

CASE STUDY

MASOVIA ONE-STOP-SHOP INITIATIVES
POLAND



SUMMARY

The Masovia region, where the capital of Poland, Warsaw, is located, is the largest and most populous region in Poland. It is characterized by a strong contrast between the metropolitan area and rural communes. In the period of socio-economic transformation, the share of heavy industry was limited in favor of the development of services and administration, agri-food processing provided by entrepreneurs.

The Development Strategy of the Mazovia Region until 2030 was focused on the development of an innovative economy with particular emphasis on the role of SMEs and R&D institutions. In the field of energy, the need for efficiency and energy independence of the region is emphasized.

The regional authorities focus on elimination of air pollution through launching many differently targeted policies and use of public national, regional and EU Funds to initiate and continue relevant projects in each economy sector.



CONTEXT

Roundtables during Sustainable Energy Investment Forums have suggested and promoted cross-municipal / regional collaborations as advantageous structures to assist municipalities in connection with planning and implementation of energy efficiency and RES. Ideally, these can function as “one-stop-shops” that guide the municipalities through the entire value chain from screening to commissioning and monitoring.

The “Masovia without SMOG” is the name of the support program of Masovia Region managed directly by the regional authorities (The Marshall Office), which is supplemented by other programmes and projects running on the national, regional and local levels aimed to achieve the climate neutrality in each place of the region.

WHAT DID MASOVIA DO

On May 24, 2022 the Mazovia Region regional parliament, adopted the Mazovia Development Strategy 2030+, in which the issue of improving energy efficiency is linked to the problem described as follows: “so called “low emission” in the household and municipal sector, emission of pollutants from road transport and industry, and still low ecological awareness of the inhabitants of the region. It is necessary to continue the actions taken, including: further implementation of the anti-smog resolution and air protection programs, replacement of conventional raw materials with ecological energy carriers, modernisation and replacement of heating boilers, as well as thermo-modernisation of facilities.”

On June 8th, 2022 took place the 1st RoundTable of the RoundBaltic project on financing energy efficiency in Masovia, with participation of 113 persons representing public authorities of regional and local levels, financing institutions, owners of buildings, SMEs, energy advisors. The recommendations elaborated by the participants focused around increase the intensity of support to investment costs, improve communication of different

support schemes to the beneficiaries and to intensify assistance for municipalities in development of energy efficiency projects and RES on their territories.

The Marshall Office of Masovia reacted on these recommendations starting preparation of the project called “Mazovia without SMOG” to be co-financed by the EU Fund for Masovia 2021-2027. The aim of the project is to create in each of 314 municipalities the workplaces for specialists in ecology. The budget of 56M€ will be spent for salaries of employed persons (up to 85% of employment cost), technical equipment of the workplace, additional training in air protection, energy efficiency, psychology of needs and project management as well as for air quality measurement equipment. The project will start early 2024 and will last over 5 years based on agreements with municipalities, which will provide own contribution. The interest of municipalities lays in demand to have appropriate information about financing schemes and to co-ordinate implementation of municipal plans towards climate neutrality.

In association with this project, the Masovian Energy Agency, created 2009 and owned by the Masovia Region, has developed the one-stop-shop on the

advisory level for municipalities of the Region aimed to prepare the energy efficiency and RES projects in public buildings. The project, called “Masovia4EEWave” has gotten support from the EIB ELENA and started operation April 2023. The Agency provides services partly-paid by the ELENA grant in the following scope:

- elaboration of energy audits
- preparation of feasible studies and technical assessments
- technical designing of measures
- cost estimating
- applications for funding of investment cost
- preparation of public procurement for implementation of projects

The project will trigger the investment in energy efficiency and RES in at least 100 public buildings in the Masovia Region in amount of 94M€ (80M€ in deep renovation of buildings, 11M€ in RES, 3M€ in introduction of energy management systems).



RESULTS

The projects result in:

- **creation of permanent workplaces for energy advisors in at least 100 municipalities**
- **implementation of energy efficiency and RES projects in public buildings that allocate 96 MEUR private and public investments.**

Implementation of these investments will result in:

- **deep renovation of at least 100 public buildings**
- **CO2 reduction of 18114 Mg//year**
- **RES production of 14,4 GWh**
- **Reduction of energy demand by 42 GWh/y**

Thanks to the established cooperation, the allocation of EU Funds allocated in ELENA Program and in the EU Fund for Masovia caused triggering significant value of investments and established the permanent public service related to expected buildings renovation wave in EU.

Projects implemented in over 100 locations in the region are good examples to be followed by other municipalities. In the era of the energy crisis caused by Russia's aggression against Ukraine, the involvement of public funds in preparation of projects for financing that reduce primary energy consumption is extremely necessary and appreciated by public authorities, financing institutions building managers.

The project fits perfectly into the strategy of the European Green Deal updated with RePower EU.

Thanks to the presentation at the RoundBaltic national round table, the project has a chance to be replicated in other regions of Poland with co-financing from the EU Regional Funds for 2021-2027 and by EU ELENA Program.

LESSONS LEARNED

The RoundBaltic project supported in the Masovia Region creation of the network of public energy advisors, whose activities will trigger investments undertaken by municipalities and other energy end users. Initial free consultancy allows beneficiaries to shorten the way to meet the technical conditions to take advantage of preferential financing.

The nation-wide support schemes for renovation of buildings, RES installations, improvement of energy efficiency in municipal infrastructure and in SMEs will be better available in combination with regional funds.

Elevating the project to the level of RoundBaltic roundtables drew the attention of the central authorities to the need to support regional and local initiatives conducive to the development of green investments in municipalities and among owners of buildings.



INVOLVING THE FINANCIAL SECTOR

Rising energy prices, in particular in the era of energy crisis caused by Russia's aggression against Ukraine, are an objective factor in making decisions by energy end users to improve energy efficiency and RES installations. In Poland, these issues are related to sectoral policies. For example, since 1998, the Thermal Modernization and Renovation Fund has been operating at Bank

Gospodarstwa Krajowego (State Development Bank), which for a long time offered an instrument of credit and subsidy support for the renovation of multi-family buildings as part of the state's housing policy. Thanks to this fund, financed from the state budget, over 40,000 multi-family buildings in Poland have undergone major renovations with energy savings of an average of 35%. From 2023, the fund was entrusted with the task of using over €100M from the EU National Recovery and Resilience Plan for subsidies to the construction costs of RES installations in buildings of housing associations and housing cooperatives and for renovation of multi-family municipal buildings, inhabited by low-income families and historic buildings.

In the field of air quality improvement, the "Clean Air" program has been operating since 2018, with a national budget of € 24B and the duration until 2030. The aim of the program, which offers a financing system based on subsidies, tax reliefs and loans, is to carry out thermal modernization in this period 3 .5 million single-family homes. This program, managed by the National Environmental Protection Fund, reaches the beneficiary through regional environmental protection funds, banks and in cooperation with municipalities. It gives

municipalities the opportunity to finance investments in 100% in the houses of low-income families, as well as in communal-owned apartments in multi-family houses.

Thermal modernization of public buildings is co-financed by European Union programs and EAA funds. Currently, the EPC+ pilot program is being implemented, financed with a budget of €25M from the EU Modernization Fund, which can be transformed into a permanent mechanism for the implementation of investments in public utility buildings owned by public finance units.

In individual regions, their authorities provide their own budget funds, supplementing them with EU and private funds in the form of Financial Instruments for energy efficiency improvement, RES installations and circular economy.

For example, Masovia Region has planned allocations for 2021-2027: €24.1M for energy efficiency in buildings, €19.1M for RES in buildings, municipal infrastructure and SMEs. These instruments will be prepared by Bank Gospodarstwa Krajowego, which will select national and regional financial intermediaries in a transparent manner.



NEXT STEPS

Adjusting investment financing opportunities, providing support for project preparation will be important tasks of the information and technical assistance system created in Masovia Region.

The subject of improving energy efficiency financing is becoming a permanent point of public debate, organized jointly with the National Energy Conservation Agency - a partner of the RoundBaltic project, proving

that in this region the Energy Efficiency First principle is treated with full responsibility.

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Disclaimer

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This Case Study was elaborated as part of the RoundBaltic project bringing together representatives of the financial and energy efficiency sectors at regional and national roundtables to discuss and find solutions to the challenge of energy efficiency finance in the three target countries Poland, Latvia and Denmark.

Key focus areas have been to ensure an investment friendly framework along designing of financing instruments in accordance with the EU financial pillars more effective use of public funds, aggregation and project development assistance and de-risking.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 967051.