Greening Performance Report

FOR AGREEMENT OF 9 DECEMBER 2010 CONCLUDED WITH NEW ENERGY AND INDUSTRIAL TECHNOLOGY DEVELOPMENT ORGANIZATION

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 New Energy and Industrial Technology Development Organization was signed on 09.12.2010. The agreement concerns the acquisition by NEDO of 4,000,000 AAUs. The Climate Account of the National Fund for Environmental Protection and Water Management, acting as the National Operator of Green Investment Scheme was credited on 22.02.2011 with the first tranche, which after conversion into Polish zloty gave the amount of PLN 6,576,090.00, and on 29.07.2011 with the second tranche, which after conversion into Polish zloty gave the amount of PLN 126,349,240.00 (two tranches total PLN 132,925,330.00). Both tranches correspond to the commercial value of the agreement.

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

In the implementation of obligations under the AAU Purchase Agreement, the National Fund for Environmental Protection and Water Management (NFEPWM / the National Fund) will guarantee that the Proceeds will be disbursed on the Greening Programmes listed below:

1.2.1. Energy management in public buildings,
1.2.2. Energy management in buildings of selected public sector entities.

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 and administration of the Greening Plan and Greening Projects by the Selling Party or the Operator of the Green Investment Scheme;

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

The Agreement specifies the following deadlines for performance of commitments:

- announcement of the call for proposals – by 09.02.2011;
- selection of greening projects – by 30.10.2011;
- disbursing 50% of the Proceeds – by 31.07.2012;
- period of project implementation and spending 100% of the Proceeds – until 31.07.2013;

Funds in the bank account were:

- as of 01.01.2011: PLN 0.00;
- as of 31.12.2011: PLN 135,186,671.21;
- Interest accrued in 2011: PLN 2,261,341.21.
1.3. Call for proposals

National operator previously announced two calls for proposals for each of the greening programmes under the following priority programmes:

- Energy management in public buildings;
- Energy management in buildings of selected public sector entities.

Both of these calls had been announced with the allocation of PLN 50 million (total of PLN 100 million). Total allocation was set before funds were credited on the Climate Account, i.e. prior to currency conversion into Polish zloty.

1.4. Financial performance of Projects

Financing did not start for any proposals in the period covered by this report. Detailed information will be presented in further Greening Performance Reports.

1.5. Environmental effect

In the period covered by this Report the Minister of the Environment received for approval, in accordance with Article 29 (5) of the Act of 17 July 2009 on the system of management for emissions of greenhouse gases and other substances, the ranking list of projects pre-qualified for co-financing from the Climate Account under the first competition of the Greening Programme Energy management in buildings of selected public sector entities. The ranking list consisted of 16 projects. As a result of the projects the estimated avoided CO₂ emissions due to energy savings will be 8,672 Mg CO₂/yr.

In the period covered by this report none of the proposals have been completed. Detailed information will be presented in further Greening Performance Reports.

2. Performance of the call for proposals

Allocations of the following competitions were estimated before crediting the Climate Account with Proceeds. Therefore, the total amount of grants in PLN from individual competitions was lower than the amount of Proceeds after currency conversion. Allocations for competitions will be verified during preparation of ranking lists of projects pre-qualified for co-financing.

2.1 Energy management in buildings of selected public sector entities

Competition documents for this call were evaluated by the Advisory Council on 04.03.2011, and approved by the Minister of the Environment on 22.04.2011.

Third Competition was announced on 02.05.2011. Allocation was PLN 50 million in GIS grants. The competition was directed to:

- The Polish Academy of Sciences and its research institutes;
- national cultural institutions;
- budget management institutions.

On 13.06.2011 passed the deadline for submitting applications. The call received 25 proposals for co-financing totalling PLN 111.2 million in grants and a total cost of PLN 121.7 million.

In the first assessment stage, 4 proposals were rejected due to failure to meet formal eligibility criteria. Two Applicants withdrew from the competition for co-financing.
The remaining 19 applications (totalling about PLN 78 million in grants) were forwarded to the second stage of evaluation in terms of meeting the substantive eligibility criteria. Following the evaluation, three proposals received a negative evaluation and were rejected.

On 17.10.2011, the Board of the National Fund approved the ranking list of the projects pre-qualified for co-financing from the Climate Account. The ranking list consisted of 16 projects totalling PLN 69,403,563.99 (change in the amount was the result of verification of the material scope of projects and the elimination of works not related to the achievement of the environmental effect from eligible costs).

The entities whose projects made to the ranking list entered negotiations concerning conditions of the grant. Following the negotiations the ranking list of projects pre-qualified for co-financing from the Climate Account was updated, and according to Article 29 (5) of the Act of 17 July 2009 on the system of management for emissions of greenhouse gases and other substances, was transferred for approval to the Minister of the Environment on 19.12.2011. The ranking list consisted of 16 projects totalling PLN 69,072,268.99. Acceptance of the Minister of the Environment was obtained in January 2012.

2.2 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.

3. Description of the Greening Activities

Applications for co-financing submitted under the Greening Programme Energy management in buildings of selected public sector entities that have been placed on the ranking list, were transferred to the Minister of the Environment in December 2011, include buildings of: the Polish Academy of Sciences (47 facilities), state-owned cultural institutions (17 facilities).

Co-financing applications submitted under 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).

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

No agreement was signed in the period covered by the Report, details of the timetable of grant payments to beneficiaries will be provided in future Greening Performance Reports.

During the period covered by this Report there were also no other disbursements related to the implementation of the contract by the National Operator of the Green Investment Scheme.

5. Greening Effects

The Rules of the competition under the Greening Programme Energy management in buildings of selected public sector entities estimated the planned environmental effect to 11,500.00 Mg CO₂/yr. The total value of the environmental effect for projects from the ranking list forwarded for approval to the Minister of the Environment is 8,672.39 Mg CO₂/yr.

The Rules of the 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.

In the period covered by this report no agreement was signed for co-financing under the Greening Programme Energy management in buildings of selected public sector entities. The evaluation of proposals under the Greening Programme Energy management in public buildings has not been completed either, so it is not possible to provide detailed information on individual applications.

7. Main Activities of the National Operator

7.1. Implementation issues addressed by the Operator

a) 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.

b) It is necessary to determine the interpretation of the Assigned Amount Units Purchase Agreement as regards the feasibility of reducing the value of the total cost below the threshold indicated in the Greening Plan as a result of conducting tender procedure under the laws of the Republic of Poland below the cost projected in the application for co-financing and the signed co-financing agreement.

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, Drohiczyn, 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 Wroclaw 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: 

Greening Performance Report for the Agreement of 9 December 2010 signed with NEDO
Date and signature of the persons who accepted the Report:

Zsiałąpca Dyrektora
Departamentu Ochrony Klimatu
Anna Pelka

Date and signature of the persons who approved the Report:

PREMA
ADU
Jacek Rączała