



## Report on bi-lateral meetings with regional/national funding institutions

### BAPE (Pomerania, Poland)

Name of the institution	Location	Date of meeting
BOS BANK (Bank for Environmental Protection)	Gdańsk	12.02.2015

What kind of funding is given
<p><b>1. Loan from EIB4 credit line for local government units</b></p> <p>BOS Bank has a loan offer for local government units and municipal enterprises. Financing derives from European Investment Bank and is intended for long-term financing of infrastructural projects including rational use of energy.</p> <p>Repayment period: 4 - 10 years</p> <p>Conditions:</p> <ol style="list-style-type: none"> <li>1. Financing up to 50% of project costs</li> <li>2. Minimum loan – 20 000 EUR</li> <li>3. Maximum loan – 12.5 million EUR (2.5 million EUR or equivalent in PLN under Municipal Finance Facility Programme)</li> <li>4. Minimum cost of investment – 40 000 EUR</li> <li>5. Maximum cost of investment – 25 million EUR (5 million EUR or equivalent in PLN under Municipal Finance Facility Programme)</li> </ol> <p>Advantages:</p> <ol style="list-style-type: none"> <li>1. Lower front-end fee</li> <li>2. Possibility to combine different financing sources - loans from the EIB line may co-finance projects supported by European Union funding</li> <li>3. Possibility to finance the project with the combined loan from EIB and CEB (Council of Europe Development Bank) or NIB (Nordic Investment Bank). The total share of funding of these banks may amount up to 100% of the project value.</li> </ol> <p><b>2. Loan from CEB4 line</b></p> <p>Advantages:</p> <ol style="list-style-type: none"> <li>1. Possibility to finance up to 100% of the investment: EBI/CEB share – 50/50</li> <li>2. One application</li> <li>3. One credit agreement</li> </ol> <p><b>3. Energy saving loan</b></p>

Credit available for projects related to energy savings, e.g. exchange and/or refurbishment of street lighting, exchange and/or refurbishment of indoor and outdoor lighting of public utility facilities. The offer is addressed to self-governments, businesses and housing communities.

Conditions:

1. For self-governments - up to 100% of investment costs with the possibility to refund energy audit costs
2. For other entities – up to 80% of investment costs
3. Possibility to repay the loan with the savings resulting from reduced electricity consumption, generated by the investment

**Main issues discussed/inputs & information received regarding financing ESCOs**

BOS Bank supports projects undertaken as a third party formula. The loan may be granted to environmental projects aiming at electricity, heat and/or water saving. Environmental effects of action undertaken (in financial terms) have to provide repayment of the loan. The loan may amount up to 80% of investment costs and the maximum repayment period is 10 years. However, the current interest in such scheme is negligible.

Name of the institution	Location	Date of meeting
WFOŚiGW (Regional Fund for Environmental Protection and Water Management)	Gdańsk	12.02.2015

What kind of funding is given
WFOŚiGW grant loans up to 80% of eligible costs. It is possible to cancel 25% of the loan in case of municipalities and 15% in case of entrepreneurs. The loan is granted for a period not longer than 10 years. Interest rate - 3% per year.

Main issues discussed/inputs & information received regarding financing ESCOs
WFOŚiGW grants loans to companies investing in modernization of heat sources. One of the conditions for obtaining this loan is to achieve environmental effect by utilizing cleaner fuels and improving energy efficiency. Level of the effect is not specified. 15% of the loan can be cancelled. Loans may be granted to ESCOs.

Name of the institution	Location	Date of meeting
Polseff2	Warszawa	18.02.2015

What kind of funding is given
<p>Polseff2 is addressed to small and medium enterprises (SMEs).            Programme offers commercial loan combined with grant. Commercial loan combined with basically 10% grant or 15% grant if energy audit has been performed. Grant is spent for reduction of loan principal payment. The loan may cover up to 100%.</p> <p>Min requirements: technical/financial:</p> <ol style="list-style-type: none"> <li>1. At least 20% energy savings for Energy Efficiency project and 30% for thermomodernization (building) project has to be achieved thanks to project implementation.</li> <li>2. Good creditworthiness of SME (individual assessment performed by financial institutions)</li> </ol> <p>More information at:</p> <p><a href="http://www.polseff2.org">http://www.polseff2.org</a></p>

Main issues discussed/inputs & information received regarding financing ESCOs
<p>Polseff does not finance ESCOs.</p>

Name of the institution	Location	Date of meeting
Urząd Marszałkowski Województwa Pomorskiego (Marshall Office of the Pomeranian Region)	Gdańsk	25.02.2015

What kind of funding is given
<p>Street lighting is one of the type of projects that can apply for funding in the framework of the Regional Operational Programme for Pomeranian Region for years 2014-2020. Support will be given to projects aiming at reducing power consumption of outdoor lighting systems. Projects should focus on modernization of outdoor lighting into energy saving devices and implementation of energy management systems.</p> <p>Support will be given to projects complying with municipal strategies/plans regarding low-emission economy leading to reduced energy consumption of lighting infrastructure.</p> <p>Projects preferred:</p> <ol style="list-style-type: none"> <li>implemented by local self-governmental units (municipalities, counties),</li> <li>including at least 25% of all the lighting points in a system concerned,</li> <li>ensuring the highest environmental effect (such as the reduction of greenhouse gas emissions) in relation to the investment,</li> <li>utilizing innovative technology,</li> <li>implemented with the participation of private capital,</li> <li>agreed under Integrated Territorial Agreements.</li> </ol> <p>Beneficiaries:</p> <ol style="list-style-type: none"> <li>local self-government units and their organizational units,</li> <li>unions and associations of local self-governments,</li> <li>governmental administration units,</li> <li>other public sector entities,</li> <li>non-governmental organizations,</li> <li>scientific unit,</li> <li>educational institutions,</li> <li>higher education institutions,</li> <li>enterprises.</li> </ol> <p>Target groups/support recipients:</p> <ol style="list-style-type: none"> <li>users of the infrastructure,</li> <li>inhabitants of the region,</li> <li>cooperatives,</li> <li>residential communities and social housing associations,</li> <li>enterprises.</li> </ol> <p>Maximum level of funding – up to 85%.</p> <p>Minimum project value: 500 000 PLN (approx. 120 000 EUR).</p>

Main issues discussed/inputs & information received regarding financing ESCOs
<p>Project implementation with/by ESCOs is possible. There are no preferences towards formula of cooperation. Projects will be assessed case by case.</p>

Name of the institution	Location	Date of call
<b>Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (National Fund for Environmental Protection and Water Management)</b>	Warszawa-Gdańsk	4.08.2015

<b>What kind of funding is given</b>
<p>The National Fund for Environmental Protection and Water Management (NFOSiGW) is a state agency which runs independent finances pursuant to the Act: Environmental Protection Law. NFOSiGW also governs and distributes available foreign funds for environmental protection from inter alia, the Cohesion Fund, the European Regional Development Fund, the LIFE+ financial instrument, the Norwegian Financial Mechanism and the European Economic Area Financial Mechanism. Moreover as a National Operator for the Green Investment Scheme (GIS) manages the funds obtained by Poland in international sales transactions of CO<sub>2</sub> emission allowances granted under the Kyoto Protocol. This kind of projects is supported by NFOSiGW not only from GIS sources but also from national as well as EU funds.</p> <p>In addition the National Fund offers vast portfolio of project development assistance measures and supports beneficiaries in an efficient and timely implementation of projects having inter alia programmes for co-financing implementation of projects financed through the EU funds.</p>

<b>Main issues discussed/inputs &amp; information received regarding financing ESCOs</b>
<p>Support schemes for ESCOs have been deeply considered by the NFOSiGW. However, there are several obstacles identified which prevent implementation of potential support at once. Still in Poland there is no clear interpretation of the financial regulations defining “municipal debt” when obligations of ESCO (especially Energy Performance Contracts) are counted. In addition some state aid issues regarding support for ESCOs requires further clarification. Secondly, as long as Operational Program Infrastructure and Environment 2014-2020 is not fully prepared and implemented, it is not possible to define and tailor the rules for ESCO to be supported.</p>