

D.T2.2.1 COLLECTION OF EXISTING FINANCING MECHANISMS

POLAND

Version 1
12 2018





1. General information			
Name of partner	Research and Innovation Centre Pro-Akademia City of Warsaw		
Type and number of schools chosen for pilots	Primary	Elementary	College
	8	0	0
Who is the legal owner of schools	Capital City of Warsaw		
Who pays utility bills and regular maintenance for schools	Capital City of Warsaw		
What is the source for those costs	local authority budget, co-financed from the national budget		
Who is responsible for making decisions on implementation of energy renovation projects	<p>1. Education Office of the Capital City of Warsaw prepares budget assumptions in the area of education, sets out guidelines for districts to construct their budgets, indicating the hierarchy of planned expenditures, determines the amount of funds that districts must plan for training of teachers, determines the actual and “standardised number” of students,</p> <p>2. Treasurer of the Capital City of Warsaw defines the global amount of funds allocated for the districts for education, determines the amount of the financial support for 1 standardised student,</p> <p>3. Districts’ Councils divide financial resources into individual tasks and educational units, and also make possible decisions on increasing funds for education over the amounts charged by the Treasurer.</p> <p>4. <u>Districts’ Infrastructure Departments in the Districts’ Offices</u> prepare proposals of investment tasks to be included in the ‘district annex’ to the budget resolution of the Capital City of Warsaw and the Multi-Year Investment Program of the Capital City of Warsaw and proposals for changes in the district annex to the budget of the Capital City of Warsaw during the budget year together with the resulting changes in the Multi-Annual Investment Program of the Capital City of Warsaw, constituting an annex to the budget resolution of the Capital City of Warsaw.</p> <p>5. Districts’ Education Financing Bureaus: a) develop, at the request of schools’ principals, financial plans for the schools and educational institutions in the scope of budget revenues and expenses, b) prepare materials for the district annex to the draft budget resolution - collective draft plans in the scope of budget revenues and expenses, based on "Assumptions to draft budget of the Capital City of Warsaw" and the guidelines of the Treasurer of the Capital City of Warsaw.</p> <p>6. The opinion on the financial plan has to be given by: the Teachers’ Council, the Parents’ Council and the School Council (if it has been appointed).</p> <p>7. The Schools’ Principals have at their disposal the financial resources specified in the financial plan of the school. The schools are the entities that announce public procurements for investment.</p>		
What is the source	The costs of energy renovation projects are budgeted under the		



for the cost of energy renovation	‘districts annexes’ to the Capital City of Warsaw budget. For instance, in the chapter 80101 of the Ursynów District for 2018, there is a planned cost of renovation of Primary School no. 100 (7.2 M PLN). The trustee of these funds is the Ursynów District Office.	
Which department (sector, institution) is responsible for implementation of energy renovation (in public buildings)	The implementation of building renovation investments is performed by schools themselves. For example, on 16/08/2018 the Primary School no. 109 in Warsaw has announced the public procurement for installation of 39.6 kWp of PV panels on its roof.	
2. Financing EE projects using own funds		
Do you have funds in your budget allocated for EE projects in public buildings	Yes	No
	According to Warsaw Sustainable Energy Action Plan, the budgeted investment in reducing emissions in buildings (including application of energy-saving lighting technologies and renewables) is approx. 805 million euros between 2016 and 2020 ¹ . Majority of these investments are financed from the own funds of the Capital City of Warsaw. According to the Investment Programme of the Capital City of Warsaw for 2018-2025, 60.1% of all investment costs are financed from the own funds of the city. The overall value of own funds engaged in investment projects (not only in schools) between 2018 and 2025 is approx. 2.6 billion EUR ² .	-
Do you have funds in your budget allocated for EE projects specifically in schools	Yes	No
	The overall budget for investments in schools in Warsaw in 2018 is 110.5 M EUR, including 92% of these costs incurred by the 18 districts of Warsaw ³ and the remaining part from the main budget of the city ⁴ . However, it should be noted that there is no separate budget for EE projects in schools, as also new schools or reconstructions are financed from these funds, not only the EE projects.	-
Have you already	Yes	No

¹ Source: http://infrastruktura.um.warszawa.pl/sites/infrastruktura.um.warszawa.pl/files/dokumenty/program_inwestycyjny_-_zalacznik_do_zarzadzenia_0.pdf. Reduction of emissions in buildings: 2 130 937 093,01 PLN, Reduction of emissions in buildings / application of energy-saving lighting technologies - 64 762 988 PLN, while Reduction of emissions in buildings / use of renewable energy sources: 1 263 929 112,00.

² 11.183 billion PLN, 1 EUR = 4.3 PLN, source: http://www.um.warszawa.pl/sites/all/files/download_file.php?file=/sites/default/files/attach/aktualnosci/projekt_budzetu_m.st._warszawy_na_2018.pps

³ 436 564 708 PLN, 1 EUR = 4.3 PLN, source: https://bip.warszawa.pl/Menu_przedmiotowe/budzet_polityka_finansowa_v2/budzet/2018/Budzet/Uchwala_Rady/Kompendium/default.htm

⁴ 38 753 928 PLN, 1 EUR = 4.3 PLN, source: https://bip.warszawa.pl/Menu_przedmiotowe/budzet_polityka_finansowa_v2/budzet/2018/Budzet/Uchwala_Rady/Kompendium/default.htm



<p>implemented EE projects in schools using own funds</p>	<p>134 EE projects have been implemented in schools in Warsaw between 2015 and 2017 using own funds, with the total budget of 21 M EUR. The scope of investments include: insulation of walls, ceilings, roofs, and basements; windows and doors exchange; modernisation of heat exchange substations; modernisation of heating systems; lighting modernisation; development of modernisation documents.</p>			<p>-</p>
<p>3. Financing EE projects using credit or loan funds (debt)</p>				
<p>Is this kind of financing available for you?</p>	<p style="text-align: center;">Yes</p>			<p style="text-align: center;">No</p>
	<p>Source (commercial bank, development bank, other)</p>	<p>Interest rate</p>	<p>Repayment period</p>	<p>-</p>
	<p>Council of Europe Development Bank⁵</p>	<p>1.85%</p>	<p>25 years</p>	
	<p>European Investment Bank</p>	<p>1.85%</p>	<p>25 years</p>	
	<p>Debenture (bonds)⁶</p>	<p>6.45%</p>	<p>10 years</p>	
	<p>European Energy Efficiency Fund (senior debt, mezzanine instruments and equity, but also leasing structures and forfeiting loans)⁸</p>	<p>Decided on a case by case basis. In principle - market rates⁹.</p>	<p>20 years</p>	
	<p>National Fund for</p>	<p>2%</p>	<p>15 years</p>	

⁵ According to the announcement on contract award published in 2005 (http://www.przetargi.egospodarka.pl/67207_Zaciagniecie-Zobowiazania-kredytowego-na-kwote-300-000-000-PLN-na-okres-25-lat-w-Banku-Rozwoju-Rady-Europy_2005_2.html), the interest rate agreed was 3-month Warsaw Interbank Offer Rate (WIBOR) 3M + 0.13 percentage points. As of 26/10/2018, WIBOR 3M equaled to 1.72%. Source: <https://www.bankier.pl/kredyty-hipoteczne/stopy-procentowe/wibor?rateDate=&rateChartType=3m>

⁶ According to the announcement on contract award published in 2005 (http://www.przetargi.egospodarka.pl/51069_zaciagniecie-zobowiazania-kredytowego-na-kwote-517-642-979-PLN-na-okres-25-lat-w-Europejskim-Banku-Inwestycyjnym_2005_2.html), the interest rate agreed was 3-month Warsaw Interbank Offer Rate (WIBOR) 3M + 0.13 percentage points. As of 26/10/2018, WIBOR 3M equaled to 1.72%. Source: <https://www.bankier.pl/kredyty-hipoteczne/stopy-procentowe/wibor?rateDate=&rateChartType=3m>

⁷ Source: <https://obligacje.pl/pl/obligacja/WAW0922>

⁸ The minimum project size is EUR 5mn (range of EUR 5-25mn). Source: <https://www.eeef.eu/faq.html>

⁹ The interest rate depends on the risk structure of the investment (counterparty and technology risk). Source: <https://www.eeef.eu/faq.html>



	Environmental Protection and Water Management, priority programme “Improving air quality. Part 5: Public utility buildings with a higher energy efficiency standard” - loans ¹⁰			
	Regional Fund for Environmental Protection and Water Management in Warsaw - Programme OA-2 “Modernisation of electrical lighting” ¹¹	1-3%, depending on the applicant type	10-15 years	
	Regional Fund for Environmental Protection and Water Management in Warsaw - Programme OA-1 “Reducing emissions of pollutants into the air, reducing heat consumption and the use of renewable	1-3%, depending on the applicant type	10-15 years	

¹⁰ The interest rate is 3-month Warsaw Interbank Offer Rate (WIBOR) 3M, but no less than 2%. As of 26/10/2018, WIBOR 3M equaled to 1.72%. Source: <https://www.bankier.pl/kredyty-hipoteczne/stopy-procentowe/wibor?rateDate=&rateChartType=3m>

¹¹ 20% of the loan can be redeemed (grant provided by the Fund). Source: http://wfosigw.pl/strefa-beneficjenta/programy2018/JST/OA_2



	energy sources ¹²			
Do you have plans to invest in EE projects in schools using this model	Yes			No
	Yes, the main debt instruments which will continue to be used by the Capital City of Warsaw are two credit lines: at the Council of Europe Development Bank and at the European Investment Bank. According to the Investment Programme of the Capital City of Warsaw for 2018-2025, 19.9% of all investment costs are going to be financed from bank loans and credits. The overall value of debt financing engaged in investment projects (not only in schools) between 2018 and 2025 is approx. 0.9 billion EUR ¹³ .			-
Have you conducted EE project in schools financed by credit or loan funds (debt)	Yes			No
	The City of Warsaw has conducted EE projects financed by credits and loan funds. The scope of projects is similar to those financed from own funds and includes: insulation of walls, ceilings, roofs, and basements; windows and doors exchange; modernisation of heat exchange substations; modernisation of heating systems; lighting modernisation.			-
4. Financing EE projects using grants, subsidies or other incentives				
Is this kind of financing available for you?	Yes			No
	Source (national, EU funds, other)	Grant rate %	Max. amount of grant per project	-
	Regional Operational Programme of Mazovia Voivodship 2014-2020 (European Regional Development Fund, regional level), Measure 4.2 Energy efficiency ¹⁴	80%	No maximum grant per project ¹⁵	

¹² 25% of the loan can be redeemed (grant provided by the Fund). Source: http://wfosigw.pl/strefa-beneficjenta/programy2018/JST/OA_1

¹³ 3.7 billion PLN, 1 EUR = 4.3 PLN, source: http://www.um.warszawa.pl/sites/all/files/download_file.php?file=/sites/default/files/attach/aktualnosci/projekt_budzetu_m.st._warszawy_na_2018.pps

¹⁴ ESCO-based projects are granted extra points in the proposal evaluation (source: <https://www.funduszedlamazowska.eu/wp-content/uploads/2018/09/szooop-2.4.pdf>, page 114)



	[status as of October 2018: no open call]			
	Infrastructure and Environment Operational Program, Measure 1.3.1 Supporting energy efficiency in public buildings (Cohesion Fund, national level) ¹⁶ [status as of October 2018: no open call]	85%	No maximum grant per project ¹⁷	
	ELENA - European Local Energy Assistance ¹⁸ [status as of October 2018: open ongoing call]	90%	In principle, there are no specific limits ¹⁹ .	

¹⁵ The total allocation for the Measure 4.2 is 123,541,043 euro. The Measure provides financing to EE improvements public buildings, residential buildings and CHP.

¹⁶ The scope of the project of a comprehensive energy modernization of the building must result from the energy audit carried out and lead to a reduction of at least 25% of final energy consumption. Source: <http://poiis.nfosigw.gov.pl/skorzystaj-z-programu/zobacz-ogloszenia-i-wyniki-naborow-wnioskow/wspieranie-efektywnosci-energetycznej-w-budynkach/art,1,1-3-1-wspieranie-efektywnosci-energetycznej-w-budynkach-uzytecznosc-publicznej-konkurs-ii.html>

¹⁷ The total allocation for the Measure 1.3.1 is 348,521,647 euro. The beneficiaries eligible for funding are: state budgetary units (legal form - code 428), universities (legal form - code 044), government administration and supervised or subordinate to it organs and organizational units (legal form - code

401, 402, 406, 428, 132, 165), entities that provide energy services within the meaning of Directive 2012/27/EU, acting for state budgetary units, higher education institutions and public authorities, (legal form - code 019, 023, 115, 116, 117, 118, 120, 121, 124). Source: http://www.pois.gov.pl/media/62555/SzOOP_POIS_v_8_4.pdf

¹⁸ Source: <http://www.eib.org/en/products/advising/elena/index.htm>

¹⁹ The instrument provides funding to develop, mobilise financing and implement a clearly identified Investment Programme. Costs related to the Investment itself e.g. hardware investments, detailed design, permits, etc. should be borne by the project and cannot be supported by ELENA. The requested assistance should be commensurate with the amount of the Investment Programme to be prepared (normally above EUR 30 million) and its potential for market replication. Source: http://www.eib.org/attachments/documents/elena_faq_en.pdf



	<p>National Fund for Environmental Protection and Water Management, priority program “Improving air quality. Part 6) Public utility buildings with a higher energy efficiency standard” - grants²⁰</p> <p>[status as of October 2018: no ongoing call]</p>	40%	In principle, there are no specific limits ²¹ .	
	<p>Technical Assistance Operational Programme (Cohesion Fund) - Call for PPP advisory services - announced by the Polish Ministry of Investment and Development</p>	90%	In principle, there are no specific limits ²² .	

²⁰ The program is aimed at financing the implementation of EE improvements in buildings, i.e. the reduction in the demand for non-renewable primary energy (EP) with respect to the reference building is at least 10%. The reference building should be understood as a building that meets the requirements set out in the provisions of the Ordinance of the Minister of Infrastructure regarding technical conditions to be met by buildings and their location of 12 April 2002 (Journal of Laws of 2015, item 1422), in force at the moment of submitting the application for co-financing. It is agreed that the eligible costs of the project calculated on the basis of an investor's cost estimate, may not exceed PLN 2,000 per 1 m² of space with regulated air temperature in the building, including the costs of project documentation. Source: http://nfosigw.gov.pl/download/gfx/nfosigw/pl/nfoopisy/1616/3/25/program_prioritetowy_poprawa_jakosci_powietrza_czesc_6.pdf

²¹ The minimum investment cost is approx. 232 thousand euro (1 million PLN, 1 EUR = 4.3 PLN). The budget for implementation of the program is approx. 267 million euro (up to PLN 1 129 567 thousand PLN) including 33% for grants and 66% for loans). Source: http://nfosigw.gov.pl/download/gfx/nfosigw/pl/nfoopisy/1616/3/25/program_prioritetowy_poprawa_jakosci_powietrza_czesc_6.pdf

²² Source: http://www.ppp.gov.pl/Aktualnosci/Strony/Wielosektorowy_nabor_projektow_ppp.aspx



	[status as of October 2018: open ongoing call]			
	Regional Fund for Environmental Protection and Water Management in Warsaw - Programme OA-2 “Modernisation of electrical lighting” ²³ [status as of October 2018: open ongoing call]	20%	In principle, there are no specific limits.	
	Regional Fund for Environmental Protection and Water Management in Warsaw - Programme OA-1 “Reducing emissions of pollutants into the air, reducing heat consumption and the use of renewable energy sources” ²⁴ [status as of October 2018: open ongoing call]	25%	In principle, there are no specific limits. Some limits concern the maximum unit cost of specific types of works, e.g. replacement of windows: 250 EUR /m ² .	

²³ The grant is provided as a redemption of 20% of the loan. Source: http://wfoSIGW.pl/strefa-beneficjenta/programy2018/JST/OA_2

²⁴ The grant is provided as a redemption of 25% of the loan. Source: http://wfoSIGW.pl/strefa-beneficjenta/programy2018/JST/OA_1



	Yes	No
Do you have plans to invest in EE projects in schools using this model	According to the Investment Programme of the Capital City of Warsaw for 2018-2025, 20% of all investment costs are financed from EU funds. The overall value of grants planned to be used in investment projects (not only in schools) between 2018 and 2025 is approx. 0.9 billion EUR ²⁵ .	-
Have you conducted EE project in schools co-financed by grants, subsidies or other incentives	For example, in the project “Thermal modernization of public buildings in the Capital City of Warsaw”, which started in 2018, PV cells, weather automation, energy-efficient lighting are installed in three schools, a nursery and Family Assistance Centre ²⁶ . The project received nearly approx. 1 million euro under the Regional Operational Programme of Mazovia Voivodship 2014-2020 (ERDF), Measure 4.2 Energy efficiency. Total value of the project is 1.6 million euro ²⁷ . The project activities include also: insulation of buildings, replacement of windows and door joinery, replacement of heating and ventilation installations, replacement of lighting for energy-efficient ones, and the use of photovoltaic cells for additional energy production.	-
5. Financing EE projects using ESCO model		
	Yes	No
Is this kind of financing available for you?	The ESCO market in Poland is assessed as being at the initial stage of development, while there is a slow increase in activity in the area of EPC. The market value was estimated at EUR 10-20 million, while the potential was estimated at EUR 25-75 million (data for 2012-2013) ²⁸ . The potential beneficiaries are not familiar with ESCO instruments as well as they have also inadequate knowledge in the field of energy efficiency, technologies and standards for electricity and heat processes.	-

²⁵ 3.730 billion PLN, 1 EUR = 4.3 PLN, source:

http://www.um.warszawa.pl/sites/all/files/download_file.php?file=/sites/default/files/attach/aktualnosci/projekt_budzetu_m.st._warszawy_na_2018.pps

²⁶ Nursery No. 44 at ul. Wejherowskiej 1, Zespół Szkół im. Piotr Wysocki at ul. Odrowąża 75, School Complex No. 84 at ul. Zwycięzców 44, Primary School No. 271 at ul. Niegocińska 2 and the Family Assistance Center at ul. Lipińska 2

²⁷ PLN 6,806,746.39, 1 EUR = 4.3 PLN, source: <https://www.funduszedlamazowska.eu/aktualnosci/warszawa-inwestuje-w-poprawe-efektywnosci-energetycznej/>

²⁸ https://www.ewaluacja.gov.pl/media/60397/raport_koncowy_ESCO_ostateczny.pdf



Do you have plans to invest in EE projects in schools using this model?	Yes	No
	-	There are no plans to use this model.
Have you conducted energy efficiency project in schools financed by ESCO model ?	Yes	No
	-	The EE projects in EE in schools in Warsaw were using only own funds, grants and loans.
6. Financing EE projects using PPP model		
Is this kind of financing available for you?	Yes	No
	Between 2009 and 2016 in Poland there have been 18 signed PPP contracts for projects in the field of energy efficiency improvement of public buildings - with a total value of investment outlays of approx. 74 million euros. The value of investment was between 0.36 million euro (Parysów Commune) to 16 million euro (Gmina Wiązowna). All projects are implemented by local authorities. The duration of PPP projects is between 8 and 15 years ²⁹ . At the end of 2017, 31 new PPP projects were being prepared in this area, with the total value of approx. 110 million euro. Their planned duration is between 7 and 23 years.	-
Do you have plans to invest in EE projects in schools using this model	Yes	No
	-	There is a political decision to not to use this financing scheme in City of Warsaw.
Have you conducted energy efficiency project in schools financed by PPP (debt)	Yes	No
	-	The EE projects in EE in schools in Warsaw were using only own funds, grants and loans.

²⁹ Polish Ministry of Development, 2017
https://ec.europa.eu/energy/sites/ener/files/documents/012_1.2_michal_piowarczyk_seif_warsaw_30-11-17.pdf