Greening Performance Report

FOR THE AGREEMENT OF 16 SEPTEMBER 2015 SIGNED WITH THE ITALIAN MINISTRY FOR THE ENVIRONMENT, LAND AND SEA FOR THE ACCOUNT OF THE GOVERNMENT OF ITALY

for 2015, as at 31 December 2015

National Fund for Environmental Protection and Water Management
National Green Investment Scheme Operator
Foreign Funds Unit
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1. Background

On 16 September 2015, the AAU Purchase Agreement was entered into between the State Treasury of the Republic of Poland represented by the Minister of the Environment and the Italian Ministry for the Environment, Land and Sea for the account of Government of Italy (hereinafter referred to as the AAUPA).

The National Fund for Environmental Protection and Water Management (hereinafter referred to as the NFEP&WM) acts as the National Operator of the Green Investment Scheme (hereinafter referred to as the National Operator).

Its commercial value is USD 5,002,717 which, after conversion according to the exchange rate applicable as at the date of crediting the account of the National Operator, is PLN 18,860,226.21.

1.1. Obligations arising from the Agreement

1. Greening Programme

As part of their obligations under the Agreement, the Seller and the National Operator are to ensure that the Proceeds (proceeds of the sale of AAUs with accrued interest) will be spent on the following Greening Programme: Energy management in public buildings.

Below is provided basic information on the obligations of Poland specified in the Agreement:

- Disbursement of the Proceeds for the Greening Activities – by 31 December 2018
- Completion of the Greening Activities – by 31 December 2018

2. Administrative Charge

Up to 5% of the Proceeds could be allocated for covering the costs of the implementation of the National Green Investment Scheme, involving:

- Technical assistance to the eligible Beneficiaries for Greening Activities preparation and development
- Marketing and promotion of the Greening Activities
- Management and administration of the Greening Plan and the Greening Activities tenders, by the Seller and/or by the National Green Investment Scheme Operator
- Monitoring, verification, reporting and auditing, including independent auditors and verifiers.

Administrative expenses may be incurred until 31 July 2021.

1.2. Bank account balance

Balance as at 16 September 2015: PLN 0.00

Balance as at 31 December 2015: PLN 18,888,787.65, consisting of:

a) Contract Price: PLN 18,860,226.21

b) Accrued interest and exchange rate differences: PLN 36,521.79

c) Funds disbursed in total: PLN 7,960.35, including:

- funds disbursed to the Beneficiaries for the performance of the Greening Activities: PLN 0.00
- funds disbursed as Administrative Charge: PLN 7,960.35
2. **Selection of the Greening Activities**

Applicable rules and procedures are defined in the Act of 17 July 2009 on the System for Managing Emissions of Greenhouse Gases and Other Substances. Pursuant to the Act, the National Fund as the National Operator of the Green Investment Scheme is the entity responsible for organising the call for proposals. In particular, the Act determines that the National Operator initially selects projects for co-financing from the Climate Account and then submits the list of projects to the Minister of the Environment for approval. The Minister decides on the co-financing of projects taking into account the opinion of the Consultative Board (interministerial advisory board of the Minister dealing with the functioning of the Green Investment Scheme).

As established by the AAUPA Parties when negotiating the terms and conditions of the AAUPA, the Proceeds are to be allocated for the co-financing of projects submitted under the 6th call for proposals for the Priority Programme “Green Investment Scheme (GIS) Part 1) Energy management in public utility buildings.” This call for proposals was announced on 6 December 2013. Apart from buildings of various types, every co-financed project should cover at least 1 educational facility. As agreed, educational facilities may be nursery schools, kindergartens, primary schools, secondary schools, tertiary schools, etc. On 21 July 2015, having it previously agreed with the National Operator, the Ministry of the Environment provided the Buyer with a list of projects that meet the aforementioned criteria. The list included applications for co-financing that were positively assessed by the National Operator but did not receive grant due to the limited budget established for the call for proposals. The Buyer consented to such procedures on 22 July 2015. The negotiating parties arranged so by exchange of electronic correspondence and their arrangements were incorporated in the AAUPA.

In 2015, the following actions were taken in order to allocate the Proceeds of the AAUPA in 2016 (signing grant agreements):

- The Minister of the Environment, having recorded on 12 October 2015 the transfer of the Contract Price to the Climate Account, asked the National Operator for submitting an implementation plan for the AAUPA. By a letter dated 3 November 2015 the National Operator put a proposition of an implementation plan to the Minister of the Environment. The Minister of the Environment approved this implementation plan by its letter dated 4 November 2015.

- On 4 December 2015, the Management Board of the NFEP&WM adopted a resolution on the amendments to the Priority Programme “Green Investment Scheme (GIS) Part 1) Energy management in public utility buildings.”

- On 4 December 2015, the Management Board of the NFEP&WM adopted a resolution on the amendments to the rules of the 6th call for proposals for projects co-financed under the Priority Programme “Green Investment Scheme (GIS) Part 1) Energy management in public utility buildings.”

- On 4 December 2015, the Management Board of the NFEP&WM adopted a resolution on the changes in the ranking list of the projects eligible for co-financing under the 6th call for proposals as part of the Priority Programme “Green Investment Scheme (GIS) Part 1) Energy management in public utility buildings.”

- On 14 December 2015, the Consultative Board expressed a positive opinion on the amendments to the rules of the 6th call for proposals.

- On 31 December 2015, the NFEP&WM applied to the Minister of the Environment for approval of the amendments to the rules of the 6th call for proposals.

3. **Description of the Greening Activities**

In 2015, no grant agreement was signed. The projects for which grant agreements were signed will be described in detail in the Greening Performance Report for the next year.
4. **Financial execution of the Greening Activities**

In 2015, no grant agreement was signed. Detailed information about the costs of the projects and the Proceeds allocated and disbursed to the Beneficiaries under the grant agreements will be provided in the Greening Performance Report for the next year.

5. **Greening Effect**

In 2015, no grant agreement was signed. Detailed information about the environmental effect planned to be achieved during the implementation of the Greening Activities will be provided in the Greening Performance Report for the next year.

6. **Fulfilment of the environmental protection requirements**

In 2015, no grant agreement was signed.

When it comes to the activities concerning thermal efficiency improvement of the existing buildings, the most important environmental requirement is the protection of species of birds and bats. An appendix to the Priority Programme “Green Investment Scheme (GIS) Part 1) Energy management of public utility buildings” are the rules of conduct for the protection of such species. The Beneficiaries with whom grant agreements will be signed are obliged to abide by the relevant species protection requirements.

7. **Use of the Proceeds of the sale of AAUs for administrative purposes**

In 2015, as part of the Administrative Charge, the National Operator disbursed PLN 7,960.35 to cover the administrative costs of the implementation of the AAUPA.

Date and signature of the person drawing up the report: 01.06.2016

Date and signature of the person accepting the report: 11.06.2016
Date and signature of the person accepting the report: 2016-06-29

Date and signature of the person approving the report: 2016-06-29

Date and signature of the person approving the report: 2016-06-29