Greening Performance Report

FOR AGREEMENT OF 3 OCTOBER 2011 SIGNED WITH THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ACTING AS A TRUSTEE OF THE SECOND TRANCHE OF THE SPANISH CARBON FUND

For 2011, as of 31 December 2011

National Fund for Environmental Protection and Water Management
National Operator of the Green Investment Scheme
Climate Protection Department
Green Investment Scheme Unit
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1. Summary

1.1. Background

The Agreement with the International Bank for Reconstruction and Development acting as the trustee of the second tranche of the Spanish Carbon Fund (hereinafter "the Agreement with the WB") was signed on 03.10.2011. The commercial value of this agreement is EUR 12,000,002.80. The Climate Account belonging to the National Fund for Environmental Protection and Water Management, acting as the national operator of green investment scheme, until 31.12.2010 had not been credited with any funds resulting from the above Purchase Agreement during the reporting period.

1.2. Summary of the obligations arising from Assigned Amount Unit Purchase Agreements

Under the Purchase Agreement commitments, the National Fund for Environmental Protection and Water Management (NFEPWM / the National Fund) will guarantee that the Proceeds will be disbursed for the purpose of the Greening Programme titled "Energy management in public buildings".

Up to 5 % of the proceeds can be assigned to cover the costs of implementing the Green Investment Scheme, including:

a) Technical assistance for eligible Beneficiaries in preparation and development of Greening Activities;

b) Marketing and promotion of Greening Programmes;

c) Management, implementation and administration of the Greening Plan and Greening Projects by the Selling Party or the Operator of the Green Investment Scheme;

d) Monitoring, verification, supervision, reporting and audits, including external auditors and reviewers.

The Agreement specifies the following deadlines for performance of commitments:

- announcement of calls for proposals - not later than 60 working days from the date of signing the agreement;
- disbursing 35% of the Proceeds – 31.12.2012;
- period of project implementation and spending 100% of the Proceeds – by 30.06.2014;

1.3. Call for proposals

Announcement of the third competition under the Greening Programme "Energy management in public buildings" was published on 06.06.2011 on the website of the NFEPWM and in the "Dziennik Gazeta Prawna". The competition was announced with the allocation of PLN 50 million in the form of a subsidy from GIS funds derived from the transaction with the Japanese partner. Given the strong interest of the applicants in obtaining co-financing, there are plans to increase the allocation of the competition from the proceeds derived from agreements with Ireland, the agreement No. 1 with the Japanese partner, the agreement No. 2 with the Japanese partner, the agreement with NEDO, and this agreement with the World Bank. Increase in the allocation will be made at the stage of preparing the ranking list of projects pre-qualified for co-financing.

In 2012, there are plans to conduct the fourth competition under the Greening Programme "Power Management in public buildings". Allocation in this competition will come, inter alia, from this Agreement with the WB.
2. Performance of the call for proposals

Under the third competition announced in 2011 for the Greening Programme Energy management in public buildings (originally funded from other AAU Purchase Agreements), the National Fund received 233 co-financing applications for the total amount of over PLN 333 million. With the Allocation of PLN 50 million, this means that some projects will be placed on the reserve list, which includes proposals positively evaluated that will not receive funding due to the limited allocation.

In order to use funds from the AAU Purchase Agreement, the National Fund intends to increase the allocation in this call with these funds which will help speed the implementation of the AAU Purchase Agreement.

2.1 Third competition under the Greening Programme Energy management in public buildings

Competition documents for this call were evaluated by the Advisory Council on 13.05.2011, and approved by the Minister of the Environment on 02.06.2011.

Third competition was announced on 06.06.2011. Allocation was PLN 50 million in GIS grants. Applicants could also apply for additional co-financing in the form of loans from other NFEPWM resources. In order to do that, submission of a separate application to the NFEPWM was required. On 21.07.2011 passed the deadline for submitting applications under the above Greening Programme.

The competition received 233 project proposals for a total amount of PLN 333,470 thousand in grants and PLN 385,200 thousand in loans.

As a result of the first assessment stage, 19 proposals were rejected due to failure to meet formal eligibility criteria. The remaining 214 applications were forwarded to the second stage of evaluation in terms of meeting the substantive eligibility criteria. Three Applicants withdrew from the competition during evaluation.

Due to the large number of applications, many requests by applicants to extend the deadline for additions to the documentation at the stage of evaluation of formal and substantive eligibility criteria and long-term appeal procedure, the second stage of the evaluation of proposals lasted until the end of the period covered by this Report.

2.2 Fourth competition under the Greening Programme Energy management in public buildings

Since the allocation of funds for projects selected in the third call for proposals (described above) will not allow for the use of all funds from this AAU Purchase Agreement, there are plans for the fourth competition under the Greening Programme "Power Management in public buildings". Allocation in this competition will be determined at the stage of preparing documentation and will come inter alia, from this Agreement with the WB.

3. Description of the Greening Activities

Co-financing applications submitted under the third competition in the Greening Programme Energy management in public buildings cover buildings of: local governments (548 facilities), health care (186 facilities), universities (55 facilities), churches (51 facilities) and other (151 facilities).

The procedure of assessing applications was not completed and no agreement was signed in the period covered by this Report, so it is not possible to present more detailed information. Such information will be presented in further Greening Performance Reports.

4. Financial performance of Projects

None of the proposals was assessed in the period covered by this Report and no agreement was signed, details of the schedule of grant payments to beneficiaries will be provided in future Greening Performance Reports.
5. Greening Effects

The Rules of the third competition under the Greening Programme Energy management in public buildings estimated the planned environmental effect to 35,000.00 Mg CO₂/yr. The total level of the environmental effect estimated in the applications for co-financing is 9.5 million Mg CO₂/yr. Due to the pending assessment of applications under this Greening Programme, which may result in the changed material scope of the projects included in the applications and due to verification of the level of the environmental effect, detailed information on the planned reduction in CO₂ emissions will be included in further Greening Performance Reports.

6. Compliance with environmental requirements

As regards the projects concerning thermal modernisation of existing buildings, the most important environmental requirement is protection of species of birds and bats. Therefore, the instructions concerning their protection were annexed to the Priority Programme.

During the negotiation of co-financing agreements with the applicants in the third call for proposals, the National Fund will oblige them to prepare and implement the Environmental Management Framework to adjust the conditions of co-financing to the AAU Purchase Agreement concluded with the World Bank.

Assessment of applications was not completed in the period covered by this Report, therefore presentation of more detailed information on particular applications is not possible.

7. Main Activities of the National Operator

7.1. Implementation issues addressed by the Operator

The main threat to the disbursement of funds under this agreement is the reduction in the value of co-financing upon settlement of the tenders for selection of contractors or settlement of works in amounts lower than envisaged at the time of signing the project co-financing agreement. The National Fund will monitor the status of the use of funds and possibly allocate released funds for projects to be selected in the subsequent calls for proposals for co-financing of projects on thermal modernisation.

7.2. Other activities related to GIS management

Presentation of information on the third edition of the competition under Priority Programme Green Investment System (GIS):

- Press conference and workshops in journalism – within the strategy of the National Fund on Green Investment Scheme, Warsaw, on 27.01.2011,

- Promotional conference of the Priority Programme "Energy management in public buildings" under the Green Investment System - Warsaw, 27.01.2011,

- Conference of the Union of the Voivodeships of the Republic of Poland in Warsaw, Warsaw, 15.02.2011,

- Meeting of the Association of Podlaskie Gminas, Drohicyn, 01.03.2011,

- Conference of the Association of Polish Cities, Warsaw, 3-4.03.2011,

- Conference of the Metropolitan Association of Upper Silesia and the Association of Municipalities Polish Network “Energie Cités” (PNEC), Kraków 04.03.2011,
• Meeting of the Convention of Łódzkie Voivodeship Poviats, Łódź, 09.03.2011,
• Meeting of the Convent of Marshals of the Republic of Poland, Gdańsk, 11.03.2011,
• Meeting with representatives of VFEPWM, Warsaw, 11.03.2011,
• Campaign promoting GIS Priority Programme "Energy efficiency in public buildings". The meeting was attended by representatives of local government units and health care institutions of Wielkopolska, entrepreneurs, representatives of VFEPWM, Poznań, 14.03.2011,
• Meeting with local governments in Podlaskie Voivodeship, Hajnówka, 18.03.2011,
• General Assembly of the Association of Śląskie Voivodeship Western Subregion - campaign to promote third edition of the competition under Priority Program Green Investment Scheme (GIS) Part 1) "Energy management in public buildings", Racibórz, 18.03.2011,
• Seminar on Green Investment Scheme (presentation of NFEPWM priority programmes) in the Mazovian Energy Agency during the Third International Clean Energy Trade Show CENERG, Warsaw, 24.03.2011,
• Presentation of the third edition of the competition under the GIS - Part 1) Energy management in public buildings, during the training for the beneficiaries of the OP I&E and LROP concerning the Ordinance of the Council of Ministers of 9 November 2010 on projects that may significantly affect the environment. Meeting organized by VFEPWM, Zielona Góra, 27.04.2011,
• Conference in Dolnośląskie Voivodeship Office in Wrocław dedicated to promoting the third competition under GIS programme "Energy management in public buildings", Wrocław, 08.07.2011.

Date and signature of the persons who drew up the Report:

Date and signature of the persons who accepted the Report:

Date and signature of the persons who accepted the Report:

Date and signature of the persons who approved the Report:

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Jen Baczkova

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Greening Performance Report for the Agreement of 9 December 2010 signed with NEDO