



Financial solutions for a sustainable future

**Financial instrument supporting
Circular Economy**

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UniCredit Bulbank and the Fund of Funds (FoF) offers a new financial instrument supporting circular economy, having an innovative opportunity to finance enterprises striving for more sustainable production, energy efficiency, and optimal resource utilization.

The funds under the instrument are provided through the Competitiveness and Innovations in Enterprises Programme 2021–2027 (CIEP), co-financed by the European Union (EU), and through it businesses receive a combination of credit support and non-repayable grants aimed at implementing projects that reduce carbon footprints and promote the green transition.

WHAT THE PROGRAM OFFERS:

- » Loans of up to 3.8 MEUR*** for investments in energy and resource efficiency
- » Financing term of up to 120 months and a grace period of up to 24 months**
- » No fees and 80% guarantee coverage**
- » Non-repayable support in two types of grants:**
 - **Technical assistance – up to 15,000 EUR** for energy audits or conceptual/technical projects for eligible RES activities
 - **Capital rebate – up to 15% of the total eligible financing amount** for energy and/or resource efficiency

*In case of unused funds under other EU aid programs

MAIN AREAS:

- » Energy efficiency** – investments based on recommendations from energy audits: improvements in industrial and commercial buildings, implementation of energy management and monitoring systems, modernization of production processes, and use of renewable energy sources (RES) for own consumption.
- » Resource efficiency** – projects introducing circular production and consumption models aimed at reducing the use of primary raw materials, reuse and recycling of materials, extending product life cycles, and modern technologies for waste management and recovery.

INELIGIBLE ACTIVITIES

The financial instrument cannot support:

- » Transactions aimed at refinancing or restructuring existing loans**
- » Financing elements of investments that were physically completed or fully implemented before the investment decision date**
- » Decommissioning or construction of nuclear power plants**
- » Investments to reduce greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC**
- » Primary production of agricultural products and products from fisheries and aquaculture**
- » Production, processing, and sale of tobacco and tobacco products**
- » Enterprises in difficulty as defined in Art. 2, item 18 of Regulation (EU) No 651/2014, if the ORGO regime applies**

- » Investments in airport infrastructure, except for investments in existing regional airports as defined in Art. 2, item 153 of Regulation (EU) No 651/2014, in any of the following cases:
 - Environmental mitigation measures; or
 - Security, safety, and air traffic management systems arising from the air traffic management system
- » Investments for waste disposal in landfills
- » Investments related to the production, processing, transport, distribution, storage, or combustion of fossil fuels, except for:
 - Replacement of solid fossil fuel heating systems (coal, peat, lignite, oil shale) with gas heating systems, for the purpose of:
 - Upgrading district heating and cooling systems to “efficient district heating and cooling systems” status, as defined in Art. 2, item 41 of Directive 2012/27/EU
 - Modernizing combined heat and power installations to “high-efficiency cogeneration” status, as defined in Art. 2, item 34 of Directive 2012/27/EU
 - Investments in boilers and heating installations operating on natural gas in homes and buildings, replacing installations based on coal, peat, lignite, or oil shale
 - Investments in expanding and repurposing, converting, or retrofitting gas transmission and distribution networks, provided these investments prepare the networks for adding renewable and low-carbon gases such as hydrogen, biomethane, and synthetic gas and allow the replacement of solid fossil fuel installations
 - Investments in clean vehicles as defined in Directive 2009/33/EC of the EP and Council for public purposes; and vehicles, aircraft, and vessels designed and constructed or adapted for use by civil protection and firefighting services

Other ineligible activities include:

- » Production or trade of any products or activities considered illegal under the laws or regulations of the host country or international conventions and agreements
- » Any economic activity related to pornography or prostitution
- » The following activities when forming a substantial part of the final recipient’s core operations or investment:
 - Production or trade of weapons and ammunition
 - Production of distilled alcoholic beverages
 - Gambling, casinos, and equivalent enterprises
- » Research and development or technical applications related to programs or electronic data solutions specifically intended to support:
 - Any activities included in the excluded sectors listed above
 - Enabling illegal access to electronic data networks
 - Enabling illegal downloading of electronic data
- » Research and development or technical applications related to:
 - Human cloning for research or therapeutic purposes
 - Genetically modified organisms (GMOs)

INELIGIBLE COSTS:

The following costs are not eligible for financing:

- » Purchase of land exceeding 10% of the total eligible costs for the respective project. For abandoned land and land previously used for industrial purposes, including buildings, this limit increases to 15%. For financial instruments, these percentages apply to the Program funds paid to the final recipient or, in the case of guarantees, to the amount of the respective loan, in accordance with Art. 64, para. 1, letter b) of Regulation (EU) No 2021/1060.
- According to Council of Ministers Decree No 86 of June 1, 2023, when support is provided through non-repayable financial assistance, recoverable VAT is not eligible for co-financing from European funds under shared management, including in combined support through a financial instrument and non-repayable financial assistance within a single operation.

ELIGIBLE BENEFICIARIES:

Small and medium-sized enterprises (SMEs), small mid-caps, mid-caps, and large enterprises from various industrial sectors that want to develop their business sustainably and improve their environmental and energy efficiency.

With the new “Circular Economy” instrument and the active support of UniCredit Bulbank, Bulgarian businesses gain access to financial and grant support that fosters growth, competitiveness, and sustainability. This is an important step toward a greener and more innovative economy, supported by leading financial institutions and European funds.

Deadline for loan inclusion: 31 December 2029

For more information, contact the European Funds team at UniCredit Bulbank:



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the European Union



**FUND OF
FUNDS**



PROGRAMME
COMPETITIVENESS AND
INNOVATIONS IN ENTERPRISES

“The loans are provided with the support of the Financial Instrument ‘Portfolio Guarantee with Loss Cap for Circular Economy’, secured through the Fund Manager of Financial Instruments in Bulgaria EAD (FMFIB) with resources under the ‘Competitiveness and Innovations in Enterprises’ Programme 2021–2027, co-financed by the European Union.”