BNP Paribas Bank Polska S.A.

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polseff

Polish Sustainable Energy Financing Facility

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POLSEFF - EXAMPLE OF SUCCESSFUL PROGRAME FOR ENERGY EFFICIENCY IMPROVEMENTS

European Bank for Reconstruction and Development

POLSEFF – POLISH SUSTAINABLE ENERGY FINANCING FACILITY

Assumptions

- Improvements in energy efficiency in SME Segment
- Reduction of GHG emissions
- Awareness building among SMEs concerning sustainability in business
- Scope of support:
  - Grant (capital rebate) 10%-15% of EE investment
  - Required 20% or 30% of energy consumption improvement
  - Technical Assistance (free of charge for final beneficiaries)
  - Automated process (internet list of eligible technologies – **LEME**)

2013 Projects

370,906 MWh savings

GHG

80,411 ton avoided emissions

200 mln EUR of provided financing

Strong engagement of financial institutions

- Distribution of funds (credit line from EBRD)
- Building of awareness among SMEs
- Promotion in mass media
- Trainings for SMEs

Cooperation with the market

Engagement of producers and distributors of green technologies

SOURCES OF POLSEFF'S SUCCESS

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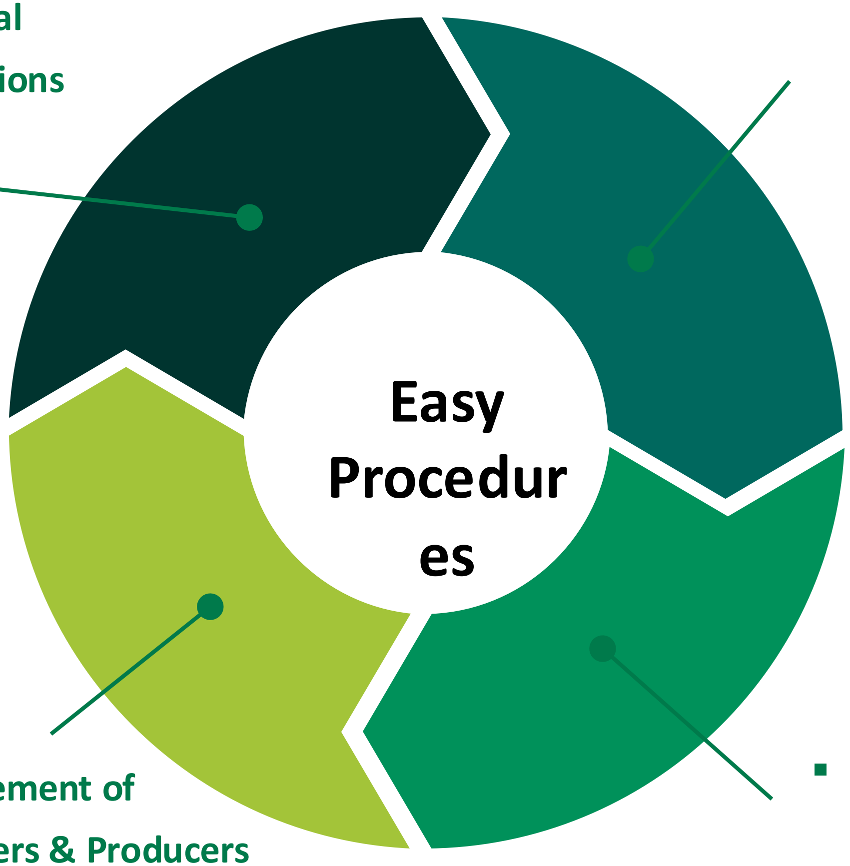
Specific features of PolSEFF

- Engagement of Financial Institutions
- Leasing

- Free of charge Technical Assistance



- Engagement of Suppliers & Producers

- Automated LEME

High Efficiency (Grants vs Results)

Evaluation of PolSEFF by SMEs

The population of 41 companies have been asked to provide their feedback on PolSEFF Programe.

- Has PolSEFF met your expectations?
  - Definitelly YES – 51%
  - YES - 46%
- Has the energy consumprion decreased as it was forcased/planned?
  - Definitelly YES – 41%
  - YES - 49%
- Has the PolSEFF's procedures been understandable and easy?
  - Definitelly YES – 32%
  - YES - 36%
  - Rather YES - 32%
- Would you recommed other companied to participate in PolSEFF in order to increase energy efficiency?
  - Definitelly YES – 53%
  - YES - 32%
  - Rather YES - 10%

LEME – AUTOMATION AND ENGAGEMENT OF THE MARKET

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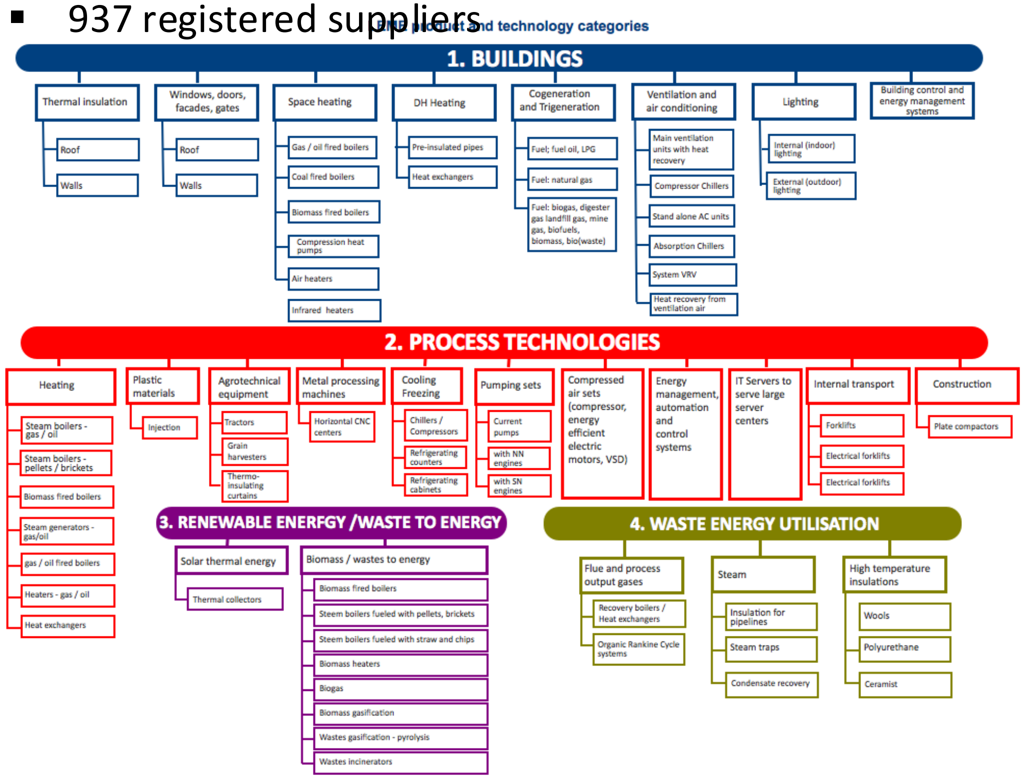
LEME:

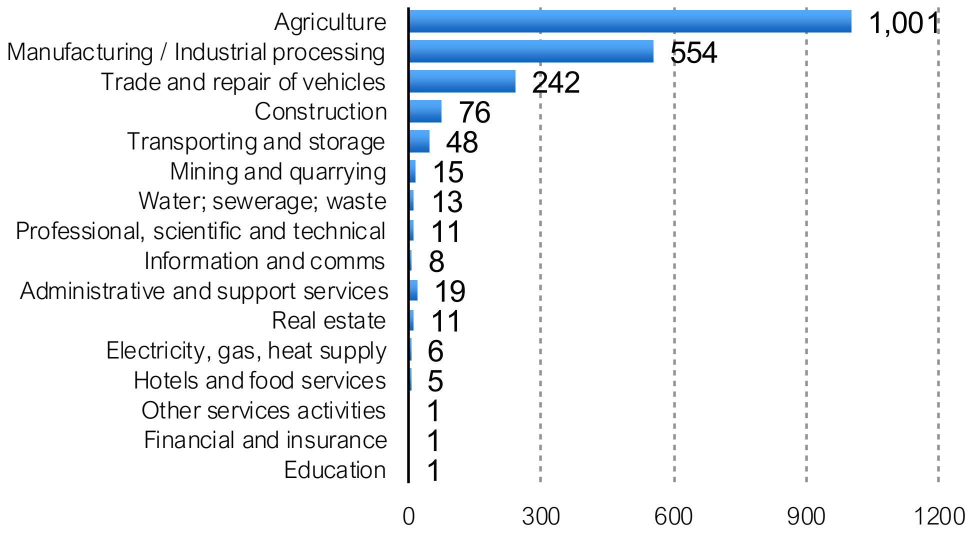
- 7638 of registered products from different Green Technology Categories
- 24 green technology categories (65 sub-categories)
- 937 registered suppliers



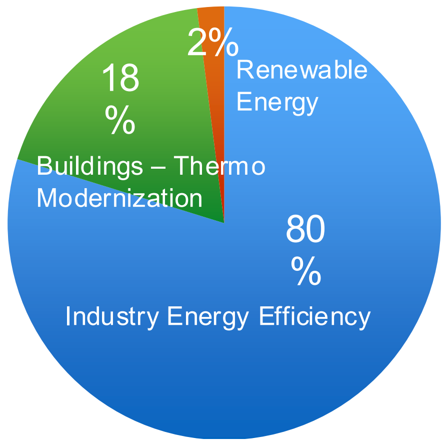
- Flexibility - LEME could be developed according to market needs
- Easy procedure for Suppliers & Producers to register their products on LEME
- Automated qualification of registered products for PolSEFF Grant (always 10%),
- Suppliers & Producers interested in promoting LEME and PolSEFF (as they could demonstrate better conditions for their clients),
- Easy proces for clients (just choose the green product from the LEME -> Print Certificate -> Submit with Loan/Leasing Application -> Subsidy automatically granted (payment after completion of investment – repayment of Loan or Leasing)
- Large number of Suppliers -> high competition -> no market disturbance

POLSEFF – MORE STATISTICS

Split of projects per sector

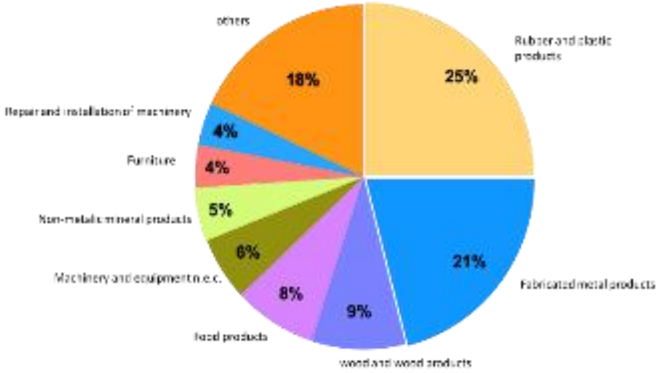


Type of ptojects (%)



Geographical split

Projects split in production sector



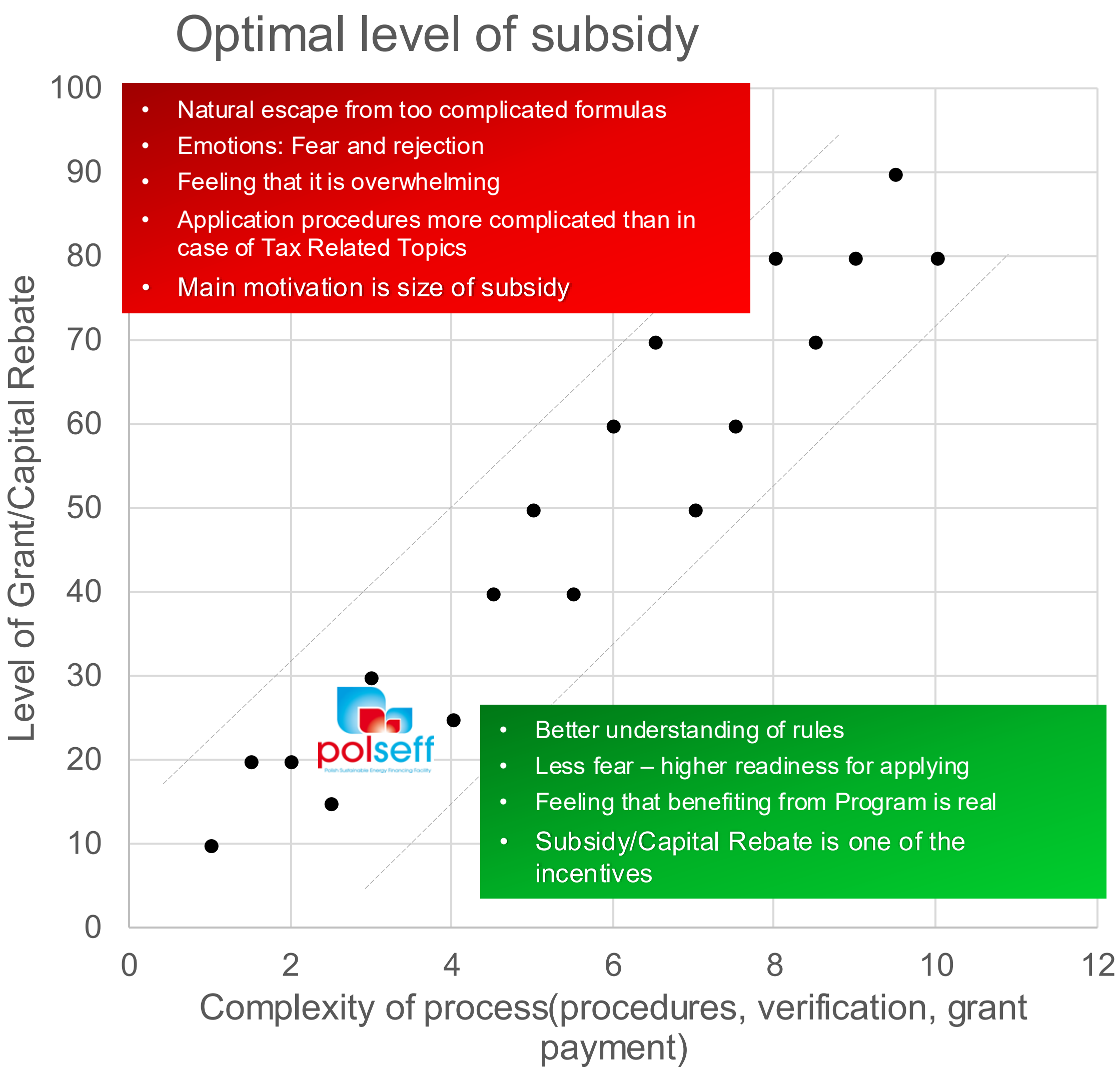
34,9% an average energy savings in industrial projects

58,3% an average energy savings for Energy Efficiency for Buildings Thermodernisation

OTHER OBSERVATIONS

- PolSEFF was relatively easy for implementation in the bank (automated process, understandable rules for RMS, moderate reporting requirements)
- Thanks to PolSEFF FI's could improve/build internal capacity necessary for financing EE Investments (product development, know-how, reporting)
- Thanks to PolSEFF BNPP Poland was able to create ONE-STOP-SHOP based on ELENA Initiative
- Clear benefits for Clients (easy for communication)
- Grants were connected to financing (available after completion of investment financed by FI – grant mainly used to repay the loan or leasing)
- Transparent and easy verification process performer by External Verifier (LEME projects „desk based verification with 10% on-site verification),
- Acceptance (via LEME or Energy Audits) and final Verification proces contributed to safety in terms of final grants approval (no cases of grants returns – safe environment for FIs – no legal liabilities for Banks to return grants)
- Technical Assistance – aranged and managed by EBRD (grate added value for FIs)
- Many FI's participated in PolSEFF which kept competition on good level (pricing of EE Loans were not higher)
- Relatively low cost of the PolSEFF vs Results

POLSEFF „SMART & EFFICIENT”- SIZE OF GRANT



The same ecological effect can be achieved with lower cost if simple and user friendly procedures are in place.

„Kto szybko daje ten dwa razy daje – Who gives quickly gives twice”

- FIs
  - Easy for scaling up
  - Less costly implementation
- Suppliers
  - Higher readiness for joining the program
  - Participation in promotion
- Automation
  - Possibility of further improvements (AI ?)

Thank You