



BANK
GOSPODARSTWA
KRAJOWEGO



Financing Energy Efficiency Investments in Polish Public Buildings

Thermal Refurbishment Fund

Since 1998 Bank Gospodarstwa Krajowego (BGK) has been servicing Thermal Refurbishment Fund (TRF).

The Fund supports an accomplishment of thermo modernization undertakings.

Until now TRF has received from the state over 1 billion PLN, cca. 240 ml EUR.

Its framework covers, among others,:

- thermal refurbishment of all types of residential buildings (excluding state owned buildings);
- **buildings used by municipal entities for purposes of public services (schools, hospitals etc.);**
- local district heating network and local heat sources;
- installation of renewable energy sources or high efficiency.

Thermal Refurbishment Fund – Bonus Programme

Thermal Refurbishment Fund provides financial support from state budget in a form of thermal bonus.

Until 18 March 2009 investors who accomplished thermo modernization investments could get 25% of the loan taken from commercial bank for the execution of the undertakings.

On 19 March 2009 a new act was enforced. It limited the support to 20% but no more than 16% of total costs and no more than double expected annual energy costs savings (set in energy audit). The new act introduced a new form of support namely refurbishment bonus (it not concerns public buildings).

The implemented solutions are less advantageous for investors who accomplish thermomodernization undertakings and therefore they are less interested in it.

Thermal Refurbishment Fund – Key Figures

Since the beginning of the Fund operation, BGK received 1200 applications concerning thermal support for public buildings.

The total sum of the support amounted to 97 ml PLN, cca. 23 ml EUR.

Since the new act was introduced (19 March 2009), BGK has received from local governments 103 applications for the support while in the same period of time in 2008 BGK received 140 applications.

Thermal Refurbishment Fund in future

At present BGK has been observing a gradual increase in investors' interest, which would certainly improve the presented figures (previous slide).

The decision of the Polish government which did not plan any means for the Fund in 2010 could be the obstacle for the development of the Thermal Refurbishment Fund. The remaining means from 2009 (about 70 ml PLN, cca. 17 ml EUR) will be only sufficient for several months, maximum 6 months.

Financing Energy Efficiency – other instruments

Projects concerning thermo modernization of public buildings can apply for the support from means available within:

- Regional Operational Programmes (ROP) of each voivodship;
- Central programmes, for example Operational Programme – Infrastructure and Environmental (OP – IE).

The source of the support are European means (EFRD) and national ones – public and private.

As far as OP - IE is concerned, National Fund for Environmental Protection and Water Management is responsible for implementing of the support. The maximum support amounts to 100% - in case of state budget units or 50% - in case of the remaining beneficiaries of public sector. Due to requirement on the minimum of the value of the project (10 ml PLN, cca. 2,4 ml EUR) relatively big investments can apply for the support. Undertakings on a small scale can be financed within ROP according to local urban development strategy of the particular voivodships.

Financing Energy Efficiency – our plans

- At the end of the year 2009 we plan implementing of the Energy Efficiency Credit Line under GEF Energy Efficiency Project – to promote energy saving measures to reduce CO2 emissions and achieve notable energy effects. This objective will be achieved by granting of the credits on energy efficiency investments by Bank Ochrony Środowiska S.A. under the GEF Energy Efficiency Credit Line which will be a fully a pilot programme. The beneficiaries will be rural and village – urban local governments from the poorest voivodships.
- BGK has preparing to take part in the competition for managing the Urban Development Fund in Wielkopolska region within JESSICA instrument. The projects which will be accomplished within the instrument will be of revitalization character. Wielkopolska region is the first Polish region implementing JESSICA in the framework of its Regional Operational Programme. Other regions which joined the project are as follows: Zachodniopomorskie region, Śląskie region and Pomorskie region.

Financing Energy Efficiency – summary

In general, the public buildings in Poland are in very bad condition. Most of them need to be totally refurbished, their energy consumption is 3 times higher than it is required by Polish regulations.

Moreover the space of public buildings is big, which translates into the amount of energy usage. Poland needs activities to increase awareness of the Polish concerning energy efficiency.

Complying with energy certificates could motivate the government and local authorities to take measures to refurbish buildings, on the one hand, they would make staff aware of the energy usage, on the other hand. The success in the introduction of the energy certificates, sound and clear local regulations are needed.

As far as Target Area Piaseczno is concerned, there is only 1 public building, belonging to the municipality, small office building. During elaboration of the development plan for the Target Area it will be decided whether the building will be used in future or it will be demolished.

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