

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

REPORT ON THE ACTIVITY
INDEPENDENT AUDITOR'S
REPORT
FINANCIAL STATEMENTS



31 December 2015

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

In the end of 2011, as a result of the joint efforts of the government of the Republic of Bulgaria and EB of NTEF, two AAU sale deals with the Republic of Austria pursuant to art. 17 of the Kyoto Protocol were finalized. As of the end of 2015, 45 public projects were implemented under both deals, amounting to a total of BGN 32 937 914.

The financial participation of NTEF amounts to BGN 27 147 227. Two projects for energy production from renewable energy sources have also been financed applying the "de minimis" rule. The financial participation of the Fund in them amounts to BGN 757 062.

Since March 2015, NTEF has been implementing a new Climate Investment Program, financed on the basis of a decision of the Council of Ministers pursuant to § 4 from the transitional and final provisions of the Climate Mitigation Act. The Program provides financing for projects aiming at energy efficiency improvement of sites – public state and/or municipal property and for administrative maintenance of NTEF.

The implementation of project for institutional strengthening of NTEF, financed by the World Bank, was completed during 2015.

A project for improving the awareness of the young people on the climate change topic, financed by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety has also been implemented.

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The renovated building of "Zvezditsa Zornitsa" kindergarten in Burgas

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In 2015 the National Trust Ecofund celebrated its 20th anniversary with founders, donors, partners, experts and friends.

REPORT

on the activity of the

NATIONAL TRUST ECOFUND

for the period

01 JANUARY – 31 DECEMBER 2015

LIST OF ABBREVIATIONS

AAU	Assigned Amount Units
BAS	Bulgarian Academy of Science
BS	Basic School
BVS	Basic Vocational School
CCC	Cultural Community Center
CCCF	Combined Child Care Facility
CCMA	Climate Change Mitigation Act
CIW	Construction & Installation Works
CM	Council of Ministers
ICP	Investment Climate Program
COP	The governing body of the United Nations Framework Convention on Climate Change
DCOM	Decree of the Council of Ministers
DN	Day Nursery
EB	Executive Bureau
EC	Efficiency Coefficient
EMEPA	Enterprise for Management of Environmental Protection Activities
ESM	Energy Saving Measures
F&L	Fuels & Lubricants
FDK	Full-Day Kindergarten
IFA	Intangible Fixed Assets
IHE	Institution of Higher Education
IPCC	Intergovernmental Panel on Climate Change
LC	Labor Code
MB	Management Board
MB	Management Board
MoEW	Ministry of Environment and Water
MF	Ministry of Finance
MHAT	Multiprofile Hospital for Active Treatment
NAMRB	National Association of Municipalities in the Republic of Bulgaria
NGIS	National Green Investment Scheme
NTEF	National Trust EcoFund
NUR	Nursery
PPA	Public Procurement Act
PS	Primary School
SS	Secondary School
TFA	Tangible Fixed Assets
TU	Technical University
UN	United Nations
VSSET	Vocational Secondary School for Equipment and Technologies

REPORT ON THE ACTIVITY

I. INTRODUCTION

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

The Annual Report of NTEF presents the execution of Activity & Budget Plan of the Fund for 2015, which is drafted in compliance with NTEF Strategy 2014 – 2020 and Action Plan 2014 – 2016, approved by the MB of NTEF on 30 October 2014.

The report is also submitted to the current donors. For 2015 these are the Government of the Republic of Austria and the International Bank for Reconstruction and Development (World Bank) and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

The annexes from 1 to 4 represent an inseparable part of the annual report.

Director of the Executive Bureau:

Kamelia Georgieva

03 February, 2016

In 2015 NTEF successfully completed the National Green Investment Scheme, which was financed through the agreement with the Republic of Austria for the sale of Assigned Amount Units.



The renovated building of “Doctor Hristo Stambolski” multiprofile hospital for active treatment in Kazanlak.

II. MANAGEMENT BOARD ACTIVITY

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

- Chairperson of MB of NTEF – Associate Professor, PhD, Irena Georgieva, appointed by the Council of Ministers of the Republic of Bulgaria (Decision No 799 of the CM of 14 October 2015).
- Representative of the Ministry of Environment and Water (MoEW) – Deputy Minister Pavel Gudzhеров, Deputy Chairman of the Management Board (MB), replaced by Ms. Atanaska Nikolova, Deputy Minister of Environment and Water.
- Representative of the Ministry of Finance (MF) – Deputy Minister Kiril Ananiev;
- Representative of the Ministry of Energy – Deputy Minister Anton Pavlov until his resignation in October 2015;
- Representative of the Bulgarian Academy of Science (BAS) – Prof. Naum Yakimov, Deputy Chairman of the Management Board (MB);
- Representative of the environmental non-governmental organizations – Mrs. Lyubomira Kolcheva – Director of EcoObshnost Foundation”;
- Representative of the National Association of Municipalities in the Republic of Bulgaria (NAMRB) – Mrs. Ginka Chavdarova, Executive Director of NAMBR.

Alternate with a voting right from the Ministry of Environment and Water is Mrs. Boryana Kamenova – Director of Directorate “Climate Change Policy”. Alternate with a voting right from the Ministry of Economy and Energy is Mr. Nikolay Nalbantov – Director of Energy Efficiency and Environmental Protection Directorate. Alternate with a voting right from the Ministry of Finance is Mr. Alexander Gargov – State Expert from Real Sector Finance Directorate, and since September 2015 – Mr. Valeri Vulev – state expert from the same directorate.

Seven (7) regular meetings of MB of NTEF were convened during 2015.

The first meeting was dedicated to the discussion of the Plan for the activity and budget of NTEF for the period 01 January – 31 December 2015 and presentation of a concept for celebrating the 20th anniversary of NTEF.

NTEF Annual Report for 2014 and administrative and organizational issues were discussed during the second meeting, as well as editorial changes in the Operations manual of the National Green Investment Scheme. A new director of EB of NTEF was elected during this meeting, following conducted competition in compliance with Art. 18 (1) of the Regulation on the Structure and Activity of NTEF.

The NTEF budget for 2015 connected with the signed Agreement between the Bulgarian and the Austrian party related to the unused proceeds from the sale of AAU and editorial changes in the NTEF Rules of Procedure were discussed and approved during this meeting. The current status of the implemented projects under the two deals for AAU sale was also discussed at the meeting.

The Operations Manual for project management under the Investment Climate Program (ICP) was discussed and approved during the fourth meeting. New project proposals, which had received preliminary and final approval from the Commission for Selection, Control and Reporting on Implementation of Projects, as well as the current status of the implemented projects under NGIS, were discussed at this meeting.

During the fifth meeting a report of EB of NTEF concerning the Publicity Program on the climate related topics (in partnership with the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety) was discussed, upgrading of the NTEF plan and budget for 2015 was discussed and approved in connection with the signing of a contract for financing a project by Germany, as well as Terms of Reference for the selection of an auditor. New project proposals, which had received preliminary and final approval from the Commission for Selection, Control and Reporting on Implementation of Projects, as well as the current status of the implemented projects under NGIS and ICP, were discussed at this meeting. The auditor's report on the completion of the World Bank project for institutional strengthening of NTEF was also discussed at this meeting.

The sixth meeting was dedicated to the approval of reports on the completion of projects under the second NGIS deal and a decision was taken to submit a request for reimbursement of the funds to the Ministry of Finance aiming at repaying the non-interest loans, taken by EMEPA for their current financing. New project proposals, which had received preliminary and final approval from the Commission for Selection, Control and Reporting on Implementation of Projects, as well as the current status of the implemented projects under NGIS and ICP, were also discussed. A proposal for amending the Operations Manual of the Investment Climate Program was discussed and approved related to the issues of the state aids and the financing of projects involving as sites medical facilities.

The last (seventh) MB meeting for 2015 decision was dedicated to the approval of reports on completed projects under NGIS deal and a decision was taken to submit a request for reimbursement of the funds to the Ministry of Finance aiming at repaying the non-interest loans, taken by EMEPA for their current financing. The final report on the National Green Investment Scheme, reflecting the implementation of the two agreements signed between the Republic of Bulgaria and the Republic of Austria for sale of Assigned Amount Units signed in October 2011 and April 2012 was also discussed at this meeting. New project proposals, which had received preliminary and final approval from the Commission for Selection, Control and Reporting on Implementation of Projects, as well as the current status of the implemented projects under ICP, were discussed at the same meeting.

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

In 2015, no projects under the National Green Investment Fund were approved, while the already approved Expressions of interest under NGIS, as well as the approved for financing NGIS projects were redirected to the Investment Climate Program.

1. Implementation of projects under the National Green Investment Scheme during 2015

The National Trust EcoFund concludes financing contracts with public beneficiaries to a **maximum value, amounting to 85% of the value of the project, as it is approved by the Commission and NTEF Management Board**. The remaining 15% are provided by each beneficiary in the form of co-financing.

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

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

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

The activity of the Executive Bureau for the implementation of the projects under NGIS includes several main steps, which practically involve all of its team members.

After approval of the projects to be financed by the Austrian partners, a contract for financing each one of them is prepared and signed.

It is followed by preliminary control on the investment project, performed jointly by experts of NTEF and EMEPA.

The package for the tender procedure is also subject to preliminary control on the part of EB of NTEF. Representatives of EB of NTEF and in some cases of EMEPA participate in the contractor selection commissions.

Having selected the contractor and having started the construction & installation works, the members of the NTEF team perform continuous monitoring and control directly on the sites. The approval of the completed stages or of final completion of the sites is accomplished with the participation of NTEF representatives.

After that, all documents related to the project implementation are compiled – from the beginning of the tender procedure until the site and are submitted for an independent audit to an internationally recognized auditor.

In the process of selecting contractors for the activities under the projects the initial value of the projects is usually reduced based on a market principle. NTEF signs with the beneficiaries Additional agreements to the financing contracts, which include this real value, as well as the finalized project implementation schedule. Thus, NTEF ends up having a certain saving. In the process of construction saving of funds is again achieved in the majority of the cases, since NTEF finances only legally justified and actually carried out construction and installation works.

2. Completed projects for improving the energy efficiency of public sites (Axis 1) during 2015

During the period 01.01.2015 – 31.12.2015 13 sites within the framework of 9 investment projects under Axis 1 of NGIS have been completed.

In the beginning of the year negotiations were held between MOEW and the Austrian party, during which an **Agreement** was signed for disbursement of a part of the unused proceeds from the sale of AAU under both agreements. A total amount of **BGN 3 599 197** for financing additional projects has been negotiated.

Upon a proposal of the Executive Bureau of NTEF on 17 August 2015 the funds for project financing for 2015 were **increased by BGN 230 000** – to **BGN 3 829 197** (at the expense of savings from the envisioned administrative costs).

Detailed information on the value and the essence of the completed projects during 2015 is given below.

Project No 84

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

The financing, provided by NTEF for site SS "Tz. Radoslavov" is **BGN 325 355.53**.

The project includes the following activities: 1. Replacement of existing boiler system and 2. Repair of heating installation.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **178 t/CO_{2eq} on an annual basis**.

Project No 2

"Repair-restoration works at BVS "Neophit Rilski" – Samokov city"

The financing, provided by NTEF for site BVS "Neophit Rilski" is **BGN 600 055.12**.

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

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **168 t/CO_{2eq} on an annual basis**.

Project No 149

"Introduction of energy efficiency measures at BS "P. R. Slaveikov" and School of Commerce – Burgas city"

The financing, provided by NTEF is **BGN 346 935.44**.

The project includes the following sites and activities:

Site *BS "P. R. Slaveikov"* – 1. External insulation on walls; 2. Thermal insulation of roof; 3. Replacement of boiler and automation.

Site *School of Commerce* – 1. Thermal insulation of external walls; 2. Replacement of boiler and automation.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **139.26t/CO_{2eq} on an annual basis**.

Project No 162

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

The financing, provided by NTEF for site *PS "Hristo Botev"* is **BGN 334 304.31**.

The project includes the following activities: 1. Replacement of facade doors and windows; 2. Thermal insulation of floor; 4. Thermal insulation of roof; 5. Replacement of boiler and internal heating systems (HIS).

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **162 t/CO_{2eq} on an annual basis**.

Project No 171

"Introduction of energy efficiency measures at FTK No 4 "Breza", XIII PS "Paisii Hilendarski" and PS „Georgi Raichev" – Stara Zagora city".

The financing, provided by NTEF is **BGN 1 376 672.46**.

The project includes the following sites and activities:

Site *FTK No 4 "Breza"* – 1. Thermal insulation of walls; 2. Thermal insulation of roof; 3. Internal electrical installations.

Site *XIII PS "Paisii Hilendarski"* – 1. Replacement of doors and windows; 2. Thermal insulation of external walls; 3. Thermal insulation of roof; 4. Internal electrical installations

Site *PS "Georgi Raichev"* – 1. Replacement of doors and windows; 2. . Thermal insulation of walls; 3. Thermal insulation of roof; 4. Internal electrical installations.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **670.49t/CO_{2eq} on an annual basis**.

Project No 178

"Reduction of the harmful emissions and improvement of the energy efficiency of buildings and equipment of "MHAT – Ihtiman" EOOD – Medical clinic; X-ray and pediatric ward" Ihtiman city".

The financing, provided by NTEF is **BGN 187 159.55**

The project includes the following sites and activities:

Site *Medical clinic of "MHAT – Ihtiman" EOOD* – 1. Thermal insulation of external walls; 2. Thermal insulation of roof 3. Thermal insulation of floor; 4. Replacement of doors and windows.

Site *X-ray and pediatric ward of "MHAT – Ihtiman" EOOD* – 1. Thermal insulation of external walls; 2. Thermal insulation of floor; 3. Replacement of doors and windows.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **17.19t/CO₂eq on an annual basis.**

Project No 190

"Modernization and introduction of energy efficiency measures at FTK "Shtastlivo Detstvo", Gorna Oryahovitsa city"

The financing, provided by NTEF for site FTK "Shtastlivo Detstvo" is **BGN 264 428.10.**

The project includes the following activities: 1. Replacement of doors and windows; 2. Thermal insulation of external walls; 3. Thermal insulation of roof; 4. Replacement of lighting system; 5. Internal heating system; 6. Solar collectors system; 7. Boiler system for kitchen equipment.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **68.8t/CO₂eq on an annual basis.**

Project No 191

"Reduction of the greenhouse gas emissions on the territory of Rila Municipality through improvement of the energy efficiency of the educational infrastructure"

The financing, provided by NTEF for site SS "Averkii Popstoyanov", is **BGN 230 153.18.**

The project includes the following activities: 1. Replacement of old metal doors and windows; 2. Thermal insulation of external walls; 3. Thermal insulation of roof; 4. Thermal insulation of floor; 5. Replacement of old lighting fixtures with energy saving ones.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **73.79t/CO₂eq on an annual basis.**

Project No 204

"Introduction of energy saving measures at DN No 4 – Montana city"

The financing, provided by NTEF for site Day Nursery No 4 is **BGN 164 132.36.**

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

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **22.43t/CO₂eq on an annual basis.**

IV. EVALUATION, SELECTION AND IMPLEMENTATION OF INVESTMENT PROJECTS WITHIN THE FRAMEWORK OF THE INVESTMENT CLIMATE PROGRAM

The Investment Climate Program was initiated on the basis of Decision of the Council of Ministers 201/26 March 2015, with which funds have been provided to NTEF amounting to BGN 12 935 000 on the ground of § 4 from the transitional and final provisions of the Climate Change Mitigation Act. They are designated for financing projects for improving the energy efficiency of sites – public state and/or public municipal property and for covering NTEF administrative costs.

1. Drafting and approval of Operations Manual for the Investment Climate Program

On the basis of the already established experience from the implementation of the National Green Investment Scheme, EB of NTEF has prepared and proposed for approval by MB of NTEF an Operations Manual for the new Investment Climate Program (ICP), which also contains 16 annexes. The improvement of the new Operations Manual package included development of detailed guidelines and requirements related to the actions of the beneficiaries at each stage of the implementation of the projects – application forms, contracts, requirements towards the investment projects, forms for the interim and final financial statements and technical reports. The new Operations Manual was approved by MB of NTEF on 23 April 2015.

2. Selection and approval of ICP projects

2.1. Setting up permanent ICP project portfolio

The selection of project proposals, regulated by the Operations Manual of the Investment Climate Program, continued in 2015. The acceptance of Expression of Interest is an ongoing process. No calls with fixed deadlines are published. The forms, containing the full project proposals, are submitted by the beneficiaries after the receiving of a letter for the approved by MB Expression of Interest, without setting up deadlines for doing that.

During the reported year a total of 43 Expressions of Interest for financing measures for improving the energy efficiency of public sites. (*Annex 1A*).

31 Project proposal forms, based on approved Expressions of interest have been submitted (*Annex 1B*).

Additionally, all projects approved for financing under NGIS, have been automatically redirected to the Investment Climate Program.

2.2. Selection and evaluation of ICP projects by the Standing Commission on Selection, Control and Reporting on ICP implementation and approval of projects by MB of NTEF

According to the NTEF Rules of procedure and the Operations Manual of ICP, the approval of projects is accomplished at two main stages. The first stage represents a *preliminary selection* of Projects on the grounds of submitted Expression of Interest through implementation of preliminary announced mandatory conformity requirements. The second phase represents *evaluation and ranking of projects* according to preliminary announced application requirements, as well as methodology and criteria for evaluation and selection of appropriate Projects for funding under ICP. Each of the phases includes a 2-stage approval: Standing Commission on selection, control and reporting on ICP implementation and Management Board.

Project selection and evaluation by the Standing Commission on selection, control and reporting on ICP implementation

Six meetings of the **Standing Commission** on Selection, Control and Reporting on the ICP Implementation were held in 2015. 58 Expressions of interest were discussed at these meetings (Phase 1), as well as 41 Project evaluation and ranking forms (Phase 2) of public beneficiaries. (A part of the applications and forms were submitted to NTEF during the year preceding the fiscal year, due to which the number of the discussed by the commission projects is higher than the number of the projects, submitted during 2015).

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

Approval of projects by MB of NTEF

As a result of the work of the Standing Commission, 61 Expressions of interest and 32 Project forms have been submitted to the Management Board and approved by it. (The number of the approved by MB of NTEF projects differs from the one discussed by the Commission, since there are projects, considered by the Commission during the previous year.) The meetings of MB of NTEF, at which projects were approved, were held respectively on 23 April, 17 August, 29 October and on 8 December 2015. (*Annex 2*)

3. Implementation of projects under the Investment Climate Program (ICP) in 2015.

The National Trust EcoFund finances Projects of public beneficiaries under ICP with maximum size, **amounting to 85% of the total value of the projects**. The remaining 15% each of the beneficiaries ensures as co-funding. The financing contracts are signed after the completion of the procedure for selection of contractors for the activities. In the process of construction in the majority of the cases economizing of funds is achieved, since NTEF finances only legally justified actually implemented construction and installation works.

The process of financing and completion of the public projects is regulated in the Operations Manual of ICP and includes the following steps:

- Following the completion of the tender procedures for selection of contractors and signing of contracts between them and the Beneficiaries under the Projects, NTEF signs a financing contract with the Beneficiaries. The Beneficiaries submit interim and final reports on the implementation of its own Projects, and the Executive Board revises and approves these reports.
- After payment based on the final report of the beneficiary, there is an auditor's survey on the part of specially selected auditor with international experience using an open procedure following the relevant PPA requirements.
- The reports of the auditors are subject to discussion and approval by the Standing Commission for Selection, Control and Reporting on Implementation of Projects. Minutes are drafted for the work of the Commission.
- Based on the minutes, the Director of EB submits a report to MB of NTEF.
- MB of NTEF takes a decision for the completion of the respective projects.

3.1. Projects from the Investment Climate Program under implementation in 2015

After approval of the Operations Manual of the Investment Climate Program, the Executive Bureau of NTEF has been actively working on the implementation of a package of projects, approved for financing by ICP. This package includes a total of 63 projects with 84 sites.

There is active work **directly with the beneficiaries in connection with the preliminary control on the investment projects**. With the new Operations Manual the approach for direct and immediate interaction with the beneficiaries in the process of preliminary control on the investment projects has been adopted. Their preliminary approval is achieved after an appointed in advance meeting for on-site check in the presence of a technical expert of the beneficiary on the completeness of the technical documentation. Only after the full conformity of the documentation

with that regard has been established, the two sets are accepted for a preliminary control. The next step is the check by the technical experts of NTEF and the drafting of opinions related to the compliance with the requirements towards the characteristics of the investment projects. The NTEF team does not discuss the designer's solutions but is only checking the compliance of the types of CIW and the materials between the separate elements of the investment project, the availability of all signatures and seals for certification and approval, as well as removal of written down brands and models of the materials, etc. The work on the investment projects requires precision, professional knowledge and familiarity with the relevant legislation. The response of the beneficiaries regarding the work of the team in this direction, is positive, since this step ensures the smooth and seamless flow of the procedures pursuant to PPA, related to the selection of contractors, as well as the hassle-free reporting on the contractors' activities during CIW.

The preliminary control on the tender procedures for selection of contractors for CIW is accomplished with the support of a professional legal expert team, hired after conducted relevant procedure according to PPA. The work of the experts from this team is carried out in direct interaction with the beneficiaries, while the central role is played by the EB team. EB provides a preliminary prepared model package of tender procedure documentation, specifying several parameters of the procedure – the maximum time period for CIW implementation and the exact set of materials and equipment, for which submission of relevant certificates included in the technical offer is required, etc. The preliminary control takes two stages for reviewing the documentations by the legal advisor, while the last review is accomplished by EB and the beneficiary receives the approved package. Following the publication of the procedure with the Public Procurement Agency, another review is carried out and when necessary a publication of Decision for changing or terminating the procedure is recommended, but this is needed in quite a few cases.

Since April 2015, when practically the Investment Climate Program was started until the end of 2015 the Executive Bureau of NTEF **has been working on the implementation of a total of 66 Projects under the program including 94 sites.**

In the end of the reporting period (31 December 2015) in a process of implementing construction and installation works are **18 projects with 30 sites**. The beneficiaries under these projects are: 16 municipalities and 2 educational institutions, and the sites are:

- | | |
|------------------------------------|---------------------------------|
| – Kindergartens – 9 | – Schools – 11 |
| – Children's catering facility – 1 | – Cultural Community Center – 1 |
| – Administrative buildings – 2 | – Museum – 1 |
| – Health care facilities – 3 | – Sport hall – 1 |
| – Dormitory – 1 | |

Within this period **8 tender procedures for 13 sites have been announced and not completed**. The beneficiaries are 8 municipalities, and the sites are as follows:

- | | |
|---------------------------------|--------------------------------|
| – Sport hall - 1 | – Schools – 8 |
| – Cultural Community Center – 1 | – Administrative buildings – 2 |
| – Street lighting – 1 | |

At the stage of preliminary control within this period are **34 projects with 43 sites**. The beneficiaries under these Projects are 27 municipalities, 4 educational institutions and 3 public institutions and the sites are:

- | | |
|----------------------------------|--------------------------------|
| – Schools – 18 | – Administrative buildings – 5 |
| – Kindergartens – 11 | – Dormitories – 2 |
| – Cultural Community Centers – 6 | – Health care facility – 1 |

As of 31 December 2015, the following projects were completed, for which NTEF has made the final payments:

Project No 159

"Improvement of the energy efficiency at 85 SS "Otets Paisii", Vrazhdebna neighborhood, Kremikovtsi region, Metropolitan Municipality"

The financing for site 85 SS "Otets Paisii", provided by NTEF is **BGN 391 994.28**.

The project includes the following activities: 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. Thermal insulation of floor; 3. Replacement of doors and windows; 4. Reconstruction of energy installations and construction of heat pump system; 5. Reconstruction of electrical system.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **609 t/CO₂eq on an annual basis**.

Project No 166

"Improvement of the energy efficiency at BS "P. R. Slaveikov", 51 Ludogorie St., Izgrev village, Venets Municipality"

The financing for site BS "P. R. Slaveikov", provided by NTEF is **BGN 92 560,80**.

The project includes the following activities: 1. Thermal insulation of external walls; 2. Thermal insulation of roof slab; 3. Thermal insulation of floor; 4. Design and building of heating installation; 5. Replacement of old lighting fixtures with energy saving ones.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **107.4 t/CO₂eq on an annual basis**.

Project No 169

"Implementation of energy efficiency measures at municipal cultural-educational infrastructure in Dzhebel Municipality"

The financing for the project, provided by NTEF is **BGN 438 302.47**.

The project includes the following sites and activities:

Site PS "Hr. Smirnenki"- 1 Thermal insulation of external walls; 2. Replacement of doors and windows 3. Thermal insulation of roof; 4. ESM for building installations; 5. ESM for lighting system.

Site CCCF "Shastlivo Detstvo" - 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. ESM for boiler premise; 4. ECM for building installations; 5. ESM for lighting system.

Site FTK "Izgrev" - 1. Thermal insulation of external walls; 2. Thermal insulation of roof; 3. ESM for building installations; 4. ESM for lighting system..

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **482.2 t/CO₂eq on an annual basis**.

Project No 185

"Introduction of energy efficiency measures at Children's catering facility, Kazanlak city"

The financing for site *Children's catering facility*, provided by NTEF is **BGN 189 557.22**.

The project includes the following activities: 1. Thermal insulation of walls; 2. Thermal insulation of roof; 3. Replacement of doors and windows; 4. Thermal insulation of floor; 5. Replacement of heat source and internal heating installation.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **1667.10 t/CO₂eq on an annual basis**.

Project No 198

"Undertaking of energy efficiency measures at FTK "Rusalka", Primorsko city and FTK "Prolet", Kiten city"

The financing for the project, provided by NTEF is **BGN 339 718,69**.

The project includes the following sites and activities:

Site FTK "Rusalka" - 1. Thermal insulation of external walls и по стените граничеши със земя на приземния етаж; 2. Thermal insulation of roof; 3. Installment of one new boiler on wood with higher efficiency coefficient; 4. ESM for lighting system.

Site FTK "Prolet" - 1. Thermal insulation of external walls; 2. Installment of one new boiler on wood with higher efficiency coefficient; 4. ESM for lighting system.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **43.8 t/CO₂eq on an annual basis**.

Project No 232

"Improving the energy efficiency of the building of Nursery "Nedyalka Shileva", Saedinenie city, Saedinenie Municipality"

The financing for site Nursery "Nedyalka Shileva", provided by NTEF is **BGN 169 189.47**.

The project includes the following activities: 1. Thermal insulation of roof; 2. Replacement of lighting system with more efficient one; 3. Replacement of heating source.

As a result of the implemented energy saving measures the greenhouse gas emissions have been reduced by **1629 t/CO₂eq on an annual basis**.

These projects will be submitted for auditing in January 2016.

In this connection it should be mentioned that as accompanying activities the EB members upon demand or upon request from another party participate in meetings for clarifying the application terms and project implementation under ICP.

Together with this, updated information is maintained on NTEF web page related to the selection, approval and implementation of the projects under ICP.

During the past fiscal period there have been no discrepancies regarding the use of funds according to their designation, as well as regarding the transparency of the procedures for selection and implementation of the projects. There have been no discrepancies and deviations u from the requirements related to the use of public funds in the process of conducting tenders for selection of contractors and providers under the projects, financed by NTEF.

In 2015 NTEF successfully implemented a project for increasing public awareness on climate change - the project was implemented in schools and kindergartens with already improved energy efficiency measures through the National Green Investment Scheme. The project was financed by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.



A concert of the kindergartens in Burgas.

V. INSTITUTIONAL DEVELOPMENT, INTERNATIONAL RELATIONS AND PUBLIC RELATIONS

1. Institutional development

As of the end of the reporting period, the EB staff comprises of 8 full-time employees. During 2015 working for the Executive Bureau under contracts for technical services were also other three experts, who participate in the process of preliminary control of the investment projects and on-site control on CIW implementation.

All members of the Executive Bureau took part in the trainings, provided through the Project for institutional strengthening of NTEF, financed by the World Bank. Beyond these trainings, EB representatives also participated in trainings on the human resources management problems and the novelties in the Accountancy Act.

NTEF has a statute of Contracting Authority within the meaning of the Public Procurement Act (PPA). During 2015, tender procedures pursuant to PPA for the selection of contractors/providers were organized for the provision of legal services during NTEF activity implementation and for executing control on PPA application to the construction & installation works under the projects of the beneficiaries, for the selection of NTEF auditor for the period 2015 – 2017, as well as for purchasing a car for NTEF. The “Buyer’s Profile” section on the NTEF web page is maintained within the framework of the legal requirements.

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

During 2016, the equipment of the Fund is being upgraded in compliance with the adopted three-year plan, being supplemented by a car, copy machine and air conditioners. Metal cabinets for storing the NTEF archive in compliance with the Bulgarian legislation, the Internal document turnover rules and the document archiving methodology of NTEF.

The equipment of the Fund includes computers, vehicle, and fixtures & fittings.

The document turnover at EB is accomplished correctly. Since its establishment the whole documentation of the Fund has been archived and stored. The archiving of the projects under the National Green Investment Scheme in compliance with the Bulgarian and European legislation was completed in 2015

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

2. Activities related to financing programs and mechanisms

During 2015, the Executive Bureau continued to work for benefiting on the opportunities to use NTEF as a mechanism under new financing programs and schemes.

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

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

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

After received letter of support from the Minister of Environment and Water and based on a Decision of the MB of NTEF dated 17 August 2015, NTEF Executive Bureau prepared and submitted to the European Commission a Project under the LIFE Climate Action Program in partnership with the National Association of Municipalities in the Republic of Bulgaria. The project “Communication, improving the awareness and creation of capacity for effective policy

implementation“ has three components, meeting the needs of the country for improving the capacity of the regional and local administrations to implement activities, related to the climate changes: activities within the school system to introduce knowledge on the climate change issues for children and youth; work with the media, including the faculties of journalism for improving the capacity of the Bulgarian media on the topics of climate change; production and dissemination of educational materials.

2.2. Grant agreement between the Republic of Bulgaria and the World Bank for strengthening the capacity of the National Trust EcoFund (NTEF)

The implementation of a Project for strengthening NTEF institutional capacity to implement its functions as operator of the National Green Investment Scheme, financed by the World Bank, was successfully completed during 2015. The value of the whole project for the period 2012-2015 was USD 203 000. The Project included activities for developing and approving NTEF Strategy 2014 – 2020 and Action Plan 2014 – 2016, training and exchange of experience for the Executive Bureau team, activities for NTEF positioning in the public space, in this number publications, events, website and web portal.

During 2015 one public event took place, related to the celebration of the 20th anniversary of NTEF, in which participated more than 120 representatives of different institutions and organizations – the EC Vice-President Mrs. Kristalina Georgieva, the present and former ministers and deputy ministers of the environment and water, ambassadors of the donor countries, high-level officials from the ministries and embassies of the donor countries, mayors, rectors and representatives of universities, partners, beneficiaries, representatives of ministries and agencies, etc. During the event, a review of NTEF activity was made, recommendations for the future were shared, and NTEF publications were disseminated.

In the beginning of the year the new website was launched, as well as the web portal of NTEF and the series of training sessions for the NTEF team in the field of Bulgarian legislation was completed.

The project implementation was reported in the required format. It was audited by an internationally recognized auditor pursuant to the World Bank requirements. The final report was submitted to and approved by the World Bank within the deadlines included in the financing agreement.

2.3. Agreement between the Republic of Bulgaria and German Government for public awareness on climate change

Within the period 1 August 2015 – 31 January 2016, NTEF successfully implemented a project “Public awareness on climate change”. The project was accomplished on a proposal of the Ministry of Environment and Water of the Republic of Bulgaria and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. The value of the project for 2015 is BGN 139 092, out of which BGN 121 741, provided by the donors and BGN 17 351 – NTEF’s financial contribution. In this connection, the NTEF Annual Plan and Budget have been updated with Decision of the MB of NTEF No 95/ 17. 08. 2015.

The Project had an objective to improve the public awareness on the topic of climate change, focusing mainly on educational institutions, which have already been beneficiaries of NTEF through the implementation of municipal Projects for improving the energy efficiency of their buildings – schools, kindergartens in Bulgaria. NTEF organized training seminar for teachers from Plovdiv, Burgas, Yambol and Pavel Banya. The kindergartens and the schools obtained creative materials, with which the children and the pupils created their own artistic projects on the climate topic. NTEF helped the development of educational posters, which provide accessible information on the topic of climate change.

As a part of activities under the project, NTEF organized a competition on climate topic. The competition was held in two sections – for university students and for pupils. The students created video clips on the topic, while the pupils prepared project proposals for interesting and innovative

projects, which should convince their peers to contribute with their behavior to the mitigation and adaptation to the climate change.

The activities under the project were successfully completed with a final conference in Plovdiv, where the approaches and the models for future educational programs on the topic of the climate problems were discussed.

For the purposes of the project and its continuation a website was created - www.myclimate.bg – where information on the development of the activities under the project was provided. The website continues to function and to support NTEF activity, connected with climate related education and awareness.

3. International Relations and Public Relations

In 2015, the international contacts of NDEF were focused mainly on our interrelations with the partners from Austria and Germany.

The interactions with the Austrian partners were related to our participation in the negotiations on the supplementary agreement between Bulgaria and Austria concerning the uncommitted funds under the two AAU sale deals and the later reporting on the implementation of this agreement.

Our partner relations with representatives of the Republic of Germany passed through several stages during 2015 – from a participation (after invitation) in partner meetings, organized by the Embassy of the Republic of Germany through working meetings at NTEF with representatives of the German Ministry of Environment and German foundations in the environmental sphere up to signing and implementation of financing contract for Project for improving children and youth awareness on the problems of climate change.

In February, NTEF representatives participated in a seminar of MoEW and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety in Sofia, at which an analysis of the effectiveness of the projects for improving the energy efficiency of public sites under the National Green Investment Scheme was presented.

Later during the year, NTEF was invited and also participated in another professional meeting on the topics of the innovations in the energy efficiency – 15th seminar of the Climate Technologies Initiative, held on 7th and 8th May in Berlin. The international event was organized as a part of the Energy Technologies Network of the International Energy Agency with the support of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, the think tank for analysis of policies and strategic-advisory activities Adelphi. NTEF presented the analysis of the results from the National Green Investment Scheme, in which a pilot research approach had been implemented for the purpose of quantitative measurement of the additional benefits from the implementation of market mechanisms against the climate change.

Partners and NTEF beneficiaries from the municipalities Gabrovo, Plovdiv, Pavel Banya and Burgas took part in the International Climate Conference, which took place on 1st and 2nd October 2015 in Hanover - Germany. Main focus of the conference was the role of the municipalities for the reduction of the greenhouse gas emissions and for adaptation to the consequences of the climate changes. The participants had the opportunity to become familiarized with successful initiatives on a local level and practical applications in Germany in the field of energy efficiency and renewable energy sources, as well as to take part in a series of dialogue workshop on the topic. In the end of the conference, the Hanover declaration for Paris was developed, which contains basic conclusions and guidelines, which was presented on the 21st Conference of the Parties from the UN Framework Convention (COP 21) in Paris.

Beyond these main partner collaboration, NTEF was invited and took part in the conference of the Interministerial Panel on Climate Change (IPCC), which took place within the period 9-11 September 2015 in Istanbul.

NTEF is actively implementing its plan for publicity and communications.

The web site of NTEF in Bulgarian and in English was fully redesigned and is being updated on a timely basis. It contains the necessary information for the structure and activity of both funds, for the new programs and priority areas for financing new programs and priority activities for financing of projects, the application terms, the criteria for evaluation and description of the completed projects.

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

The main redesign of NTEF website and the establishment of the web portal, as well as the development of electronic application forms started during the past year, but was completed in 2015. This activity was envisioned within the framework of the Project for institutional strengthening, financed by the World Bank.

Within the framework of the Project “Public Awareness on Climate Change”, NTEF has also developed and regularly maintains another website www.myclimate.bg.

The information printed materials of NTEF, addressed to the potential users, as well as to potential fund donors, were provided to all interested parties during different meetings, as well as during the celebration dedicated to NTEF 20th anniversary.

Furthermore, NTEF representative participated in the annual working meeting of the Association of Municipal Ecologists and made a presentation of NTEF programs and projects.

In 2015, NTEF for a fifteenth consecutive year supported the publication of the annual report “The Status of the Planet” in Bulgarian language.

Within the framework of the Project, financed by the German Government, a competition in the name of Mimi Pramatarova was announced and carried out for 2015 in two sections – for innovative project in the field of popularization of the topic for the climate changes for pupils in the secondary schools and for creation of a video clip on the same topic for students from the Bulgarian universities. The prizes were awarded during the final conference for the Publicity Project, held in Plovdiv in December 2015.

The most vivid activities for information and communication were implemented within the framework of both projects, described hereinabove – the project with financing from the World Bank and the one with financing from the German Ministry of Environment.

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

1. Sources of funding

1.1. Proceeds from AAU sale

During the reported 2015 on the basis of additional agreement between the Republic of Bulgaria and the Republic of Austria funds amounting to **BGN 3 829 197** for public projects financing have been ensured. They are allocated to projects under Axis 1 of NGIS for improving energy efficiency of public buildings.

The envisioned funds for administrative costs amount to **BGN 275 613**.

1.2. Proceeds pursuant to Decision No 201/26.03.2015 of the Council of Ministers

The proceeds, pursuant to Decision No 201/ 26.03.2015 for the reported 2015, amount to **BGN 12 935 000**. These funds are designated for financing Projects for improving the energy efficiency of sites – public state and/or public municipal property (**BGN 12 350 000**) and for covering the administrative costs of NTEF (**BGN 585 000**).

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

In compliance with the Agreement for financing the project between MoEW and the World Bank, the grant amount for improving NTEF administrative capacity is **USD 203 000**. The last **BGN 124 332** out of the grant amount have been transferred to NTEF during the reported 2015.

1.4. Proceeds under Agreement between the Republic of Bulgaria and the German Government under Public Awareness Project

In compliance with the contract for financing the Project for Public Awareness regarding the climate change between NTEF and the German Government, the grant amount is **EUR 62 431** esp or **BGN 121 741** (currency exchange rate of the bank – **BGN 1.95/EUR 1**). The reported co-financing by NTEF for 2015 amounts to **BGN 17 351**. The funds are ensured from the part for administrative expenses under ICP (Decision of MB of NTEF of 17.08.2015 on updating NTEF budget for 2015).

2. Funds allocation

2.1. Project financing under NGIS

The total amount of money paid for activities related to improving the energy efficiency of public sites under NGIS – construction & installation works under investment projects for **2015 is BGN 3 829 197**. A more detailed presentation of the costs for project financing is included in Table 2.1 of this section.

The total amount of the funds planned in the budget for investment project financing during **2015 is BGN 3 829 197**.

The implementation of the budget for investment project financing under NGIS is **100%**.

**Table 2.1: Payments under projects, accomplished by NTEF in 2015
(under the National Green Investment Scheme)**

Project / name	Amount according to financing contract with NTEF (85% of the total value with included VAT)	Amount for financing after the conducting tender procedure (85% of the total value with included VAT)	Actual amount of financing during the reported 2014 (85% of the total value with included VAT)
A. Public projects			
<u>Project No 2</u> "Replacement of doors and windows and insulation of facade at BVS "Neophit Rilski" with the aim to introduce energy efficiency measures – <u>Samokov Municipality</u> "	983 503	612 238	600 055
<u>Project No 84</u> "The buildings of the schools in Svishtov city – high efficiency level – improved life quality, living and working environment – SS "Ts. Radoslavov"	371 277	329 057	325 356
<u>Project No 149</u> "Introduction of energy efficiency measures at BS "P.R. Slaveikov" and School of Commerce – Burgas city "	347 217	347 217	346 936
<u>Project No 162</u> "Ensuring municipal educational infrastructure with high energy efficiency level in Godech Municipality – PS "Hristo Botev"	507 836	407 883	334 304
<u>Project No 171</u> "Introduction of energy efficiency measures in FTK No 4 "Breza", XIII PS "Paisij Hilendarski" and PS "Georgi Raichev", Stara Zagora "	1 554 001	1 554 001	1 376 672
<u>Project No 178</u> "Reduction of the harmful emissions and improvement of the energy efficiency of buildings and equipment of "MHAT – Ihtiman" EOOD – Medical clinic; X-ray and pediatric ward, city of Ihtiman "	189 393	189 393	187 160
<u>Project No 190</u> "Modernization and introduction of energy efficiency measures at FTK "Shastlivo Detsto", Gorna Oryahovitsa city "	276 171	276 171	264 428

Project No 191 "Reduction of the greenhouse gas emissions on the territory of Rila Municipality through improvement of the energy efficiency of the educational infrastructure"	232 159	232 159	230 153
Project No 204 "Introduction of energy efficiency measures at DN No 4 – Montana city"	164 132	164 132	164 132
Total for public projects	4 625 689	4 112 251	3 829 197

2.2. Project financing under the Investment Climate Program

The total amount paid for activities related to improving the energy efficiency of public sites under ICP – construction and installation works under investment projects for 2015 is BGN 3 853 343. A more detailed presentation of the project financing costs are given in Table 2.2 of this section.

The total amount of the planned in the budget funds for financing investment projects in 2015 is BGN 12 350 000.

As of 31.12.2015 the Fund has signed grant contracts with public beneficiaries, which amount to BGN 9 998 988.

The budget implementation related to investment project financing is 81%. The implementation, which is lower than 100%, is due to the fact that the Investment Climate Program practically started in April and the contractor selection procedures for a part of the projects were completed just in the end of the construction season, and some of them even continued during the winter months.

Table 2.2: Financed by NTEF payments to projects under the Investment Climate Program during 2015

Project / name	Amount according to financing contract with NTEF (85% of the total value with included VAT)	Amount for financing after the conducting tender procedure (85% of the total value with included VAT)	Actual amount of financing during 2015 after implemented CIW (85% of the total value with included VAT)
A. Public projects			
Project No 155 "Modernization and implementation of energy efficiency measures at 146 BS Patriarh Evtimii", Voluyak village, Vrabnitsa region – Metropolitan Municipality"	276 035	275 640	0
Project No 159 Improvement of the energy efficiency at 85 SS "Otets Paisii", Vrazhdebna neighborhood, Kremikovtsi region, Metropolitan Municipality	393 597	392 035	391 994

Project No 166 "Improvement of the energy efficiency at BS "P. R. Slaveikov, Izgrev village, Venets Municipality"	102 076	102 076	92 561
Project No 169 "Implementation of energy efficiency measures at municipal cultural-educational infrastructure in Dzhebel Municipality"	439 815	438 302	438 303
Project No 170 "Improving the energy efficiency in the House of Culture – Rudozem city"	364 557	364 557	0
Project No 176 "Implementation of energy efficiency measures at the educational infrastructure of Lukovlt Municipality through major repair and renovation of DN "Shastlivo Detstvo", PS "Eng. Valkov" and the municipal administration building"	512 890	512 890	454 958
Project No 177 "Improvement of the energy efficiency at BS "Hristo Botev", Dabnitsa Municipality and CCCF "Detelina", Ognyanovo village, Garmen Municipality"	333 517	333 351	0
Project No 179 "Introduction of energy efficiency measures in a hall for acrobatics, light athletics and boxing at Sport Complex "Hristo Botev ", Gabrovo city"	1 082 956	1 082 957	0
Project No 180 "Implementation of highly effective energy efficiency measures for municipality-owned buildings at Dalgopol Municipality"	707 159	707 159	122 739
Project No 185 "Introduction of energy efficiency measures at Children's catering facility, Kazanlak city"	189 557	189 557	189 557
Project No 192 "Improving the energy efficiency and reducing the greenhouse gas emissions in the local health care infrastructure on the territory of Pavlikeni Municipality"	992 199	992 199	0
Project No 198 "Undertaking of energy efficiency measures at FTK "Rusalka", Primorsko city and FTK "Prolet", Kiten city – Primorsko Municipality"	340 172	339 832	339 719

Project No 211 "Modernization and implementation of energy efficiency measures at VSSET "At. Dimitrov"	645 545	645 545	309 905
Project No 216 "Implementation of energy efficiency measures at FTK "Chuchuliga" and FTK "Radost", Ruse city	350 070	350 070	0
Project No 225 "Implementation of a package of measures for improving the energy efficiency of student's dormitory building - block 14 of TU – Sofia"	1 043 736	1 043 736	0
Project No 228 "Implementation of a package of measures for improving the energy efficiency of FTK "Mir" in Iskra village, Sitovo Municipality"	397 213	397 213	396 405
Project No 232 "Improving the energy efficiency of the building of Nursery "Nedyalka Shileva", Saedinenie city, Saedinenie Municipality"	169 203	169 203	169 190
Project No 233 "Improvement of the energy efficiency and reduction of the harmful greenhouse gases of PS "Otets Paisii", Dobrotica village, PS "G. Rakovski", Sitovo village and OY "St. Karadja", Iskra village, Sitovo Municipality"	1 477 823	1 477 823	948 012
Project No 240 "Reducing the emissions of harmful greenhouse gases through introduction of energy saving measures at Day Nursery – Berkovitsa city Berkovitsa Municipality"	180 868	180 868	0
Total for public projects	9 998 988	9 995 013	3 853 343

2.3. Disbursed funds under other programs and for covering the administrative costs of the Fund.

During 2015 the main sources of funds for covering the administrative costs of NTEF are the **Green Investment Scheme and the Investment Climate Program** in their part related to the Fund's administration.

The administrative costs budget includes also the financing under the **World Bank project** for improving NTEF capacity, as well as the funds under the **project for improving the awareness** of the young people on climate change, using financing from the German Government.

The total amount of the funds for covering the administrative costs of NTEF is BGN 1 134 223. (Table 2.3.)

During the past 2015, the administrative costs have amounted to a total of BGN 857 027, which represent 75.56% of the funds envisioned in the budget after its updating with Decision of MB of NTEF of 17 August 2015.

With regard to the structure, the allocation of the costs by budget items is the following – 30.7%; 27.4% - for raising the qualification, remunerations, social and health insurance; consultants' services – 16.2%; maintenance and office expenses – 10.8%; for purchasing long-term assets – 10.8%; costs related to the activity of the MB – 2.7% and costs for institutional development – 1.4%.

The implementation of the budget for administrative support of the activities under the program is shown in Annex 3.

Table 2.3: Implementation of the budget for covering the administrative costs of NTEF and other programs in 2015

Cost allocation	Plan BGN	Report BGN	Performance %
A. INVESTMENTS	69 250	92 737	133,9%
1. Acquisition of tangible fixed assets (TFA)	64 450	54 937	85,0%
2. Acquisition of intangible fixed assets (IFA)	4 800	37 800	787,5%
B. INSTITUTIONAL DEVELOPMENT	59 660	12 000	20,0%
1. Advisory services for institutional development	59 660	12 000	20,0%
2. Other costs related to institutional development	0	0	0,0%
C. CURRENT COSTS	1 005 313	752 290	74,8%
1. Improving the qualification, remunerations, social security and health insurance	279 269	234 314	83,9%
a. Staff training	31 545	28 612	90,7%
b. Labor remunerations	203 492	170 760	83,9 %
c. Social security and health insurance	33 097	28 102	84,9 %
d. Social allowances pursuant to the Labor Code (LC)	11 135	6 840	61,4%
2. Advisory services	156 519	138 676	88,6%
2.A.Reserve for administrative costs (planned but afterwards unused to cover expert services of EMEPA)	143 927	0	0,0 %
3. Maintenance and office costs – overhead costs	91 882	93 945	102,2%
a. Electricity, heating, phones, e-mail, water, etc.	46 000	37 661	81,9 %
b. Fuel and lubricating materials, car maintenance	12 882	10 859	84,3%
c. Insurance and security	4 000	4 278	107,0%
d. Office consumables and service provision	29 000	41 147	141,9%
4. Administrative-managerial costs	307 716	261 852	85,1%
a. Business trips	27 117	26 322	97, 1 %
b. Representative costs	0	0	0,0 %
c. Public relations	146 749	163 688	111,5 %
d. Administrative	133 850	71 842	53,7 %
5. Management Board operating costs	26 000	23 503	90,4%
Total	1 134 223	857 027	75,5%

Clarification regarding the use of budget funds to cover administrative costs:

- The difference between the planned and the reported values by budget items „Acquisition of Long-Term Intangible assets“and “Advisory Services on Institutional Development“ to the amount of BGN 37 800 is due to the following:
- Under the Project of the World Bank, BGN 37 800 were envisioned for the development of a Project Management Portal, included in the budget item “Advisory Services on Institutional Development“. Following the establishment of the portal, the same has been entered into the books as fixed intangible asset, due to which in this financial report the funds spent for its development, have been allocated to the relevant budget item (FIA).
- The incurred costs under budget item “Office Consumables“ to the amount of BGN 12 147 above the planned funds is due to the fact that the purchasing of metal cabinets was planned as FTA (approximately BGN 5 000), but due to the significantly lower unit price compared to the recommendable lower limit for FTA accounting they have been included in item “Office Consumables“. Additionally, upon completion of the National Green Investment Scheme, the non-committed funds for administrative costs were spent for buying office consumables, needed for the archiving of the Projects and part of which are at the availability of NTEF at present.
- The budget item “Public Relations“exceeds by 12% the funds envisioned in the plan (activities under NGIS and under the Public Awareness Project). A need for production and installment of plates for the sites has occurred, which is included in the additional agreement under NGIS upon a request of the Austrian party. Furthermore, in the process of implementing the Public Awareness Project there was a strong interest for participation on the part of beneficiaries of the Project. The reallocation of funds from other items under the Project (for which budget funds have not been used) to the activities connected with involvement of more children in the schools and kindergartens in the creative activities was approved by the donors for the project.

2.4. NTEF financial status as of 31.12.2015

NTEF cash funds are kept in accounts with Unicredit Bulbank AD. As of 31.12.2015, NTEF has BGN 8 810 916 in its accounts with Bulbank AD. As of 31.12.2015, the cash on hand of NTEF amounts to BGN 1 643. The allocation of the funds is shown in *Annex 4*.

The summarized financial status of NTEF as of 31.12.2015 is as follows:

Total NTEF funds as of 31.12.2015	BGN 8 812 560
Committed funds under projects with signed contracts for financing by NTEF as of the end of 2015	BGN 6 141 670
Non-committed funds for future projects and operations maintenance	BGN 2 670 890

ANNEX 1

Table 1.1

APPLICATIONS, SUBMITTED FOR REVIEWING TO NTEF DURING 2015			
Project No	Location / Beneficiary	Objects	Submission Date
334	Burgas - health centre 1	Health center building	09.01.2015
335	Russe	School	09.01.2015
336	National Science and Mathematics High School - Sofia	School	10.02.2015
337	Bulgarian Academy of Science	Administrative building	13.02.2015
338	Dalgopol	Street lighting	17.02.2015
339	Kazanlak	A polyclinic building	19.02.2015
340	Burgas	School	05.03.2015
341	Burgas	School	05.03.2015
342	Tvarditsa	Kindergarten	17.03.2015
343	Ivaylovgrad	Administrative building	08.04.2015
344	Bansko	Public kitchen building	14.04.2015
345	Bansko	Community Center	14.04.2015
346	Bansko	Administrative building	14.04.2015
347	Bansko	Community Center	14.04.2015
348	Bansko	A polyclinic building	14.04.2015
349	Bulgarian Academy of Science	Administrative building	24.04.2015
350	Sofia University "St. Kliment Ohridski"	University building	11.05.2015
351	Столична община район "Витоша"	School	14.05.2015
352	Rakovski	Community Center	18.05.2015
353	State Agency for Metrological and Technical Surveillance	Administrative building	19.05.2015
355	Gotse Delchev	Two Kindergartens	28.05.2015
356	Kazanlak	School	19.06.2015
357	Professional high school for tourism and food technology - Pirdop	School	19.06.2015
358	Polski Trambesh	Community Center	29.06.2015
359	Metropolitan Municipality - Vitosha Region	School	03.07.2015
360	Trakia University - Stara Zagora	Administrative building	10.07.2015
361	Kazanlak	School	24.07.2015
362	Gabrovo	A polyclinic building	29.07.2015
363	Vetrino	Street lighting	03.08.2015
364	Gabrovo	A polyclinic building	06.08.2015
365	Chavdar	Administrative building and Community Center	21.08.2015
366	Medical institute of Ministry of Interior	Hospital	09.09.2015
367	Bulgarian Academy of Science	Administrative building	01.10.2015
368	Kazanlak	School	23.10.2015
369	Zlatograd	School	04.11.2015
370	Primorsko	School	19.11.2015
371	Ministry of Interior- Pernik	Administrative building	01.12.2015
372	Ministry of Interior- Pernik	Administrative building	01.12.2015
373	Ministry of Interior- Pernik	Administrative building	01.12.2015
374	Ministry of Interior- Pernik	Administrative building	01.12.2015
375	Ministry of Interior- Pernik	Administrative building	01.12.2015
376	Beloslav	Street lighting	01.12.2015
377	University "Prof. D-r Asen Zlatarov" - Burgas	University building	18.12.2015

Table 1.2

APPLICATION FORMS, SUBMITTED FOR EXAMINATION TO NTEF DURING 2015

Project No	Location / Beneficiary	Objects	Submission Date
219	Ministry of Interior	Vehicles	16.04.2015
222	Ministry of Interior	Administrative building	15.04.2015
223	Ministry of Interior	University building	19.10.2015
246	Shabla	A polyclinic building	30.07.2015
265	Maritsa	Kindergarten	04.08.2015
285	Metropolitan Municipality - Liulin Region	School	20.04.2015
290	Smolyan	Two kindergartens	24.07.2015
291	Vetovo	School	21.04.2015
294	MOEW	Administrative building	12.09.2015
301	Chernoochene	Administrative building	06.02.2015
312	Tvarditsa	School and Administrative building	21.07.2015
315	Maritsa	School, kindergarten and health center building	10.08.2015
318	Nesebar	Street lighting	10.09.2015
324	Trakia University - Stara Zagora	Campus	21.05.2015
328	Veliko Tarnovo	Five Schools	10.06.2015
337	Bulgarian Academy of Science	Administrative building	27.08.2015
339	Kazanlak	A polyclinic building	01.06.2015
340	Burgas	Two Schools	30.11.2015
344	Bansko	Public kitchen building	24.06.2015
345	Bansko	Community Center	24.06.2015
347	Bansko	Community Center	24.06.2015
349	Trakia University - Stara Zagora	Administrative building	11.11.2015
352	Rakovski	Community Center	17.09.2015
353	State Agency for Metrological and Technical Surveillance	Administrative building	17.09.2015
356	Trakia University - Stara Zagora	School	15.10.2015
357	Professional high school for tourism and food technology - Pirdop	School	19.10.2015
358	Polski Trambesh	Community Center	03.12.2015
360	Trakia University - Stara Zagora	Administrative building	30.09.2015
361	Trakia University - Stara Zagora	School	14.10.2015
367	Trakia University - Stara Zagora	Administrative building	22.12.2015
368	Kazanlak	School	22.12.2015

ANNEX 2**APPROVED APPLICATION FORMS DURING 2015**

Project No	Location / Beneficiary	Objects	Approval Date
295	Oryahovo	Tow administrative buildings, health center building, campus and children complex	23.04.2015
299	Burgas	A polyclinic building	23.04.2015
302	UACEG - Sofia	Campus	23.04.2015
307	Trakia University - Stara Zagora	Univercity building and a gym	23.04.2015
301	Chernoochene	Administrative building	23.04.2015
288	Ministry of Energy	Administrative building	23.04.2015
300	Boliarovo	School	23.04.2015
263	Asenovgrad	School and Kindergarten,	23.04.2015
305	Trakia University - branch Iambol	Univercity building	23.04.2015
230	Plovdiv	School	23.04.2015
287	HST "Todor Kableshkov" - Sofia city	Campus	23.04.2015
271	Maritsa	School	23.04.2015
222	Ministry of Interior - Veliko Tarnovo	Administrative building	23.04.2015
312	Municipality of Tvarditsa	School and Administrative building	17.08.2015
345	Municipality of Bansko	Community Center	17.08.2015
328	Municipality of Veliko Tarnovo	Five Schools	17.08.2015
324	Trakia University - Stara Zagora	Campus	17.08.2015
291	Municipality of Vetovo	School	17.08.2015
347	Municipality of Bansko	Community Center	17.08.2015
290	Municipality of Smolyan	Two kindergartens	17.08.2015
344	Municipality of Bansko	Public kitchen building	17.08.2015
285	Metropolitan Municipality - Liulin Region	School	17.08.2015
318	Nesebar	Street lighting	29.10.2015
315	Maritsa	Kindergarten, School and health center building	29.10.2015
294	MOEW	Administrative building	29.10.2015
352	Rakovski	Community Center	29.10.2015
223	Ministry of Interior Academy	Univercity building	29.10.2015
356	Kazanlak	School	29.10.2015
265	Maritsa	Kindergarten	29.10.2015
361	Kazanlak	School	29.10.2015
358	Polski Trambesh	Community Center	29.10.2015
337	Bulgarian Academy of Sience – IMS	Administrative building	29.10.2015
360	Trakia University - Stara Zagora	Univercity building	29.10.2015
353	State Agency for Metrological and Technical Surveillance	Administrative building	29.10.2015
357	Professional high school for tourism and food technology - Pirdop	School	08.12.2015
340	Burgas	Two Schools	08.12.2015
349	Bulgarian Academy of Sience – Institute of Optical Materials and Technologies	Administrative building	08.12.2015

ANNEX 3

TABLE 3.1
BUDGET IMPLEMENTATION FOR NTEF OPERATING COSTS COVERAGE AND OTHER PROGRAMS
 AS OF 31.12.2015

COST ALLOCATION	REPORTED YEAR (2015) BGN													
	Common Plan	Report	Performance	Plan - NGIS	Report - NGIS	Performance - NGIS	Plan - ICP	Report - ICP	Performance - ICP	Plan - WS	Report - WS	Performance - WS	Plan - DE	Report - DE
	BGN	BGN	%	BGN	BGN	%	BGN	BGN	%	BGN	BGN	%	BGN	BGN
Part A - INVESTMENTS	69 210	93 737	134	4 950	4 950	0	64 300	54 837	85	0	37 808	EDV/01	0	0
1. Acquisition of tangible fixed assets (IFA)	64 450	54 937	85	4 950	4 950	0	59 500	54 937	92	0	0	0	0	0
2. Acquisition of intangible fixed assets (IFA)	4 960	37 800	763	0	0	0	4 800	0	0	0	37 800	EDV/01	0	0
Part B - INSTITUTIONAL DEVELOPMENT	59 600	12 000	20	0	0	0	0	0	0	59 600	12 000	20	0	0
1. Advisory services for institutional development	59 600	12 000	20	0	0	0	0	0	0	59 600	12 000	20	0	0
2. Other costs related to institutional development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Part C - CURRENT COSTS	1 005 313	763 299	75	278 663	288 688	104	804 820	234 030	44	91 645	101 278	110	138 688	138 454
1. Improving the qualification, remunerations, social security and health insurance	279 259	234 314	84	98 003	101 545	103	143 493	98 493	69	20 545	20 528	100	5 528	5 748
a. Staff training	31 545	28 612	91	0	0	0	3 000	0	0	28 545	28 528	100	0	0
b. Labor remunerations	203 492	170 780	84	80 951	84 830	105	115 318	81 250	70	0	0	0	0	0
c. Social security and health insurance	33 097	28 102	85	12 822	13 465	105	18 570	13 739	72	0	0	0	1 305	808
d. Social advantages according to the Labor Code (LC)	11 135	6 840	61	4 930	3 420	69	6 205	3 420	55	0	0	0	0	0
2. Advisory services	196 519	138 676	69	33 840	28 514	85	73 000	75 034	104	0	0	0	49 679	33 768
2A. Reserve for administrative costs (planned but afterwards unused to cover expert services of EMEPA)	143 927	0	0	0	0	0	143 927	0	0	0	0	0	0	0
3. Maintenance and office costs – overhead costs	91 802	83 845	102	38 115	50 332	133	45 000	32 419	72	0	0	0	8 767	10 993
a. Electricity, heating, phone, e-mail, water, etc	48 000	37 681	82	16 733	19 204	115	20 500	6 927	44	0	0	0	8 767	9 530
b. Fuel and lubricating materials, car maintenance	12 842	10 839	84	4 892	1 848	38	0 000	7 548	94	0	0	0	0	1 483
c. Insurance and security	4 000	4 276	107	2 000	2 233	112	2 045	2 045	102	0	0	0	0	0
d. Office consumables and service provision	29 000	41 147	142	14 900	27 748	186	14 500	13 899	96	0	0	0	0	0
4. Administrative management costs	307 716	281 832	95	88 105	91 195	104	98 500	17 982	21	63 300	72 750	115	69 811	70 845
a. Business line	27 117	25 350	97	4 000	1 738	43	8 000	3 802	49	0	0	0	15 117	20 602
b. Representing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c. Public relations	148 749	163 839	112	23 753	26 625	113	5 000	4 800	96	63 300	72 750	115	64 604	69 263
d. Administrative	133 850	71 842	54	60 350	62 842	104	75 500	9 280	13	0	0	0	0	0
5. Management Board operating costs	26 000	23 503	90	12 000	14 441	120	14 000	9 062	65	0	0	0	0	0
TOTAL COSTS	1 134 223	887 027	78	278 613	296 826	104	670 220	238 937	51	161 508	181 078	100	138 688	130 454

TABLE 3.2

COST ALLOCATION	Previous year (2014)			Reported year (2015)		
	Plan BGN	Report BGN	Performance B %	Plan BGN	Report BGN	Performance %
Part A - INVESTMENTS						
1. Acquisition of tangible fixed assets (TFA)	8 400	0	0	69 250	92 737	134
2. Acquisition of intangible fixed assets (IFA)	6 000	0	0	64 450	54 937	85
	2 400	0	0	4 800	37 800	788
Part B - INSTITUTIONAL DEVELOPMENT						
1. Advisory services for institutional development	250 000	105 650	42	59 660	12 000	20
2. Other costs related to institutional development	243 000	105 650	43	59 660	12 000	20
	7 000	0	0	0	0	0
Part C - CURRENT COSTS						
1. Improving the qualification, remunerations, social security and health insurance	667 229	433 636	65	1 005 313	752 290	75
a. Staff training	165 472	151 386	91	279 269	234 314	84
b. Labor remunerations	0	138	0	31 545	28 612	0
c. Social security and health insurance	136 216	132 223	97	203 492	170 760	84
d. Social allowances pursuant to the Labor Code (LC)	24 156	19 025	79	33 097	28 102	85
	5 100	0	0	11 135	6 840	61
2. Advisory services	145 500	0	0	156 519	138 676	89
2A. Reserve for administrative costs (planned but afterwards unused to cover expert services of EMEPA)	144 000	78 837	55	143 927	0	0
3. Maintenance and office costs – overhead costs	46 300	45 532	98	91 882	93 945	102
a. Electricity, heating, phones, e-mail, water, etc.	26 900	23 581	88	46 000	37 661	82
b. Fuel and lubricating materials, car maintenance	0	0	0	12 882	10 859	84
c. Insurance and security	2 600	2 271	87	4 000	4 278	107
d. Office consumables and service provision	16 800	19 680	117	29 000	41 147	142
4. Administrative-managerial costs	141 760	135 761	96	307 716	261 852	85
a. Business trips	16 240	16 522	102	27 117	26 322	97
b. Representative costs	0	0	0	0	0	0
c. Public relations	46 400	43 593	94	146 749	163 688	112
d. Administrative	79 120	75 646	96	133 850	71 842	54
5. Management Board operating costs	24 197	22 120	91	26 000	23 503	90
TOTAL COSTS	925 629	539 286	58	1 134 223	857 027	76

ANNEX 4

NTEF FINANCIAL STATUS AS OF 31.12.2015

Available cash funds:

2 793 043.67 BGN

Bank deposits in BGN (see Table 1)

6 019 515.84 BGN

Total BGN as of 31.12.2015

8 812 559.51 BGN

Table 1: Bank deposits in BGN

No of the deposit	Date of the deposit	Principal amount	Expected Interests	Expire date	Annual interest rate
70002522312361	12.12.2015	3 009 757.92	3 385.98	11.03.2016	0.45%
70002522316863	17.12.2015	3 009 757.92	3 385.98	16.03.2016	0.45%

6 019 515.84

6 771.96

Note: The bank has the right to change the interest rate



The renovated building of “Dimcho Debelyanov” high school in Yambol

НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
ЕКО ФОНД



NATIONAL
TRUST
ECO FUND

INDEPENDENT AUDITOR'S REPORT



The renovated building of "Hristo Smirnenski" high school in Ardino.



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To the Managing Board of
National Trust EcoFund
Sofia, Bulgaria

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **National Trust EcoFund**, which comprise the statement of financial position as of 31 December 2015, and the statement of profit and loss and other comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **National Trust EcoFund** as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by EU and Bulgarian legislation.

Report on Other Legal and Regulatory Requirements – Report on the activity for the year ended 31 December 2015

We have reviewed the report on the activity for the year ended 31 December 2015 of **National Trust EcoFund**, which is not part of the financial statements. The historical financial information in the report on the activity complies in its main aspects with the financial information, presented in the financial statements for the year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards, as adopted by EU and Bulgarian legislation. The preparation of the report on the activity is a responsibility of the management.

Mariy Apostolov
Managing partner

Grant Thornton Ltd.
Auditing Company

30 March 2016
Bulgaria, Sofia

Mariana Mihaylova, PhD
Registered auditor responsible for the audit



НАЦИОНАЛЕН
ДОВЕРИТЕЛЕН
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NATIONAL
TRUST
ECO FUND

FINANCIAL STATEMENTS



Final conference of the project for increasing public awareness in schools and kindergartens on the topic of climate change.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

Assets	Note	2015 BGN'000	2014 BGN'000
Non-current			
Intangible assets	5	33	-
Plant and equipment	6	46	1
Non-current assets		79	1
Current			
Receivables	7	3	1
Cash and cash equivalents	8	8 813	47
Current assets		8 816	48
Total assets		8 895	49
Liabilities	Note	2015 BGN'000	2014 BGN'000
Financing	9	8 866	42
Pension and other employee obligations	10.2	24	5
Trade and other payables	11	5	2
Total liabilities		8 895	49

Prepared by: 
(Ivailo Tsekov)

Director of
the Executive Bureau:
(Kamelia Georgieva) 

Date: 03 February 2015

Audited according to the auditor's report dated
30 March 2016

Mariy Apostolov
Managing partner

Grant Thornton Ltd.
Auditing Company



Mariana Mihaylova, PhD
Registered auditor responsible for the audit 

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

	Note	2015 BGN'000	2014 BGN'000
Administrative and institutional development expenses financing income	12	671	542
Non-current assets financing income	5,6,12	14	14
Projects financing income for other programs – DE	12	115	-
Projects financing income	12	7 682	15 344
Projects funding costs	13	(7 682)	(15 344)
Cost of materials	14	(48)	(16)
Hired services expenses	15	(477)	(303)
Employee benefits expense	10.1	(242)	(177)
Depreciation of non-financial assets	5,6	(14)	(14)
Other expenses	16	(13)	(45)
Finance costs	17	(6)	(1)
Finance income	17	21	-
Net result for the year		21	-
Total comprehensive income		21	-

Prepared by: 
(Ivailo Tsekov)

Director of
the Executive Bureau: 
(Kamelia Georgieva)

Date: 03 February 2015

Audited according to the auditor's report dated
30 March 2016

Mariy Apostolov
Managing partner

Mariana Mihaylova, PhD
Registered auditor responsible for the audit

Grant Thornton Ltd.
Auditing Company



The accompanying notes on pages from 48 to 65 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Note	2015 BGN'000	2014 BGN'000
Operating activities			
NGIS financing received	9	4 105	15 793
ICP financing received	9	12 935	-
Financing received for programs DE	9	122	-
Other financing received	9	124	101
Cash paid for project financing	13	(7 682)	(15 344)
Cash paid for institutional development		(113)	(106)
Cash paid for programs DE		(130)	-
Cash paid to suppliers		(305)	(251)
Cash paid to employees and for social security		(212)	(181)
Other payments, net		(6)	(1)
Cash flow from operating activities		8 838	11
Investing activities			
Purchase for acquisition of non-current assets	5,6	(92)	-
Interest received	17	20	-
Cash flow from investing activities		(72)	-
Net change in cash and cash equivalents		8 766	11
Cash and cash equivalents, beginning of year		47	36
Cash and cash equivalents, end of year	8	8 813	47

Prepared by: 
(Ivailo Tsekov)

Director of
the Executive Bureau: 
(Kamelia Georgieva)

Date: 03 February 2015

Audited according to the auditor's report dated
30 March 2016

Mariy Apostolov
Managing partner

Mariana Mihaylova, PhD
Registered auditor responsible for the audit

Grant Thornton Ltd.
Auditing Company



The accompanying notes on pages from 48 to 65 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Background information about the fund

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

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

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

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

1.1. Ownership and management

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

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

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

The key managing personnel as at 31 December 2015 comprises of:

Managing Board

Chairman

Assoc. Prof. Irena Georgieva, PhD

Deputy Chairman

Deputy Minister Pavel Gudjerov

Deputy Chairman

Prof. Naum Yakimov

Members:

Deputy Minister Kiril Ananiev

Deputy Minister Anton Pavlov, till Oct. 2015

Ginka Chavdarova

Lubomira Kolcheva

Advisory Committee:

Representative of R. of Austria

Andrea Stockinger

Executive Bureau:

EB Director

CEO Kamelia Georgieva

Chief Accountant

Ivaylo Tsekov

Accountant

Margarita Manolova

Chief technical expert – Project Manager

Eng. Mihail Denkov

Senior Technical Expert

Valentina Stoyanova

Junior Technical Expert

Neno Nenov

Technical secretary

Elena Mihaylova

Driver

Bozhidar Valchkov

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

As at 31 December 2015 the total number of personnel is 8 (31 December 2014: 6).

1.2. Scope of activities

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

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

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

The main sources of financing as at 31 December 2015 include:

- targeted financing within NGIS;
- targeted funding of the Investment Climate Programme (ICP) in Council of Ministers Decision № 201 / 26.03.2015;
- proceeds from grant for institutional development of NTEF, financed by the World Bank;
- proceeds project to inform the public with funding from the German government.

2. Basis for the preparation of the financial statements

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

The financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Fund. All amounts are presented in thousand Bulgarian leva (BGN'000) (including comparative information for 2014) unless otherwise stated.

The financial statements are prepared under the going concern principle.

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

Under the amendments to the Law on Environmental Protection (State Gazette. 46/18.06.2010), the National Trust EcoFund (NTEF) confers important functions in the National Green Investment Scheme (NGIS).

Earlier this year, talks were held between the MOEW and the Austrian side, which agreed to absorb a portion of unused revenue from the sale of AAUs under the two agreements. Agreed was to finance additional projects amounting to 3 599 197 BGN. At the proposal of the Executive Board, by resolution of the Management Board of NTEF of August 17, 2015 funding for projects in 2015 increased by 230 000 BGN - to 3 829 197 BGN at the expense of savings envisaged administrative costs.

In connection with the foregoing, the planned activities for the preparation and implementation of the above agreement:

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

In accordance with the signed contract for the institutional development of NTEF under a grant from the World Bank, from the planned activities in the implementation of the contract provided for in the Plan of NTEF 2015 are met:

- Training of personnel in place;
- IT Services - website and internet portal NTEF;
- Services for publicity.

Under § 4 of the Transitional and Final Provisions of the climate change mitigation and art. 1, para 2, p. III -1.9 of the Law on State Budget of the Republic of Bulgaria for 2015 and in accordance with Decision № 201 of 26.03.2015, the Council of Ministers of the Republic of Bulgaria are provided from the budget of Ministry of environment and water for the funding of projects to improve the energy efficiency of sites - public state and / or municipal property. In connection with the foregoing, the planned activities for the preparation and implementation of the scheme, provided for in the Plan NTEF for 2015 are met:

- NTEF develops an Operations guide (and applications) to finance projects ICP. Operations guidance on ICP was adopted by the Board of NTEF on April 23, 2015;
- It has been prepared regular reports and reports from conducted visits on the site to monitor and control the implementation of projects under the ICP;
- NTEF perform all activities, connected with preliminary and follow-up control on the implementation of the financed projects within its function of monitoring the implementation of ICP;
- - Successfully implemented the financial obligations of the Fund in respect of contracts for financing, including payments to beneficiaries.

In accordance with the signed contract for the financing of the Project to inform the public in 2015 are fulfilled the following activities:

- For the purposes of the project and its continuation was created website - [www.myclimate.bg](http://www.myclimate.bg;);
- It was organized and conducted training seminars for teachers in Plovdiv, Burgas, Yambol and Pavel Banya;
- Kindergartens and schools received creative materials with which children and students created their own artistic projects related to climate;

- It was made educational posters with available information on the topic of climate change, which were provided to pupils;
- It was organized a competition on the topic of climate. The competition was held in two sections - for students and pupils. The students created videos on the topic and the pupils created project proposals for interesting and innovative projects, in order to persuade their peers to contribute their behavior to mitigate and adapt to climate change;
- The project activities ended with a final conference in Plovdiv, where it was discussed approaches and models for future educational programs on the topic of climate problems.

3. Changes in accounting policies

3.1. Overall considerations

The Fund has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Fund's financial statements for the annual period beginning 1 January 2015:

IAS 19 “Employee Benefits” (amended) – Employee Contributions, effective from 1 July 2014, adopted by the EU for annual periods on or after 1 February 2015

The amendments to IAS 19 clarify the requirements of IAS 19 relating to contributions from employees or third parties and introduce a practical expedient such that contributions that are independent of the number of years of service may be treated as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to IFRSs 2012 effective from 1 July 2014, adopted by the EU for annual periods on or after 1 February 2015

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

- IFRS 2, ‘Share-based payment’
- IFRS 3, ‘Business Combinations’
- IFRS 8, ‘Operating segments’
- IFRS 13, ‘Fair value measurement’
- IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
- Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and
- IAS 39, financial instruments – Recognition and measurement’.

Annual Improvements to IFRSs 2013 effective from 1 July 2014, adopted by the EU for annual periods on or after 1 January 2015

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

- IFRS 1, ‘First time adoption’
- IFRS 3, ‘Business combinations’
- IFRS 13, ‘Fair value measurement’ and
- IAS 40, ‘Investment property’.

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

The following new standards, amendments and interpretations to existing standards have been issued, but are not effective for the financial year beginning 1 January 2015 and have not been early adopted:

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

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

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

IFRS 10 “Consolidated financial statements”, IFRS 12 “Disclosures of interests in other entities” and IAS 28 “Investments in associates and joint ventures” – Investment Entities: Applying the Consolidation Exception (amended), effective from 1 January 2016, not yet adopted by the EU

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

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

IFRS 15 “Revenue from Contracts with Customers” effective from 1 January 2018; not yet adopted by the EU

IFRS 15 replaces IAS 18 ‘Revenue’, IAS 11 ‘Construction Contracts’ and some revenue-related Interpretations and establishes a new control-based revenue recognition model. It changes the basis for deciding whether revenue is recognised at a point in time or over time and expands and improves disclosures about revenue. IFRS 15 is based on a core principle that requires an entity to recognise revenue in a manner that depicts the transfer of goods or services to customers and at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. Early adoption is permitted. Entities are required to apply the new revenue Standard either retrospectively to each prior period presented, subject to some practical expedients or retrospectively, with the cumulative effect of initial application recognized in the current period.

IAS 1 “Presentation of financial statements” (amended) – Disclosure Initiative, effective from 1 January 2016, not yet adopted by the EU

These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. They clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

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

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

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

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

These set of amendments impacts 4 standards:

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

4. Summary of accounting policies

4.1. Overall considerations

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

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

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

4.2. Presentation of financial statements

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

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

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

4.3. Foreign currency translation

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

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

4.4. Grant income

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

4.5. Interest income

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

4.6. Operating expenses

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

4.7. Plant and equipment

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

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

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

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

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

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

- Fixtures & Fittings – 6-7 years
- IT equipment – 2-3 years
- Vehicles – 4 years

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

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

4.8. Impairment testing of plant and equipment

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

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

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

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

4.9. Financial instruments

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

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

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

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

All financial assets are recognized on their transaction date.

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

4.9.1. Financial assets

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

- Loans and receivables.

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

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

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

Loans and receivables

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

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

4.9.2. Financial liabilities

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

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

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

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

4.10. Cash and cash equivalents

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

4.11. Post employment benefits and short-term employee benefits

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

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

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

4.12. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

4.13. Estimation uncertainty

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

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

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

4.13.1. Impairment

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

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

4.13.2. Useful lives of depreciable assets

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

At 31 December 2015 management assesses that the useful lives represent the expected utility of the assets to the Fund. The carrying amounts are analyzed in note 5 and 6. Actual results, however, may vary due to technical obsolescence, particularly relating to IT equipment.

5. Intangible assets

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

	Software	Total
	BGN'000	BGN'000
Gross carrying amount		
Balance at 1 January 2015	-	-
Additions, separately acquired	38	38
Disposals	-	-
Balance at 31 December 2015	38	38
Amortization		
Additions, separately acquired	-	-
Amortization	(5)	(5)
Disposals	-	-
Balance at 31 December 2015	(5)	(5)
Carrying amount at 31 December 2015	33	33

6. Plant and equipment

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

	IT	Vehicles	Fixtures	Software	Total
	equipment		and		
	BGN'000	BGN'000	fittings	BGN'000	BGN'000
Gross carrying amount					
Balance at 1 January 2015	30	-	20	3	53
Additions, separately acquired	16	38	-	-	54
Disposals	(3)	-	(3)	-	(6)
Balance at 31 December 2015	43	38	17	3	101
Depreciation					
Balance at 1 January 2015	(29)	-	(20)	(3)	(52)
Deprecation	(3)	(6)	-	-	(9)
Disposals	3	-	3	-	6
Balance at 31 December 2015	(29)	(6)	(17)	(3)	(55)
Carrying amount at 31 December 2015	14	32	-	-	46

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

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

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

7. Other receivables

At 31.12.2015 the other receivables include amounts paid for the right to use software in the amount of BGN 2 thousand (2014: BGN 1 thousand) and interest receivables at the amount of of BGN 1 thousand.

8. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2015 BGN'000	2014 BGN'000
Bank deposits	6 020	-
Cash at bank and in hand	2 793	47
Cash and cash equivalents	8 813	47

The Fund has no blocked cash and cash equivalents.

9. Conditional Financing

The conditional financing includes:

	31.12.2015 BGN '000	31.12.2014 BGN '000
Undrawn portion of grants for funding of operations, including:	8 845	42
- Undrawn portion of grant for funding of operations – ICP	8 759	-
- Undrawn portion of grant for funding of operations – DE	7	-
- financing for purchasing of non-current assets	79	1
Result of operating activities for the year	21	-
Carrying amount at 31 December	8 866	42

Undrawn portion of the funding of operations includes:

	31.12.2015	31.12.2014
	BGN '000	BGN '000
Carrying amount at 1 January	42	48
Recognised financing income in the statement of profit or loss and other comprehensive income	(8 483)	(15 900)
Grants received	17 286	15 894
Carrying amount at 31 December	8 845	42

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

- Targeted funding from the NGIS at the amount of BGN 276 thousands for administrative activities of NTEF.
- Targeted funding from the NGIS at the amount of BGN 3 829 thousand for financing of investment projects.
- Targeted funding at the amount of BGN 124 thousand for institutional development.
- Provided targeted funding from ICP at the amount of BGN 12 935 thousand for finance investment projects and administrative activities of NTEF.
- Provided targeted funding for public awareness at the amount of BGN 122 thousand for activities, connected with the program.

10. Employee remuneration

10.1. Employee benefits expense

Expenses recognized for employee benefits include:

	2015	2014
	BGN'000	BGN'000
Wages, salaries	(208)	(154)
Social security costs	(34)	(23)
Employee benefits expense	(242)	(177)

10.2. Pension and other employee obligations

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

	2015	2014
	BGN'000	BGN'000
Current:		
Employee obligations	18	-
Unused holiday leaves	6	5
Current pension and other employee obligations	24	5

11. Trade payables

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

	2015	2014
	BGN'000	BGN'000
Current:		
Payables for legal and other services	3	2
Payables for income tax and others	2	-
	5	2

12. Conditional grant income

The conditional grant income amounts to BGN 8 482 thousand (2014: BGN 15 900 thousand) and is equal to the amount of the reported expenses on operating activities during the year, including expenses for project financing – BGN 7 682 thousand (2014: BGN 15 344 thousand) and administrative expenses and institutional development – BGN 671 thousand (2014: BGN 542 thousand), expenses for program DE – BGN 115 thousand and BGN 14 thousand for non-current assets (2014: BGN 14 thousand).

13. Project funding costs

Financing of public projects is realized based on two programs:

13.1. Financing of public projects under the National Green Investment Scheme (NGIP)

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

Under the terms of the trilateral agreement EMEPA provides bridge financing for each of the specified projects to a non-budget account of the Ministry of Finance. In 2015, based on additional agreement between Bulgaria and Austria it has provided funds to finance additional public projects. As a result, it has signed contracts for interest-free loan with EMEPA totaling BGN 4 112 thousand.

Payments under the NGIS grant agreements between NTEF and beneficiaries are made through SEBP system from a special non-budget account of the Ministry of Finance. In 2015 the amounts actually disbursed to Beneficiaries under projects amounted to BGN 3 829 thousand.

Detailed description of the reported costs in 2015 for project financing of NGIP is provided in the table below:

Project / Name	Amount under a Grant agreement with NTEF (85% of the total incl. VAT) (in BGN)	Amount of funding after tenders (85% of the total incl. VAT) (in BGN)	Actual amount of funding during the reporting year 2015 (85% of the total incl. VAT) (in BGN)
A. Public projects			
<u>Project No 2</u> "Replacement of doors and windows and insulation of facade at BVS "Neophit Rilski" with the aim to introduce energy efficiency measures – Samokov Municipality"	983 503	612 238	600 055
<u>Project No 84</u> "The buildings of the schools in Svishtov city – high efficiency level – improved life quality, living and working environment – SS "Ts. Radoslavov"	371 277	329 057	325 356
<u>Project No 149</u> "Introduction of energy efficiency measures at BS "P.R. Slaveikov" and School of Commerce – Burgas city "	347 217	347 217	346 936
<u>Project No 162</u> "Ensuring municipal educational infrastructure with high energy efficiency level in Godech Municipality – PS "Hristo Botev" "	507 836	407 883	334 304

Project No 171 "Introduction of energy efficiency measures in FTK No 4 "Breza", XIII PS "Paisij Hilendarski" and PS "Georgi Raichev", Stara Zagora"	1 554 001	1 554 001	1 376 672
Project No 178 "Reduction of the harmful emissions and improvement of the energy efficiency of buildings and equipment of "MHAT – Ihtiman" EOOD – Medical clinic; X-ray and pediatric ward, city of Ihtiman"	189 393	189 393	187 160
Project No 190 "Modernization and introduction of energy efficiency measures at FTK "Shastlivo Detsto", Gorna Oryahovitsa city"	276 171	276 171	264 428
Project No 191 "Reduction of the greenhouse gas emissions on the territory of Rila Municipality through improvement of the energy efficiency of the educational infrastructure"	232 159	232 159	230 153
Project No 204 "Introduction of energy efficiency measures at DN No 4 – Montana city"	164 132	164 132	164 132
Total for public projects	4 625 689	4 112 251	3 829 197

13.2. Financing of public projects under the Investment Climate Programme (ICP).

Spending resources on this program is based on the Decision of the Council of Ministers № 201 from March 23, 2015. This resources have to finance projects to improve the energy efficiency of sites - public state and / or municipal property.

Payments under the contracts for funding ICP concluded between NTEF and beneficiaries are made by bank transfer from an account NTEF. In 2015, actual amounts disbursed to Beneficiaries by projects of that program amounted to BGN 3 853 thousand.

Detailed description of the reported costs in 2015 for project financing of ICP is provided in the table below:

Project / Name	Amount under a Grant agreement with NTEF (85% of the total incl. VAT) (in BGN)	Amount of funding after tenders (85% of the total incl. VAT) (in BGN)	Actual amount of funding during the reporting year 2015 (85% of the total incl. VAT) (in BGN)
A. Public projects			
Project No 155 "Modernization and implementation of energy efficiency measures at 146 BS Patriarh Evtimii", Voluyak village, Vrabnitsa region – Metropolitan Municipality"	276 035	275 640	0

Project No 159 <i>Improvement of the energy efficiency at 85 SS "Otets Paisii", Vrazhdebna neighborhood, Kremikovtsi region, Metropolitan Municipality</i>	393 597	392 035	391 994
Project No 166 <i>"Improvement of the energy efficiency at BS "P. R. Slaveikov, Izgrev village, Venets Municipality"</i>	102 076	102 076	92 561
Project No 169 <i>"Implementation of energy efficiency measures at municipal cultural-educational infrastructure in Dzhebel Municipality"</i>	439 815	438 302	438 303
Project No 170 <i>"Improving the energy efficiency in the House of Culture – Rudozem city"</i>	364 557	364 557	0
Project No 176 <i>"Implementation of energy efficiency measures at the educational infrastructure of Lukovit Municipality through major repair and renovation of DN "Shastlivo Detstvo", PS "Eng. Valkov" and the municipal administration building"</i>	512 890	512 890	454 958
Project No 177 <i>"Improvement of the energy efficiency at BS "Hristo Botev", Dabnitsa Municipality and CCCF "Detelina", Ognyanovo village, Garmen Municipality"</i>	333 517	333 351	0
Project No 179 <i>"Introduction of energy efficiency measures in a hall for acrobatics, light athletics and boxing at Sport Complex "Hristo Botev ", Gabrovo city"</i>	1 082 956	1 082 957	0
Project No 180 <i>"Implementation of highly effective energy efficiency measures for municipality-owned buildings at Dalgopol Municipality"</i>	707 159	707 159	122 739
Project No 185 <i>"Introduction of energy efficiency measures at Children's catering facility, Kazanlak city"</i>	189 557	189 557	189 557

Project No 192 "Improving the energy efficiency and reducing the greenhouse gas emissions in the local health care infrastructure on the territory of Pavlikeni Municipality"	992 199	992 199	0
Project No 198 "Undertaking of energy efficiency measures at FTK "Rusalka", Primorsko city and FTK "Prolet", Kiten city – Primorsko Municipality"	340 172	339 832	339 719
Project No 211 "Modernization and implementation of energy efficiency measures at VSSET "At. Dimitrov"	645 545	645 545	309 905
Project No 216 "Implementation of energy efficiency measures at FTK "Chuchuliga" and FTK "Radost", Ruse city	350 070	350 070	0
Project No 225 "Implementation of a package of measures for improving the energy efficiency of student's dormitory building - block 14 of TU – Sofia"	1 043 736	1 043 736	0
Project No 228 "Implementation of a package of measures for improving the energy efficiency of FTK "Mir" in Iskra village, Sitovo Municipality"	397 213	397 213	396 405
Project No 232 "Improving the energy efficiency of the building of Nursery "Nedyalka Shileva", Saedinenie city, Saedinenie Municipality"	169 203	169 203	169 190
Project No 233 "Improvement of the energy efficiency and reduction of the harmful greenhouse gases of PS "Otets Paisii", Dobrotica village, PS "G. Rakovski", Sitovo village and OY "St. Karadja", Iskra village, Sitovo Municipality"	1 477 823	1 477 823	948 012
Project No 240 "Reducing the emissions of harmful greenhouse gases through introduction of energy saving measures at Day Nursery – Berkovitsa city Berkovitsa Municipality"	180 868	180 868	0
Total for public projects	9 998 988	9 995 013	3 853 343

14. Cost of materials

Cost of materials includes:

	2015	2014
	BGN'000	BGN'000
Heating	(3)	(2)
Electricity	(3)	(2)
Stationery	(30)	(11)
Others	(12)	(1)
	(48)	(16)

15. Hired services expenses

Hired services expenses include:

	2015	2014
	BGN'000	BGN'000
Consulting fees, incl. for institutional development	(334)	(199)
Telecommunication	(39)	(4)
Insurance and security	(11)	(2)
Service-station fees	(13)	(9)
Audit services, including of the project financed	(66)	(75)
Others	(14)	(14)
	(477)	(303)

16. Other expenses

Other expenses include:

	2015	2014
	BGN'000	BGN'000
Business trip expenses	(13)	(45)
	(13)	(45)

17. Finance costs and finance income

During the reporting period the accounted financial income are interest on deposits, their amount is BGN 21 thousand (including BGN 1 thousand accounted to 31.12.2015). Financial expenses, including cost of bank fees and expenses in foreign operations and their amount is BGN 6 thousand (2014 – BGN 1 thousand).

18. Commitments in connection with the Investment Climate Programme (ICP)

At the end of 2015 NTEF had been signed contracts for financing 19 public projects totaling BGN 11 764 thousand. The maximum amount of financing through NTEF under these projects is BGN 9 995 thousand.

During the period 01.01.2015 - 31.12.2015, 6 public investment projects are completed.

During the 2015 NTEF operations in connection with the implementation of public projects on ICP are focused on the following directions:

- Preliminary control of technical projects and tendering procedures for such projects. The EcoFund performs preliminary control tendering of all public projects by performing preliminary review and agrees all tender documentation of the procedures as well as the

technical projects. Upon successful completion of this procedure and after selecting contractors, the Fund enters into contracts with beneficiaries.

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

In 2015 the amounts actually disbursed to Beneficiaries under projects amounted to BGN 3 853 thousand.

Insured and unused funds under ICP in 2015 will be used in 2016 to finance public projects for energy efficiency and administrative needs of the Fund.

19. Post-reporting date events

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

20. Authorization of the financial statements

The financial statements for the year ended 31 December 2015 (including comparatives) were approved by the management on 29 March 2016.

” *“The NTEF is a well-managed and highly effective public institution, environmental financing institution with few weaknesses and many strengths, making it uniquely valuable institution in Bulgaria.*

With clear and tangible government support the Fund has the potential to perform a much greater role in mobilizing and managing the financial resources needed to meet the environmental challenges of EU accession.”

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

” *“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)

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