACTIVITY REPORT

I. INTRODUCTION

According to the Ordinance on the Structure and Activity of the National Trust EcoFund (NTEF), each calendar year by April 30, 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 NTEF activity during the previous year

The Annual NTEF Report presents the implementation of the Fund's Action Plan and budget for 2025 г.

Annexes 1 to 5 are an integral part of the annual report.

Director of the Executive Bureau:
Maria Minkova

Date of approval by the NTEF Management Board:
07.04.2026



Celebratory event on the occasion of the 30th anniversary of the NTEF, 02.06.2025, Sofia



National seminar „Schools in the municipality as leaders on the path to climate neutrality“, organized by the NTEF within the framework of the „Vision 2045“ project, funded by the European Climate Initiative (EUKI) of the Federal Ministry for Economic Affairs and Climate of Germany, Sofia

II. MANAGEMENT BOARD ACTIVITY

In compliance with the Ordinance on the Structure and Activity of the National Trust EcoFund, adopted with Council of Ministers (CoM) Decree No. 96 of 10.05.2004 (amended with SG No. 71 of 10.09.2010 and SG No. 81 of 30.09.2014 and SG No. 5/19.I.2016, amended, No. 47 of 05.06.2018), the Management Board (MB) manages and supervises the Fund's activities and takes decisions on all major issues related to the planning, financing, and implementation of the NTEF's programs and projects.

Pursuant to Art.6 of the Ordinance, NTEF's Management Board consists of seven persons, in this number a chairman, two deputy chairmen and four regular members, as well as three alternates. As of the end of the reported 2025, the composition of the NTEF's Management Board (MB) includes the following members:

- Chairman of the Management Board – Prof. Dimiter Nenkov (appointed by Decision No. 807/ 17.11.2023 of the Council of Ministers of the Republic of Bulgaria).
- Representative of the Ministry of Environment and Water (MOEW) and Deputy Chair of the NTEF – until 26.03.2025 – Deputy Minister Mihaela Krumova; since 26.03.2025 – Deputy Minister Atanas Kostadinov (according to Order No ПД-951-1/26.03.2025).
- Representative of the Bulgarian Academy of Sciences (BAS) – Prof. Nikola Malinovski, Deputy Chairman of the Management Board, elected in compliance with Art.8 (2) of Ordinance on the structure and activity of the National Trust EcoFund;
- Representative of the Ministry of Finance (MF) – until 14.03.2025 - Deputy Minister Stefan Belchev; since 14.03.2025 – Deputy Minister Metodi Metodiev (pursuant to Order No ZMF 206/14.03.2025).
- Representative of the Ministry of Energy – Deputy Minister Iva Petrova;
- Representative of the environmental non-governmental organizations – Ms. Lyubomira Kolcheva – Director of EcoObshnost Foundation”;
- Representative of the National Association of Municipalities in the Republic of Bulgaria (NAMRB) – Ms. Silviya Georgieva - Executive Director of NAMRB

Alternate voting member from the Ministry of Environment and Water until 06.11.2024 is Ms. Miliya Dimitrova – Director of Climate Change Policy Directorate. Alternate voting member from the Ministry of Energy is Mr. Nikolay Nalbantov – Director of Energy Strategies and Sustainable Energy Development Directorate”. Alternate voting member from the Ministry of Finance is Mr. Valeri Vulev – State Expert in the State Expenditures Directorate.

Four (4) regular meetings of the Management Board of the NTEF were convened in 2025, during which decisions on key issues were discussed and adopted, related to the planning of the National Environmental Fund's activities and budget, the management and development of investment programs, and the Fund's institutional development.

During the first meeting (No. 140) of the NTEF MB, held on 20.02.2025, decisions were taken, which were related to:

- Postponement of the adoption of the NTEF Plan of Activities and Budget for 2025 until the next meeting.
- Adoption of the Annual Progress Report on the Subprogram "Energy Efficiency of Municipal Schools and Kindergartens" for 2024.
- Approval of final reports on completed projects under the Energy Efficiency Scheme and the "Energy Efficiency of Municipal Schools and Kindergartens" Subprogram of the Investment Climate Program.
- Projects and funding rules under the "Energy Efficiency through Energy Savings Performance Contracts (ESCO Contracts)" Subprogram.
- Termination of a project due to a lack of implementation progress.

During the second meeting (No. 141) of the NTEF MB, held on 20.02.2025, decisions were taken, which were related to:

- Approval of the NTEF Action Plan and NTEF Budget for 2025.
- Approval of the NTEF Annual report and the Financial Report for 2024.

The third meeting (No 142) of NTEF MB was held on 15.07.2025. The decisions taken at this meeting are related to:

- Approval of projects for funding under Investment Program "Mineral Waters".
- Updating the NTEF Plan of Activities for 2025, including new calls for project proposals.

The last meeting for the year (No. 143) of the NTEF MB was held on 23.10.2025. The decisions taken were related to:

- Approval of amendments to the Operational Manual for the Investment Climate Program.
- Approval of the NTEF Development Strategy for the period 2026÷2035.
- Extension of the deadline for the implementation of a funded project.

All MB meetings during 2025 were held with a quorum present and are duly recorded, signed and archived



NetZeroCities Initiative - XIX Conference „Cities in Transformation: Strategic Vision, Building Renovation Solutions, Energy Communities and New Skills“ of the Association of Bulgarian Energy Agencies, co-organized by the NTEF and the Energy Efficiency Center EnEffect, Sofia





**Implementation of energy efficiency measures in
the building of 88-th Secondary School „Dimitar Popnikolov“, Sofia**

III. SELECTION AND IMPLEMENTATION OF PROJECTS UNDER THE INVESTMENT CLIMATE PROGRAM

During 2025, based on a decision of the NTEF MB the funding of projects under the Investment Climate Program (ICP) was ensured with reallocated funds from the proceeds from sales of allowances for greenhouse gas emissions from aviation activities through a tender under Ordinance No. 1 of 04.03.2015.

3.1. Selection of projects under Investment Climate Program

3.1.1. Collection of project proposals

Subprogram “Energy Efficiency of Municipal Schools and Kindergartens”

By a decision of the Management Board of 23.02.2023, in accordance with the Agreement on the sale of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany and Decision of the CoM No 814/21.10.2022, “Energy Efficiency of Municipal Schools and Kindergartens” Subprogram has been established within the framework of the Investment Climate Program. Energy efficiency and energy saving measures in municipal schools and kindergartens are eligible for grant funding under the Subprogram.

In September 2025, pursuant to a decision of the Management Board dated July 15, 2025, a third call for proposals was announced, which was addressed to the municipalities in the Republic of Bulgaria inviting them to submit project proposals for funding under the EEMSK Subprogram. The call deadline was 10.12.2025. A total of 17 (seventeen) project proposals were submitted in response to the call. (*Annex 1 – Table 1.1*).

The annual report on the Subprogram is included as *Annex 2* pursuant to the requirements of the Agreement.

“Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)” Subprogram

On the basis of a decision of the Management Board of 16.07.2024, within the framework of the Investment Climate Program, the implementation of „Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)“ Subprogram has been started.

For the purposes of the Subprogram, funding rules, eligible activities, criteria and methodology for project proposals' evaluation have been approved.

In March 2025, in partnership with FLAG Fund, a second call for project proposals was announced. Under the call, 3 (three) project proposals were received (*Annex 1 - Table 1.2*).

Energy Efficiency Scheme

On the grounds of a Decision of the NTEF MB of 15.07.2025 for updating the NTEF Action Plan for 2025 and Decision of 23.10.2025 for approval of changes in the ICP Operational Manual and the annexes to it, a call for project proposals was published on 31 October 2025 with an application deadline 31 January 2026.

Scheme for promoting the use of electric vehicles by the public institutions

In 2025 z. no call for project proposals was announced under the scheme to promote the use of electric vehicles. The Executive Bureau (EB) continued its work on the still unimplemented projects from announced calls in previous years.

3.1.2. Evaluation and approval of projects for funding

3.1.2.1. Evaluation of project proposals by the Project Evaluation Committee

The Standing Committee consists of two representatives of NTEF EB and one representative of the Ministry of Environment and Water, Ministry of Finance and Ministry of Energy, determined with orders of the relevant ministers.

“Energy Efficiency of Municipal Schools and Kindergartens“ (EEMSK) Subprogram

Since the deadline for the announced in 2025 call for project proposals under the EEMSK Subprogram is in the very end of the year (December 10, 2025), no Committee meetings have been held. The received project proposals are scheduled to be examined by the Committee in the first quarter of 2026.

“Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)“ Subprogram

During 2025, the Committee held one (1) meeting (on January 24, 2025) to review the project proposals submitted under the first call for proposals of the “Energy Efficiency through Energy Savings Performance Contracts (ESCO Contracts)” Subprogram. At the meeting, 2 (two) project proposals were discussed and ranked.

Energy Efficiency Scheme

No meetings of the Project Evaluation Committee under the ICP Energy Efficiency Scheme were held in 2025.

Scheme for Promoting the Use of Electric Vehicles by the Public Institutions

No meetings of the Project Evaluation Committee under the Electric Vehicles Scheme (EVS) were held in 2025.

3.1.2.2. Approval of projects by the NTEF MB

In 2025, by a decision dated 20.02.2025, the Management Board of the National Trust EcoFund approved in principle two (2) project proposals under the “Efficiency through Energy Savings Performance Contracts (ESCO contracts)” Subprogram (Annex 1 – Table 1.3.). The approved project proposals are respectively of Multi-profile Hospital for Active Treatment “Ivan Skenderov” EOOD, Gotze Delchev city, for the implementation of energy efficiency measures in the building of the eponymous hospital for active treatment, and of Sofia Municipality, Pancharevo region – “Implementation of energy efficiency measures for the street lighting in Bistritsa, Lozen, and Pancharevo villages”.

At its meeting held on 15.07.2025, the NTEF MB decided to open two calls for project proposals in the fall of 2025 – one under the EEMSK Subprogram and another - under the energy efficiency scheme covering administrative buildings, community centers and cultural institutions, municipal healthcare facilities or services of general economic interest, and street lighting. The submitted, evaluated, and ranked projects will be a subject of approval by the NTEF MB in 2026.

3.2. Implementation of projects under Investment Climate Program (ICP) during 2025

3.2.1. Implementation of projects under “Energy Efficiency of Municipal Schools and Kindergartens” Subprogram

During the reporting 2024, NTEF EB worked on different implementation stages of the 19 (nineteen) projects approved for financing under the first and the second call from 2023 and 2024.

In 2025, fully completed, funded, audited and reported is 1 (one) of the projects submitted under the first call for projects, amounting in total to BGN 580 189.09 and disbursed NTEF grant in the amount of BGN 397 546.98. As a result of the implementation of the project, a reduction of the greenhouse gas emissions in

the amount of 1878.0 tons/CO₂eq for the entire life cycle of the project has been achieved.

The completed projects under EEMSK Subprogram in 2025 are as follows:

Project EEMSK 005/29.06.2023 – Introducing energy efficiency measures in the building of BS “Vasil Levski”, Enitza village, Knezha Municipality

The NTEF-provided funding is **BGN 397 546.98**.

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Thermal insulation of floor;
- Replacement of windows and doors;
- Measures for the heating system;
- Ventilation with recuperation;
- Pipe or air duct networks;
- Measurement, automation and control;
- Measures for the lighting system.

As a result of the implementation of the energy saving measures the greenhouse gas emissions have been reduced by **1878.0 t/CO₂eq** for the entire project life cycle.

Projects at a stage of implementation of construction and installation works during 2025:

EEMSK 003/29.06.2023 – Implementing energy efficiency measures for kindergarten “Zora”, Ruse city

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Thermal insulation of floor;
- Replacement of windows and doors;
- Measures for the heating system;
- Measurement, automation and control;
- Other EE measures – solar PV electricity.

EEMSK 014/28.06.2024 – Energy efficiency of Kindergarten “Bozhur”, Garata neighborhood, Gorna Oryahovitza city

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Replacement of windows and doors;
- Measures for the heat generation;
- Measurement, automation and control;
- Measures for the domestic hot water system;
- Measures for the lighting system;
- Replacement of devices and/or equipment.

EEMSK 022/10.07.2024 – Implementation of energy efficiency measures in the building of 88th secondary school “Dimitar Popnikolov” – Sofia city

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Thermal insulation of floor;
- Replacement of windows and doors;
- Measures for the heating system;
- Measurement, automation and control;
- Other energy efficiency measures.

EEMSK 025/10.07.2024 – Introduction of energy efficiency measures in Additional building of secondary school “Sv. Kliment Ohridski” – Kostenetz city

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Thermal insulation of floor;
- Replacement of windows and doors;
- Measures for the lighting system.

EEMSK 027/10.07.2024 – Energy renovation of 192 secondary school “Hristo Botev“, Bistritza village, Sofia Municipality - Pancharevo region

Implemented energy efficiency measures under the project are as follows:

- Thermal insulation of external walls;
- Thermal insulation of roof;
- Replacement of windows and doors;
- Measurement, automation and control;
- Measures for the heating system.

EEMSK 006/29.06.2023 – Energy renovation of the school building of primary school “Ivan Vazov“, Musachevo village, Elin Pelin Municipality

Construction and installation works under the project began on June 5, 2025, but following progress delays with regard to the contract schedule and selected contractor's withdrawal, the works were terminated upon mutual agreement between the contracting authority and the contractor on 15.09.2025. By a decision of the NTEF MB dated 23.10.2025, the beneficiary was invited to announce a new procedure for a selection of a contractor for the construction and installation works.

During 2025, the preparation for the implementation of the following approved projects under the calls for proposals from 2023 and 2024 is going on:

Projects at a funding contract preparation stage:

- Project EEMSK 007/30.06.2023 – Introduction of energy saving measures in the building of kindergarten “Smehorancheta“, Mirovo village, Bratya Daskalovi Municipality;
- Project EEMSK 021/10.07.2024 – Implementation of energy efficiency measures in kindergarten No. 3 “Detelina“, Petrich city;
- Project EEMSK 023/10.07.2024 – Major repair and energy efficiency measures in the specialized humanitarian secondary school “St. St. Kiril i Metodii“, Kazanlak city.

Projects at the stage of signing a construction contract following completed tender procedures for contractor selection:

- Project EEMSK 016/08.07.2024 – Modernization of the educational environment at 11th primary school “Nikolay Liliev“, Stara Zagora city;
- Project EEMSK 029/July 10, 2024 – Implementation of energy efficiency measures for the building of 17th secondary school “Damyas Gruev“, Krasna Polyana region, Sofia city.

Projects at the stage of announced tender procedure for contractor's selection for the construction and installation works:

- Project EEMSK 019/09.07.2024 – Energy renovation of kindergarten No. 113 “Prespa”, Sredetz region, Sofia city.

Projects at the stage of preparing a tender procedure for contractor's selection for construction and installation works:

- Project EEMSK 018/09.07.2024 – Improving the energy efficiency in kindergarten “Detski Svyat”, Zhitnitza village, Kaloyanovo Municipality;
- Project EEMSK 024/10.07.2024 – Implementation of energy efficiency measures in kindergarten “Maya” – Plovdiv city;
- Project EEMSK 026/10.07.2024 – Major repair for improving the energy efficiency in the building of kindergarten “Miki Maus” – facility in Vranilovtzi village, Gabrovo Municipality.

Projects at a revision stage, following submission of opinion regarding the investment projects:

- Project EEMSK 017/08.07.2024 – Energy efficiency measures at the 96th Innovative Secondary School “Lev Nikolaevich Tolstoy”, Lyulin region, Sofia;
- Project EEMSK 020/10.07.2024 – Energy renovation of “Minzuhar” kindergarten, Krushare village, Sliven Municipality;
- Project EEMSK 028/10.07.2024 – Implementation of energy efficiency measures at kindergarten No. 2 “Chervenata Shapchitza” including Nursery No. 2, Lom city.

3.2.2. Implementation of projects under “Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)” Subprogram

In 2025, the implementation of projects under the “Efficiency through Energy Savings Performance Contracts (ESCO contracts)” Subprogram is at the stage of preparing and conducting tender procedures for contractors' selection.

3.2.3. Implementation of projects under Energy Efficiency Scheme

During the 2025 reporting year, one project was fully completed, funded, audited, and reported to the NTEF MB: **Project No. 320 – Implementation of Energy Efficiency Measures at the “Otetz Paisii” Elementary School (ES), Marten city.** The NTEF-provided funding amounted to **BGN 578,338.23.**

The following energy efficiency measures were implemented:

- Thermal insulation of external walls.
- Replacement of windows and doors;
- Thermal insulation of roof;

- Thermal insulation under floor leading to unheated basement;
- Repair of boiler room and heating installation.

As a result of the implemented specified energy saving measures the greenhouse gas emissions have been reduced by the amount of **1938.00 t/CO₂eq** for the entire project life cycle.

3.2.4. Implementation of projects under the Scheme for Promoting the Use of Electric Vehicles in the Public Sector

During the reporting 2025 in the course of implementation of Scheme for Promoting the Use of Electric Vehicles 5 (five) all-electric vehicles, category M1 (3+1 or 4+1 seats) and 4 (four) electric vehicles category were purchased. The purchasing of the remaining approved electric vehicles is pending.

The implementation of 7 (seven) projects with the NTEF financial support amounting to **BGN 190 000** was completed in 2025. The users of the vehicles under the approved projects are municipalities, municipal administrations, ministries and state agencies, pursuant to the requirements of the Operational Manual under ICP.



Promoting the use of electric vehicles in the municipality of Petrich

IV. SELECTION AND IMPLEMENTATION OF PROJECTS UNDER INVESTMENT PROGRAM "MINERAL WATERS"

In the beginning of 2022, with a decision of the NTEF MB a part of the funds from the proceeds from the sale of the aviation allowances pursuant to the procedure in Ordinance of MOEW No. 1/04.03.2015 were allocated to the implementation of Investment Program "Mineral Waters" (IPMW).

4.1. Selection and approval of projects under the Investment Program "Mineral Waters"

4.1.1. Collection of project proposals

By decision of the Management Board dated November 14, 2024, NTEF in partnership with the FLAG Fund published a call for project proposals under Investment Program "Mineral Waters".

The call for projects started on 10.01.2025 and the deadline for the submission of documents was 10.04.2025. Six (6) project proposals were received: from Sofia Municipality – Oborishte region, Garmen Municipality, Burgas Municipality, Sofia Municipality – Pancharevo region, Pomorie Municipality and Rakitovo Municipality (*Annex 3 – Table 3.1*).

4.1.2. Evaluation and approval of projects for funding

According to the NTEF Rules of Procedure and the Operational Manual for IPMW, the approval of the projects is accomplished based on a submitted application form and ranking according to pre-announced criteria. The projects are approved at two levels: by the Project Evaluation Commission and by the Management Board.

4.1.2.1. Evaluation of project proposals by the Project Evaluation Committee

In 2025, one meeting of the standing project evaluation committee under IPMW was held during which all six project proposals, submitted in response to the call dated 10.01.2025, were approved (Protocol No 125/04.07.2025).

4.1.2.2. Approval of projects by the NTEF MB

During a meeting held on 15.07.2025, the NTEF MB approved the six project proposals evaluated and ranked by the Project Evaluation Commission: MV-019 of Sofia Municipality – Oborishte region, MB-020 of Garmen Municipality, MB-021 of Burgas Municipality, MB-022 of Sofia Municipality – Pancharevo region, MB-

023 of Pomorie Municipality of Pomorie, and MB-024 of Rakitovo Municipality (Protocol No. 142 / 15.07. 2025). The NTEF total financial commitment of funds for these projects amounts to BGN 3,823,104 (*Annex 3 – Table 3.2*).

The beneficiaries of the approved projects were notified with letters regarding the next steps, stages and deadlines.

4.2. Implementation of projects under Investment Program “Mineral Waters”

During 2025, several main stages from the preparation of the implementation of the approved projects were completed:

- An administrative compliance check was conducted for the 6 (six) project proposals submitted in response to the call dated 10.01.2025;
- The project proposals were evaluated by the Project Evaluation Commission and submitted to the NTEF MB for funding approval;
- Notification letters were sent to the beneficiaries of the approved projects related to the preparation and submission of technical/detailed investment designs.

During the reporting year 2025, two projects were fully completed, paid and audited:

Project MB-010/30.11.2022 – “Optimizing the manner of water extraction compliant with extraction permit from well No CH-3BΠ through construction of a new water pipeline, repair of existing reservoirs and building of distribution network in Mineralni Bani village” - II stage, subsite A”

The NTEF-provided funding is in the amount of **BGN 393 484**.

Implemented:

- Water pipeline - 2 pcs.;
- Pumping station;
- Collection tank.

As a result of the implementation of the abovementioned energy saving measures, the greenhouse gas emissions have been reduced by **81518.40 m/CO₂eq** for the entire project life cycle.

Project MB-012/03.02.2023 a. – Street mineral water pipeline, Ognyanovo village, Garmen Municipality with length L = 1300

The NTEF-provided funding amounts to **BGN 221 975**.

Implemented 1 water pipeline.

As a result of the implementation of the abovementioned energy saving

measures, the greenhouse gas emissions have been reduced by 249658.80 t/CO₂e for the entire project life cycle.

During the reporting 2025 with fully completed construction and installation works, but not finally paid and audited are the following projects:

Project MB-017/06.02.2023 – Reconstruction of bore hole No. 2XГ of HMB “Rupite – Kozhuh locality“, LP 49312.17.39, Rupite area, territory of Rupite village, Petrich Municipality, Blagoevgrad District

Implemented:

- Pumping station;
- Collection tank;
- Wall-mounted driver;
- Hydrophore;
- Level indicators – 2 pcs.

Project MB-018/31.01.2024 – Major repair of a heating pipeline for mineral water from a water source falling within LP with identifier 38844.101.95 according to CM of Kostandovo city, Rakitovo Municipality, Pazardzhik District

Implemented 1 water conduit.

As of the end of the reporting 2025 the status of the remaining approved projects is as follows:

Project MB-013/06.02.2023 – Pumping station with reservoir and mineral water supply pipeline in Sapareva Banya city

The project is at the stage of construction and installation works implementation.

Project MB-014/06.02.2023 – Building of catchment shaft at well No P-4x2 from MWD Svishtov” in LP 65766.508.1 according to CM and CR of Svishtov city, supply water pipeline and pumping station with a collection tank in LP 65766.702.4638 according to CM and CR of Svishtov city, Svishtov Municipality

The project is at the stage of construction and installation works implementation

Project MB-021/10.04.2025 - Improving the mineral water infrastructure for well B-108, Izvorishte Field

The project is currently at the stage of preparing a tender procedure to select a contractor for the construction and installation works construction and installation works.

Project MB-019/10.04.2025 - Protection and development of mineral water resources in Oborishte region – Sofia Municipality, and creation of accessible environment for their use

The project is currently at the stage of obtaining a building permit and submitting an investment proposal to the NTEF.

Project MB-020/10.04.2025 – Construction of a pumping station and 800 m³ mineral water storage tank on Plot No. 47408.501.65 in the Ognyanovski Mineral Baths resort, on the territory of Marchevo village, Garmen Municipality

The project is currently at the stage of obtaining a building permit and submitting of investment project to the NTEF.

Project MB-022/10.04.2025 – Geothermal heating of public buildings from own geothermal source in Pancharevo village

The project is currently at the stage of obtaining a building permit and submitting of investment project to the NTEF.

Project MB-023/10.04.2025 – Recreational complex on LP 57491.664.14 and LP 57491.664.15, Kamenar neighborhood, Pomorie city, Burgas district.

The project is currently at the stage of obtaining a building permit and submitting an investment project to the NTEF.

Project MB-024/10.04.2025 - Rehabilitation works on mineral water abstraction and conveyance facilities on the territory of Rakitovo Municipality.

The project is currently at the stage of obtaining a building permit and submitting an investment project to the NTEF.

V. SELECTION AND IMPLEMENTATION OF PROJECTS UNDER CLIMATE MICRO PROJECTS PROGRAM

The funds for financing projects under Climate Micro Projects Program (CMPP) are submitted in compliance with the Agreement for transfer of annual emissions allocations between the Republic of Bulgaria and the Republic of Malta, as well as on the basis of CoM Decision No175/29.03.2017.

5.1. Selection of projects under Climate Micro Projects Program

Due to the exhaustion of the financial resource under the program, in 2025 no invitation was announced related to the gathering of new project proposals. During the year, work has been done for the implementation of already approved projects. No meetings of the Project Evaluation Committee under the CMPP were held, and the NTEF MB did not approve any new projects under the Program during the year.

5.2. Implementation of projects under Climate Micro Projects Program

During 2025, 2 (two) projects under CMPP implemented with the NTEF financial support were completed and reported, amounting to **BGN 87 725**. They are as follows:

Project MP 044 – New measures and approaches for climate change adaptation in Elin Pelin Municipality

Within the project framework a pilot energy monitoring program was conducted, a site energy management team was trained and energy efficiency plan-TOR was prepared, specifying software and hardware solutions for sustainable energy monitoring, with a plan for scaling up through the implementation of a management system compliant with BDS EN ISO 50001:2018: Energy management systems in 4 pilot sites: administrative building, community support center, school and kindergarten.

The NTEF-provided funding amounts to **BGN 44 354**.

Project MP 050 – Hear the Earth – regenerative agriculture for soil health

Within the project framework, methodology and guide for implementation of regenerative agriculture was developed, pilot area for the practical implementation of regenerative agriculture was established and regenerative agriculture benefits were promoted.

The NTEF-provided funding is **BGN 43 371**.

During the reporting period no weaknesses related to the use of funds according to their designation, as well as to the transparency of the project selection and implementation procedures, have been allowed as has been established by "Grant Thornton" OOD, which company has performed an independent audit on the implementation of the projects, financed under the NTEF-administered programs.

All recommendations regarding the NTEF-funded projects have been considered and the necessary actions for their elimination during the reporting year have been undertaken.



VI. PROJECTS IN SUPPORT OF THE ENVIRONMENTAL POLICIES

In implementation of its Development Strategy, during the latest decade NTEF has been making efforts to provide its contribution to the improvement of the environmental management policies and in particular in the field of climate change mitigation and adaptation. NTEF has been playing this role mainly through the attraction of funds for the implementation of projects in the following fields:

- Contribution to the implementation of the National Climate Change Adaptation Strategy and enhancement of the relevant policies and planning processes in the municipalities.
- Creation of conditions, in this number through capacity building in the municipal administrations for energy management at a local level and for achievement of the national goals.
- Participation in the process of development and implementation of policies for the sustainable financing of energy efficiency and renewable energy related measures.
- Change in the behavior of the users of the buildings for which funds are provided for energy efficiency investment measures, and the transformation of this behavior into a norm and a part of the energy efficiency policies.

6.1. Building capacity for energy management in the municipalities. “MENERGERS” Project – Energy Manager Services in the municipalities

In its overall activity as a funding institution, NTEF encourages municipal administrations to take steps towards the gradual implementation of energy management measures at the municipal level. One of the criteria applied to the evaluation of the submitted project proposals under NTEF’s calls for proposals is precisely the existence of a system, irrespective whether it is certified or not.

The topic of energy management at the municipal level was included in the NTEF’s agenda as early as 2018–2019, when in parallel with the work under a partnership project for information system for energy management at the municipal level, NTEF actively continued its work (which had begun as early as 2015) for identifying financial instruments to attract funds from the corporate sector for financing energy efficiency measures in the municipalities.

A logical continuation of these efforts was the „MENERGERS“ project, which began in 2022 and was completed during the reporting 2025 year.

The project aimed to create a model for Energy Managers' Services in Municipalities in Bulgaria and to establish a system of energy efficiency and renewable energy sources criteria for the municipalities in Romania. This will enable municipalities in both countries to make a substantial contribution to the achievement of climate neutrality targets in line with the national and European objectives.

The project is funded by the European Climate Initiative (EUKI) of the German Federal Government.

The NTEF was a lead partner, working in consortium with the remaining partners under the project: the Independent Institute for the Environment in Berlin (UfU), Sofia Energy Agency (Sofena) and the Association of Energy Cities in Brasov, Romania. The project implementation period was 30 months, starting from November 2022 and ending in April 2025.

The NTEF commitment was related to:

- Overall project management;
- Analysis of energy management state in the municipalities and the development of a model for the „Energy Manager“ services;
- Contribution to the training of the pilot municipalities;
- Contribution to the testing of the model in the selected pilot municipalities in Bulgaria;
- Summarization of the results and support for the identification of the necessary measures for the institutionalization of this model - through legislation update and institutionalization of a network of municipal energy managers.

The total project budget is approximately EUR 495 438. The NTEF budget is EUR 153 627, of which EUR 9 400 comprises its own contribution.

During 2025, the following activities were implemented:

- Overall project management - periodic reporting to the donor, coordination meetings, activities' planning.
- Active implementation of the developed “Energy Manager” service model in the three pilot municipalities - Ruse, Sapareva Banya, and Svilengrad.
- Holding a consultative meeting with the pilot municipalities, focused on the sustainable implementation of the energy management model.
- Organizing and holding a final national conference to present the project results and facilitate the exchange of experience among municipalities, experts, and national institutions.

- Publishing the “Energy Manager” Municipal Service Model for dissemination beyond the pilot municipalities.
- Providing measuring tools for energy consumption monitoring in the pilot municipalities aimed at building on the developed tools.
- Inclusion of schools from the pilot municipalities in the behavioral measures program, conducted in accordance with the requirements of the EEMSK Subprogram

The project led to the development, testing, and validation of a working model for municipal energy management that supports the systematic collection and analysis of energy data, improves the planning of energy efficiency measures, and contributes to reducing energy costs and greenhouse gas emissions at the local level. Experts from the three municipalities continue to actively communicate with each other to refine the model implementation. The capacity of municipal administrations to implement policies, aligned with national and European energy transition goals, has been enhanced.

Following the project's completion, NTEF continued its cooperation with the three pilot municipalities, which are developing and implementing the energy management model with their ongoing operations, utilizing the developed tools and the accumulated expert capacity.

6.2. Net Zero Cities – attracting cities with goals similar to those of the EU Mission: 100 Climate-Neutral and Smart Cities

As a logical extension of the NTEF's overall efforts for building the capacity of the Bulgarian municipalities to achieve their climate neutrality goals, in 2025 the Fund began the implementation of a contract with Climate-KIC for providing expert support under the NetZeroCities initiative – City Expert Support Facility, aimed at supporting cities participating in the EU Mission: Climate-Neutral and Smart Cities and attracting other cities interested in similar goals to join a national platform.

The implementation of the contract predetermines active cooperation with the following partners:

- Climate-KIC – coordinator of the initiative NetZeroCities;
- The EcoEnergy network;
- The Bulgarian cities, participating in the Mission (Sofia and Gabrovo), as well as other interested municipalities.
- National and international parties and networks, working in the sphere of climate policies.

The initiative focuses on building a community involving the Bulgarian cities interested in the Mission's goals, enhancing the capacity of the local administrations to implement innovative climate policies, and strengthening the multi-level cooperation between local, national and European levels.

The NTEF's responsibilities include:

- Supporting the establishment and coordination of a national community involving the cities.
- Organizing and conducting national events and expert forums.
- Participating in coordination meetings and activities of the NetZeroCities initiative.
- Communication, reporting on activities, and coordination of future activities with the NetZeroCities consortium.
- Supporting the communication and knowledge exchange between the cities and the partners.
- Presenting the initiative and the adhering online portal during local events.

Completed activities in 2025:

- Participation in online events related to the EU Mission: Climate-Neutral and Smart Cities and the Net Zero Cities online portal.
- Participation in regular coordination meetings with the client's team.
- Preparation of interim reports and project results.
- Organization of and participation in the events held — Introductory online training and a National Event.
- Coordination and communication with the Bulgarian municipalities and partners.

In 2026, participation in 3 (three) additional training events and 2 (two) conferences is planned. Regular meetings with the contracting authority will continue, as well as the submission of interim reports on the project activities. Communication with Bulgarian municipalities for presenting the benefits of the membership in the online portal and for building and strengthening the national platform for cooperation is planned.

6.3. Change in the behavior of the public buildings' users - "Vision 2045"

The only institution in Bulgaria that identifies and develops opportunities to complement investment measures for energy efficiency with behavioral measures for the buildings' users is the NTEF. The first steps in this direction

were made in 2015 as a part of a small initiative directly supported by the Federal Ministry of Environment of the Federal Republic of Germany.

Over the years, this approach has established itself as a lasting trend and a trademark for the NTEF's activities, related to educational institutions, and in the reporting 2025 year – also for all NTEF-co-financed projects. In the announced in October 2025 call for proposals for energy efficiency improvements of different sites under the Investment Climate Program, a mandatory requirement was established for implementation of behavioral measures for the buildings' users.

Already, more than 80 schools and kindergartens across Bulgaria - most of whose buildings have received co-financing for energy efficiency from the NTEF - have been implementing ongoing extracurricular programs involving students' energy teams that play the role of energy managers for the buildings.

The program provides training for teachers from the participating schools and kindergartens, who then form so-called "energy teams" consisting of students from the schools and children from the kindergartens. The energy teams, trained and led by their teachers, take on the role of "energy managers" in the schools, ensuring the proper use of the heat and electricity, proper ventilation of the premises, and the maintenance of a healthy indoor environment (measuring carbon dioxide levels and applying rules for ventilation, while also tracking energy savings and reduced greenhouse gas emissions. To this end, the NTEF is providing each school and kindergarten with a set of instruments for measuring temperature, illumination, air quality, etc. The activities are conducted as a part of the extracurricular activity plans of the schools and kindergartens, which are envisaged within their annual delegated budgets.

The program is developed as an original product for Bulgaria in partnership with the National Center for Improving the Professional Qualification of Pedagogical Specialists at the Ministry of Education and Science. The program is created by faculty members from various departments of Sofia University "St. Kliment Ohridski".

Within the period 23–27 June 2025, in Sofia at Park Hotel "Moskva," an in-person training session was held for teachers from kindergartens and schools across the country as a part of the "Energy Efficiency of Municipal Schools and Kindergartens" Subprogram - mandatory for representatives of the sites approved for funding. The training was organized into two consecutive modules with separate programs for kindergartens and schools, tailored to the specific needs of each educational setting. A total of 52 educators participated in the training, including 20 representatives from kindergartens and 32 representatives from schools - elementary, secondary, and vocational.

As a part of the program's implementation, following the completion of the

training sessions, a team from the NTEF conducted on-site visits to 20 of the participating schools and kindergartens. The purpose of the visits was to support the practical implementation of the program and to provide methodological support to the teachers, who have participated in the training, as well as to other members of the site teams, including management representatives.

In the end of 2025, a plan for monitoring and support until the end of the current school year was prepared and distributed among the participating teachers. The planned activities included collecting feedback and data on the program's implementation in the schools and kindergartens, ongoing communication with each of the sites, support for organizing events, and in the presence of interest, organizing events for sharing experience between the participating institutions.

One of the projects, which in a different format continues and develops the overall work of the NTEF for optimizing the behavior of the public buildings' users is the **"Vision 2045" project**.

The project aimed to pool the efforts of schools and municipal administrations to attract the efforts of all stakeholders (providers of services and energy, public administrations, traders, media, etc.) to create and experimentally implement an innovative model for achieving climate neutrality at a local level. It is funded by the European Climate Initiative (EUKI) of the German Federal Government.

The lead partner is the Independent Institute for Environmental Issues in Berlin (UfU). The partners, in addition to the NTEF, are the Association of Energy Cities in Kraków, Poland and the Regional Energy Agency of the Savinja, Shaleška and Koroška Regions, Slovenia. The project was implemented in the course of 30 months, starting in November 2022 and ending in April 2025.

The NTEF commitments were related to:

- Assessment of the greenhouse gas emissions of four schools in two municipalities (selected according to criteria defined within the project consortium) - calculation of the carbon footprint using a methodology and system of criteria developed by the consortium;
- Supporting the schools to develop and implement their own action plans to achieve climate neutrality through joint activities with the municipality and other stakeholders;
- Dissemination of the experience among all schools in Bulgaria
- Participation with the project results in the EUKI international conference.

The total project budget is approximately EUR 650 000. The NTEF budget is EUR 158 200, of which EUR 14 776 represents its own contribution. Participants

in the project are: Yambol Municipality with “Vasil Karagyzov” language high school and “Lyuben Karavelov” primary school, and Dobrich Municipality with “Petko Rachev Slaveikov” and “Dimitar Talev” secondary schools.

During 2025, the following activities were implemented:

- Coordination, communication, and organizational activities, accompanying the overall implementation of the project and reporting, as well as the interaction with the partners.
- Implementation of behavioral measures to reduce the carbon footprint in four pilot schools in the municipalities of Dobrich and Yambol.
- Conducting a national seminar titled “Schools in the municipality as leaders on the path to climate neutrality” involving the participation of schools, municipalities, and experts for generating ideas for the future.
- Summarizing and disseminating the project results among stakeholders at national level, including the manuals developed for applying the model in other municipalities and schools.
- The four schools have completed the specific activities envisaged in the action plans.

The project reinforced the role of the schools as active participants in the local climate neutrality policies through actual behavioral and organizational changes - reducing plastics’ use, implementing energy-saving measures, greening initiatives, and the active involvement of students and teachers. A practical model was developed for integrating educational and behavioral measures into efforts to reduce the carbon footprint of public buildings.

The NTEF has continued to develop the project’s results by incorporating the behavioral measures in the “Vision for the Future” seminar as activities for schools and kindergartens funded under the Energy Efficiency Fund’s programs, with the aim of expanding the scope and sustainability of the achieved effects.

6.4. Implementation of the National Climate Change Adaptation Strategy. Application of the LIFE Program – ACT4LIFE project

During the previous reporting year (2024), the National Trust EcoFund successfully completed a predefined project under the European Economic Area Financial Mechanism, which aligned with the objectives of the National Climate Change Adaptation Strategy. This initiative, which lasted more than five years (planning began as early as 2017), enabled the NTEF to build significant capacity in this area. An original methodology was developed for analyzing strategies, plans, and projects, as well as climate information, and for making decisions at the municipal level to identify measures and implement them. The

NTEF coordinates the efforts of eight major municipalities in Bulgaria in this process, specifically in the field of urban development.

In this way, the NTEF positions itself as a participant in the formulation and implementation of policies in the field of climate change adaptation and continues to seek opportunities for participation in the process.

During 2025, the NTEF participated as a partner in the development and submission of a project proposal under the LIFE – Climate Change Adaptation program, with the acronym ACT4LIFE; the results of the evaluation are expected after the end of the reporting year.

The project proposal was developed by a broad consortium of public institutions, scientific organizations, and expert bodies, united by the goal of developing and implementing an innovative, integrated model for climate change adaptation in mountainous regions of Bulgaria. The partners are:

- Foundation “Energy Efficiency Center – EnEffect” – coordinator;
- Komponenta EOOD;
- National Trust EcoFund;
- Sofia University “St. Kliment Ohridski”;
- Bulgarian geographical portal – Geograf.bg;
- Gabrovo Municipality;
- Samokov Municipality;
- Sapareva Banya Municipality;
- Kostenetz Municipality;
- Dolna Banya Municipality;
- Imp-Act EEOD Agency;
- Defacto Urbanism (the Netherlands).

The project proposal aims to address climate change adaptation in mountain regions through an integrated, data-driven, and collaborative planning approach that includes climate risk assessment, development of adaptation plans, and preparation of pilot measures with replication potential - extending beyond the boundaries of administrative divisions and standard NUTS planning regions, with a focus on the cooperation between municipalities sharing a common geography.

The NTEF responsibilities in the event of project approval are as follows:

- Participation in the development of the project concept and rationale.
- Participation in coordination activities, planning and communication

among partners.

- Coordination of the process for developing a Regional Climate Change Adaptation Strategy for Northern Rila and four Municipal Action Plans.
- Participation in the implementation and validation of the methodology for assessing climate risks and adaptive capacity.
- Joint work with partners in organizing and conducting a co-creation process, including strategic forums, working meetings and thematic discussions.
- Participation in the development of a methodological framework for a landscape-based strategic model applicable to other mountain regions as well.
- Contribution to the prioritization of adaptation measures through multi-criteria analysis and the identification of pilot measures in each of the four municipalities.
- Organization and conducting of the final stage of integration and validation of the strategic documents, including a joint workshop with participation of the municipalities, Rila National Park, and relevant national institutions.
- Ensuring compliance of the developed strategies and plans with European and national policies and the requirements of the Regional Development Act.
- Providing support to the municipalities in the preparation for implementation of the pilot activities.
- Developing and documenting a strategic planning model in shared landscape territories, ready for replication.
- Ensuring alignment with the priorities and long-term activities of the NTEF.

Completed activities during 2025:

- Active participation in the preparation of the project proposal and the coordination with partners through online meetings and communication.
- Contribution to the development of the project's content, objectives, and expected results.
- Preparation of the relevant sections of the project documentation.



**Implementation of energy efficiency measures
in „Otets Paisii“ Primary School, Marten**

VII. INSTITUTIONAL DEVELOPMENT, INTERNATIONAL RELATIONS AND PUBLIC RELATIONS

7.1. Institutional development

During the reporting period, the EB staff includes 9 (nine) persons. Full-time employees: director, five experts (senior and chief experts, experts and an accountant) and two technical staff members (technical assistant and driver). One expert is hired with a part-time contract. They occupy the relevant positions in the endorsed staff establishment plan. Nine of the fourteen approved staff positions are filled. All expert positions are occupied by employees, who are university graduates according to the requirements of the establishment plan.

NTEF's office has not been changed since the establishment of the Fund. Its whole maintenance is accomplished with the funds included in the NTEF administrative budget, envisaged in the relevant acts, through which funds for use by the NTEF are provided.

The Fund's fixed tangible assets include: computer equipment, printers, a photocopier, air conditioning units, and other office equipment, office furniture, and a company car.

The document turnover at EB is accomplished correctly, according to the endorsed internal rules for the information-book keeping activity and the work with documents at NTEF. The whole documentation of the Fund is archived and stored pursuant to the national legislation and the internal rules for documents' processing in the NTEF EB.

Since 2024, the EB has been implementing a policy for minimizing the use of paper-based carrier. The documents are created, stored, and archived in electronic format on a file server equipped with state-of-the-art security systems in accordance with the highest contemporary information security standard.

In the end of 2024, the EB assigned and since the beginning of 2025 began active work for drafting a new 10-year Development Strategy for NTEF for the period 2026–2035. The strategy was adopted by the NTEF MB on 23.11.2025. The document reflects the current European climate agenda while also accounting for the NTEF capabilities, based on its structure and functional responsibilities.

In the end of 2025, the NTEF launched its new website. The site is updated on an ongoing basis. It contains the necessary information about the structure and activity of the NTEF, new programs and priority areas for projects' funding, application requirements, criteria for evaluating funding proposals, and descriptions of completed projects.

7.2. Activities related to programs and funding mechanisms

In 2025, the Executive Bureau continued to improve the NTEF's knowledge and experience in the field of the financial instruments designed to attract funding from various sources, including corporate sources, for the implementation of energy efficiency projects in public sites. NTEF experts participated in various forums, familiarizing themselves with new trends and financial products for financing energy efficiency projects.

During the reporting year 2025, the NTEF continued its work on the "Energy Efficiency through Energy Savings Performance Contracts (ESCO Contracts)" Subprogram, which was launched the previous year. Based on the experience from the first call for project proposals, the Executive Bureau developed and proposed, and the NTEF MB approved changes to optimize the process for applying for and approving projects for funding.

The "Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)" Subprogram is a part of the Investment Climate Program and aims to finance public energy efficiency projects by combining grant funding with energy savings performance (ESCO) contracts. This new financing scheme is expected to overcome the limitations and shortcomings of each of the two separate forms (grant and ESCO contract) and ensure a significantly more efficient use of public resource and multiplication of its effects. The achievement of the set objectives will be monitored and analyzed over the next few years. The initial impressions of the Subprogram's implementation indicate that there is an interest with regard to it on the part of the potential beneficiaries, but the ESCO contracts still remain a relatively unknown instrument for financing energy efficiency projects and there is a need to continue the work for their promotion.

In 2025, the NTEF continued its preparations for participation in the "ProPark" Program under the Swiss-Bulgarian Cooperation Program. The Executive Bureau's work during the year was marked by numerous requests for changes, primarily in the implementation schedule for Component 2 of the Program, as initially proposed by the EB, and to a lesser extent - in the budget.

In 2025, the team devoted significant effort to developing selection criteria and funding rules for the potential projects. The documents were submitted to the Program Operator at the Ministry of Environment and Water for examination, but after the receiving of feedback and the incorporation of the comments, they were never finalized.

The lack of funding under "ProPark" Program for the accomplishment of the necessary preparatory work by the Component Operator (NTEF) imposed some

distortion in the accounting for the work time of the EB experts, necessitated by the need to cover the labor remuneration costs at the expense of the remaining NTEF funding sources.

7.3. International relations and public relations

The NTEF's international activities in 2025 focused on revitalizing the contacts with international partners and donors. The celebration of the Fund's 30th anniversary played a catalytic role in this regard.

Publicity and communication related activities over the past year were carried out in accordance with the approved annual NTEF Action Plan for 2025. They were also closely linked to the Fund's anniversary. In addition, the communication activities were planned and implemented as a key tool for achieving the Fund's objectives as a financing institution and as a participant in the formulation and implementation of the policies in the field of the environment and climate change.

7.3.1. International activity

On the occasion of the event marking the 30th NTEF anniversary, contacts with all of the Fund's international partners and donors were activated and revitalized.

Not only on this occasion, but also in connection with the preparation for the NTEF's participation in the implementation of Component 2, "Renovation of Huts on the territory of Rila National Park," under the "ProPark" Program, active contacts were maintained with the institutions of the Swiss Confederation throughout 2025. The Ambassador of the **Swiss Confederation** to Bulgaria received an honorary plaque recognizing the country as an important donor for the NTEF. During the ceremony, marking the Fund's 30th anniversary, he delivered a remarkable speech in which he emphasized the NTEF role as a key partner in the implementation of the environmental policies in Bulgaria. He commented the NTEF's excellent idea to announce its annual youth nature conservation competition with a theme dedicated to the huts in the Rila Mountain.

In connection with the same event, relations with the Embassy of **the Federal Republic of Germany** were also strengthened. Germany has been a donor to the NTEF during the past 10 years. Currently, the "Energy Efficiency of Municipal Schools and Kindergartens" Subprogram under the Investment Climate Program is being implemented, funded by the Federal Republic of Germany, based on a bilateral agreement dated November 2022 for the sale of Annual Emissions Allocations. Additionally, the NTEF is implementing

a long-standing initiative for optimizing the behavior of users of school and kindergarten buildings with regard to energy conservation, as well as for supporting municipalities for the energy management at the municipal level. The ambassador received an honorary plaque and congratulated the NTEF for being one of the leading players behind the implementation of the European policies in the field of climate change.

The **World Bank** has been an important donor and partner of the NTEF since the Fund's establishment and throughout the years. Over the past decade, the relations had been somewhat stagnant, but through his participation and remarks during the event, the World Bank's Representative for Bulgaria expressed an interest in a future collaboration. This message materialized in the following months, during which the NTEF was visited by the expert team preparing the report on the upcoming climate change adaptation program for Bulgaria.

Until now, the NTEF has not maintained active relations with the **European Commission Representation** in Bulgaria. The celebration of the Fund's 30th anniversary provided a good opportunity to attract the attention and support of this important institution as well.

The Ambassador of the **Republic of Malta** to the Republic of Bulgaria was not able to attend the celebratory event. The bilateral agreement with Malta dated April 2017 for the sale of Annual Emissions Allocations was the first in Europe following the adoption of Decision 406/2009/EU by the European Parliament. With the revenues under this agreement, the NTEF has funded 37 projects of municipalities, schools, NGOs, and other organizations, as well as institutions implementing measures for climate change mitigation and adaptation. Later that year, the NTEF was invited to and participated in the "Malta X Bulgaria" Business Forum, during which a plaque was handed to the Ambassador, recognizing the state's contribution to the NTEF development.

The Ambassador of the **Republic of Austria** to Bulgaria was also invited to attend the event. The Republic of Austria is an important donor of the NTEF, in its capacity as a purchaser of Assigned Amount Units from the Republic of Bulgaria pursuant to Article 17 of the Kyoto Protocol. Since the Ambassador was out of the country on the day of the celebration, the NTEF received a congratulatory address highlighting the excellent achievements under this cooperation.

The NTEF's international network was expanded through the participation of the Fund representatives in a series of **international events**:

- Green Transition Forum in June 2025 in Sofia;
- Regional meeting of the European Climate Initiative (EUKI) for Southeast

Europe / 10.04.2025, Bucharest;

- Launching event for the second phase of the Swiss-Bulgarian Cooperation Program / 11.02.2025, Sofia.

The NTEF also continued its active collaboration with its international partners, with whom it participates in various projects and initiatives:

- Independent Institute for Environmental Issues in Berlin (UfU);
- Savinja, Šaleška, and Carinthia Energy Agency of Slovenia (KSSENA);
- Polish Network of Energy Cities (PNEC);
- Romanian Network of Energy Cities (OER).

7.3.2. General information activities and publications

- New NTEF's website, launched in December 2025: <https://ecofund-bg.org/>.
- Information brochure dedicated to the 30th NTEF anniversary was published.
- Video was produced, presenting the NTEF's activities from its establishment in 1995 to the present.
- Informational brochure was published to mark the conclusion of the "Climate Micro Projects" Program.
- A collection of works from the annual nature conservation competition named after Mimi Pramatarova was published.
- A set of branded products was produced and distributed to mark the 30th NTEF anniversary - bags, water bottles, pencils, notebooks, 2026 calendars, and more.
- New NTEF website, presented during December 2025: <https://ecofund-bg.org/>.

7.3.3. Information activities in connection with the implementation of the NTEF programs

- **Investment Program "Mineral Waters"**

Publications on the NTEF website

In implementation with a decision of the Management Board dated 14.11.2024, on 10.01.2025, the NTEF announced on its website a new call for project proposals under the Investment Program "Mineral Waters" (IPMW). To ensure that the information reached the widest possible range of potential beneficiaries, the NTEF traditionally sought the assistance of the National Association of Municipalities in the Republic of Bulgaria, represented on the Fund's MB at Executive Director level.

Until the project proposals' submission deadline – 10.04.2025 - answers to the questions received via email regarding the applications were regularly published on the NTEF website.

Following the decision taken by the NTEF MB on 15.07.2025, related to the approval of six projects for funding, a list of the approved projects in their ranking order was published in the NTEF website.

Virtual information events

In connection with the call for project proposals under the IPMV announced on 10.01.2025, on 04.02.2025, in collaboration with the FLAG Fund, the NTEF organized a virtual information event for potential beneficiaries to explain the application and funding terms under the Program.

The information event was recorded and published on the NTEF website and the Fund's YouTube channel to the attention of the stakeholders.

On 05.08.2025, the NTEF organized a virtual information event for the beneficiaries of the newly approved projects under the IPMV, with the aim to explain the conditions for the project implementation.

The information event was recorded and published in the NTEF website and the Fund's YouTube channel to the attention of the stakeholders.

Social media posts (LinkedIn, Facebook)

August, 2025 - Video record of the information session for the approved applicants under the Investment Program „Mineral Waters“.

- **Investment Climate Program, “Energy Efficiency in Municipal Schools and Kindergartens” Subprogram**

Publications on the NTEF website

In implementation of a decision of the Management Board dated 14.07.2025, on 10.09.2025, the NTEF announced on its website a new call for project proposals under the “Energy Efficiency of Municipal Schools and Kindergartens” (EEMSK) Subprogram. To ensure that the information will reach the widest possible range of potential beneficiaries, the NTEF sought the assistance of the National Association of Municipalities in the Republic of Bulgaria.

Until the deadline for submitting project proposals (10.12.2025), answers to the received via email questions under the call for applications were regularly published on the NTEF website.

After the deadline for project proposals' submission, a message was published

on the NTEF website containing information about the number of the received project proposals (17 pcs.).

In the “News” section of the NTEF website announcements are published, related to the implementation of funded projects. In this regard, on 26.06.2025, information was published regarding a new financing agreement concluded under the EEMSK Subprogram between the NTEF and Ruse Municipality for the project “Implementation of Energy Efficiency Measures in “Zora” kindergarten, Ruse city”.

Virtual information events

In connection with the call for project proposals under the EEMSK Subprogram announced on 10.09.2025, on 30.09.2025, in collaboration with the FLAG Fund, the NTEF organized a virtual information event for the potential beneficiaries to explain the application and funding terms under the Program.

The information event was recorded and published on the NTEF website and the Fund’s YouTube channel to the attention of the stakeholders.

Social media posts (LinkedIn, Facebook)

- June, 2025 – The National Trust EcoFund will support the energy efficiency of Kindergarten “Zora” in Ruse city.
- June, 2025 – Start of the training of the teachers from the kindergartens, for which the National Trust EcoFund has approved projects for improving the energy efficiency of the buildings.
- September, 2025 - For the third consecutive year, the National Trust EcoFund is inviting the Bulgarian municipalities to submit project proposals for the implementation of energy efficiency measures in municipal schools and kindergartens.
- December, 2025 - The call for project proposals under the „Energy Efficiency in Municipal Schools and Kindergartens“ Subprogram has been closed.

• Investment Climate Program, “Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)“ Subprogram

Publications on the NTEF website

Following a decision of the NTEF MB, taken at a meeting held on 20.02.2025, on 21.02.2025 information was published on the Fund’s website regarding the two projects approved for funding under the first call for proposals of the “Energy Efficiency through Energy Savings Performance Contracts (ESCO Contracts)” Subprogram.

In implementation of the Management Board's decision of 20.02.2025, on 20.03. 2025, the NTEF announced on its website a new call for project proposals under the "Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)." To ensure that the information reaches the widest possible range of potential beneficiaries, the NTEF sought the assistance of the National Association of Municipalities in the Republic of Bulgaria (NAMRB).

Virtual information events

In connection with the call for project proposals announced on 20.03.2025, on 03.04.2025, in collaboration with the FLAG Fund, the NTEF organized a virtual information event for the potential beneficiaries to explain the application and funding terms under the Subprogram.

The information event was recorded and published on the NTEF website and the Fund's YouTube channel to the attention of the stakeholders.

Social media posts (LinkedIn, Facebook)

June 2025 – The list with the project proposals under the second call, which had successfully passed the administrative compliance check against the funding terms of the "Efficiency through Energy Savings Performance Contracts (ESCO contracts)" Subprogram was published.

- **Investment Climate Program, "Energy Efficiency" Scheme**

Publications on the NTEF website

In implementation of decisions of the NTEF MB dated 15.07.2025, and 23.10.2025, on 28.10.2025, the NTEF announced on its website a new call for project proposals under the Energy Efficiency Scheme of the Investment Climate Program. To ensure the information outreach to the widest possible range of potential beneficiaries, the NTEF sought the assistance of the National Association of Municipalities in the Republic of Bulgaria.

Answers to the received via email questions regarding the call for project proposals have been regularly published on the NTEF website.

Virtual information events

In connection with the call for project proposals under the Energy Efficiency Scheme announced on 28.10.2025, on 13.11.2025, in collaboration with the FLAG Fund, NTEF organized a virtual information event for potential beneficiaries to explain the application and funding conditions.

The information event was recorded and published on the NTEF website and the Fund's YouTube channel to the attention of the stakeholders.

Social media posts (LinkedIn, Facebook)

- October 2025 – The National Trust EcoFund, in collaboration with the FLAG Fund, opened a call for project proposals for funding under the “Energy Efficiency” Scheme of the Climate Investment Program.
- December 2025 – Reminder about the opportunity to submit project proposals for funding under the “Energy Efficiency” Scheme of the NTEF’s Climate Investment Program

- **Climate Micro Projects Program**

Information brochure

In August 2025, in connection with the completion of the “Climate Micro Projects” Program, an electronic information brochure was produced in Bulgarian and English languages, presenting the results of the Program’s implementation.

Publications on the NTEF website and social media posts (LinkedIn, Facebook)

August, 2025 – Climate Micro Projects Program is close to its end: 37 projects of #municipalities, #schools, #community centers, #NGOs, Bulgarian Academy of Sciences, and state #institutions with a serious environmental and social effect.

7.3.4. Information activities in connection with the NTEF operation with regard to environmental protection policies

- **NTEF participation as a lead partner in the Project “MENERGERS – Energy Manager Services in the Municipalities“, within the framework of the European Climate Initiative (EUKI) of the Federal Republic of Germany**

Publications on the NTEF website

An event was reflected, held on 11.02.2025 at the Sustainable Energy Development Agency in Sofia - public discussion on the future of “Energy Manager” services in Bulgarian municipalities. The arguments presented during the event are summarized there.

Coverage of the final conference of the “MENERGERS” project, held on 27.03.2025 in Sofia, with the participation of project partners from Romania and Germany, as well as representatives of the pilot municipalities in Bulgaria participating in the project - Sapareva Banya, Svilengrad, and Ruse was provided. The event was reflected in the “News” section of the NTEF website.

Social media posts (LinkedIn, Facebook)

November 2025 – Building on the results achieved through the implementation of the MENERGERS project (Introduction of Municipal Energy Management), funded under the European Climate Initiative (EUKI), the National Trust EcoFund supported the energy managers of Sapareva Banya, Ruse, and Svilengrad municipalities through the provision of professional measuring instruments designed to assist the implementation of the developed model for municipal energy management in Bulgaria.

- **NTEF’s participation as a partner in the Project “VISION 2045” within the European Climate Initiative (EUKI) of the Federal Republic of Germany**

Publications on the NTEF website

The national seminar held on 21.03.2025, in Sofia on the topic “Schools in the municipality as leaders on the path to climate neutrality”, organized by the NTEF as a part of the “Vision 2045” project was covered. The event brought together teachers, principals, and school staff, as well as experts in the sustainable development field, to discuss the key role of the educational institutions in the transition to climate neutrality.

Social media posts (LinkedIn, Facebook)

- March, 2025 - The article covers the national seminar held on March 21, 2025, in Sofia on topic “Schools – engine of climate neutrality in municipalities,” organized by the National Trust EcoFund (NTEF) within “Vision 2045” project, funded by the European Climate Initiative (EUKI) of the German Federal Ministry for Economic Affairs and Climate Action.
- May, 2025 - Reducing the use of plastic bottles at school; greening of the schoolyard and creating a classroom in the open; students - energy managers - these are three small but actually significant and important steps towards climate neutrality that four schools in Bulgaria have successfully taken: “Dimitar Talev” and “P.R. Slaveykov” secondary schools in Dobrich, High Language School “Vasil Karagyzov” and “Lyuben Karavelov” primary school in Yambol as a part of the “Vision 2045” project.

- **Implementation of activities for capacity building in the Bulgarian municipalities within the framework of the NTEF commitment under the NetZeroCities initiative**

Publications on the NTEF website

The NTEF website contains reflection of the held on 27.11.2025 in Grand Hotel Sofia 19th conference of the Association of Bulgarian Energy Agencies (ABEA), co-organized by NTEF, titled “Cities in Transformation: Strategic Vision, Building Renovation Solutions, Energy Communities, and New Skills”. The forum brought

together representatives from governmental institutions, municipalities, financial organizations, business community, and the civil sector, who discussed effective approaches for the implementation of national and European policies in support of the sustainable local energy development.

Social media posts (LinkedIn, Facebook)

- November, 2025 – Upcoming Event: “Cities in Transformation: Strategic Vision, Building Renovation Solutions, Energy Communities, and New Skills”: November 27, 2025 | Grand Hotel Sofia.
- December 2025 - On November 27, 2025 the NTEF participated in the 19th conference of the Association of Bulgarian Energy Agencies and Centers, organized jointly by the Center for Energy Efficiency (EnEffect) - secretariat of the EcoEnergy network and NTEF.

7.3.5. Events

- **Ceremonial event marking the 30th anniversary of the National Trust EcoFund / 02.06.2025, Sofia**

Publications on the NTEF website

Extensive coverage with a series of posts on the NTEF website of the celebratory event held on 02.06.2025, in the auditorium of Sofia University “St. Kliment Ohridski” to mark the 30th anniversary of the National Trust EcoFund.

Official guest of the event was **Ms. Kristalina Georgieva**, Managing Director of the International Monetary Fund and one of the NTEF founders.

The event was attended by the ambassadors of the NTEF’s donor countries - the Swiss Confederation and the Federal Republic of Germany - as well as official representatives of the World Bank and the European Commission Delegation to Bulgaria, representatives of the government and parliament, former ministers of the environment, members of the NTEF Management Board and of the Executive Bureau team over the years, beneficiaries, partners, experts, and friends of NTEF.

During the event, a documentary film related to the activities of the National Trust EcoFund during the 30 years of its operation was screened.

In their statements, the NTEF’s partners expressed their satisfaction with their shared successes and emphasized their interest in continuing their joint initiatives.

In addition to the commemorative plaques handed to the Fund’s donors and former chairs of the Management Board, certificates were awarded to all

partners and to members of the NTEF Executive Bureau team throughout the years.

Social media posts (LinkedIn, Facebook)

The event, marking the 30th anniversary of the National Trust EcoFund, was covered with eleven posts on each social media platform, including a documentary film on the NTEF's activities from its inception until present; a brochure titled "The National Trust Fund: 30 Years in 30 Pages", interview and statement of Ms. Kristalina Georgieva - Managing Director of the International Monetary Fund and co-founder of NTEF in 1995.

Statements in electronic media

- 02.06.2025, Bulgarian National Radio: "Kristalina Georgieva participates in a conference marking the 30th anniversary of the National Trust EcoFund" – announcement.
- 02.05.2025, Bulgarian Telegraph Agency: "The National Trust EcoFund is an active participant in the development and modernization of the nature conservation policies" – interview with Maria Minkova, Director of the NTEF Executive Bureau.
- 13.06.2025, AGROTV: "The National Trust EcoFund Turns 30" – interview with Maria Minkova, Director of the NTEF Executive Bureau and Kamelia Georgieva, Senior Expert in the NTEF Executive Bureau.
- June 18, 2025, Bloomberg TV Bulgaria – interview with Maria Minkova, Director of the NTEF Executive Bureau and Kamelia Georgieva, Senior Expert in the NTEF Executive Bureau.

- **Regional meeting of the European Climate Initiative (EUKI) for Southeast Europe / 10.04.2025, Bucharest**

Publications on the NTEF website and social media posts

Coverage of the event, officially opened by H.E. Dr. Peer Gebauer, Ambassador of the Federal Republic of Germany to Romania, and H.E. Radko Vlaykov, Ambassador of the Republic of Bulgaria to Romania.

The forum brings together key stakeholders, leaders in the field of climate action, and regional partners to strengthen the cooperation in the region's decarbonization process.

Highlighting the NTEF role as a moderator of a session on topic "Regional and Local Initiatives as Examples of National Progress". Within the framework of the session, successful practices at the local and municipal levels were presented, which contribute to sustainable environmental changes and serve as models

for national climate strategies.

- **Opening event for the second phase of the Swiss-Bulgarian Cooperation Program / 11.02.2025, Sofia**

Publications on the NTEF website and social media posts

Coverage of the launching event for the second phase of the Swiss-Bulgarian Cooperation Program, held on 11.02.2025 in Sofia. The NTEF participated in a thematic panel dedicated to planned projects in the environmental sector. The challenges and opportunities facing the projects were outlined in the context of the main objective of the Swiss-Bulgarian Cooperation Program - overcoming the economic and social disparities between Bulgaria and the other EU member states.

- **“Mayors Speak” Forum / 24÷25.06.2025, Gabrovo**

Post in the NTEF LinkedIn profile

Coverage of the NTEF’s participation in the event attended by Deputy Prime Minister and the Minister of Innovation and Growth Tomislav Donchev and the Deputy Minister of Regional Development Dora Yankova. The topics discussed included the challenges faced by municipalities in implementing energy efficiency programs in public and residential buildings, the role of the local authorities in combating climate change, and technological innovations in support of the local authorities.

- **Business forum “Malta X Bulgaria” / 11.09.2025, Sofia**

At the invitation of H.E. Ms. Anne Marie Muscat Fenech Adami, Ambassador of the Republic of Malta to Bulgaria, on September 11, 2025, NTEF participated in the “Malta X Bulgaria” business forum, organized by the Executive Agency for the Promotion of Small and Medium-Sized Enterprises in cooperation with the Embassy of the Republic of Malta in Bulgaria. During the event, the NTEF presented the results from the implementation of the “Climate Micro Projects” Program, funded under the bilateral Agreement for the Purchase of Annual Emission Allocation Units (AEAs) between the Republic of Bulgaria and the Republic of Malta dated April 3, 2017.

- **Conference “Urban Climate and Sustainable City Development“ / 25.09.2025, Plovdiv**

On 25.09.2025 in Plovdiv, the NTEF participated in a conference titled “Urban Climate and Sustainable Urban Development”, organized by the Plovdiv Energy Agency. The event highlighted the current funding opportunities for municipal projects under the NTEF programs.

- **International conference “Financial and Investment Support for SMEs” / 14.10.2025, Sofia city**

NTEF participated in an international conference on topic “Financial and Investment Support for SMEs”, held on 14.10.2025 in Sofia. A representative of the Fund took part in a panel discussion on “Green and Social Investments.”

7.3.6. National Nature Conservation Award “Mimi Pramatarova”

The National Award is established as a permanent public relations program with a decision of the NTEF MB in 2006, marking the 50th anniversary from the birth of Mimi Pramatarova - the first director of Rila National Park - and the award was handed out for the first time in that year. The competition is held annually in partnership with Rila National Park and the Ecoforum Plus Foundation, established by Mimi Pramatarova’s colleagues. Three awards are presented each year.

On June 2, 2025, in the auditorium of Sofia University “St. Kliment Ohridski,” during the formal ceremony marking the NTEF 30th anniversary, the winners of the creative contest were announced and National Environmental Conservation Award “Mimi Pramatarova” 2025 was handed out.

Publications on the NTEF website

In March 2025, for the nineteenth consecutive year, the NTEF website showed announcement for a creative competition for the 2025 “National Nature Conservation Award “Mimi Pramatarova”, with a topic “The Renovated Rila Huts”. The competition related rules were published.

An electronic version of the collection of essays, written by students, who received awards in the National Nature Conservation Competition in the name of Mimi Pramatarova was published on the NTEF website.

Social media posts (LinkedIn, Facebook)

- April, 2025 - The renovated huts in the Rila Mountains are the topic of the 2025 “Mimi Pramatarova” National Nature Conservation Award competition, announced by the National Trust EcoFund, Rila National Park and the “Ecological Forum Plus” Foundation for the nineteenth consecutive year. The deadline for submitting entries is 20.05.2025.
- June, 2025 - The winners of the competition were presented with their awards during the event marking the 30th anniversary of the National Trust EcoFund.
- June, 2025 – “Sometimes you have to travel the world to understand yourself”- this is the motto of the collection of essays, written by students who were

presented awards in the national environmental protection competition named after Mimi Pramatarova, who was the first director of Rila National Park.

7.3.7. NTEF in the electronic media

- 23.04.2025, "Stroitel" newspaper: "In 2025, 52 projects are in process of implementation with funding from the National Trust EcoFund"— interview with Maria Minkova, Director of the NTEF Executive Bureau.
- 02.06.2025, Bulgarian National Radio: "Kristalina Georgieva participates in a conference for the 30th anniversary of NTEF" – announcement.
- 02.06.2025, Bulgarian Telegraph Agency: "The National Trust EcoFund is an active participant in the shaping and updating of the nature protection policies" – interview with Maria Minkova – Director of the NTEF Executive Bureau.
- 13.06.2025, AGROTV: "The National Trust EcoFund is 30 years old" – interview with Maria Minkova – Director of the NTEF Executive Bureau and Kamelia Georgieva – Senior Expert in the NTEF Executive Bureau.
- 18.06.2025, Bloomberg TV Bulgaria – interview with Maria Minkova – Director of the NTEF Executive Bureau and Kamelia Georgieva – Senior Expert in the NTEF Executive Bureau.



Optimization of the method of water abstraction under the permit regime for mineral waters from borehole No. CH-3VP through the construction of a new water supply system, repair of existing reservoirs and construction of a distribution network – stage II, subproject A, village of Mineralni bani



**Street water supply pipeline for mineral water with a length of L 1300,
village of Ognyanovo, municipality of Garmen**



VIII. NTEF SOURCES OF FUNDING, COSTS AND FINANCIAL STATUS

8.1. Sources of funding for 2025

8.1.1. Proceeds pursuant to Ordinance No 1/04.03.2015 on determining the procedure and way of spending the revenues from the sale of emission allowances from aviation activities through auction

In accordance with the provisions of the Ordinance, the proceeds during the reporting 2025 amount to BGN 11 370 thousand. The funds are designated for grant financing of projects and activities under art. 56, par. 1, it.1-4 and 6 of the Climate Change Mitigation Act and for preparation of strategic and planning documents for introducing measures to limit or adapt to climate change.

8.1.2. Proceeds as per CoM Decision No 175/29.03.2017 under the Agreement for transfer of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Republic of Malta

Targeted financing under the Agreement for transfer of annual emissions allocations between the Republic of Bulgaria and the Republic of Malta under Decree of the CoM No 175 / 29.03.2017. The residual resource is BGN 173 thousand.

8.1.3. Proceeds under Agreement for Sale of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany

In compliance with Decision No 814/20.10.2022, the funds received under the Agreement on the Sale of Annual Emissions' Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany are designated to finance energy efficiency projects in municipal schools and kindergartens. The Management Board of the National Trust EcoFund has decided to provide additional funding of BGN 6,162,000 for the projects within the limits of the total available budget. As of the end of 2025, the residual resource amounted to BGN 11,301 thousand.

8.2. Funds' allocations

8.2.1. Funding of projects under the Investment Climate Program

The total amounts paid for investment projects for activities related to the improvement of the energy efficiency of public sites under IPC in 2025 are BGN 578,338. The costs of financing projects are presented in detail in Table 2.1.1.:

Table 2.1.1: Payments made under projects, funded by NTEF during 2025 under the Energy Efficiency Scheme to ICP

Reg. No	Title / Beneficiary	Total amount of the project as per the funding contract in BGN (VAT included)	NTEF	Actual amount of the funding in 2025 (BGN)
320	Implementing energy efficiency measures on four sites from the educational, cultural and social infrastructure of Ruse Municipality	962 823,53	683 720,24	578 338,23
TOTAL ICP ENERGY EFFICIENCY		962 823,53	683 720,24	578 338,23

In 2025, 100% of the allocated budget funds for investment projects, for which contracts are concluded, have been paid.

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

In 2025, 9 (nine) all-electric vehicles category M1 or N1 were purchased. The total amount of grant funding paid by NTEF for the delivery of the said vehicles is BGN 190 000. The costs are presented in detail in Table 2.1.2.:

Table 2.1.2.: Projects under the Scheme for promoting the use of electric vehicles, funded by NTEF in 2025

Nº	Reg. No / Project title	Number of vehicles	Actual amount of the funding in 2025 (BGN)
Electric vehicles category M1 or N1			
1.	EM 148 / Project for promoting the use of electric vehicles,, Sofia Municipality	1	20 000,00
2.	EM 159 / Project for promoting the use of electric vehicles, Ruzhintzi Municipality	1	30 000,00
3.	EM 147 / Project for promoting the use of electric vehicles, Chelopech	1	20 000,00
4.	EM 137 / Project for promoting the use of electric vehicles, Smyedovo Municipality	1	20 000,00
5.	EM 153 / Project for promoting the use of electric vehicles, Sofia Inspectorate	1	20 000,00
6.	EM 163 / Project for promoting the use of electric vehicles, Dolna Mitropoliya Municipality	1	20 000,00
7.	EM 145 / Project for promoting the use of electric vehicles, Varna Municipality	1	60 000,00
TOTAL FOR ELECTRIC VEHICLES		9	190 000,00

8.2.2. Funding of projects under Investment Program “Mineral Waters”

During the reporting 2025, 2 (two) projects under IPMW were finished, paid and audited.

As of the end of 2025, 10 projects under IPMW are implemented, four of which are expected to be finished during 2026. The other six projects are at a design stage. Detailed description of the reported costs for project funding under IPMW is presented in Table 2.3

Table 2.3.: Projects under Investment Program “Mineral Waters”, funded by NTEF during 2025

Nº	Reg Nº	Title / Beneficiary	Total value under the project as per the funding contract in BGN (with VAT)	NTEF's participation in the funding contract in BGN (with VAT)	Actual amount of the funding in 2025 (BGN)
1.	010	Optimization of the water intake process for the licensed supply of mineral water from the Sn-3VP well through the construction of a new water pipeline, the repair of existing reservoirs, and the construction of a distribution network in Mineralni Bani, village, Mineralni Bani Municipality	792 186,95	396 093,47	393 484,17
2.	012	Reconstruction of a mineral water pipeline for municipal buildings in Vetren Dol village, Septemvri Municipality, and a new water pipeline in the Ognyanovski Mineral Baths resort, Garmen Municipality	448 074,04	223 345,20	221 975,35
3.	018	Major repair of a mineral water pipeline originating from a water source located within LP No. 3844.101.95, according to the Cadastral Map of Kostadinovo city, Rakitovo Municipality	723 372,64	361 686,32	242 117,29
TOTAL IPMW PROJECTS				981 124,99	857 576,81

8.2.3. Funding of projects under Climate Micro Projects Program

In 2025, two projects under CMPP were completed and fully paid. Detailed information about the reported costs during 2025 for project funding under CMPP is provided in Table 2.4:

Table 2.4.: Projects under Climate Micro Projects Program, funded by NTEF during 2025

Nº	Reg Nº	Title / Beneficiary	Value according to NTEF funding contract in BGN	Actual amount of the funding in 2025 (BGN)
1.	044	New climate change adaptation measures and approaches in Elin Pelin Municipality	50 000,00	44 353,85
2.	050	Hear the earth – regenerative agriculture for the soil health – Gabrovo Municipality	49 961,00	43 371,05
TOTAL CMPP PROJECTS			99 961,00	87 724,90

8.2.4. Funding of projects under “Energy Efficiency of Municipal Schools and Kindergartens” Subprogram (EEMSK) at ICP

In 2025 completed and fully paid is one project. One project is partially paid. Detailed information about the funded projects is presented in Table 2.5.:

Таблица 2.5.: Projects under “Energy Efficiency of Municipal Schools and Kindergartens“ Subprogram, funded by NTEF during 2025

Nº	Nº	Name/Beneficiary	Total value of the project under the funding contract in BGN (VAT included)	Value according to the funding contract, concluded with NTEF	Actual amount of the funding in 2025 (BGN)
1.	005	Knezha Municipality	598 665,37	410 475,79	188 459,92
2.	022	Sofia Municipality – Ovcha Kupel region	2 114 607,36	903 207,55	438 089,99
TOTAL EEMSK				1 313 683,3	626 549,91

8.2.5. Used funds to cover the NTEF administrative costs

During 2025 the main sources of NTEF’s administrative support were the Investment Climate Program, Climate Micro Projects Program, proceeds under the procedure included in Ordinance No. 1/04.03.2015, Agreement for Sale of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany (its section related to the management), as well as the international projects in whose implementation NTEF EB takes part.

Table 2.6. contains the administrative maintenance costs during the reported 2025. They do not include funds under project “Vision 2045“, project “MENERGERS“ and project “NetZeroCicties“, which are not envisaged in the budget for the year. The total amount of the reported costs under these projects amounts to BGN 160 555 (Table 2.7.). The total amount of the budgetary funds for the NTEF administrative maintenance for 2025 is BGN 927 838.

During the reporting 2025, a total of BGN 836 187 from the budgeted amounts were spent, which are by BGN 91 651 less than the funds provided within the budget. The difference is due to the balanced cost approval policy implemented by the Management.

Таблица 2.6.: Implementation of the budget to cover the administrative costs of the NTEF during 2025.

Funds allocations	Plan (BGN)	Report (BGN)
A. INVESTMENTTS	8 000	-
1. TFA	8 000	-
2. IFA	-	-
B. INSTITUTIONAL DEVELOPMENT TIE	45 600	37 109
1. Annual meeting of the team for analysis and planning	8 000	4 509
2. NTEF strategy until 2030	27 600	32 600
3. Updating of the NTEF website	10 000,00	11 076
C. CURRENT COSTS	884 238	799 077
1. Remunerations, social security and health insurance of EB	579 738	401 808
a. Staff training	6 000	-
b. Labor remunerations	478 722	348 201
c. Social security and health insurance	77 456	37 764
d. Social allowances pursuant to the Labor Code (LC)	16 560	15 843
e. Occupational health care	1 000	-
2. Advisory services	70 000	88 079
3. Maintenance and office costs	97 500	108 301
a. Current office costs (electricity, heating, phones, e-mail, water, internet, postal services, office consumables, etc.)	25 000	24 686
b. Fuels and lubricants (F&L), vehicle maintenance	9 000	6 857
c. Insurance and security	2 500	2 880

Funds allocations	Plan (BGN)	Report (BGN)
d. Office Services (system administrator, copier, software updates, repairs, etc.)	46 000	50 137
e. Other costs	15 000	23 741
f. Allocable costs	-	64 418
4. Administrative & managerial costs	57 000	56 682
a. Business trips	12 000	7 187
b. Administrative and financial costs	45 000	49 495
5. Public relations	48 000	62 312
a. Events, incl. annual event of NTEF	30 000	33 009
6. Issues, materials and publications in the media and the social networks	18 000	29 303
6. Management Board's operating costs	22 000	17 477
TOTAL COSTS	927 838	836 186

In structural terms, the allocation of the costs by budget items compared to the total amount of the incurred administrative costs, without the administrative costs under the projects "Vision 2045", "MENERGERS" u "NetZeroCtites", show saving of the costs for labor remuneration and increase in the costs for external services. This is due to two events in 2025: 30th anniversary from the establishment of NTEF and approval of the strategy for the next 10-year period.

A summary budget implementation for NTEF activity's administrative support is presented in **Annex 4**.

Table 2.7.: Information on the incurred costs by economic elements and their change compared to the previous period

	2024	2025	Change
	BGN '000	BGN '000	BGN '000
Costs for assets	(4)	-	(4)
Institutional development costs	-	(37)	(37)
Staff costs	(493)	(499)	6
Costs for project implementation consultants	(181)	(215)	34
Maintenance and office costs	(77)	(108)	31
Administrative & managerial costs	(117)	(121)	4
MB-related costs	(14)	(17)	3
Total	(887)	(997)	37



IX. NTEF FINANCIAL STATUS AS OF 31.12.2025

As of 31.12.2025 the sum of the Fund's assets is BGN 42 608 thousand (31.12.2024 г. – BGN 34 126 thousand), in this number cash and cash equivalents amounting to BGN 42 579 thousand (31.12.2024 – BGN 33 972 thousand in this number cash and cash equivalents amounting to BGN).

The total amount of the NTEF liabilities as of 31.12.2025 equals BGN 42 608 thousand, formed mainly by funding in the amount of BGN 42 522 thousand (as of 31.12.2024 the total amount of the liabilities is BGN 34 126 thousand, formed mainly by funding in the amount of BGN 34 045 thousand).

The NTEF's cash holdings are held in accounts at UniCredit Bulbank AD and Eurobank Bulgaria AD. As of 31.12.2025, the NTEF had BGN 42,579,000 in its accounts. The breakdown of the cash holdings is presented in **Annex 5**.



„Hear the Earth - Regenerative Agriculture for Soil Health“, pilot zone in „Mladost“ Kindergarten, Gabrovo

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

10.1. Operational risks

The National Trust EcoFund is managed by a Management Board (MB), which consists of a Chairperson, two vice chairpersons and four members. Three ministries at a deputy minister level and three non-governmental institutions – the National Association of Municipalities in the Republic of Bulgaria (NAMRB), the Bulgarian Academy of Science (BAS) and NGOs in the environmental protection field are represented in it. The Ordinance on the structure and activity of the Fund also envisages 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 NTEF MB is minimized.

Regarding the cases of control on NTEF on the part of different control bodies, minimal risks can be anticipated, since throughout all its years of existence until present the Fund has maintained a high degree of organization of 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. In this sense, 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 of 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. In this sense, it cannot be considered that there are risks related also to the needed costs for the NTEF operation.

10.2. Risks related to the financial instruments

Objectives and policy of the management with regard to the risk management

There are different types of risk with regard to the financial instruments. The financial risks, which are possible to be faced 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 and to an interest-related risk.

The bigger part of the Fund's operations 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 related risk in case of long-term financing. As of 31 December 2025, 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, recognized in the end of the reported period, as specified below

	2025	2024
Financial assets' groups – balance sheet values:	BGN	BGN
	'000	'000
Cash and cash equivalents	42 579	33 972

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 short-, middle- and long-term needs for liquid funds are budgeted

10.3. Important events following the date, as of which the financial statement has been drawn up

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

XI. LIKELY FUTURE DEVELOPMENT OF NTEF

In the beginning of October 2025, the NTEF faced the consequences of the changes in the Climate Change Mitigation Act, promulgated in the State Gazette, issue 81 of 03.10.2025. With the change of the previous Art. 56 of the Act, the legal basis for the application of Ordinance No. 1/04.03.2015 on determining the procedure and the way of spending the revenues from the sale of emission allowances from aviation activities through auction - the main source of financing for the Fund's activities, is no longer valid. As a result, by the time of preparation of this report, the NTEF is in a position of uncertainty regarding future revenues for its main activities. The lack of prospects for new revenues binds the scope of NTEF's activity to the financial resources received before the changes in the Climate Change Mitigation Act and, accordingly, to the projects already approved for funding and the projects from the last call that are about to receive approval for funding. In the event of an adoption of new legislative changes and provision of a source of revenues, the work on the development of the NTEF's programs and initiatives will continue.

In 2026, the implementation of the two main NTEF investment programs – Investment Climate Program and Investment Program “Mineral Waters” will continue with the implementation of the 35 projects, which have received funding approval during the previous years and are at various stages of their implementation as of the end of 2025. In addition to them, during the first half of 2026, the 38 newly submitted project proposals within the calls for project proposals from late 2025 under Investment Climate Program – “Energy Efficiency” Scheme and “Energy Efficiency of Municipal Schools and Kindergartens” Subprogram will pass through examination and evaluation for funding purpose. In 2026, the implementation of the last two projects under the “Climate Micro Projects” Program is expected to be completed.

As until now, during the next year the NTEF team will continue to seek opportunities for enhancing the efficiency and effectiveness of the investments in implementation of investment projects in the following key directions:

- The implementation of the “Energy Efficiency through Energy Savings Performance Contracts (ESCO contracts)” Subprogram is going on. It is a scheme for a combined project financing aimed at reducing the grant amount from NTEF at the expense of attracting investment capital from other sources through implementation of energy efficiency contracts with guaranteed energy savings. The idea is the NTEF grant to be in the amount necessary to make the implementation of these contracts feasible by reducing the investment payback period.
- NTEF will continue to promote the introduction of an energy management system in buildings, subject to the introduction of energy saving measures using funding from the Fund. The system contributes to increasing the

energy efficiency, optimizing the energy savings, limiting the greenhouse gas emissions, mitigating and adapting to the climate change.

- NTEF will continue to implement educational projects and activities to improve the awareness of the buildings' users, subject to the introduction of energy saving measures using NTEF funding. The next reporting period envisages activities to improve the qualification of the pedagogical staff of secondary schools in matters, related to climate change mitigation and adaptation.

On 23.10.2025, the Management Board of the National Environmental Fund adopted a resolution approving the Fund's new 10-year development strategy. The strategy envisages that the NTEF will continue to establish itself as one of the key players in supporting the formulation and implementation of environmental protection policies, in two strategic directions:

- Strategic Direction 1 – Expanding the thematic scope of environmental policies in the NTEF's activities;
- Strategic Direction 2 – Institutional development in line with the dynamic socio-economic processes in Bulgaria and the EU.

Pursuant to the Strategy, the NTEF will continue to implement its investment programs while seeking opportunities to improve and expand the financial instruments, used to carry out energy efficiency and renewable energy projects. In addition, the NTEF will continue to focus its efforts on policy work related to climate change mitigation and adaptation, municipal energy management, and optimizing the behavior of users of public buildings, while exploring opportunities to expand its thematic scope. The NTEF will also continue its activities for exploring the opportunities and attracting new sources of funding for existing and new investment programs.

An important aspect of the NTEF's future development is the expansion and strengthening of the partnerships with the Fund's current and future partners. Additionally, NTEF will continue to actively support its current and future beneficiaries at every stage of the preparation and implementation of their projects. This includes a wide range of activities, such as providing information during the application and project preparation stages, reviewing and approving technical and detailed investment designs, providing a model procedure for contractor's selection, reviewing the procedures prior to their announcement and following contractors' selection, on-site visits to monitor progress and ensure compliance of the implementation with the NTEF funding terms, and assistance for the preparation of reports (technical and financial), as well as payment requests.

The NTEF Executive Bureau will continue to operate as a relatively small, but

efficient team, led by high professional and ethical standards. The enhancement of the individual professional knowledge, including the development and improvement of competencies and skills related to stress management, teamwork, communication skills, etc. is fundamental to the effective implementation of the NTEF's Mission and Vision.



Introduction of energy efficiency measures in the building of „Vasil Levski“ Primary School, Enitsa village, Knezha municipality



Major repair of a heating pipeline for mineral water from a water source falling within the land property parcel with identifier 38844.101.95 under the cadastral map of the town of Kostandovo, Rakitovo municipality, Pazardzhik region

ANNEXES



ANNEX 1

PROJECT PROPOSALS UNDER “ENERGY EFFICIENCY OF MUNICIPAL SCHOOLS AND KINDERGARTENS” SUBPROGRAM TO THE INVESTMENT CLIMATE PROGRAM, SUBMITTED TO THE NTEF IN 2025

TABLE 1.1

Nº	Project Reg. No.	Beneficiary	Grant funding amount applied for (BGN)
1	30	Sofia Minicipality, Krasno Selo region	1 735 724.90
2	31	Shumen Municipality	353 304.00
3	32	Sofia Minicipality, Kremikovtzi region	287 836.08
4	33	Devin Municipality	906 416.36
5	34	Sofia Minicipality, Poduyane region	2 436 058.80
6	35	Stambolovo Municipality	242 603.66
7	36	Sofia Minicipality, Vazrazhdane region	481 822.77
8	37	Sofia Minicipality, Slatina region	692 450.64
9	38	Pirdop Municipality	908 494.81
10	39	Etropole Municipality	334 759.52
11	40	Rodopi Municipality	502 991.65
12	41	Sofia Minicipality, Triaditza region	1 615 268.38
13	42	Valchedrum Municipality	437 441.09
14	43	Sofia Minicipality, Lozenetz region	2 073 471.88
15	44	Sadovo Municipality	543 517.04
16	45	Devnya Municipality	52 230.18
17	46	Sofia Minicipality, Serdica region	1 026 538.50
		TOTAL	14 630 930.26

PROJECT PROPOSALS UNDER “ENERGY EFFICIENCY THROUGH ENERGY SAVINGS PERFORMANCE CONTRACTS (ESCO CONTRACTS)” SUBPROGRAM TO THE INVESTMENT CLIMATE PROGRAM, SUBMITTED IN 2025

TABLE 1.2

Nº	Project No.	Beneficiary	Grant funding amount applied for
1	567	Sofia Minicipality, Vitosha region	Will be determined following a tender procedure and the selection of a contractor
2	568	DCC XV Sofia EOOD	The project was withdrawn by letter Ref. No. 89/12.08.2025
3	569	Sofia Minicipality, Pancharevo region	Will be determined following a tender procedure and the selection of a contractor

PROJECT PROPOSALS, APPROVED IN PRINCIPLE BY NTEF MB DURING 2025 UNDER “ENERGY EFFICIENCY THROUGH ENERGY SAVINGS PERFORMANCE CONTRACTS (ESCO CONTRACTS)” SUBPROGRAM OF THE INVESTMENT CLIMATE PROGRAM

TABLE 1.2

Nº	Project No. / Title	Beneficiary	Indicative amount of the NTEF-provided top-up grant funding (BGN)
1	Project No 565 “Energy Efficiency through energy savings performance contract (ESCO contract) of Multi-profile Hospital for Active Treatment (MHAT) – Ivan Skenderov EOOD”, Gotze Delchev city	MHAT – Ivan Skenderov EOOD, Gotze Delchev city	374 966,92
2	Project No 569: “Project for energy efficiency of the street lighting of Bistritza, Lozen and Pancharevo villages” of Sofia Municipality	Sofia Municipality, Pancharevo region	466 108,27
TOTAL			841 075.19

ANNEX 2

Investment Climate Program

SUBPROGRAM “ENERGY EFFICIENCY OF MUNICIPAL SCHOOLS AND KINDERGARTENS“

In compliance with
Agreement for Sale of Annual Emissions Allocations (AEAs)
Between the Republic of Bulgaria and the Federal Republic of Germany

THIRD ANNUAL PROGRESS REPORT

Sofia, January 2026

Approved by the NTEF MB on March 19, 2026

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I. INTRODUCTION

SUBPROGRAM “ENERGY EFFICIENCY OF MUNICIPAL SCHOOLS AND KINDERGARTENS” (EEMSK)

Adhering to the ultimate goals of the United Nations Framework Convention on Climate Change (“UNFCCC”) and Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 (Effort Sharing Decision (ESD) which establishes binding annual greenhouse gas emission targets for the EU member states for the period 2013 - 2020, the Republic of Bulgaria shall take advantage of the flexibility provided for in Article 3.5 of the ETS to transfer a part of its annual emissions allocations (the part exceeding its greenhouse gas emissions for 2020) to the Republic of Germany.

As a result of the held negotiations, an Agreement for Sale of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany was signed on 24 October 2022. A key requirement in the Agreement is the received by the Republic of Bulgaria proceeds to be used only to finance a Subprogram of the Investment Climate Program, which is managed by the National Trust Eco Fund (NTEF).

By a Decision of the Management Board (MB) of 23.02.2023, the Operational Manual (OM) of the Investment Climate Program (ICP) was updated with the definition of a Subprogram “Energy Efficiency of Municipal Schools and Kindergartens”. The Project Funding Rules under the Subprogram were also approved at that time.

In accordance with the provisions of the Agreement (Art. 5.9), the Buyer shall submit to the Seller, by 31 March each year, a Subprogram Progress Report, prepared by the NTEF Executive Bureau (EB) and approved by the NTEF MB as a section of the NTEF Annual Activity Report. Each annual report shall be verified by an internationally recognized and duly selected auditor.

II. IMPLEMENTATION PROGRESS OF SUBPROGRAM “ENERGY EFFICIENCY OF MUNICIPAL SCHOOLS AND KINDERGARTENS”

By a Decision of NTEF MB dated 23.02.23 and in compliance with the implementation of the provisions of the Agreement and Decision of the Council of Ministers No 814/21.10.2022, Subprogram “Energy Efficiency of Municipal Schools and Kindergartens” (EEMSK) has been established under the Investment Climate Program (ICP). For the purpose of implementing the objectives of the Subprogram funding rules have been approved.

The rules set out the application procedure, determine the application manner, the project selection criteria, the way in which the projects are financed and implemented, as well as the commitments to the implementation monitoring and reporting

According to the terms of the Agreement, the basic principles of the current NTEF Investment Climate Program are being applied, with a clarification related to the grant amount – i.e. up to 70%.

Following the start of the implementation of the approved projects under the first call for projects under the Subprogram and the analysis of its results, upon a proposal of the NTEF EB, the **Management Board has approved the following amendments to the Funding Rules:**

- The eligible grant limit, amounting to BGN 420,000, has been removed, thus providing opportunity to projects with a higher value, but also with a higher contribution to the reduced greenhouse gases' volume, to also benefit from the maximum grant amount included in the Agreement – i.e. 70%.
- The requirement to achieve a minimum greenhouse gas emission reduction of 60 tons per year has been removed. This has made it possible for projects with a lower contribution to the reduced emissions, but with a lower budget, to also apply for funding. These are typically small schools and kindergartens in small settlements, whose buildings largely require energy efficiency improvements.
- New criteria related to the subsidy efficiency have been introduced, such as: BGN/m² of total built-up area; BGN/kWh saved energy; deadline for complete project implementation.
- The project implementation readiness is presented and assessed in several stages, removing the requirement to present investment projects at the application stage.

1. Selection of projects under Subprogram “Energy Efficiency of Municipal Schools and Kindergartens”

In implementation of Decision of the NTEF MB of July 15, 2025 to update the NTEF annual action plan for 2025, the third call for project proposals was published on September 10, 2025 in partnership with the FLAG Fund, which had the opportunity to provide low-interest credit to municipalities for project co-funding. No changes have been made to the Funding Rules.

The selection, including the project evaluation and approval, has been detailed in the Project Funding Rules under EEMSK. The following examination stages have been distinguished:

- Administrative check of the submitted documents, provided data and other circumstances related to the Application Form.
- On-site visit to establish the actual compliance of the provided data and other circumstances, specified in the Application Form and its accompanying documents, for projects whose administrative check has been completed.
- Submission of the projects, which have successfully passed the administrative check, for consideration, evaluation and classification by the Project Evaluation Committee.
- Approval of projects by the NTEF MB.
- Notification of the applicants, whose projects have been approved for funding.
- Notification of the applicants, whose projects have been refused funding. The notification shall explicitly state the reasons for the funding refusal.

By the expiration date of the deadline for submission of project proposals (10 December 2025), 17 (seventeen) project proposals had been submitted. After that date, the Executive Bureau started its work on the administrative checks of the received proposals. The following table provides a detailed list of the submitted project proposals within the framework of the third call, which are undergoing administrative check pursuant to the provisions included in Art.6(1) of the Project Funding Rules under the program.

PROJECT PROPOSALS AT THE STAGE OF ADMINISTRATIVE CHECK, CONDUCTED BY THE EXECUTIVE BUREAU

(submitted under the third call for project proposals)

Nº	Project Reg. No.	Beneficiary	Site	Saved emissionst/ year	Total value of the investment (incl. non-EE measures)	Requested funding from the NTEF (BGN)	Energy efficiency measures
1	30	Sofia Municipality – Krasno Selo region	34th Elementary School (ES) "Stoyu Shishkov"	308.26	2,479,607	1,735,725	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Pumps, ventilators, etc. Measurement, automation and control Measures for the lighting systems Other EE measures – PV power station
2	31	Shumen Municipality	Kindergarten "Zvanche"	38.75	504,720	353,304	Measures during heat generation Pipe or air duct network Measurement, automation and control Measures for the Domestic Hot Water (DHW) system Measures for the lighting systems Other EE measures – PV power station

3	32	Sofia Municipality – Kremikovtzi region	159th ES “Vasil Levski”	22.58	411,194	287,836	Thermal insulation of roof Thermal insulation of floor Measures during heat generation Pipe or air duct network Measures for the DHW system
4	33	Devin Municipality	Kindergarten “Radost”	57.49	1,377,347	890,743	Thermal insulation of external walls Thermal insulation of roof Replacement of windows and doors Measures during heat generation Pipe or air duct network Measures for the lighting system Other EE measures – PV power station
5	34	Sofia Municipality – Poduyane region	42nd ES “Hadzhi Dimitar”	294.16	3,480,084	2,436,059	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures during heat generation Measures for the lighting systems Other EE measures – PV power station

N°	Project Reg. No.	Beneficiary	Site	Saved emissionst/ year	Total value of the investment (incl. non-EE measures)	Requested funding from the NTEF (BGN)	Energy efficiency measure
6	35	Stambolovo Municipality	Kindergarten "Zvezdichka"	20.31	386,786	242,604	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures during heat generation Other EE measures – PV power station
7	36	Sofia Municipality – Vazrazhdane region	Kindergarten No 194 "Miluvka"	63.20	688,318	481,823	Thermal insulation of external walls Thermal insulation of roof Replacement of windows and doors Pumps, ventilators, etc. Measurement, automation and control Measures for the lighting systems Other EE measures – PV power station
8	37	Sofia Municipality – Slatina region	109th ES "Hristo Smirnenski	95.68	1,180,710	692,451	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures during heat generation Measures for the lighting systems

9	38	Pirdop Municipality	Primary School "Todor Genchov Vlaikov"	122.21	1,402,398	908,495	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures during heat generation Pipe or air duct network Measures for the lighting systems Other EE measures – PV power station
10	39	Etropole Municipality	Kindergarten "Edelvais"	68.92	649,726	334,760	Thermal insulation of roof Thermal insulation of floor Measures during heat generation Pipe or air duct network Measurement, automation and control Measures for the DHW system Measures for the lighting systems Other EE measures – PV power station
11	40	Rodopi Municipality	ES "Vasil Levski", Brestnik village, Rodopi Municipality	48.96	1,040,843	502,992	Thermal insulation of external walls Thermal insulation of roof Replacement of windows and doors Measures during heat generation Measurement, automation and control Measures for the DHW system Measures for the lighting systems Other EE measures – PV power station

N°	Project Reg. No.	Beneficiary	Site	Saved emissionst/ year	Total value of the investment (incl. non-EE measures)	Requested funding from the NTEF (BGN)	Energy efficiency measure
12	41	Sofia Municipality – Triaditza region	121th Secondary School (SS) „Georgi	273.44	2,850,672	1,615,268	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures for the lighting systems
13	42	Valchedram Municipality	Kindergarten “Shtastlivo Detstvo“	122.97	870,231	498,245	Thermal insulation of external walls Thermal insulation of roof Replacement of windows and doors Measures during heat generation Pumps, ventilators, etc. Measurement, automation and control Measures for the DHW system Measures for the lighting systems Replacement of devices and/or equipment Other EE measures – PV power station
14	43	Sofia Municipality – Lozenetz region	21st SS “Hristo Botev”	221.72	3,072,044	2,073,472	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Measures during heat generation Pipe or air duct network Measures for the lighting systems Other EE measures – PV station

15	44	Sadovo Municipality	ES "Vasil Levski", Karadzovo village, Sadovo Municipality	60.52	776,453	543,517	Thermal insulation of external walls Thermal insulation of roof Replacement of windows and doors Measures during heat generation Measurement, automation and control Measures for the lighting systems Other EE measures – PV power station
16	45	Devnya Municipality	Kindergarten "Nezabravka",	27.70	74,615	52,230	Other EE measures – PV power station
17	46	Sofia Municipality – Serdika region	58th ES „Sergey Rumyantzev”	157.95	1,859,778	1,026,540	Thermal insulation of external walls Thermal insulation of roof Thermal insulation of floor Replacement of windows and doors Measures for the lighting systems Other EE measures – PV power station
TOTAL:				2 004,82	23 105 514	14 676 061	

2. Implementation of the approved projects under the first and second calls

The projects under the first and second calls are at a different implementation stage.

Three projects have implemented energy efficiency measures - those of Burgas Municipality, Momchilgrad Municipality and Knezha Municipality. Their financial audits have also been completed. In them, the implementation of the measures to change the behavior of the buildings' users has begun, which under the program are planned for all approved projects to start simultaneously with the training of the teachers from the respective schools and kindergartens, as well as the delivery of the sets of measuring instruments that are used by the energy teams in the buildings.

The implementation of the approved projects takes different amount of time. In some cases, the procedures for selecting contractors for the construction and installation works according to the rules of the Public Procurement Act take longer due to specific circumstances - absence of candidates, incorrect bids, etc. The National Trust Eco Fund provides all its beneficiaries with a ready-made template of the documentation for conducting the contractor selection procedures and carries out preliminary control on the prepared tender documentations before their publication.

The project implementation process is also quite dependent on the objective fact that the sites are educational institutions in which, even upon full readiness for construction and installation works initiation, the operation cycle of the educational institutions imposes compliance with the school year.

Hereafter, we present a table, showing the implementation status of the projects approved under the first and second calls.

PROJECTS UNDER IMPLEMENTATION
(submitted under the first and second call for project proposals)

Nº	Project Reg. No.	Beneficiary	Site	Project value (BGN, VAT included)	Grant funding from the NTEF (BGN)	Project status as of 31.12.2025	Energy efficiency measures	Reduced emissions t/y
1.	3	Ruse Municipality	Kindergarten "Zora", Ruse city	612 824	420 000	In a process of implementing Construction & Installation Works (CIW)	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures for heating system; Measurement, automation and control; Other EE measures - solar PV electricity.	83.82
2.	5	Knezha Municipality	Elementary School "Vasil Levski", Enitza village. Knezha Municipality	598 665	397 547	Implemented	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures for heating system Ventilation with heat recovery; Pipe or air duct network; Measurement, automation and control; Measures for the lighting systems.	62.30

Nº	Project Reg. No.	Beneficiary	Site	Project value (BGN, VAT included)	Grant funding from the NTEF (BGN)	Project status as of 31.12.2025	Energy efficiency measures	Reduced emissions t/y
3.	6	Elin Pelin Municipality	Elementary School "Ivan Vazov", Musachevo village, Elin Pelin Municipality	573 231	416 442	Announcement of a new tender procedure is pending, due to a refusal on the part of the selected contractor	Thermal insulation of external walls; Thermal insulation of floor; Replacement of windows and doors; Ventilation with heat recovery; Measures for heating system Ventilation with heat recovery Measurement, automation and control; Measures for the DHW system Measures for the lighting systems; Photovoltaic station 51,45 kWp.	66.40
4.	7	"Bratya Daskalovi" Municipality	Kindergarten "Smehoran-cheta", Mirovo village, Bratya Daskalovi Municipality	474 383	306 332	CIW implementation is pending	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures for the heating system; Pumps, ventilators, etc. – ventilation with heat recovery; Measurement, automation and control; Measures for the DHW system; Measures for the lighting systems; Photovoltaic station with capacity 10 kWp.	85.52

5.	8	Momchilgrad Municipality	Kindergarten "Zdravetz", Momchilgrad city	590 965	413 675	Completed	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures for heating system Measurement, automation and control; Measures for the lighting systems; Photovoltaic power station 30 kWp.	71,44
6.	10	Burgas Municipality	Elementary School "Hristo Botev", Sarafovo	424 362	279 053	Completed	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures for heating system; Measurement, automation and control; Measures for the DHW system; Measures for the lighting systems; Photovoltaic power station 12,42 kWp.	60
7.	14	Gorna Oryahovitza	Kindergarten "Bozhur", Garata	615 270	405 849	In a process of implementing CIW	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures related to heat generation; Measures for the DHW system; Measures for the lighting systems; Replacement of devices and/or equipment	43,94

Nº	Project Reg. No.	Beneficiary	Site	Project value (BGN, VAT included)	Grant funding from the NTEF (BGN)	Project status as of 31.12.2025	Energy efficiency measures	Reduced emissions t/y
8.	16	Stara Zagora Municipality	11th Elementary School "Nikolay Liliev", Stara Zagora city	2 338 911	1 488 398	CIW are pending after the end of the school year	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures during heat generation; Pumps, ventilators, etc.; Measurement, automation and control; Measures for the DHW system; Other EE measures – photovoltaic power station.	381,752
9.	17	Sofia Municipality – Lyulin Region	96th SS „Lev Nikolaevich Tolstoy“, Lyulin region, Sofia city	2 222 328	1 555 630	Announcement of a contractor selection procedure is pending	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures during heat generation; Measurement, automation and control; Other EE measures – New photovoltaic power station.	381,78
10.	18	Kaloyanovo Municipality	Kindergarten "Detski Svyat", Zhitnitsa village	432 179	298 493	Announcement of a contractor selection procedure is pending	Measures during heat generation; Pipe or air duct network; Measurement, automation and control;	17,2

11.	19	Sofia municipality – Sredetz Region	Kindergarten No 113 “Prespa”, Sofia city	575 920	403 144	Conducted contractor selection procedure. Contract signing and implementation are pending.	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures during heat generation; Measurement, automation and control; Measures for the lighting systems; Other EE measures – photovoltaic power station.	74,131
12.	20	Sliven Municipality	Kindergarten “Minzuhar”, Krushare village	344 595	241 216	Contractor selection procedure is pending	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures during heat generation; Measures for the lighting systems; Other EE measures – solar system for DHW	32,249
13.	21	Kindergarten “Detelina” – Petrich city	Kindergarten No 3 “Detelina”, Petrich city	1 190 784	833 548	CIW implementation is pending after the end of the school year	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measures during heat generation; Pumps, ventilators, etc.; Measures for the DHW system; Measures for the lighting systems; Other EE measures – Installation of PV power station	73,87

Nº	Project Reg. No.	Beneficiary	Site	Project value (BGN, VAT included)	Grant funding from the NTEF (BGN)	Project status as of 31.12.2025	Energy efficiency measures	Reduced emissions t/y
14.	22	Sofiq Municipality – Ovcha Kupel region	88th SS "Dimitar Popnikolov", Sofia city	1 601 418	903 208	In a process of implementing CIW. Reported and funded interim stage.	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measurement, automation and control Other EE measures	142,09
15.	23	Kazanlak Municipality	PHSH "Sv. Sv. Kiril i Metodii", Kazanlak city	1 116 730	460 266	Pending CIW implementation following the end of the school year	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Pipe or air duct network; Measurement, automation and control; Measures for the lighting systems;	79,69
16.	24	Kindergarten "Maya" – Plovdiv city	Kindergarten "Maya", Plovdiv city	803 720	525 260	Pending announcement of CIW contractor selection procedure	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors Measures during heat generation; Measures for the DHW system; Measures for the lighting system.	37,17

17.	25	Kostenetz Municipality	SS "Sv. Kliment Ohridski", Kostenetz city	141 195	98 837	CIW under implementation	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors Measures for the lighting system..	29,644
18.	26	Gabrovo Municipality	Kindergarten "Miki Maus" – base in Vranilovtzi village, Gabrovo Municipality	240 775	129 376	New contractor selection procedure is pending, due to absence of candidates during the previous year	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures during heat generation; Measures for the lighting system; Other EE measures – PV power station.	18,698
19.	27	Sofia Municipality – Pancharevo region	192nd SS "Hristo Botev", Bistriza village	1 047 027	732 919	In a process of implementing CIW	Thermal insulation of external walls; Thermal insulation of roof; Replacement of windows and doors; Measurement, automation and control; Measures for the lighting system.	126,5

Nº	Project Reg. No.	Beneficiary	Site	Project value (BGN, VAT included)	Grant funding from the NTEF (BGN)	Project status as of 31.12.2025	Energy efficiency measures	Reduced emissions t/y
20.	28	Lom Municipality	Kindergarten No 2 "Chervenata Shapchitza", Lom city	1 299 664	909 765	Withdrawn project due to funding from another source	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures during heat generation; Pipe or air duct network; Measurement, automation and control; Measures for the DHW system; Measures for the lighting system; Replacement of devices and/or equipment (building of PV system); Other EE measures (building of ventilation system with highly efficient heat recovery)	236,81
21	29	Sofia Municipality – Krasna Polyana region	17th SS "Damyan Gruiev", Sofia city	1 539 764	755 425	Pending implementation of CIW following the end of the school year	Thermal insulation of external walls; Thermal insulation of roof; Thermal insulation of floor; Replacement of windows and doors; Measures for the lighting system.	96,12
TOTAL:					11 974 383			2201
				18 784 710				

III. ECONOMIC AND SOCIAL EFFECTS FROM THE PROGRAM

In this report, it is possible to present these effects only for the three projects under which the construction and installation works have already been completed.

The construction and installation works have been completed in Kindergarten „Zdravets“ - Momchilgrad, Elementary School „Hristo Botev“ - Sarafovo neighborhood, Burgas and Elementary School „Vasil Levski“ - Enitza village, Knezha Municipality.

The total number of the direct beneficiaries is 485 people, which include the teachers, employees and students in the three educational institutions. The indirect beneficiaries are over 5,955 people - residents of the respective area and the children's families.

The improved infrastructure has a total built-up area of more than 4400 m². More than 42 temporary jobs have been created, related to the projects' implementation.

The reduced emissions of greenhouse gases on an annual basis amount to a total of 193.74 tons (5,912.2 tons for the thirty-year life of the projects). One of the important criteria for the evaluation and selection of the schools and kindergartens, which receive funding under the Subprogram, is the presence of representatives of the vulnerable societal groups in the respective educational institutions. Until nowadays, nearly a third of the approved projects, which receive funding, are for such educational institutions.

IV. AWARENESS IMPROVEMENT EFFECTS

NTEF is applying a program drawn up and implemented within a project, funded by the Federal Government of the Republic of Germany under the European Climate Initiative (EUKI) 2018 – 2021 and operating in more than 50 schools and kindergartens across the country.

The program provides training for teachers from the concerned schools and kindergartens, who then set up “energy teams” of pupils in the schools and of children from the kindergartens. The energy teams, trained and supervised by their teachers, take over the functions of “energy managers” in the schools, caring for the proper use of heat and electricity, proper ventilation of the premises, maintenance of a healthy environment in the premises (measuring carbon dioxide saturation and applying ventilation rules), as well as reporting

on the saved energy and the reduced greenhouse gas emissions. To this end, the NTEF provides each school and kindergarten with a set of measuring instruments for temperature, illumination, air quality, etc.

The activities are carried out within the framework of the plans for extracurricular activities of the schools and kindergartens, which are envisaged within the framework of their annual delegated budgets.

The program has been created as an original product for Bulgaria in partnership with the National Center for Improving the Qualification of Pedagogical Specialists at the Ministry of Education and Science. The authors of the program are teachers from different faculties of the Sofia University "Kliment Ohridski".

Within the period 23 - 27 June 2025, in Sofia, Park Hotel "Moskva", a face-to-face training was provided to teachers from kindergartens and schools across the country under Subprogram "Energy Efficiency in Municipal Schools and Kindergartens", which is compulsory for representatives of the approved for funding sites. The training was organized in two consecutive modules with separate programs for kindergartens and schools, tailored to the specificities of the respective educational environment.

A total of 52 pedagogical specialists took part in the training, including 20 representatives of kindergartens and 32 representatives of elementary, secondary and vocational schools. Educational institutions from different regions of the country, in this number from large cities and smaller settlements, were represented. The participants included teachers in physics and astronomy, chemistry, biology and health education, geography and economics, man and nature, mathematics and information technology, as well as primary school teachers, psychologists, head teachers and kindergarten directors, which reinforced the interdisciplinary approach to the topics of the program.

The training for the kindergarten teachers was held within the period 23 - 25 June 2025 and for school teachers - within the period 25 - 27 June 2025, both having been of 3-day duration. The participants received two qualifying credits for each of the trainings, comprising of face-to-face and distance learning classes. The trainings were led by university lecturers from the Sofia University "Kliment Ohridski", having experience in the fields of climate sciences, energy efficiency and teachers' training.

During the training, the participants undertook theoretical and practical modules, aimed at understanding the relationship between the climate changes, energy consumption and building users' behavior. Emphasis was placed on the application of these topics in the educational process and on the practical work related to the behavior of the building users, aided by the measuring instruments provided by the NTEF to the included institutions. Opportunities to integrate

the knowledge into the syllabuses and the extracurricular activities, as well as to engage the children, pupils and staff in activities, targeting sustainable and responsible energy use, have been discussed.

The provided training has built the necessary capacity to implement the program at institutional level and has created the conditions for a long-term change in the behavior of the users of the educational buildings. The implementation of the Program is expected to contribute to the improvement of the energy culture in the kindergartens and schools and to the sustainable topping-up of the investments in energy efficiency measures through educational and behavioral approaches.

The provided training has built the necessary capacity to implement the program at institutional level and has created the conditions for a long-term change in the behavior of the users of the educational buildings. The implementation of the Program is expected to contribute to the improvement of the energy culture in the kindergartens and schools and to the sustainable topping-up of the investments in energy efficiency measures through educational and behavioral approaches.

Within the program implementation framework, on-site visits to 20 of the participating schools and kindergartens were also carried out after the trainings. The visits were aimed at supporting the practical program implementation and at providing methodological support to the teachers involved in the training, as well as to other members of the site teams, including also management representatives. The visits were carried out by an NTEF team with the assistance of an external expert.

On-the-spot assistance was provided in each site for the initial work with the provided measuring instruments, as well as support and advice to teachers and guidance regarding the program adaptation to their specific building and situation, as well as assistance in planning activities with children and pupils. The work of the involved external expert contributed to a more detailed study of the situation in each of the sites, analysis of preliminary collected data from an energy audit of the buildings, ongoing communication and support for teachers and more effective implementation of the program on the ground, as well as for overcoming practical difficulties during the initial implementation stage.

In the end of 2025, a follow-up and support plan until the end of the current school year was planned and communicated to the participating teachers. The envisaged activities include gathering of feedback and data on the program implementation in the schools and kindergartens, ongoing communication with each of the sites, support for organizing events and, where interest has been identified, organizing events for sharing experience among the participating institutions.

V. FINANCIAL STATEMENT FOR 2025 OF SUBPROGRAM “ENERGY EFFICIENCY OF MUNICIPAL SCHOOLS AND KINDERGARTENS”, ADHERING TO ICP

1. Funding of projects

The following projects have been funded during 2025:

Nº	Project Reg. No.	Beneficiary / project title	Amount under funding contract with NTEF (BGN)	Used funds under projects in BGN during the current year (2025)
1.	005	Introduction of energy efficiency measures of ES “Vasil Levski”, Enitza village, Knezha Municipality – completed project	410 475.79	188 459.92
2.	022	Implementation of energy efficiency measures in the building of 88th SS “Dimitar Popnikolov”, Sofia city – interim payment	903 207.55	438 089.99
Total for projects under Subprogram “EEMSK”			1 313 683.34	6269.91

2. Used funds for administrative maintenance

A funding source for the administrative maintenance of Subprogram “EEMSK” is the Agreement for Sale of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany in its part related to the Fund’s administration.

At its meeting on 14 November 2024, the NTEF MB decided to approve all 16 projects under the second call and their top-up funding after the funds under the Agreement have been used through inclusion in the budget of Subprogram “EEMSK” for 2025 of funds within the framework of the overall available NTEF budget for investment projects. By a decision of the NTEF MB dated 15.04.2025, the Fund’s budget for 2025 has been adopted, which provides for the transfer of financial resources in the amount of BGN 6,161,503 for top-up funding of the approved projects.

In 2025, a total of BGN 569,154 was spent for administrative maintenance of

the Subprogram. The table below shows the distribution of the administrative costs for 2025 by individual items.

Administrative maintenance costs of the Subprogram:

FUNDS ALLOCATIONS	REPORTING YEAR (2025) IN BGN		
	Plan (BGN)	Implementation (BGN)	Implementation (%)
Part A - INVESTMENT	6,800		0%
1. Tangible fixed assets	6,800	-	0%
2. Intangible fixed assets		-	
Part B - INSTITUTIONAL DEVELOPMENT			
1. Institutional development advisory services	-	-	
2. Other institutional development costs	-	-	
3. Updating the NTEF Strategy for the period up to 2030	20,600	20,600	100%
4. Annual meeting of the team	4,500	4,509	100%
Part C - OPERATING COSTS	522,703	544,044	104%
1. improving the qualification of the EB, remunerations, social and health care contributions	297,630	283,059	95%
a. Staff training	3,800	-	0%
b. Labor remunerations	254,086	245,694	96%
c. Social and health insurance	39,194	37,365	95%
d. Occupational health services	550	-	0%
2. Advisory services	54,000	41,103	76%
3. Maintenance and office costs	69,352	1,770	3%
a. Electricity, heating, phones, e-mail, water, etc.	21,500	-	0%
b. Fuels & Lubricants, automobile maintenance	6,500	1,770	33%
c. Property insurance and protection	1,300	-	0%
d. Office maintenance services	36,000	-	0%

FUNDS ALLOCATIONS	REPORTING YEAR (2025) IN BGN		
	Plan (BGN)	Implementation (BGN)	Implementation (%)
e. Other costs	4,052	-	3%
4. Administrative & management costs	64,000	18,486	52%
a. Business trips	4,000	2,578	37%
b. Representation costs	-	-	
c. Administrative, financial & audit' costs	31,000	15,908	0%
5. Public relations	31,000	41,513	
a. Updating the NTEF web page	7,000	9,344	120%
b. Events, incl. annual event	17,000	23,489	
c. Releases, materials, publications	7,000	8,680	
d. Distributable costs	-	146,138	
6. NTEF operating costs	11,000	11,975	109%
Part D - RESERVE	-	-	
TOTAL	554,603	569,154	102%

3. Financial status of Subprogram "EEMSK"

As of 31.12.2025 NTEF has BGN 11,301,051 in its bank accounts for implementation of Subprogram "EEMSK".

ANNEX 3**PROJECT PROPOSALS UNDER INVESTMENT PROGRAM
“MINERAL WATERS”, SUBMITTED IN 2025****TABLE 3.1**

Nº	Project No.	Beneficiary	Maximum amount of the NTEF grant funding (BGN)
1	MB-024/10.04.2025	Rakitovo Municipality	448,685.18
2	MB-019/10.04.2025	Sofia Municipality, Oborishte region	438,749.79
3	MB-020/10.04.2025	Garmen Municipality	476,834.34
4	MB-022/10.04.2025	Sofia Municipality, Pancharevo region	959,035.00
5	MB-021/10.04.2025	Burgas Municipality	1,000,000.00
6	MB-023/10.04.2025	Pomorie Municipality	499,800.00
TOTAL:			3 823 104,30

**PROJECT PROPOSALS UNDER
INVESTMENT PROGRAM "MINERAL WATERS",
APPROVED FOR FUNDING BY THE NTEF MB IN 2025**

TABLE 3.2

Nº	Reg. No.	Beneficiary	Project title	Maximum amount of the NTEF grant funding (BGN)
1	MB-019 / 10.04.2025	Sofia Municipality – Oborishte region	Protection and improvement of the mineral waters in Oborishte region – Sofia Municipality. Creation of accessible environment for their use.	438 749,79 лв
2	MB-020 / 10.04.2025	Garmen Municipality	Construction of a pumping station and 800m ³ mineral water storage tank on LP No. 47408.501.65 in the Ognyanovski Mineral Baths resort, Marchevo village, Garmen Municipality	476 834,34 лв
3	MB-021 / 10.04.2025	Burgas Municipality	Upgrading the infrastructure for mineral waters from well B-108, Izvorishte Field	1 000 000,00 лв
4	MB-022 / 10.04.2025	Sofia Municipality – Pancharevo region	Geothermal heating of public buildings using the village's own geothermal source in Pancharevo village	959 035,00 лв
5	MB-023 / 10.04.2025	Pomorie Municipality	Recreational complex on LP 57491.664.14 and LP 57491.664.15, Kamenar neighborhood, Pomorie city, Burgas district	499 800,000 лв

Nº	Reg. No.	Beneficiary	Project title	Maximum amount of the NTEF grant funding (BGN)
6	MB-024 / 10.04.2031	Rakitovo Municipality	Rehabilitation works on mineral water abstraction and conveyance sites within Rakitovo Municipality	448 685,18 ₺B
TOTAL:				3 823 104,31



	Plan 2025		Report 2025		Plan 2025		Report 2025		Plan 2025		Report 2025	
	TOTAL	ICP	TOTAL	ICP	ICP / Subprogram EEMSK	ICP	ICP / Subprogram EEMSK	ICP / Subprogram EEMSK	IPMW	IPMW	IPMW	IPMW
Part A – INVESTMENT COSTS	8,000.00	700.00	0.00	700.00					500.00			
1. Tangible fixed assets	8,000.00	700.00	0.00	700.00					500.00			
2. Intangible fixed assets												
			0.00									
Part B – INSTITUTIONAL DEVELOPMENT COSTS	35,600.00	5,600.00	37,109.12	5,600.00					4,900.00			
1. Updating the NTEF strategy for the period until 2030	27,600.00	3,600.00	32,600.00	3,600.00			8,600.00		3,400.00			3,400.00
2. Annual meeting of the analysis and planning team	8,000.00	2,000.00	4,509.12	2,000.00					1,500.00			
B - CURRENT COSTS	884,238.00	176,007.00	959,632.84	176,007.00					148,360.00			
1. Improving the qualification, remunerations, social security and health insurance	579,738.00	129,617.00	499,705.69	129,617.00					110,350.00			
a. Staff training	6,000.00	1,200	0.00	1,200					1,000			
6. Labor remunerations	478,722.00	108,174	432,255.31	108,174			47,952.85		91,899			45,189.69
8. Social security and health insurance	77,456.00	17,553	67,450.38	17,553			7,664.98		14,911			7,040.31
2.. Social allowances pursuant to the Labor Code (LC)	16,560.00	2,500	0.00	2,500					2,380			
g. Occupational health care	1,000.00	190	0.00	190					160			
2.Advisory services related to project selection and implementation	70,000.00	8,000.00	67,955.12	8,000.00			2,097.90		8,000.00			7,080.00
3.Maintenance and office costs	97,500.00	10,590.00	5,735.46	10,590.00					7,460.00			

	Plan 2025		Report 2025		Plan 2025		Report 2025		Plan 2025		Report 2025	
	TOTAL	ICP	TOTAL	ICP	ICP / Subprogram EEMSK	ICP / Subprogram EEMSK	ICP / Subprogram EEMSK	ICP / Subprogram EEMSK	IPMW	IPMW	IPMW	IPMW
a. Current office costs (electricity, heating, phones, e-mail, water, internet, postal services, office consumables, etc.) – in the other sections as well	25,000.00	1,900.00	0.00		21,500.00		1,600.00		1,600.00			
b. Fuels and lubricants (F&L), car maintenance	9,000.00	1,500.00	2,010.70	128.50	6,500.00		1,000.00	1,770.47	1,000.00		111.73	
c. Insurance and security	2,500.00	700.00	0.00		1,300.00		500.00		500.00			
d. Office Services (System Administrator, Copier, Software Updates, Repairs, etc.)	46,000.00	6,000.00	0.00		36,000.00		4,000.00		4,000.00			
e. Other costs – translation/interpreting	15,000.00	490.00	3,724.76		4,052.00		360.00		360.00			
4. Administrative & management costs	57,000.00	8,400.00	23,095.12		37,000.00		6,270.00		6,270.00			
a. Business trips	7,184.00	1,400.00	7,187.42	140.00	4,000.00		1,270.00	2,578.00	1,270.00		220.00	
b. Entertainment costs	0.00											
c. Administrative and financial costs (in this number audit)	45,000.00	7,000.00	15,907.70		33,000.00		5,000.00	15,907.00	5,000.00			
5. Public relations	58,000.00	13,400.00	89,986.43		31,000.00		11,280.00		11,280.00			
a. Updating the NTEF Website	10,000.00	1,700.00	11,076.75	1,732.80	7,000.00		1,300.00	9,343.95	1,300.00			
b. Events, incl. the annual NTEF event	27,680.00	5,900.00	34,696.50	3,584.00	17,000.00		4,780.00	23,489.70	4,780.00		3,272.80	
c. Public relations	2,320.00	5,800.00	44,213.18		7,000.00		5,200.00	8,680.00	5,200.00			
d. Distributable costs			255,677.75	44,472.49				146,137.68			41,763.55	
6. Management Board's operating costs	22,000.00	6,000.00	17,477.27	5,502.40	11,000.00		5,000.00	11,974.87	5,000.00			
TOTAL COSTS	927,838.00	182,307.00	996,741.26	121,875.92	554,603.00	569,152.83	153,760.00	108,078.08	153,760.00	108,078.08		

	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025
	Revenues from emissions Malta	Revenues from emissions Malta	"Project ""NZC""	"Project ""NZC""	Project "Vision 2045"	Project "Vision 2045"	Project "Vision 2045"	Project "Vision 2045"	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities
Part A – INVESTMENT COSTS	8,000.00	0.00	700.00		6,800.00				500.00	
1. Tangible fixed assets	8,000.00	0.00	700.00		6,800.00				500.00	
2. Intangible fixed assets		0.00								
Part B – INSTITUTIONAL DEVELOPMENT COSTS	35,600.00	37,109.12	5,600.00		25,100.00				4,900.00	
1. Updating the NTEF strategy for the period until 2030	27,600.00	32,600.00	3,600.00	8,600.00	20,600.00			20,600.00	3,400.00	3,400.00
2. Annual meeting of the analysis and planning team	8,000.00	4,509.12	2,000.00		4,500.00			4,509.12	1,500.00	
B - CURRENT COSTS	884,238.00	959,632.84	176,007.00		522,703.00				148,360.00	
1. Improving the qualification, remunerations, social security and health insurance	579,738.00	499,705.69	129,617.00		320,351.00				110,350.00	
a. Staff training	6,000.00	0.00	1,200		3,800				1,000	
6. Labor remunerations	478,722.00	432,255.31	108,174	47,952.85	262,546			245,694.07	91,899	45,189.69
8. Social security and health insurance	77,456.00	67,450.38	17,553	7,664.98	42,375			37,364.69	14,911	7,040.31
z.. Social allowances pursuant to the Labor Code (LC)	16,560.00	0.00	2,500		11,080				2,380	
9. Occupational health care	1,000.00	0.00	190		550				160	

	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025
	Revenues from emissions Malta	Revenues from emissions Malta	"Project ""NZA""	"Project ""NZA""	Project "Vision 2045"	Project "Vision 2045"	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities
2. Advisory services related to project selection and implementation	70,000.00	67,955.12	8,000.00	2,097.90	54,000.00	41,103.28	8,000.00	7,080.00		
3. Maintenance and office costs	97,500.00	5,735.46	10,590.00		69,352.00		7,460.00			
a. Current office costs (electricity, heating, phones, e-mail, water, internet, postal services, office consumables, etc.) – in the other sections as well	25,000.00	0.00	1,900.00		21,500.00		1,600.00			
b. Fuels and lubricants (F&L), car maintenance	9,000.00	2,010.70	1,500.00	128.50	6,500.00	1,770.47	1,000.00	111.73		
c. Insurance and security	2,500.00	0.00	700.00		1,300.00		500.00			
d. Office Services (System Administrator, Copier, Software Updates, Repairs, etc.)	46,000.00	0.00	6,000.00		36,000.00		4,000.00			
e. Other costs – translation/interpreting	15,000.00	3,724.76	490.00		4,052.00		360.00			
4. Administrative & management costs	57,000.00	23,095.12	8,400.00		37,000.00		6,270.00			
a. Business trips	7,184.00	7,187.42	1,400.00	140.00	4,000.00	2,578.00	1,270.00	220.00		
b. Entertainment costs	0.00									
c. Administrative and financial costs (in this number audit)	45,000.00	15,907.70	7,000.00		33,000.00	15,907.00	5,000.00			

	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025	Plan 2025	Report 2025
	Revenues from emissions Malta	Revenues from emissions Malta	"Project NZC"	"Project NZC"	Project "Vision 2045"	Project "Vision 2045"	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities	Project "MENERGERS" – "Energy Manager" Services at the municipalities
5. Public relations	58,000.00	89,986.43	13,400.00		31,000.00		11,280.00			
a. Updating the NTEF Website	10,000.00	11,076.75	1,700.00	1,732.80	7,000.00	9,343.95	1,300.00			
b. Events, incl. the annual NTEF event	27,680.00	34,696.50	5,900.00	3,584.00	17,000.00	23,489.70	4,780.00			3,272.80
c. Public relations	2,320.00	44,213.18	5,800.00		7,000.00	8,680.00	5,200.00			
d. Distributable costs		255,677.75		44,472.49		146,137.68				41,763.55
6. Management Board's operating costs	22,000.00	17,477.27	6,000.00	5,502.40	11,000.00	11,974.87	5,000.00			
TOTAL COSTS	927,838.00	996,741.26	182,307.00	121,875.92	554,603.00	569,152.83	153,760.00			108,078.08

	Plan 2025	Report 2025	Plan 2025	Report 2025
	Project "Vision 2045"	Project "Vision 2045"	Project „MENERGERS“ –“Energy Manager” Services at the municipalities	Report 2025 Project „MENERGERS“ –“Energy Manager” Services at the municipalities
Part A – INVESTMENT COSTS				
1. Tangible fixed assets				
2. Intangible fixed assets				
Part B – INSTITUTIONAL DEVELOPMENT COSTS				
1. Updating the NTEF strategy for the period until 2030				
2. Annual meeting of the analysis and planning team				
B - CURRENT COSTS	6325		10909	
1. Improving the qualification, remunerations, social security and health insurance				
a. Staff training				
b. Labor remunerations				
b. Social security and health insurance				
2.. Social allowances pursuant to the Labor Code (LC)				
g. Occupational health care				
2. Advisory services related to project selection and implementation				
3. Maintenance and office costs	4005		6093	
a. Current office costs (electricity, heating, phones, e-mail, water, internet, postal services, office consumables, etc.) – in the other sections as well				
b. Fuels and lubricants (F&L), car maintenance				

	Plan 2025	Report 2025	Plan 2025	Report 2025
	Project "Vision 2045"	Project "Vision 2045"	Project „MENERGERS“ –"Energy Manager" Services at the municipalities	Project „MENERGERS“ –"Energy Manager" Services at the municipalities
c. Insurance and security				
d. Office Services (System Administrator, Copier, Software Updates, Repairs, etc.)				
e. Other costs – translation/interpreting	4005	544.37	6093	2325.39
4. Administrative & management costs				
a. Business trips			4816	
b. Entertainment costs			4816	
c. Administrative and financial costs (in this number audit)				
5. Public relations	2320			
a. Updating the NTEF Website				
b. Events, incl. the annual NTEF event				
c. Public relations	2320	5785.22		8584.08
d. Distributable costs				
6. Management Board's operating costs				
TOTAL COSTS	6325	6329.59	10909	10909.47



ANNEX 5**STATEMENT OF THE NTEF'S FINANCIAL RESOURCES AS OF
31.12.2025**

Cash on hand in the NTEF's bank accounts and cash desk:

7,578,396.07 BGN

Cash amount in BGN according to Table 1:

Table 1: Current accounts in BGN:

No of the current account	Account type	Currency	Balance as of 31.12.2025 (EUR)	Balance as of 31.12.2025 (BGN)
UnicreditBulbank				
BG35UNCR70001522301435	Debit card	BGN		892.55
BG86UNCR70001525199168	Current account	EUR	308,655.62	603,677.94
BG97UNCR70001522252304	Current account	BGN		2,741,899.29
Eurobank Bulgaria AD				
BG59BPBI79401093762101	Current account	BGN		192,059.63
Bulgarian-American Credit Bank AD				3,992,535.10
BG71BGUS91607008011000	Current account	BGN		47,331.56
Ziraat Bank				
				7,578,396.07

Amount of the deposited funds in BGN according to Table 2

35,000,000.00 BGN

Total in BGN as of 31.12.2025

42,578,396.07 BGN

Table 2: Monthly deposits in BGN:

Deposit account No:	Deposit date	Principal	Expected interest for the period	Annual interest rate % for the period
Eurobank Bulgaria AD				
BG14BPBI79402093762101	12.4.2025	25,000,000.00	475,000.00	1.90%
UnicreditBulbank				
BG21UNCR70002525709360	29.4.2025	10,000,000.00	185,000.00	1.85%

INDEPENDENT AUDITOR'S REPORT



**Grant Thornton OOD**

A 26, Cherni Vrah Blvd, 1421 Sofia
A 111, Knyaz Boris I Blvd., 9000 Varna
T (+3592) 987 28 79, (+35952) 69 55 44
F (+3592) 980 48 24, (+35952) 69 55 33
E office@bg.gt.com
W www.grantthornton.bg

INDEPENDENT AUDITOR'S REPORT**To the Management Board of
NATIONAL TRUST ECOFUND**

Sofia

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 2025, 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, comprising material accounting policy and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, 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 Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bulgaria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements, which discloses that with the adopted amendments to the Climate Change Mitigation Act (CCMA) in the issue N°81 of State Gazette, dated 3 October 2025, the provisions of Article 56, paragraph 2 were amended, and the text was repealed regulating the spending of funds from the sale of emission quotas from aviation activities by National Trust Ecofund (NTEF) in accordance with the procedure determined by the Minister of Environment and Waters. In addition, Article 22, paragraph 2 of the CCMA was also repealed, which removed the legal basis for spending by NTEF of the funds accumulated to date from the sale of current and future emission quotas from aviation activities. Due to the repeal of the legal framework, as of October 2025, the spending of these funds through the National Trust Ecofund has been suspended until new regulatory provisions are adopted. In a letter ref. N° 48-00-870-1 dated 9 January 2026, the Ministry of Environment and Waters notified the Fund that urgent actions will be taken to develop legislative changes that will regulate the spending of funds already received by NTEF in accordance with the prior legal requirements, which were in force. As stated in note 2, these events, indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 IFRS Accounting Standards, 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 and Assurance of Sustainability Reporting 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). 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:

- (a) the information in the management report is consistent with the financial statements for the same reporting period;
- (b) the management report is prepared in accordance with the applicable legal requirements; and
- (c) 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

Silvia Dinova
Registered auditor
responsible for the audit

Grant Thornton Ltd.
Audit firm, reg. №032

24.04.2026

Bulgaria, Sofia, 26, Cherni Vrah Blvd.




Financial Statements

31 December 2025



Statement of financial position

Assets	Note	2025 BGN'000	2024 BGN'000
Non-current assets			
Machines and equipment	5	9	18
Intangible assets	6	2	4
Non-current assets		11	22
Current assets			
Receivables	10	18	132
Term deposits	7	35 000	20 000
Cash and cash equivalents	7	7 579	13 972
Current assets		42 597	34 104
Total assets		42 608	34 126
Liabilities			
Current liabilities			
Funding	8	42 523	34 045
Employee and social security obligations	9.2	85	81
Current liabilities		42 608	34 126
Total liabilities		42 608	34 126

Prepared by 
 (Antonia Todorova)
 Date: 07.04.2026


Executive Director: _____
 (Mariya Minkova)

Auditor's report issued on 24.04.2026
 Grant Thornton OOD, Audit firm, registration N° 032
 Mariy Apostolov, Managing partner
 Silvia Dinova, registered auditor, responsible for the audit



Statement of profit or loss and other comprehensive income

	Note	2025 BGN'000	2024 BGN'000
Revenue from funding for programs	11		4 474
Revenue from funding for administrative expenditure and institutional development	11	820	445
Revenue from external financing of projects	11	265	475
Project financing costs	13	(2 454)	(4 504)
Cost of materials	14	(16)	(22)
Hired services expenses	15	(395)	(353)
Employee benefits expenses	9.1	(533)	(493)
Depreciation and amortisation charges	5,6	(14)	(4)
Other expenses	16	(8)	(15)
Finance costs	17	(6)	(3)
Net result for the year		-	-
Total comprehensive income for the year		-	-

Prepared by 
(Antonia Todorova)
Date: 07.04.2026


Executive Director 
(Mariya Minkova)

Auditor's report issued on 24.04.2026
Grant Thornton OOD, Audit firm, registration N° 032
Mariy Apostolov, Managing partner
Silvia Dinova, registered auditor, responsible for the audit



Statement of cash flows

	Note	2025 BGN'000	2024 BGN'000
Operating activities			
Target funding received from Aviation quotas		11 370	8 056
Other funding received		262	4 032
Payment for project financing	12	(2 443)	(8 015)
Payments to contractors in connection with administrative support and project implementation		(352)	(342)
Payments to employees and social security institutions		(583)	(546)
Other (payments) / proceeds, net		(23)	13
Cash flow from operating activities		8 231	3 198
Investing activities			
(Payments for) / receipts from term deposits		(15 000)	3 069
Interest received		376	-
Cash flow (used in) /from investing activities		(14 624)	3 069-
Net change in cash and cash equivalents		(6 393)	6 267
Cash and cash equivalents, beginning of year		13 972	7 705
Cash and cash equivalents, end of year	7	7 579	13 972

Prepared by 
 (Antonia Todorova)
 Date: 07.04.2026

Executive Director: _____
 (Mariya Minkova)

Auditor's report issued on 24.04.2026
 Grant Thornton OOD, Audit firm, registration N° 032
 Mariy Apostolov, Managing partner
 Silvia Dinova, registered auditor, responsible for the audit



Notes to the financial statements

1. Information about the Fund

National Trust Ecofund (the Fund, NTEF) is a public-law organization, established in accordance with:

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

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

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

The Fund is registered in the Registry agency with UIC 121155866.

1.1 Ownership and management

The managing bodies of the Fund are the Management 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 Management 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 organizes the activities of the National Trust Ecofund.

Composition of the Executive Bureau as at 31 December 2025:

Executive Director of the EB	- Mariya Minkova
Chief Accountant	- Antonia Todorova
Accountant	- Ekaterina Ivanova
Chief expert programs management	- Ivaylo Tsekov
Senior expert programs management	- Kamelia Georgieva
Expert programs management	- Kamelia Georgieva
Expert projects management	- Galina Veleva
Technical assistant	- Elena Mihaylova
Driver	- Bozhidar Valchkov

The Fund is represented by the chairman of the Management Board - Prof. Dimitar Nenkov.

The operating activity of the Fund is managed by the Executive Director of the EB – Mariya Minkova.

As of 31.12.2025 the total number of personnel is 9 people (31.12.2024 - 9).

1.2. Nature of operations

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:

1. Elimination of pollution and environmental damage that has occurred in the past.
2. Reduction of air pollution and limitation of climate change.

3. Preservation of water purity.
4. Support of the national ecological network and protection of biological diversity, incl. pilot projects for restoration of natural habitat types
5. Other priority areas included in the national policy in the field of environmental protection.

The main sources of funding in the Fund are:

1. Targeted financing of the Climate Investment Program (CLIMATE INVESTMENT PROGRAM (CIP)) under RMS N° 201 / 26.03.2015, RMS N° 80 / 11.02.2016 and RMS N°27 / 13.01.2017.
2. Targeted financing for a pilot scheme of the Mineral Waters Investment Program under Decree N° 322 / 24.11.2016.
3. Admission in accordance with Ordinance N°1 / 04.03.2015 for determining the procedure and manner for expanding the revenues from the sale of allowances for emissions from aviation activities through an auction.
4. Target financing under a project of annual distributed amount of emissions between the Republic of Bulgaria and the Republic of Malta under RMS N°175 / 29.03.2017
5. Targeted financing under the Agreement for the sale of an annual allocated amount of emissions between the Republic of Bulgaria and the Federal Republic of Germany RMS 814/21.10.2022

2. Basis for preparation of the financial statements

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the EU (IFRS Accounting Standards, as adopted by the EU). They comprise the International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council and in accordance with paragraph 1, subparagraph 8 of the Additional provisions of Bulgarian Accountancy Act.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

The financial statements are presented in Bulgarian leva, the Fund's functional currency. All amounts are presented in thousands of leva (BGN '000), including comparative information for 2024, unless otherwise stated.

Going concern principle

With the amendments to the Climate Change Mitigation Act (CCMA) published

in the State Gazette, Issue No. 81 of October 3, 2025, the provision of Article 56, paragraph 2, was amended "The quantity of the Republic of Bulgaria's allowances for aviation activities for the relevant year shall be distributed equally among the auctions held. The proceeds from the sale of these allowances shall remain in the budget of the Public Environmental Protection and Water Management Fund (PUDOOS) and may be spent through the National Trust Ecofund (NTEF) in accordance with the procedures established by an ordinance of the Minister of Environment and Waters" The text regulating the expenditure of the funds from the sale of aviation emissions allowances through the National Trust Ecofund in accordance with procedures established by an ordinance of the Minister of Environment and Waters was deleted.

In addition, Article 22, paragraph 2 of the ZOIK was repealed: "The funds under Article 20, paragraph 1 shall be used as follows:

1. up to 25 percent of the funds – to cover the administrative expenses of the National Energy Efficiency Fund (NEEF) and the Public Environmental Protection and Water Management Fund (PUDOOS) for the management and control of the National Sustainable Energy Information System (NSIS); the permissible amount of the NEEF's administrative expenses shall be determined by the purchaser of the PEE and shall be specified in the sales contract; the PUDOOS shall transfer the necessary amounts on a monthly basis to cover the NEEF's administrative expenses in accordance with a plan/budget approved by the NEEF's Management Board;

2. for grant or loan financing of the relevant beneficiary following the conclusion of the contract between NTEF and the beneficiary for the implementation of green investment projects approved by the NTE; the funds shall be disbursed in accordance with the terms and conditions set forth in the contract between the NEEF and the beneficiary and upon receipt by the PUDOOS of a substantiated request from the NEEF.", thereby also removing the legal basis for NTEF to spend the funds accumulated to date from the sale of aviation emissions allowances and any future such sales.

Due to the repeal of the relevant legislation, effective October 2025, the disbursement of these funds through the National Trust Ecofund (NTEF) has been suspended pending the adoption of new regulatory provisions.

In letter ref. №. 48-00-870-1/09.01.2026, the Ministry of Environment and Waters informed the Fund that urgent steps would be taken to draft legislative amendments to regulate the disbursement of funds received by the NTE under the old legal framework. A new Ordinance is also expected to be adopted to regulate the proceeds from aviation quotas in the National Trust Ecofund. At a meeting of the Governing Council and in Protocol № 145 dated 19 March, 2026, NTEF's Activity Plan and Budget for 2026 were adopted.

These events indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Management believes that, based on the Fund's adopted 10-year strategy and the expected legislative measures to be taken by the Ministry of Environment and Waters, the Fund will continue its operations and fulfil the objectives set forth in the strategy.

The Climate Investment Program was launched based on a Decision of the Council of Ministers (201/26 March 2015) with the provision of funds on the basis of § 4 of the transitional and final provisions of the Climate Change Limitation Act. The financing of the Program continued in 2016 and 2017, respectively with Decisions of the Council of Ministers N° 80 / 11.02.2016 and N° 27 / 13.01.2017. The funds are used to finance projects to improve the energy efficiency of state and municipal sites and to promote the use of electric cars and hybrid cars by public institutions.

The acceptance of expressions of interest was a permanent process until October 2017, when the amendments to the CoR introduced the requirement to publish invitations with a fixed deadline.

Within the framework of the IPK, two active schemes have been established: the Energy Efficiency Scheme (EES) and the Electric Vehicles Scheme (EVS).

In 2025, no calls for admission published under the **Scheme for the Promotion of the Use of Electric Vehicles**.

Under **the Energy Efficiency Scheme (EES)**, a call for project proposals was published in 2025. The amount of grant funding, as well as the eligible categories of projects, are as follows:

- Administrative buildings (municipal and state) – up to 60% of the total investment costs for the implementation of a package of energy-saving measures;
- Community centers, state and municipal museums, theaters, galleries, libraries, and other cultural institutions – up to 60% of the total investment costs for the implementation of a package of energy-saving measures;
- Outdoor artificial lighting systems (OALS) – up to 25% of the total investment costs for the implementation of a package of energy-saving measures;
- Buildings owned by sole proprietorships with 100% state and/or municipal participation that are healthcare facilities or provide services of general economic interest - Up to 25% of the total investment costs for the implementation of a package of energy-saving measures, in accordance with the rules on de minimis aid.

The deadline for submitting project proposals is January 31, 2026.

Subprogram "Energy Efficiency of Municipal Schools and Kindergartens (EEMSK).

In 2025, a call for project proposals was published. A total of 17 (seventeen) project proposals were submitted. In early 2026, a meeting of the Commission for the Selection and Evaluation of Project Implementation is scheduled to take place, at which all submitted project proposals are expected to be reviewed and evaluated..

Subprogram "Energy Efficiency through Performance-Based Contracts (ESCO Contracts)" under the Climate Investment Program (CIP).

By the deadline for submitting project proposals (December 17, 2024) under the first call for proposals announced under the "Energy Efficiency through Performance Contracts" subprogram, 2 (two) project proposals were received. During the reporting year 2025, the Commission for Project Selection and Performance Reporting reviewed and evaluated both project proposals. By decision of the NEEF Management Board dated February 20, 2025, they received approval in principle.

Pursuant to a decision of the Management Board from the same meeting (February 20, 2025), the National Trust National Trust Ecofund (NTEF), in partnership with the FLAG Fund, is issuing a second call for project proposals under the Subprogram "Energy Efficiency through Guaranteed Results Contracts (ESCO Contracts)." By the deadline for submission of project proposals (May 20, 2025), three (3) project proposals were received: Project No. 567 from the Sofia Municipality, Vitosha District; Project No. 568 from DKC XV SOFIA EOOD; and Project No. 569 from the Sofia Municipality, Pancharevo District. In 2026, a meeting of the Selection Committee will be held to review and evaluate the implementation of the projects, at which two of the submitted project proposals are expected to be reviewed and evaluated. Project No. 568 by DKC XV SOFIA EOOD has been officially withdrawn following correspondence between the NEEF and the Beneficiary.

„Mineral Waters“ Investment Program (MWIP)

In April 2025, the deadline for submitting project proposals under the call for proposals for the „Mineral Waters“ Investment Program, announced on January 10, 2025, expired. Six (6) project proposals were received. During the reporting year 2025, the Commission for Project Selection and Performance Reporting reviewed and evaluated all project proposals. By decision of the NEEF Executive Board dated July 15, 2025, all project proposals were approved for funding.

During the reporting year 2025, the six projects were at various stages of

preparation for implementation.

“Climate Microprojects” Program

The funds received in accordance with the Agreement on the Transfer of Annually Allocated Emission Quantities between the Republic of Bulgaria and the Republic of Malta, and pursuant to Council of Ministers Decision No. 175 of March 29, 2017, are spent on climate change mitigation and adaptation activities. The latest call for project proposals was announced in 2023. During the reporting year 2025, 2 (two) projects were completed. The NEEF Executive Board continues to work toward the completion of all approved projects from previous calls.

In addition to implementing programs in which the NEEF acts as the funding institution, the implementation of externally funded projects also continued in 2025.

In 2025, the NEEF began implementing a contract with Climate-KIC to provide expert support under the NetZeroCities – City Expert Support Facility initiative, aimed at assisting cities in the EU Mission for Climate-Neutral and Smart Cities and attracting other cities interested in similar goals to a national platform.

The „MENERGERS“ project – „Energy Manager“ Services in Municipalities aims to establish a model for „Energy Manager“ services in municipalities in Bulgaria and to develop a system of criteria for energy efficiency and renewable energy sources for municipalities in Romania. This will enable municipalities in both countries to make a significant contribution to achieving climate neutrality targets in line with national and European goals. The project is funded by the European Climate Initiative (EUKI) of the Federal Government of the Republic of Germany. NEEF is the lead partner in the project; the other partners are the Independent Institute for the Environment in Berlin (UfU), the Sofia Energy Agency “Sofena,” and the Association of Municipalities “Energy Cities” in Braşov, Romania. The project implementation period is 30 months, starting in November 2022.

The project concluded in 2025 with a final conference (April 2025). The event focused on the future development of financial instruments for energy efficiency and sustainable energy. New financial instruments in the field of energy efficiency were also presented at the event, including the World Bank's Energy Efficiency in the Residential Sector initiative and the FLAG Fund—Financial Instrument for the Transition to Clean Energy (FLAG FICET).).

The „Vision 2045“ project aims to bring together the efforts of schools and municipal administrations to engage all stakeholders (service and energy providers, public administrations, businesses, media, and others) to create and

pilot an innovative model for achieving climate neutrality at the local level. The project is funded by the European Climate Initiative (EUKI) of the Federal Government of the Republic of Germany. The lead partner is the Independent Institute for Environmental Research in Berlin (UfU). In addition to the National Energy and Environment Fund (NEF), partners include the “Energy Cities” Association of Municipalities in Kraków, Poland, and the Regional Energy Agency of the Savinjska, Šaleška, and Koroška regions in Slovenia. The project is being implemented over 30 months, starting in November 2022.

The project concluded in 2025 with a final conference (April 2025). The event focused on the future development of financial instruments for energy efficiency and sustainable energy. New financial instruments in the field of energy efficiency were also presented at the event, including the World Bank’s Energy Efficiency in the Residential Sector initiative and the FLAG Fund—Financial Instrument for the Transition to Clean Energy (FLAG FICET).

3. Changes in accounting policies

3.1. New standards, amendments and interpretations to existing standards as at 1 January 2025

At the date of authorisation of these separate financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2025 and have not been adopted early by the Fund. Information on those expected to be relevant to the Fund’s financial statements is provided below.

- Amendments to IAS 21 “The effects of changes in foreign exchange rates: Lack of exchangeability”, effective from 1 January 2025, adopted by the EU

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

At the date of authorisation of these separate financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2025 and have not been adopted early by the Fund. Information on those expected to be relevant to the Fund’s financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Fund’s accounting policies for the first period beginning after the effective date of the pronouncement:

- Amendments to the Classification and Measurement of Financial

Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, adopted by the EU

- Annual Improvements Volume 11, effective from 1 January 2026, adopted by the EU
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026, adopted by the EU
- IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027, adopted by the EU
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective from 1 January 2027, not yet adopted by the EU.

4. Material accounting policy information

4.1 Overall considerations

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

The financial statements have been prepared using the measurement bases specified by IFRS Accounting Standards 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 ultimately differ from those estimates.

4.2. Presentation of financial statements

The financial statements have been 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 as a single statement.

4.3. Climate-related matters

The risks posed by climate change will not have a material impact on the Fund's financial position and cash flows. The nature of the work and the number of employees is a relatively constant number, and no changes are anticipated in the next reporting period. The Fund is committed to reducing the carbon footprint of its staff by updating its travel policies and minimising the use of air travel. Consistent with the prior year, as of December 31, 2025, the Fund has not identified significant risks induced by climate changes that could negatively and materially affect the Company's financial statements. Management continuously assesses the impact of climate-related matters.

4.4. 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 recognised 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.

4.5. Revenue from financing

Revenue from financing is recognized when there is substantial assurance that the financing will meet the conditions under which it was granted.

Financing aimed at compensating the Fund for currently incurred costs is recognized as income in the same period in which the corresponding costs incurred, the compensation of which is the purpose of the funding: the incurred costs related to the implementation and accounting of the financed projects for environmental protection and administrative expenses for maintenance and management of the funds provided by NTEF.

Financing aimed at compensating the Fund for costs incurred in the acquisition of non-current assets is recognized as funding income in proportion to the depreciation charged for the period of the assets acquired with the financing received.

4.6. Interest income

Interest income is currently reported using the effective interest method, in accordance with the requirements of IFRS 9 „Financial Instruments ”.

4.7. Operating expenses

Operating expenses include budget costs for financing investment projects of beneficiaries, budget costs for the implementation of projects for which the Fund is a beneficiary and administrative costs. They are recognized as current costs on the date of their occurrence and refer to the financing with which they are related.

The budget costs for financing projects of beneficiaries under the Fund's investment programs refer to each project as they arise. These costs are carried out in accordance with the concluded contracts with beneficiaries and contractors and include:

- the grant-in-aid provided to the beneficiaries in accordance with the budgets of the projects approved by the Board and the contracts concluded with beneficiaries and contractors under the programs managed by the Fund. The amount of the granted financial assistance is determined after examining the reports of the beneficiaries and determining the allowable costs of the projects by the Fund's experts and is confirmed by the external auditors;
- expenses related to payments to external contractors in connection with the implementation and reporting of the projects, including consulting services related to preparation and coordination of the tender documentation, implementation of subsequent control of the conducted procedure and assigned audit of the project implementation.

The budget costs for the implementation of projects for which the Fund is a beneficiary refer to each project as they arise. These expenditures are carried out in accordance with the contracts concluded with the donors and contractors and are carried out in accordance with the approved direct expenditure budgets. The budget costs for project implementation include:

- remuneration costs, which represent the part of the costs of salaries and insurances of the experts performing project activities, determined in accordance with the time worked on each project;
- hired services expenses, which represent fees of external experts for the preparation of teaching aids and participation in trainings;
- travel expenses, which include business trips of experts and project participants in the country and abroad;
- other costs related mainly to the design and printing of teaching aids and

the organization of trainings.

Administrative costs related to the management of programs and projects are reported by economic elements in the following categories:

- Cost of materials – include electricity and heat, stationery and other office maintenance materials, car maintenance materials;
- Hired services expenses – include legal and translation services, accounting services, costs for telephones, internet, postal and courier services, IT system support, security, insurance, etc.;
- Amortization costs – the reported wear and tear of tangible and intangible assets;
- Employee obligations - the accrued funds for remuneration and social security for each member of the Fund's staff;
- Other expenses – expenses for business trips, organization of events, service of bank accounts.

Administrative costs are defined as direct and allocable.

Direct administrative costs are related to the implementation of a specific project or program and are related to them at the time of their recognition. They include:

- Cost of materials – stationery and other materials for organizing events on a specific project or program;
- Hired services expenses – fees of experts, remuneration of the members of the Board of Directors and the CPC, legal, translation, courier and other services related to a specific project or program, as well as the costs of the activities of the Fund's Management Board;
- Employee obligations - the accrued funds for remuneration and insurance for each member of the staff of the Fund and the chairman of the management board are distributed on the basis of the time worked for each specific project or program. The Fund has introduced a time reporting system and monthly reports are prepared for staff time worked for individual programs and projects, on the basis of which all remuneration and insurance costs are attributed to specific programs and projects at the time of their recognition. Personnel obligations are not allowed to be counted as allocable administrative costs;
- Other expenses – expenses for business trips and events refer to the specific projects or programs with which they are related at the time of their occurrence, banking expenses for currency differences refer to the specific programs or projects with which banking operations are related.

Allocable administrative costs cannot be linked to the implementation of a specific project or program at the time of their recognition. They ensure the overall activity of the Fund and include:

- Cost of materials – electricity and heat, stationery and other office maintenance materials, car maintenance materials;
- Hired services expenses – legal and translation services for general opinions and activities, including preparation of project proposals, accounting services, costs for telephones, internet, postal and courier services, IT system support, security, insurance;
- Amortization costs – the reported wear and tear of tangible and intangible assets;
- Other expenses – related to the organization of events and preparation of project proposals, fees for servicing bank accounts.

Allocable administrative costs are allocated to programs and projects in two stages:

Stage 1: **Allocable administrative costs for projects for which the Fund is a beneficiary.** Allocable costs for projects in which the Fund is a beneficiary are allocated to each project in accordance with the rules of the donor and the terms of the financing agreement. In addition to the budget costs of the project and the allocated direct administrative costs, which form the own contribution to the project, it also refers to allocable administrative costs up to covering the total recognized amount on the project report, including recognized undocumented costs (overhead) in the amount of 11% for the projects financed by the EUKI program.

Stage 2: **Allocable administrative costs for programs for which the Fund is a donor.** Allocable costs for programs to which the Fund is a donor are allocated to each program based on the total time spent by the Fund's staff on those programs, in accordance with the monthly staff time reports.

The monitoring of the implementation of the direct and indirect operating costs under the individual programs is carried out on an annual basis in the Financial Report for the implementation of the budget approved by the Board of Directors of NTE. The annual budget of NTEF is prepared in strict compliance with the financial rules for the distribution of funds defined in the Decisions/Resolutions of the Council of Ministers and Ordinance No. 1 of 04.03.2015 applicable to the individual programs.

4.8. Intangible assets

Intangible assets include software and internet portal. They are accounted for using the cost model. The cost comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use, whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognised in the statement of profit or loss/ statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure on an intangible asset after its purchase or its completion is expensed as incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured reliably and attributed to the asset. If these conditions are met, the subsequent expenditure is added to the carrying amount of the intangible asset.

Residual values and useful lives are reviewed by the management at each reporting date.

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

- Software: 2 years
- Others: 3 years

The recognition threshold adopted by the Fund for the intangible assets amounts to BGN 700.

4.9. Property, plant and equipment

Property, 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 are carried at its cost less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Impairment losses are recognised in the statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure relating to an item of property, 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 more than the originally assessed standard of performance. All other subsequent expenditure is recognised as incurred.

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether the asset is revalued.

Plant and equipment acquired under finance leases is depreciated on the basis of its expected useful life, determined by comparison with similar assets owned by the Fund, or on the basis of the lease if its term is shorter.

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

- Office furniture and inventory: 6-7 years.;
- IT equipment: 2-3 years.;
- Vehicles: 4 years.

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

4.10 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 recognised for the amount by which the assets 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 Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations 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 recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.11. Financial instruments

Financial assets and liabilities are recognized when the Fund becomes a party to contractual arrangements involving financial instruments.

A financial asset is derecognised when control over the contractual rights that constitute the financial asset is lost, i.e. when the rights to receive cash flows have expired or the significant part of the risks and rewards of ownership have been transferred.

Financial liabilities are written off when the obligation specified in the contract is fulfilled, cancelled or expired.

Financial assets are initially recognized at fair value adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not contain a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are reported as current costs. The initial valuation of trade receivables that do not contain a material financial component represents the transaction price according to IFRS 15.

Depending on the method of subsequent measurement, financial assets are classified into the following categories:

- debt instruments at amortized cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income with or without reclassification in profit or loss depending on whether they are debt or equity instruments.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses in the statement of profit or loss.

4.11.1. Financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions and are not designated as fair value through profit and loss:

- The Fund manages the assets within the framework of a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- Under the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Trade receivables

Trade receivables are amounts due from customers for goods or services sold in the ordinary course of business. They are usually due for settlement at short term and are therefore classified as current. Trade receivables are initially recognised at amortized cost unless they contain significant financial components. The Fund holds trade receivables for the purpose of collecting the contractual cash flows and therefore measures them at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

4.11.2. Impairment of financial assets

IFRS 9's new impairment requirements use forward-looking information to recognise expected credit losses – the “expected credit loss” (ECL) model.

Financial assets that fall within the scope of the requirements include loans and other debt financial assets measured at amortised cost, trade receivables, contract assets recognised and measured in accordance with IFRS 15, as well as loan commitments and certain financial guarantee contracts (at the issuer) that are not accounted at fair value through profit or loss.

Признаването на кредитни загуби не зависи от настъпването на съRecognition of credit losses is no longer dependent on the Fund first identifying a credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses,

including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2)
- Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month expected credit losses” are recognised for the first category while “lifetime expected credit losses” are recognised for the second category. Expected credit losses are determined as the difference between all contractual cash flows attributable to the Company and the cash flows it is actually expected to receive (“cash shortfall”). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

4.11.3. Financial liabilities

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

Financial liabilities are recognized when there is a contractual obligation to pay cash or another financial asset to another entity or a contractual obligation to exchange financial instruments with another entity under potentially unfavorable terms. All interest-related costs and changes in the fair value of financial instruments, if any, are recognized in the profit or loss of the line „Financial expenses“ or „Financial income“.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial instruments held for trading or designated for measurement at fair value through profit or loss, which are measured at fair value through changes in profit or loss.

Trade payables are initially recognized at nominal value and subsequently measured at amortized cost less payments to settle the obligation.

4.12. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current bank accounts, demand deposits and short-term deposits.

4.13. Post-employment benefits and short-term employee benefits

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

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

Short-term employee benefits, including holiday entitlement, are current liabilities included in "Pension and other employee obligations", measured at the undiscounted amount that the Fund expects to pay because of the unused entitlement.

4.14. Provisions, contingent liabilities and contingent assets

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

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

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

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

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised. Contingent liabilities should be measured subsequently at the higher of the comparable provision described above and the initially recognized amount less accumulated depreciation.

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

4.15 Uncertainty of accounting estimates

In preparing the financial statements, management makes a number of assumptions, estimates and assumptions regarding the recognition and valuation of assets, liabilities, income and expenses.

Actual results may differ from management's assumptions, estimates and assumptions and in rare cases will be completely consistent with previously estimated results.

Information about the material assumptions, estimates and assumptions that have the most significant impact on the recognition and measurement of assets, liabilities, income and expenses is presented below.

4.15.1 Impairment

An impairment loss is recognized for the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. To determine the value in use, the Fund's management calculates the expected future cash flows for each cash-generating unit and determines the appropriate discount factor in order to calculate the present value of those cash flows. In calculating expected future cash flows, management makes assumptions about future gross profits. These assumptions are related to future events and circumstances. Actual results may vary and require significant adjustments to the Fund's assets in the next reporting year. In most cases, the determination of the applicable discount factor assesses the appropriate adjustments in relation to market risk and risk factors that are specific to individual assets.

4.15.2 Useful life of depreciable assets

As at 31 December 2025 the Management assesses that the useful lives represent the expected utility of the assets to the Fund. The carrying amounts

are analysed in note 5 and 6. Actual useful life may differ from the estimate made due to technical obsolescence, particularly relating to IT equipment and software.

5. Machines and equipment

The Fund's machinery and equipment include computers, vehicles and business equipment. The carrying amount can be analysed as follows:

	IT equipment BGN '000	Vehicles BGN '000	Fixtures and fitting BGN '000	Total BGN '000
Gross carrying amount				
Balance at 1 January 2025	75	38	16	129
Additions	2	-	-	2
Balance at 31 December 2025	77	38	16	131
Depreciation				
Balance at 1 January 2025	(53)	(38)	(16)	(107)
Depreciation charge	(15)	-	-	(15)
Balance at 31 December 2025	(68)	(38)	(16)	(122)
Carrying amount as at 31 December 2025	9	-	-	9

For the prior period, the carrying amounts are as follows:

	IT equipment BGN '000	Vehicles BGN '000	Fixtures and fitting BGN '000	Total BGN '000
Gross carrying amount				
Balance at 1 January 2024	53	38	16	107
Additions	22	-	-	22
Balance at 31 December 2024	75	38	16	129
Depreciation				
Balance at 1 January 2024	(53)	(38)	(16)	(107)
Depreciation charge	(4)	-	-	(4)
Balance at 31 December 2024	(57)	(38)	(16)	(111)
Carrying amount as at 31 December 2024	18	-	-	18

All depreciation expenses are included in the statement of profit or loss and other comprehensive income in the line "Depreciation expenses".

6. Intangible assets

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

	Internet portal	Software	Total
	BGN '000	BGN '000	BGN '000
Gross carrying amount			
Balance at 1 January 2025	38	9	47
Balance at 31 December 2025	38	9	47
Amortisation			
Balance at 1 January 2025	(38)	(5)	(43)
Amortisation charge	-	(2)	(2)
Balance at 31 December 2025	-	(7)	(45)
Carrying amount as at 31 December 2025	-	2	2

For the prior period, the carrying amounts are as follows:

	Internet portal	Software	Total
	BGN '000	BGN '000	BGN '000
Gross carrying amount			
Balance at 1 January 2024	38	4	42
Additions	-	5	5
Balance at 31 December 2024	38	9	47
Amortisation			
Balance at 1 January 2024	(38)	(38)	(107)
Amortisation charge	-	-	(4)
Balance at 31 December 2024	(38)	(38)	(111)
Carrying amount as at 31 December 2024	-	-	18

7. Term deposits and cash and cash equivalents

	2025	2024
	BGN '000	BGN '000
Bank deposits	35 000	20 000
Term deposits	35 000	20 000
Cash on bank accounts	7 578	13 971
Cash on hand	1	1
Cash and cash equivalents	7 579	13 972
Term deposits and cash and cash equivalents	42 579	33 972

In 2025, part of the free funds of NTEF were deposited for 6, 9 and 12 months in Unicredit Bulbank AD and Eurobank Bulgaria AD. NTEF has no blocked cash and cash equivalents.

8. Financing

	2025	2024
	BGN '000	BGN '000
Undrawn portion of grants for funding of operations, including:		
undrawn portion of grant for funding operations under Climate Investment Program (CIP)	10 932	10 393
undrawn portion of grant for funding operations under "Mineral Waters"	4 432	5 398
undrawn portion of grant for funding operations under Aviation quotas	15 403	11 259
undrawn portion of grant for funding operations under agreement with Republic of Malta	173	281
undrawn portion of grant for funding operations - AEA	11 301	6 335
undrawn portion of grant for funding operations for projects with external financing	-	-
undrawn portion of grant for funding of completed projects	50	51
undrawn portion of financing from interest received on term deposits	232	230
Carrying amount as at 31 December	42 523	34 045

Changes in funding during the period include:

	2025	2024
	BGN '000	BGN '000
Carrying amount at 1 January	34 045	30 740
Recognized total revenue from financing in the statement of profit or loss and other comprehensive income (Note 11)	(3 425)	(5 394)
Received funding during the period	11 632	8 699
Project funds recovered	(105)	-
Interest earned on a deposit	376	-
Carrying amount as at 31 December	42 523	34 045

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

1. Provided targeted funding from CIP in 2017 in the amount of BGN 15,298 thousand for finance investment projects and administrative activities of NTEF, and in 2019 another BGN 5 054 thousand, in 2022 another BGN 2 089 thousand and in 2023 another BGN 6 998 thousand was secured from the sale of aviation allowances through an auction in accordance with Ordinance No. 1 from 04.03.2015.
2. The targeted financing provided by the Pilot Scheme of the Mineral Waters Investment Program is a total of BGN 3 500 thousand for financing of investment projects, in 2022 another BGN 3 337 thousand and in 2023 another BGN 1 463 thousand was secured from the sale of aviation allowances through an auction in accordance with Ordinance No. 1 from 04.03.2015.
3. Provided funding for spending the income from the sale of aviation allowances through an auction in accordance with Ordinance No. 1 from 04.03.2015 from which in 2025 z. were received BGN 11 370 thousand.
4. Targeted financing under a project of the annual distribution of emissions between the Republic of Bulgaria and the Republic of Malta under RMS No. 175 / 29.03.2017, from which no funds have been received in 2025.
5. Targeted financing under the Agreement for the sale of an annual allocated amount of emissions between the Republic of Bulgaria and the Federal Republic of Germany RMS 814/21.10.2022, from which no funds were received in 2025.

9. Employee benefits

9.1. Employee benefits expenses

	2025	2024
	BGN '000	BGN '000
Salaries	(449)	(418)
Social security costs	(84)	(75)
Employee benefits expenses	(533)	(493)

9.2. Employee obligations

	2025	2024
	BGN '000	BGN '000
Current:		
Employee obligations	27	28
Unused holiday leaves	41	37
Social security obligations	17	16
Current employee obligations	85	81

10. Receivables and payables

	2025	2024
	BGN '000	BGN '000
Receivables from donors for expenses incurred on projects	18	132
	18	132

The expenses incurred under the NetZeroCities – City Expert Support Facility initiative—which aims to support cities in the EU's Mission for Climate-Neutral and Smart Cities—are presented as receivables from donors for project and initiative-related expenses. The initiative is expected to attract other cities interested in similar goals, all of which will be included in a national platform. The expenses incurred by the NTEF are expected to be reimbursed by the end of the first half of 2026.

As of December 31, 2025 NTEF has no obligations to suppliers, project partners or beneficiaries.

11. Project funding expenses

	2025	2024
	BGN '000	BGN '000
Revenue reported for programme funding	2 340	4 474
Recovered fund maintenance costs	820	445
Revenue to finance external projects	265	475
	3 425	5 394

12. Project funding expenses

Funds disbursed for the financing of public projects are reported under the following programs and projects:

Program	2025	2024
	BGN '000	BGN '000
Financing of public projects under the Climate Investment Program (CIP)	768	3 179
Financing of public projects under Program "Micro projects for the climate".	88	392
Financing of public projects EEUDG	627	902
Funding for Public Projects Under the Mineral Waters Program	858	3 324
Funding for the MENGERS Project	102	218
	2 443	8 015

Public Projects	Amount under Grant agreement with NTEF (Total incl. VAT)	Amount under Grant agreement with NTEF (% of total)	Project funds paid in the current year
	BGN '000	BGN '000	BGN '000
Financing of public projects under the Climate Investment Program (CIP)	1 580	874	768
Financing of public projects under Program "Micro projects for the climate".	115	100	88
Financing of public projects EEUDG	2 713	1 314	627
Funding for Public Projects Under the Mineral Waters Program	1 964	981	858
	6 372	3 269	2 341

12.1 Financing of public projects under the Climate Investment Program (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 and hybrid vehicles.

Payments under the contracts for funding CIP concluded between NTEF and beneficiaries are made by bank transfer from an account NTEF.

In 2025 the amounts actually paid out to beneficiaries under the Climate Investment Program (CIP) - Energy Efficiency Scheme amount to BGN 578 thousand.

The amounts actually paid to Beneficiaries under projects from the Investment Program for Climate (IPC) - Scheme „Electric Cars“ amount to BGN 190 thousand.

In 2025, no calls for applications were published under the Scheme to Promote the Use of Electric Vehicles by Public Institutions.

A detailed description of the costs reported in 2024 for financing Climate Investment Program (CIP) projects is presented in the table below:

Projects under the Energy Efficiency Scheme, IPK

Implementation of energy efficiency measures at four facilities within the educational, cultural, and social infrastructure of the Municipality of Ruse	962 823,53	683 720,24	578 338,23
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Projects under the Electric Vehicles Scheme, IPK

Reg. No. / Project Title	Number of vehicles	Actual amount of funding in 2025 in BGN
Electric vehicles in category M1 or category N1		
EM 148 / Project to Promote the Use of Electric Vehicles, Sofia Municipality	1	20 000.00
EM 159 / Project to Promote the Use of Electric Vehicles, Municipality of Ruzhintsi	1	30 000,00
EM 147 / Project to Promote the Use of Electric Vehicles, Municipality of Chelopech	1	20 000.00
EM 137 / Project to Promote the Use of Electric Vehicles, Municipality of Smyadovo	1	20 000.00
EM 153 / Project to Promote the Use of Electric Vehicles, Sofia Inspectorate	1	20 000.00
EM 163 / Project to Promote the Use of Electric Vehicles, Municipality of Dolna Mitropoliya	1	20 000.00
EM 145 / Project to Promote the Use of Electric Vehicles, Municipality of Varna	3	60 000.00
TOTAL FOR ELECTRIC VEHICLES	9	190 000.00

12.2. Financing of public projects under Pilot scheme of Investment program Mineral Waters

In 2024, the “Mineral Waters” Investment Program (MWIP) is funded through Regulation No. 1 of March 4, 2015, regarding the expenditure, via the National Trust EcoFund (NTEF), of revenues from the auctioning of aviation emissions allowances. Following the successful launch of the Program in 2016 with funds pursuant to Council of Ministers Decree No. 322 of November 24, 2016, and by decisions of the NEF Board of Directors dated April 6, 2022, and February 23, 2023, part of the available funds under Regulation No. 1 have been reallocated to organize a call for project proposals under the IPMV, which corresponds to the climate change mitigation activities specified in Article 1(2), item 1 of the Regulation. The funds are intended to finance municipal environmental projects leading to the utilization of thermal energy from mineral waters.

In 2025, four projects under the “Mineral Waters” Investment Program are being implemented, four of which are expected to be completed in 2026.

Reg. N°	Title / Beneficiary	Total project cost under the funding agreement in BGN (including VAT)	NTEF's contribution under the financing agreement in BGN (including VAT)	Project expenditures in BGN for the current year (2025)
010	Optimization of the water intake process for the licensed use of mineral water from the Sn-3VP well through the construction of a new water pipeline, the repair of existing reservoirs, and the construction of a distribution network in the village of Mineralni Bani, Mineralni Bani Municipality	792 186,95	396 093,47	393 484,17
012	Renovation of a mineral water pipeline for municipal buildings in the village of Vetren Dol, Septemvri Municipality, and a new water pipeline in the Ognyanovski Mineral Baths resort, Garmen Municipality	448 074,04	223 345,20	221 975,35
018	OMajor repair of a mineral water pipeline originating from a water source located within property parcel No. 3844.101.95, according to the Cadastral Map of the town of Kostadinovo, Rakitovo Municipality	723 372,64	361 686,32	242 117,29
TOTAL ENERGY EFFICIENCY AND IPC		1 963 633,63	981 124,99	857 576,81

12.3. Financing of public projects under Program „Micro Projects for the Climate“

Pursuant to Council of Ministers Decision No. 175 of March 29, 2017, the “Climate Microprojects” Program was established within the framework of the National Trust EcoFund (NTEF). Funds under this program are allocated to small projects that support the mitigation of adverse climate change and adaptation to it. In 2025, eight projects under the Climate Microprojects Program, launched in 2024, were completed and funded.

A detailed description of the costs reported in 2024 for financing PMPC projects is presented in the table below:

Reg. №	Title / Beneficiary	Amount under the financing agreement with the National Environmental Fund (Total amount including VAT)	Amount under the financing agreement with the National Environmental Fund (% of the total amount) Environmental Fund (Total amount including VAT)	Project expenditures (funding %) for the current year (2025)
044	New Measures and Approaches for Adapting to Climate Change in the Municipality of Elin Pelin	65 000,00	50 000,00	44 353,85
050	Listen to the Earth - Gabrovo Municipality	49 961,00	49 961,00	43 371,05
CLIMATE MICROPROJECTS:		114 961,00	99 961,00	87 724,90

12.4. Financing of public projects under the Sub-program „Energy Efficiency of Municipal Schools and Kindergartens“ (EEMSK) at IPC

On the basis of the Decision of the Commission of the Republic of Bulgaria of 21.10.2022 and the Agreement on the Sale of the Annual Allocated Amount of Emissions between the Republic of Bulgaria and the Federal Republic of Germany, NTEF is responsible for the recruitment, approval and assignment of the implementation of energy efficiency projects and municipal schools and kindergartens

A detailed description of the costs of financing EEMSK projects reported in 2025 is given in the table below:

Reg. №	Title / Beneficiary	Amount under the financing agreement with the National Environmental Fund (Total amount including VAT)	Amount under the financing agreement with the National Environmental Fund (% of the total amount) Environmental Fund (Total amount including VAT)	Project expenditures (funding %) for the current year (2025)
022	Sofia Municipality	2 114 607.36	903 207.55	438 089.99
005	Municipality of Knezha	598 665.37	410 475.79	188 459.92
EEMSK:			1 313 683.34	626 549.91

13. Project funding expenses

	2025 BGN '000	2024 BGN '000
IPC	(768)	(3 179)
IPMV	(858)	-
PMPC	(88)	(392)
EEMSK	(627)	(902)
External funding	(113)	(31)
	(2 454)	(4 504)

14. Cost of materials

	2025 BGN '000	2024 BGN '000
Heat and electricity	(7)	(5)
Fuel, oil and car parts	(4)	(5)
Office supplies Others	(1)	(2)
Друзу	(4)	(10)
	(16)	(22)

15. Hired services expenses

	2025	2024
	BGN '000	BGN '000
Organisation of events	(147)	(36)
Consulting fees	(137)	(220)
Audit services	(37)	(41)
Service-station fees	(37)	(36)
Others	(29)	(10)
Telecommunication	(7)	(7)
Insurance and security	(1)	(3)
	(395)	(353)

16. Other expenses

	2025	2024
	BGN '000	BGN '000
Business trip expenses	(7)	(13)
Others	(1)	(2)
	(8)	(15)

17. Finance income and finance costs

The finance costs are BGN 6 thousand, which are mainly costs for bank fees and costs of foreign exchange transactions. During the current period, financial income from interest on the Fund's bank accounts in the amount of BGN 376 thousand was also reported, and in the current financial statements they are presented as an increase in funding.

18. Transactions with related parties

Related parties to the Fund are the key management personnel. Unless explicitly stated, transactions with related parties have not been made under special conditions and no guarantees have been provided or received. The key management personnel of the Fund includes the members of the Management Board.

The remuneration of key management personnel consists of the following costs:

	2025	2024
	BGN '000	BGN '000
Short-term remuneration, incl. social security	17	13

19. Categories of financial assets and liabilities

The carrying amounts of the Fund's financial assets and liabilities can be presented in the following categories:

	Note	2025	2024
		BGN '000	BGN '000
Financial assets			
Receivables	10	18	132
Term deposits	7	35 000	20 000
Cash and cash equivalents	7	7 579	13 972
Financial liabilities			
Financial liabilities carried at amortised cost:		-	-
Trade and other payables		-	-

20. Main risks related to the Fund's activities

20.1 Risks related to operating activities

Risk management objectives and policies

The Fund is exposed to various types of risks with respect to its financial instruments. The most significant financial risks to which the Fund is exposed 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 Management Board. Management's priority is to provide short- and medium-term cash flows by reducing exposure to financial markets.

The most significant financial risks to which the Fund is exposed are described below.

20.2. Market risk

As a result of the use of financial instruments the Fund is not exposed to significant market risks and more specifically to the risk of changes in the exchange rate 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 rate risk

The Fund's Policy is directed towards minimizing the interest risk arising from long-term financing. As at 31 December 2025 the Fund is not exposed to a risk of change in market interest rates.

20.3 Credit risk

Credit risk is the risk that a counterparty will not pay its obligation to the Fund. The Fund's exposure to credit risk is limited to the amount of the book value of the financial assets recognized at the end of the reporting period.

The fund did 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.

20.4 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 to the implementation of the Climate Investment Program (CIP)

As of the end of 2025, there are funding agreements under the Program that have not yet been fully implemented. The unspent portion of funding under the Climate Investment Program (CIP) amounts to BGN 864,000, of which BGN 684,000 is earmarked for financing ESCO projects, and BGN 180,000 is earmarked for the Scheme to Promote the Use of Electric Vehicles.

Between January 1, 2025, and December 31, 2025, a total of 8 public investment projects were fully completed, 1 of which was under the Integrated Planning and Coordination (IPC) program and 7 of which were for electric vehicles.

In 2025, NTE's activities related to the implementation of public projects under the Climate Investment Program (CIP) will continue to focus on the following areas:

- Preliminary control of technical projects and tender procedures. The Ecofund performs preliminary control over the tender procedures of all public projects, making a preliminary review and coordination of both the tender documentation of the procedures and the technical projects for construction and installation works. After the successful completion of this procedure and after the selection of contractors, the Fund concludes contracts with the beneficiaries.
- Control over the actual implementation and payments. The Fund carries out on-site inspections during the implementation of the projects in order to minimize the risks. After verification and acceptance of the performed works and deliveries, a repeated documentary check is performed, followed by payments to the beneficiaries. Payments under the Climate Investment Program (CIP) financing agreements concluded between the NTEF and the Beneficiaries shall be made by bank transfer.

And in 2025, the activity of NTEF in connection with the implementation of public projects under the EEUDG sub-program of the IPC is focused in the following directions:

- Preliminary inspection of technical projects and tender procedures. After the successful completion of this procedure and after the selection of contractors, the Fund concludes contracts with the beneficiaries. Ex ante control is expected to be carried out on 16 projects.
- Control of actual execution and payments.

Activities of the Fund in connection with the implementation of the ESCO sub-programme of the IPC. A new call for tenders is expected to be published in 2025 and a preliminary audit of the tender procedures of the two beneficiaries

already approved by the Board of Managers will be carried out.

22. Commitments in connection with the implementation of the Mineral Waters Program

In 2025, the National Trust Ecofund (NTEF) entered into three contracts for the implementation of projects under the Integrated Pollution Prevention and Control (IPPC) program.

During the period from January 1, 2025, to December 31, 2025, two projects were fully completed and one received an interim payment. A subsidy in the amount of BGN 857,577 was paid. The unspent portion of the funding amounts to BGN 4,447,000.

23. Commitments made in connection with the implementation of the Microclimate for Climate Program

By the end of 2025, NTEF has concluded financing agreements, which have not yet been completed. The unused portion of the financing under the „Micro-projects for the climate“ program is BGN 176 thousand.

In the period 01.01.2025 – 31.12.2025, 2 projects were fully completed and a grant in the amount of BGN 87,724.90 thousand was paid.

24. Post-reporting date events

No adjusting events or significant non-adjusting events occurred between the date of preparation of the financial statements and the date of their approval for issue.

On January 1, 2026, euro becomes the official currency and legal tender in the Republic of Bulgaria. The fixed conversion rate is set at BGN 1.95583 for one euro. The introduction of the euro as the official currency in the Republic of Bulgaria represents a change in the functional currency that will be calculated prospectively and it is not considered as adjusting event after the report date.

25. Authorization of the financial statements

The financial statements as of 31 December 2025 (including comparative information) were approved by management on 7 April 2026.

launched within the IPC framework. By the end of 2025, 125 electric vehicles were purchased with grant funding from NTEF to the amount of BGN 2 545 668.

- Since 2023, the "Energy Efficiency of Municipal Schools and Kindergartens" (EEMSK) Subprogram has been under implementation. Funding for projects in the amount of BGN 6 297 000 is provided by virtue of a bilateral Agreement for the sale of excess annual emissions allocations (AEAs) between the Republic of Bulgaria and the Federal Republic of Germany, dated 24.10.2022. As of the end of 2025, 23 projects have been approved for funding, the first three of which have been successfully completed. The paid NTEF grant funding under the implemented projects amounts to BGN 1 090 603.
- Since 2024, the NTEF has been implementing "Energy Efficiency through Energy Savings Performance Contracts (ESCO Contracts)" Subprogram. As of the end of 2025, four energy efficiency projects for municipal healthcare facilities and street lighting are under implementation.

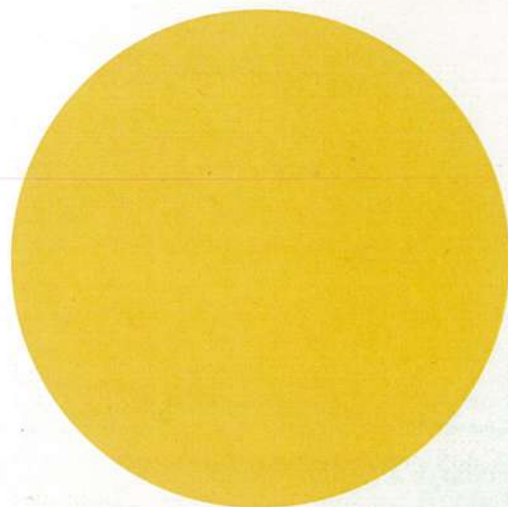
Since 2016, NTEF has been implementing Investment Program "Mineral Waters" (IPMW). Until the end of 2025, 11 projects in Bulgarian municipalities have been successfully completed with grant funding totaling BGN 3,220,944.53. Another 10 projects, with grant funding totaling BGN 5,012,626 BGN, are at various stages of their implementation.

Since 2017, NTEF has been implementing Climate Micro Projects Program, financed with proceeds under the Agreement for Transfer of Annual Emissions Allocations (AEAs) between the Republic of Bulgaria and the Republic of Malta of 03.04.2017. NTEF has been providing grant funding totaling BGN 1 691 451 for 37 projects, targeted towards the implementation of climate change mitigation/adaptation measures.

Within the period 2021÷2024, NTEF in partnership with eight big Bulgarian municipalities (Burgas, Varna, Kardzhali, Plovdiv, Ruse, Sliven, Stara Zagora, Sofia), started the implementation of Predefined Project No. 3 "Implementation of innovative measures for climate change mitigation and adaptation in municipalities in Bulgaria" under the Environmental Protection and Climate Change Program, financed by the Financial Mechanism of the European Economic Area. The main project objective is to improve the capacity of the local authorities to identify and plan creative urban development solutions through whose follow-up implementation to contribute to the mitigation of the climate change impact.

In implementation of its Strategy after 2015 the NTEF has been contributing to the improvement of the environmental management policies, including impact reduction climate change adaptation, energy management introduction at a local level and encouraging young people to take care of the nature and climate Sources of funding for these NTEF activities are European programs, bilateral agreements and the European Climate Initiative (EUKI) of the German Federal Government.





НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

**67B, Shipchenski Prohod Blvd.,
1574 Sofia, Bulgaria**

tel.: +359 2 973 36 37; +359 2 973 38 16

fax: +359 2 973 38 18

e-mail: ecofund@ecofund-bg.org

www.ecofund-bg.org

www.myclimate.bg