



ComActivate

Enabling community action for energy sufficiency

D2.4 SUSTAINABILITY AND BUSINESS AND INVESTMENT PLANS FOR THE OPERATION OF THE LOCAL RC IN BURGAS (BULGARIA)

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1 Introduction

A fundamental question of the next years will be the capacity of the individual households and building communities to carry out necessary adjustments that are essential in reaching the EU's ambitious energy and climate targets. The latter includes a climate framework that centers on three ambitious targets for 2030. First, it aims to achieve a binding 42.5% share of renewable energy in its final energy mix, while maintaining an aspirational "top-up" goal of 45%. Parallel to this, energy efficiency efforts are backed by a binding mandate to reduce final energy consumption by at least 11.7% relative to 2020 projections. What regards residential buildings, as spelt out in the EPBD, a 16% decrease needs to be achieved in their primary energy consumption by 2030. These measures are critical components of the overarching commitment to slash net greenhouse gas emissions by at least 55% compared to 1990 levels, providing a clear legislative pathway toward reaching total climate neutrality by 2050.¹

A key instrument in supporting the refurbishment of the existing residential building stock to achieve these goals, will be the one-stop-shops (OSSs). Designated as compulsory by the recast EPBD, and imagined on a geographical scale that they are equitable distributed for universal access, these OSS will serve as intermediaries between the residents/owners and the different public authorities, as well as provide advice on the availability of subsidies and maybe even support the buildings in choosing the appropriate contractors, and other professionals. Their exact profile, as well as the level they will be placed in the bureaucratic systems is still under development in most countries. Importantly, in many cases already existing OSSs will accommodate this EPBD demand.

The ComActivate project already made its contribution to the system of OSSs by establishing and/or supporting the operation of Resource Centres (RCs) in its pilot cities. An RC was established or assisted in Burgas (Bulgaria), Budapest-Józsefváros (Hungary), Elektrėnai and Kaišiadorys (Lithuania). All of them are operated by public entities. However, this model is not universal: NGOs and SMEs can become involved in their maintenance as well. The latter models – which are also widespread – typically have a diversified funding source, with little or no public funding. The funding model however determines the target audience: low income, vulnerable groups are unlikely to pay a service fee, thus their inclusion presupposes an OSS providing free services. Which is the case for the Resource Centres in the ComActivate project. RCs in ComActivate have a mixed audience, thus they need to serve both vulnerable households and those with a stable income. And while they are all situated within the municipal system, their long-term sustainability is less secure than it would be expected from such a public body.

The current Sustainability and Business and Investment Plan builds on the project research outcome, that the existence of Resource Centres partially depends on the availability of funding for building refurbishments, be it from the EU, or from national subsidy schemes. In addition, public funds are needed in case vulnerable residents are in the focus of operation.

The current Plan has the aim to consider both these external and internal contexts and create a feasible and sustainable pathway for the upcoming years. It aims to lay down the foundation of at least middle-term sustainability by outlining a vision of the municipality and the Resource Centre up to 2030 (section 3) that relies on the current context (section 2) and the current operation of the RC (section 4). It also takes a step ahead, and in section 5 describes a way to sustainability until 2030, by focusing on the prospective clients, services, human resources and financing.

¹ <https://caneurope.org/publications/2030-climate-energy-targets/>

2 Context

2.1 Physical and social characteristics and building stock

Vazrazhdane, is a neighbourhood in Burgas, located close to the city centre. The district is bordered by major roads, transport hubs (bus station and railway station), making it very well connected. The central part of the city and the Vazrazhdane residential district are characterized by predominantly low- and medium-rise buildings. There are many old buildings dating back to the city's founding, most of which are cultural monuments. However, in addition to the historic part of the centre, the area has many apartment buildings (5-6 stories) from the last 20 years, which has significantly densified the urban structure and resulted in a high population density.

In terms of the built environment, the area consists of older panel and brick buildings as well as newer residential complexes. This area is well- equipped with schools, kindergartens, shops, restaurants and cultural institutions (opera, theatre, youth centre etc.) However, it is heavily urbanized, which is the reason for lack of parking spaces and green areas.

Compared to peripheral areas, this area has relatively high property prices especially for newer/ renovated housing. The neighbourhood is desirable for people who want to be near central Burgas but still in a quieter, residential environment.



Figure 1: Delineation of the pilot area



Figure 2: Overview of the pilot area and its surroundings, with selected buildings highlighted in beige, orange and red

Type	Age of construction	Number of buildings	Type of construction	Number of apartments
Multifamily building	1950	21	Bricks	161
Multifamily building	1960	69	Bricks – 65. From panels (prefabricated elements) – 4.	559
Multifamily building	1974	8	From panels (prefabricated elements).	64
Multifamily building	1975	58	From panels (prefabricated elements).	3364
Multifamily building	1980	297	Bricks – 10 buildings. From panels (prefabricated elements) – 22 505.	22605
Multifamily building	1981	62	From panels (prefabricated elements).	3844
Multifamily building	1983	100	From panels (prefabricated elements).	3625
Multifamily building	1987	192	From panels (prefabricated elements).	20737

Multifamily building	1988	114	Reinforced concrete (reinforced concrete structure with slab and columns) – 30. From panels (prefabricated elements) – 84.	7560
Multifamily building	1989	124	From panels (prefabricated elements).	8765
Multifamily building	1990	170	From panels (prefabricated elements).	8330
Multifamily building	1991	72	Reinforced concrete (reinforced concrete structure with slab and columns).	5184
Multifamily building	1992	120	Reinforced concrete (reinforced concrete structure with slab and columns) – 40. From panels (prefabricated elements) – 80.	1600
Multifamily building	1993	67	Reinforced concrete (reinforced concrete structure with slab and columns).	4489
Multifamily building	1996	13	Reinforced concrete (reinforced concrete structure with slab and columns).	169
Multifamily building	2000	20	Reinforced concrete (reinforced concrete structure with slab and columns).	202

Table 1. Physical description of the housing stock in the Vazrazhdane neighbourhood²

The neighborhood has an area of approximately 1.00 by 0.50 km / 0.60 km². The building stock in the district consists of about 1500 buildings, with 91 258 apartments. 80% of them are built before 1990, when the main part of the panel and reinforced concrete buildings were built. These buildings have poor energy performance (energy classes E, F and G) and face challenges related to:

- physical ageing of some elements of buildings (connections at balcony railings, roof boards, etc.) because of lack of systematic technical maintenance through the years;
- poor condition of buildings' elements – roofs, damaged waterproofing and water drainage, destroyed facades, old window frames and glasses, etc.

² National Statistical Institute Republic of Bulgaria



Picture 1. A typical multifamily building

2.2 Available subsidy schemes

In Bulgaria, subsidy schemes for implementation of energy efficiency measures on buildings are provided only at national level. The following programmes have been available/ expected to be available:

1. Renovation of multifamily buildings

Since 2016, the state in cooperation with the municipalities and HOAs invested about EUR 5 billion leva for renovation of multifamily buildings. Grants are 100% and cover the implementation of energy-efficiency measures for the whole building, including facade insulation, windows replacement, for repair and insulations, replacement of lightning in common parts. With the implementation of these measures, multifamily buildings reach energy class B and A. Burgas is leader in the country with more than 300 completely renovated private multifamily buildings.

In 2022 there was a pilot call with 80% subsidy grant and 20% co- financing by homeowners. The interest in the call was very little as only 14 small buildings from Burgas applied. In 2024, the state made a decision that it will cover the 20% co- financing by residents.

2. Replacement of coal/wood heating stoves with energy efficient heat pumps/ pellet stoves.

Since 2022, Burgas Municipality through several EU projects has been replacing old heating devices of families with new energy efficient air conditioners or pallet stoves. Up- to- now about 2800 old heating devices are being replaced, and another 4250 households will have their devices replaced by the end of 2028.

3. In 2024, a program for **installation of PVs for households**, financed by Bulgaria National Recovery and Resilience Plan was opened. Its budget was 25 million euro. It covered up to 70% from the investment, but not more than 7500.00 euro. Eligible for financing were single households. This automatically excluded households living in multifamily buildings, because in Bulgaria it is not possible

yet to return produced energy to the grid and use it afterwards, whenever you need it. Interest in the programme was not big and only about 1/3 of its budget was contracted

4. There is a **social program** provided by the state and managed by the municipality. For a period of five months – from November to March socially vulnerable families receive financial support (about 100 euros) to cover their energy bills.

5. In the second half of 2026, it is expected the start of the next **National Energy Efficiency Building Renovation Programme** (with Ministry of Energy providing information that the budget of approx. 1,3 billion euro will suffice to renovate around 2000 buildings by 2029). As for the Bulgaria Social Climate Plan, it's official start is uncertain, most likely in 2027. It will have a budget of 2,28 billion euros as 1 billion euros will be available for implementation of EE measures, with emphasis on energy poor households. It is expected that the municipalities will have a leading role in the process and will be responsible for citizens' engagement, info campaigns and trainings, support for project preparation and submission, carrying out public procurements, signing contracts with selected companies, monitoring activities implementation and achieved results. Energy office of Burgas will play an important role in the process as we already have been doing this for 4 years.

2.3 Institutional context

Resource centre (Energy Office) of Burgas opened in December 2022. Its main purpose is to support HOAs in the application process for receiving financing from national and EU programmes for implementation of energy efficient measures and implement renewable energy sources in their buildings.

Operating for a little more than 3 years, RC added to its services organisation of trainings and info days for HOAs and business dedicated to energy efficiency and renewable energy sources. Since its establishment, about 6000 people have visited the centre.

Resource centre is collaborating actively with two directorates in Burgas Municipality, Directorate Strategic planning, which is responsible for development and implementation of projects financed by European Union and national programmes and Directorate Construction and Urban Planning, responsible for the actual implementation of energy efficiency measures and renewable energy sources.

3 Vision

Given the growing complexities and the requirements from various EU and national legislation's requirements in the coming decades, the RC in Burgas can play an important supporting and scaling role in the green transition. Two strategic documents of Burgas Municipality define the vision for development of building stock in Burgas.

Long-Term Energy Efficiency Program of Burgas Municipality 2021 – 2030

The policy concentrates of municipally owned services and properties, including buildings.

Long-term objective 1

Increase the energy efficiency of the municipality's buildings, improve indoor comfort and reduce CO₂ emissions. The implementation of the objective is considered as a preparation for the implementation of the municipality's high ambitions to achieve a carbon-neutral building stock by 2050, and during the period of the current program, the deep renovation of the municipal building stock will be launched through the implementation of pilot projects that will serve as good examples stimulating private investments for deep renovation of residential, commercial and industrial buildings.

Specific objective 1.1

Reduce energy consumption in municipal buildings

By 2030, the Municipality of Burgas will renovate at least 33% of the municipal building stock to levels corresponding to class A and class A+ of the scale of energy consumption classes in buildings. In numerical terms, this is about 68 buildings or a total of 146 000 m² of the municipality's building stock renovated. The expected savings are 12,972 MWh/a of final energy corresponding to 23,246 MWh/a of primary energy. The saved carbon dioxide emissions will be 3,752 tCO₂/a.

Long-term Objective 4

Raising awareness among government officials and citizens about the benefits of energy efficiency and renewable energy, and encouraging investments in more efficient energy management.

Specific objective 4.3

Organise information campaigns and training seminars for the general public on the benefits of implementing energy efficiency and renewable energy measures.

Long-term program to promote the use of energy from renewable energy sources and biofuels in Burgas Municipality 2021 – 2030

Overall objective: Increase the share of energy from renewable sources in the territory of Burgas Municipality to 32% by 2030.

Long-term goals and indicators.

Long-term goal 1

- Effective utilization of renewable energy resources in the municipal and residential building stock.

Indicators for the implementation of the goal are as follows:

- 236 new photovoltaic plants with a capacity of up to 30 kWp in residential buildings;
- 20 new photovoltaic plants with a capacity of up to 30 kWp in municipal buildings;
- 123 new installations with solar collectors for hot water production in residential buildings;
- 30 new installations using RES for heating and/or hot water in municipal buildings;
- 4,000 new heating sources using renewable energy installed in apartments or single-family buildings.

Achieving the planned objectives in both municipal policies requires not only financing, but also **high levels of citizen engagement, technical guidance, and administrative support** - and to support this, the RC will play an important role, necessitating to enlarge its current pool of stakeholders, services offered and staff.

Building on its first three years of operation—with **over 6 000 visitors** RC has the potential to evolve from an information office into a **key implementation mechanism** for the implementation of both EU and national policies locally.

The RC can directly contribute to increasing renovation rates by:

- Supporting HOAs in navigating complex application procedures;
- Facilitating access to national and EU funding programmes;

- Addressing one of the main barriers: lack of coordination among 50+ households per building.

The transition away from solid fuels and inefficient systems requires active engagement with households, continuous awareness campaigns and practical guidance on technology choices, which the RC can support by promoting clean heating solutions (e.g. heat pumps, efficient air conditioning) and encouraging adoption of distributed renewable energy systems.

The RC can consolidate and expand its role as a single access point for energy efficiency and RES financing, technical consultations (materials, systems, energy classes), training and capacity building. The addition of services such as energy audits and technical advice can strengthen its capacity to support implementation.

Aligned with EU priorities and the Social Climate Fund, the RC will be able to support with the identification and engagement of energy-poor households, facilitating the access to targeted support schemes and the promotion of their participation in renovation programmes.

The RC can also act as a mechanism to support the implementation of:

- National Building Renovation Action Plan – by increasing renovation uptake and improving project readiness
- Social Climate Plan – by supporting vulnerable households
- Neighbourhood Level Sufficiency Plan – by enabling area-based and community-driven solutions
- Through its participation in National Association of Municipalities in the Republic of Bulgaria and Municipal Network for Energy Efficiency EcoEnergy, Burgas Municipality channels local experience into national discussions, contributing indirectly to policy improvement.

4 Current operation of the RC

4.1 Clients

Citizens and building managers as representatives of HOAs are the main beneficiaries of the services provided by the RC. RC has been providing information and administrative assistance for the preparation of applications to EE programmes. There is no socioeconomic or gender-based statistics collected about the RC's visitors, however, it can be stipulated that a large number of beneficiaries are from vulnerable households, as based on a recent publication of the geographical distribution of energy poverty in the country, approximately 25,220 energy poor households (approx. 29% of the population in the municipality) inhabit the municipality and its worst performing buildings.

Since businesses generally have greater financial and administrative capacity, they usually approach the RC only to obtain information about the open calls. After that, they independently prepare the required project documentation, often by hiring external consultants. Unlike private companies, HOAs living in condominiums typically do not have financial resources to hire a consulting company to prepare project proposal and documentation. Given that, they rely on the services of the RC for this support. Since its opening at the end of 2022, about 6000 people visited the RC, or an average 2000 people per year.

A significant majority of visitors (70%) are interested in available programmes for building renovation, 20% in replacing old wood stoves with air conditioners and 10 % in PV system installations. The resource center maintains a register where visitors or those contacting the RC can leave their contact details and specify their areas of interest. This enables staff to build a contact database and engage relevant stakeholders in events and trainings.

4.2 Services provided

Resource centre is located at the heart of the city in a building owned and managed by Burgas Municipality and it serves the whole city of Burgas. The RC is readily accessible via public transport, pedestrian routes and bicycle paths.

The primary beneficiaries of the RC include citizens, homeowners' associations in Burgas, and households facing energy poverty.

The core services provided by the RC are:

- Details regarding programmes and financial instruments for energy efficiency and PV system installations;
- Assistance with documents preparation to apply for financing for EE and RES measures;
- Organizing training sessions and informational days on energy efficiency, energy saving and RES.

The RC operates from Monday to Friday, between 08:30 and 17:15. Services are delivered in person, by phone and e-mail. The RC is currently staffed by one full-time employee. As of April 2024, a showroom for insulation materials and windows has been established at the RC by a private company. What we thought at the beginning to be a great idea, tuned out to be not so successful one. The primary purpose of the showroom was to add more services to the Resource Centre, by advising visitors on concrete insulation materials, window frames, and ventilation systems, so they can take informed decisions when starting to renovate their homes. Unfortunately, the employee of the private company did not have the appropriate education and experience, so she was not able to provide these services. Additionally, the company itself did not promoted the showroom, so the visitors to the RC were coming for its known serviced and not for the new ones.

Currently the showroom is still in the Resource Centre, but there is no employee who can advise the visitors.

4.3 Human resources and financing

Services in the RC are delivered in person, by phone and e-mail. The RC is currently staffed by one full-time employee. However, it is collaborating actively with two directorates in Burgas Municipality, Directorate Strategic planning, which is responsible for development and implementation of projects financed by European Union and national programmes and Directorate Construction and Urban Planning, responsible for the actual implementation of energy efficiency measures and renewable energy sources. There are 20 employees in these directorates, who support the work of the Resource centre.

The RC is actively partnering with Burgas Municipality, the Center for Energy Efficiency EnEffect and Energy Community Burgas- Slaveykov. More peripheral but still good relationships are maintained with local businesses that work in PV design and installation, civil organizations focused on energy, environmental protection, building managers.

Costs for running Resource center are coming from the budget of Burgas Municipality and EU funded projects.

On average costs per month for running the Resource center are as follows:

- salary of full-time employee 1200 euros;
- utility bills (electricity, phone, cleaning) – 400 euros;
- others (organisation of events, trainings etc.) – 200 euros;

- rent of premises- Resource centre in Burgas is working in an office owned by Burgas Municipality and do not pay a rent;

In total it adds up to 1800 euros/month.

4.4 Challenges

At present, the RC operates with 1 full-time employee.

Periods of active funding calls (100% grants) generate very high demand, requiring intensive support for large numbers of homeowners' associations (HOAs). Advisory services, training, and application support are time- and resource-intensive, especially for multifamily buildings with complex ownership structures

From our experience so far, depending on the available funding for renovation of MFABs, at least 3 people should work in the RC to adequately support visitors. For example, during the last open call for renovation of MFABs in 2022, there were 3 people in the RC, who supported the HOAs to prepare their documents, 10 people from Directorate Construction and Urban Planning who were responsible for the preparation of Energy and Technical audits of the buildings and 10 people from Directorate Strategic planning who wrote the project proposals and submitted them. As a results Burgas was the city with most submitted projects of 220.

One of the most significant challenges is the irregular availability of state and EU subsidy programmes, which directly affects citizen engagement. During open calls (especially with high subsidy rates), the RC experiences sharp peaks in demand, often exceeding its operational capacity. In periods without active funding opportunities, interest drops significantly, leading to underutilisation of the RC's services. To address this volatility, the RC should think of expanding its services, e.g. becoming energy manager of municipal buildings, make another effort to collaborate with private companies to provide services related to energy efficiency- energy audits, photovoltaic installations design.

Still, there are also behavioural barriers, such as the strong dependence of households on high grant financing, as most previous programmes offered 100% subsidies shaping expectations among citizens. It is evident now that many homeowners delay renovation decisions in anticipation of similar conditions in the future, as during the second phase of the National EE programme for MFABs there was very low interest in participating.

However, as it's becoming clear that this high grant-based financing practice is not sustainable and, practically impossible in meeting the goals for 2030 and beyond, the RC can be an important player in the transition period, and to communicate realistic expectations about future funding conditions, demonstrating the economic and comfort benefits of renovation beyond subsidies.

The establishment of a central, highly visible office has significantly improved accessibility and recognition. However, more vulnerable households, residents in peripheral areas remain harder to reach, making the office-based engagement insufficient to ensure broad participation. To maximise impact, the RC will need to plan for targeted outreach activities, organizing local information events and mobile services, broaden its partnerships with community organisations and local stakeholders.

5 Securing sustainability towards the 2030 goals

5.1 Clients

The RC will continue to prioritise HOAs in MFABs, as they represent the largest energy-saving potential, as well as individual households, particularly in single-family houses, as the expectation is that upcoming EE programmes will include subsidy schemes for single-family houses, too.

At the same time, a gradual shift is foreseen towards explicitly energy-poor and vulnerable households, in line with the Social Climate Fund, buildings with the worst energy performance (E, F, G classes), where the impact of interventions is highest, and small and medium-sized enterprises (SMEs), given the increasing availability of EE and RES funding for businesses. There is potential to also focus on financial institutions and intermediaries, especially in scenarios with lower subsidy intensity in the future.

Given the complexity of decision-making in MFABs, the RC will primarily work with HOA representatives and building managers, and at the same time, it will continue to engage individual residents through awareness campaigns, trainings, and public events.

5.2 Services provided

The RC is expected to broaden its scope from a primarily funding-support function to a more integrated energy service hub.

Key fields of activity can include a continued support for accessing subsidy programmes, expanded technical advice (materials, systems, energy performance levels), increased focus on energy poverty mitigation, promotion of renewable energy solutions (PV, solar thermal), support for community-level initiatives and engagement.

The RC will continue to offer a hybrid-model, both online and in-person consultations: in-office consultations, trainings, and events.

While the central office remains essential, a gradual increase in field-based activities can be implemented, such as on-site visits to buildings, local information events, follow-up visits to previously renovated buildings.

To ensure sustainability and year-round activity, with the prospects of new EE and RES programmes with co-financing, the RC may develop also energy audits (paid services), technical assessments and renovation roadmaps, advisory services for SMEs, facilitating connections with financial institutions.

5.3 Human resources and financing

With a growing demand, the RC will increase staffing capacity, particularly technical experts, and combine internal staff with external consultants and partners. Again, a mixed model is likely, keeping the core functions (coordination, advisory, citizen interface) in the office, while specialised services (audits, technical studies) can be partially outsourced.

Currently being dependent on international projects and municipal funding, the RC will need to diversify its financial base through EU-funded projects, national programmes (including the Social Climate Fund), and revenue from paid services.

The RC is expected to maintain its centralised office, due to its visibility and efficiency, while complementing it with mobile services and temporary local outreach actions.