



# **Interreg Europe action plan**

## **EMPOWER Project**

**Improving governance – Action Plan for the Mazovia Region**



## Part I – General information

**Project: EMPOWER - More carbon reduction by dynamically monitoring energy efficiency**

Partner organisation: Mazovia Energy Agency (MAE)

Description: MAE is a regional energy agency governed by a public law. It's engaged in policy making process at the stage of preparation of guidelines for MA to the energy policies in the region. The agency already actively participated in drafting formal/energy frames to the Operational Programmes for Mazovia Region in case of 2007-2013 and 2014-2020 EU budgets. Now MAE representatives are members of working policy teams and Monitoring Committee within the Mazovia OP.

Country: Poland

NUTS2 region: Mazovian Voivodeship

Contact person: Zaneta Latarowska

Email address: [z.latarowska@mae.com.pl](mailto:z.latarowska@mae.com.pl)

Phone number: +48 605 999 722

## Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: Regional Operational Programme (ROP) of the Mazovian Voivodeship for the years 2014-2020, Priority Axis IV - The shift towards a low-carbon economy, Measure 4.2 Energy efficiency.

Mazovia Region allocated ca. 330 mio EUR for energy sector within the frames of Axe IV - low emission economy, with a separate funding possibility Investment Priority 4.2 - support of energy effectiveness, intelligent energy management and RES utilization in public and private buildings. Before EMPOWER impacted present ROP the EU money distribution for EE projects had only simple evaluation and monitoring schemes. That's why MAE decided for an intervention of the project, trying to assist the Managing Authority at the stage of policy drafting and ex post/ante evaluation of the Axe, as only basic statistics was generated so far to summarize EU funds distribution in energy sector. As a result, Managing Authority knew mostly the project budgets' spending figures with no thorough reflection on effectiveness of the granted projects.

EMPOWER offered an opportunity to speed-up the learning process towards good governance. The project's outcomes will build upon existing ROP methods but also will integrate EMPOWER innovative EPC and ICT solutions. After being adopted as fundamental tool for the creation of 2021-2027 ROP for Mazovia Region, they will automatically impact action plans at regional/ local levels. The more advanced

evaluation tools used during EU funds distribution in the future the better energy performance and cost effectiveness of the applied solutions locally.

EMPOWER results might also serve as analytical source for decision makers - not only during ROP implementation but also as ex ante data for future programmes and strategies in the energy sector in Mazovia Region. In this way not only, the MA will have a new tool and competences to evaluate energy projects but also there is a likelihood that the number of the projects in the “EPC/ ICT standard” will grow in the region as a consequence.

Our main priority is to support energy efficiency, intelligent energy management and obligatory energy monitoring in public and residential buildings. The upgraded policy instrument will refer mostly to general improvement of energy performance - in the public utility buildings. The aim might be also translated into effectiveness of investment - where energy and financial aspects are balanced. As a consequence, more reasonable EU funds distribution and better environmental impacts will be achieved.

## Part III – Details of the actions envisaged

### **ACTION: Implementing of mandatory energy monitoring in projects financed with EU funds**

#### **1. Relevance to the project**

During EMPOWER implementation MAE stakeholders had several opportunities to learn other partners' best practice examples on energy monitoring models and tools. However, the most corresponding to the Mazovia Region reality was the Irish example, presented by the Southern Regional Assembly. The latter, not only inspired the Polish MA representatives but also, being MA themselves, were able to give a great insight into policy improvements in their region. Moreover, both institutions face similar challenges and share common problems during ROP implementation. That's why the international exchange of experience during Study Visits in Cork occurred so successful and gave the chance to explore the following good practices:

1. "Sustainable Energy Authority of Ireland"
2. "Public Sector Reporting & Monitoring Programme".

Whereas Public Sector Reporting and Monitoring Program (GP P3-1) is a statutory requirement that all Irish public bodies report annually to Sustainable Energy Ireland (SEAI) on energy performance. To facilitate this, an on-line monitoring and reporting (M&R) system was established enabling SEAI to track progress towards the 2020 energy efficiency target of 33%. Optimizing Power @Work Campaign (GP P3-3) is the OPW's staff energy awareness campaign, which runs in all large Civil Service buildings and some Government agencies throughout Ireland. The initiative aims to change staff behaviour towards energy use and eliminating energy wastage within these buildings.

During the first study visit in Cork the Polish Managing Authority representative (Head of the European Programs Office in the Department for Regional Development and European Funds, Marshall Office) got opportunity to follow the Irish model and try to introduce parts of those practices into the present Regional Operating Programme for the Mazovia Region (2014-2020). Similar responsibilities in the regions of both MAs made it easier to associate and compare works on energy monitoring and energy management projects. The different approach to energy measures made the Polish counterpart realize the necessity of energy monitoring and energy management to be introduced also in the future ROP.

At this stage energy monitoring and energy management is an optional action within the frames of ROP in the Mazovia Region, treated as an added value - not an obligation in energy projects financed with public/ EU funds. Cork study visit developments and results convinced and confirmed that new energy projects in Poland could also reach better results and achieve more savings on financial and energy levels. The presented approach showed that application of those tools could reduce energy consumption even up to 20%, provided energy monitoring is envisaged on all stages of project/programme implementation - starting with ex ante, continuing with on-going and ending up with ex post analysis.

Furthermore, the good practices presented in Cork contributed directly to capacity building of Mazovia Region decision and policy-makers. Since the study showed a comprehensive methodology for strategy making, helping to better address investment needs with the aim at a development of the entire region. It was concluded, that energy-wise money distribution, with the help of energy monitoring tools and methodologies, leads towards a more sustainable regional development. As a consequence, all stakeholders agreed that energy monitoring and energy management should be more crucial in future project proposals and should be considered as obligatory for the next ROP (2021-2027).

## 2. Nature of the action

The EU money distribution for EE projects in Mazovia Region is followed by only simple evaluation and monitoring schemes. Managing Authority needed constant assistance at the stage of policy preparation and evaluation because no particular statistics was generated to reflect on effectiveness of the granted projects. Energy monitoring and energy management was an option for projects financed with Regional Operating Programme Axis IV Transition to a low-carbon economy Measure 4.2 Energy efficiency.

In accordance with the Europe 2020 Strategy, one of the goals to be achieved by 2020 is to reduce energy consumption by 20%. One of the most effective ways to achieve this goal is to increase energy efficiency by introducing a comprehensive energy modernization of a building with the application of renewables - but also by energy monitoring and energy management at the building level. It is an essential part of a comprehensive facility management process but not addressed in the present policies in Poland appropriately.

The advantages of application of energy monitoring/ management into energy projects in the present and future Mazovia ROP will be as follows:

- identification and explanation of excessive energy use;
- detection when consumption is unexpectedly higher or lower;
- visualization of energy consumption trends and detection when consumption is unexpectedly higher or lower;
- diagnosis of specific areas of wasted energy;
- observation of energy efficiency measures impact;
- management of energy consumption, rather than acceptance it as a fixed cost.

Other benefits generally include increased resource efficiency and reduction of greenhouse gas (GHG) emissions. The ultimate goal is to bring significant economic savings to the building owner.

The Action Plan was prepared in a cooperation with the Managing Authority of the Mazovia Region that invited diverse stakeholders representing gas and electric utilities, state agencies, energy consumers, energy service providers, environmental groups, and energy efficiency organizations to assist them and consult on the next ROP (2021-2027). The group identified key barriers limiting greater investment in cost-effective energy efficiency, made several key policy recommendations to overcome the barriers, and documented policy and regulatory options for greater attention and investment in energy efficiency. Implementing of mandatory energy monitoring in projects financed with EU funds was targeted with the help of EMPOWER project and will be implemented in line with the INTERREG Europe Action Plan.

The present document provides a guide to the “improved governance” development process (divided into five Phases). Conditional upon data availability and adequate technical assistance, the timeframe is about 2 years for its delivery.

### Phase I - Define key stakeholders and actions

The stakeholders were crucial for the implementation of this action from the very beginning. EMPOWER project only facilitated the cooperation between regional energy agency (MAE) and the regional public bodies responsible for EU money implementation - Department of Regional Development and European Funds of Marshall Office and Mazovian Unit of Implementation European Projects. More, the Managing Authority responsible for the Regional Operational Programme (ROP) took part in peer review sessions what in practice started the process of capacity building in the regional government.

#### *Recommendations:*

Broadly communicate the benefits of energy efficiency and energy monitoring - options to consider:

- Establishing and educate stakeholders on the business case for energy efficiency.
- Communicating the role of energy efficiency in lowering energy consumption and harmful emissions.
- Communicating the energy monitoring measures costs and risks over time.

### Phase II - Exchange of experience/ redefine measures

During the EMPOWER study visits, workshops and stakeholder meetings representatives of Department of Regional Development and European Funds of Marshall Office and Mazovian Unit of Implementation European Projects were acquainted with good practices, lectures and presentations on energy monitoring and management tools. Developments and results shown and confirmed that energy projects could reach better results and achieve more savings on financial and energy levels. Due to the extensive mutual learning process (capacity building) increased public awareness and knowledge among decision makers in the field of energy monitoring.

#### *Recommendations:*

A number of educational presentations on the potential for energy efficiency and energy monitoring available for pursuing the recommendations of the Action Plan should be developed. Additional effort is also necessary to educate key stakeholders that energy monitoring can be an important policy improvement only when further education is held. As a result, the impact of energy efficiency measures will be long-lasting and will be represented in development programs for the Regions.

### Phase III - Define problems/ approve

The different approach to energy monitoring measures in Poland caused probably less effective utilization of EU money within the frames of the Mazovia ROP. MAE

experts consulted and took part in the ROP Monitoring Committee meetings, providing EMPOWER evidence. They also served with expert advice how to structure and start drafting the new Regional Operating Programmes for 2021-2027. As a consequence, energy efficiency was defined as a high-priority energy resource and an important step in efforts to capture the benefits it offers and lower the overall cost of energy services to customers. Based on these objectives, energy efficiency can be incorporated into action plans and policies to account for the long-term benefits from energy savings, potential reductions of air pollutants and greenhouse gases, as well as other benefits. The explicit integration of energy efficiency resources into the formalized resource planning processes that exist at regional, state, and utility levels can help establish the rationale for energy efficiency funding levels and for properly valuing and balancing the benefits.

*Recommendations:*

Make a strong, long-term commitment to implement energy efficiency and monitoring measures as a resource. Energy efficiency programs are most successful and provide the greatest benefits to stakeholders when appropriate policies are established and maintained over the long-term. Options to consider:

- Developing long-term energy saving goals as part of energy planning processes.
- Quantifying and establishing the value of energy efficiency, considering energy savings, capacity savings, and environmental benefits, as appropriate.

Phase IV - Implement actions

Decision-makers in the Mazovia Region gained sufficient knowledge during EMPOWER implementation to facilitate the update of the 2014-2020 Regional Operating Programme and to introduce a precise requirement in the programme that “new projects financed from the programme should relate to the results of EMPOWER project in the field of energy monitoring”. The record was officially approved in June 2018 on the meeting of ROP Monitoring Committee.

*Recommendations:*

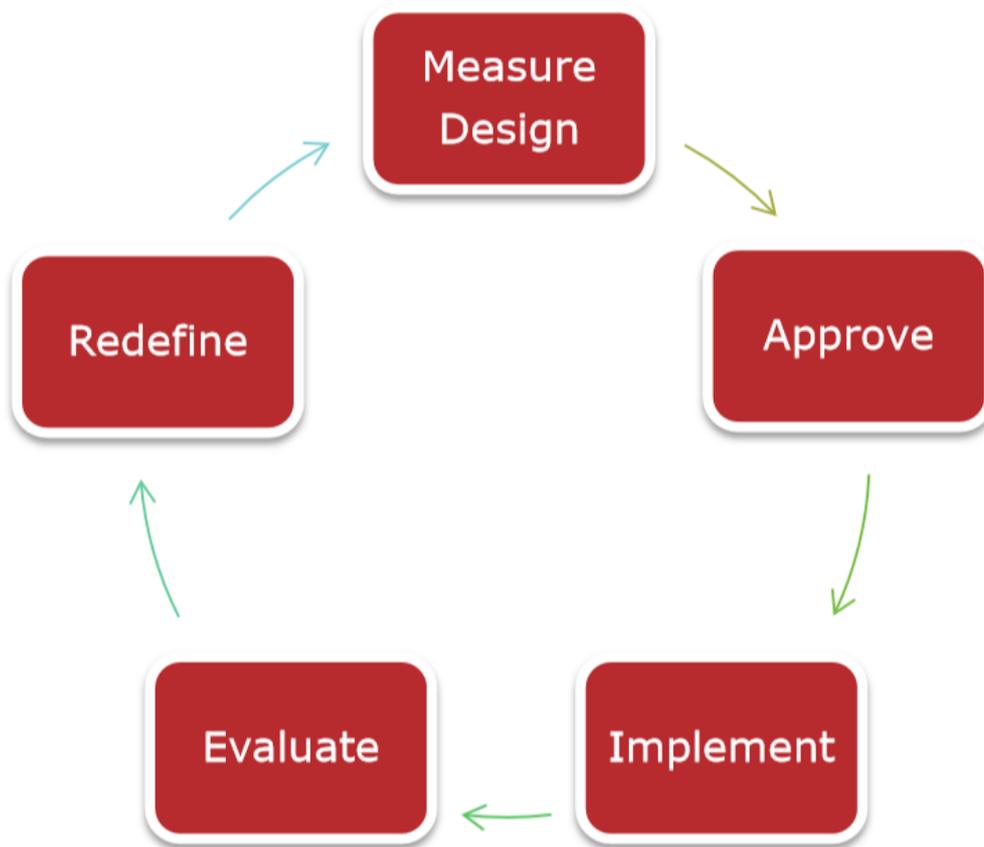
After introducing energy monitoring in every energy project financed in axis 4.2 of the Regional Operating Programme for the present period, the new programming period should also refer to EMPOWER best practices. That could be feasible at the stage of policy making for 2021-2027 Priorities, explicitly PO2: A greener, low carbon Europe.

Phase V - Monitoring of actions/ evaluation

The improved governance and the implementation of energy monitoring in EU funded projects will be monitored. EMPOWER policy improvements refer not only to the Axis 4.2 of Mazovian ROP but can be also replicated to all projects financed from European Funds, including new energy loan fund in the Mazovia Region. Once the measures have been chosen and implemented, the consistency of the measure is assessed. The main pre-requisite is that the measure satisfies initial conditions in the measure design section. Design evaluation involves ensuring conformity with ROP and EMPOWER, delivery of expected results during implementation and catering for the proper monitoring and evaluation framework.

- Do the measures cover all sections required? Are they SMART?
- Have the targets (interim and final) been defined?
- Have surveys been accommodated for, or any other methods for monitoring and evaluation?
- Have indicators of performance been created and how will the achievement be assessed?

Observing best practices and lessons learnt from similar measures in the region can help assess the measure and its improvement for future updates of the Action Plan. This is also why the model of this Action Plan is a 5 - Phase (during updating the AP not all phases need to be executed) one and corresponds to the diagram below:



Monitoring and Evaluation involves measuring and determining the actual energy savings after implementation of the energy monitoring measures and the extent to which the measure is meeting the set targets. The two stages of evaluation conducted for these measures/ improved policies:

- Process - process analysis evaluates the progress of the measure based upon capacity building and regulation (qualitative assessment),
- Impact - evaluates the energy savings and financial savings brought about by the measure implementation. CO2 emissions reduction is also included. (quantitative assessment),

Methods for calculating energy savings are required to monitor progress. This can be done using two approaches:

1. Top down - the energy savings data used is at the regional level, and obtained as an aggregated value.
2. Bottom up - monitoring is conducted at an individual measure/project level.

The evaluation is performed by the Mazovian Unit of Implementation European Projects (MJWPU) that is to collect the energy data from the projects level (see also next chapter). Afterwards, the set of indicators is evaluated by a separate evaluation unit within MJWPU and later presented to the director. The latter brings the data and described results to the stakeholder group meeting that analyses the level of indicators' achievement. Their findings will be later on presented on the Mazovia Region Board meeting that is responsible for ROP overall implementation. If the results/ indicators are not satisfactory the decision is made to redefine them and consult with ROP Monitoring Committee. The latter can accept the proposal or ask the Board for further works with MA on them to meet their expectations. If positive, the Monitoring Committee can ask for a formal introduction of a new wording of the Measure 4.2/ or another governance improvement measures that need to be proceeded accordingly to the diagram above.

### **3. Stakeholders involved**

The structural funds in Poland are channelled to regions via regional governments (Marshall Office of the Mazovia Region in this case) that are responsible for strategy definition, allocation of funds and management of the operational programmes. Mazovia Region and its government acts as the Managing Authority (MA) for all funds in the Regional Operational Programme. Only some interventions (e.g. bigger scale energy projects) are envisaged for central government and its ministries. Regional strategy implementation and fund allocation for the Objective 4 (which is a basis for intervention in this AP) is 100% regional responsibility with the following stakeholders:

- 1) Department of Regional Development and European Funds - MA unit in the structures of Mazovia government
- 2) Mazovian Unit of Implementation European Projects as an Intermediate Authority and separate regional unit to launch call for proposals
- 3) and projects' evaluation by Monitoring Committee - expert body advising MA on the funds distribution and drafting criteria for calls for proposals (MAE is one of members)
- 4) Regional Board - decision making body, Mazovia government.

In case of EMPOWER the following are involved: Marshall Office of Mazovian Voivodeship - Department of Regional Development and European Funds and Mazovian Unit of Implementation European Projects (MJWPU). Those institutions lead the Monitoring Committee, which acts as an independent body performing advisory and opinion-making functions regarding new Regional Operating Programmes (ROP) their structure and outlines.

Head of the European Programs Office at the Department for Regional Development and European Funds, is our major stakeholder that de facto makes the final decisions regarding the structure and indicators of the Regional Operating Programme. That made the opportunity for EMPOWER to advocate its voice in the Monitoring Committee, outline the necessity of energy monitoring in EU funded projects and make final decisions in drafting the new ROP, that includes the obligation of energy monitoring.

#### **4. Timeframe**

The present document provides a guide to the Regional Action Plan development process. Conditional upon data availability and adequate technical assistance, the timeframe is about 24 months for delivery of a final draft. In case of EMPOWER implementation of the timeframe is as follows:

Phase 1 (March 2017 - June 2018) - stakeholders' engagement + Monitoring Committee meetings regarding ROP improvements

Phase 2 (February 2018 - April 2018) - study visits, capacity building

Phase 3 (April 2018 - June 2018) - problem analysis, definition of the policy improvements + approval of objectives

Phase 4 (June 2018 - December 2019) - official approval of ROP policy improvement, further Monitoring Committee meetings regarding ROP improvements implementation

(June 2018 - December 2019) - stakeholders meetings regarding ROP improvements implementation

Phase 5 (2020-2021) - monitoring of action and evaluation of the EMPOWER policy improvement/ RAP implementation

At this stage we are waiting for MA to decide whether a new call for proposals will be announced, depending if there will be additional money for energy projects available. If no application of the upgraded policy is implemented in the present programming period, it will be incorporated in the next perspective 2021-2027.

## **5. Costs**

The amount of money for an average call for proposals dedicated to EE within Measure 4.2 EE, Axis 4 of ROP 2014-2020 is ca. 13 million EUR. If one considers basic implementation of energy monitoring tools, it will make additional 1000 EUR per building. The beneficiary, apart from the initial costs, will also have to pay ca. 20 EUR per month for energy monitoring.

## 6. Funding sources

Energy monitoring expenditures could be co-financed by the European Regional Development Fund under the Regional Operational Program of the Mazovian Voivodeship 2014-2020, as an eligible cost now. EMPOWER results helped not only introduce energy monitoring concept to the programme but also enabled the beneficiaries to calculate those costs within prepared budgets for projects applying to the Measure 4.2.

**Date:** 31/01/2020

**Name of the organisation:** Mazovia Energy Agency (MAE)

**Name of person:** Bartosz Dubiński, CEO

Mazowiecka Agencja Energetyczna  
Sp. z o.o.  
02-362 Warszawa,  
ul. Bitwy Warszawskiej 1920 r. 3 lok. 300  
KRS 000328664  
Regon 141826652, NIP 113-276-09-00

PREZES ZARZĄDU  
  
Bartosz Dubinski

**Signatures of the relevant organisation(s)**

Annex 1 - Letter of Intent

Marshall Office of Mazovian Voivodeship - Department of Regional Development and European Funds



## Letter of support for the EMPOWER project

To Whom It May Concern,

The Marshall Office of Mazovian Voivodeship - Department of Regional Development and European Funds expresses its strong support and gratitude to the **EMPOWER (More Carbon Reaction by Dynamically Monitoring Energy Efficiency)** project.

Structured approaches were needed for **improving public policy in the areas of energy monitoring and innovative financing of energy projects**. With Europe 2020 targets fast approaching and buildings alone accounting for around 40% of EU energy needs and 36% of carbon emissions, EMPOWER consortium brought up the issue of importance and benefits of mandatory energy monitoring and necessarily of evaluation ex ante, ex post in all energy related projects.

As the public authority responsible for Developing of Regional Operating Programme in Mazovian Voivodeship, we were engaged in this process.

For these reasons, Department of Regional Development and European Funds was actively participating in EMPOWER project activities. This include participation in the Peer Review processes, Study Visits, Import Workshops and development of Regional Action Plan related to improvements in the Regional Operating Programme.

Sincerely,

Dyrektor Departamentu  
Rozwoju Regionalnego i Funduszy Europejskich

*Marcin Wajda*

A handwritten signature in black ink, appearing to be "Marcin Wajda", written over the printed name.