

# Investing in energy efficiency: an exception or a rule in the “Clean Air” Programme?

**Reform Institute**

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## Executive Summary

- **The “Clean Air” Programme**, implemented by the National Fund for Environmental Protection and Water Management (NFOŚiGW) is the main subsidy scheme used to reduce emissions from single-family buildings in Poland. It involves the co-financing of investments in improving the energy efficiency of buildings and the replacement of old ineffective heat sources based on solid fuels.
- **The current form of the Programme** is the result of three major reforms aimed at increasing its popularity and gradually redirecting support to cleaner heat sources. Despite the changes introduced so far, the Programme still focuses primarily on accelerating the phase-out of the most polluting installations rather than on promoting zero-emission solutions.
- **In addition to the “Clean Air” Programme**, three public support instruments offer funds for energy renovation of single-family buildings: the tax relief for energy renovation, the “STOP SMOG” and the “My Electricity” programmes. Only the tax relief has a comparable scale of support to the “Clean Air” Programme.
- **In order to analyse the expenditure of the “Clean Air” Programme**, data from two sources were used: information on the “Clean Air” Program made publicly available on the NFOŚiGW website and data provided by the NFOŚiGW through a request for public information. The lack of unified national procedures for processing the information contained in applications for subsidies as well as the lack of a comprehensive national database on the Programme significantly limit the possibility of making a detailed analysis of the effectiveness of the Programme.
- **Since the launch of the “Clean Air” Programme** until the end of 2021, almost 380 thousand applications for the amount of PLN 6.4 billion (EUR 1.4 bn), and the average value of subsidies in 2018–2021 remained within the range of PLN 15–18 thousand (EUR 3.2–3.9k) for both submitted applications and signed contracts.
- **The structure of support** provided within the “Clean Air” Programme depends on the applications by the beneficiaries and is currently as follows:
  - energy efficiency improvements (insulation of walls, roofs and floors, replacement of windows and doors) – approx. 60% of the funds,
  - replacement of heat sources – approx. 37% of the funds
  - photovoltaics – 3%,
  - technical documentation – less than 1%.

- **Applications for subsidies** for investments involving only energy efficiency improvements represent only 10% of the total, applications for a subsidy for the replacement of a heat source combined with efficiency improvements accounted for 40% of the total, and applications covering only the replacement of the heat source - 50%. This means that only half of the buildings under the "Clean Air" Programme are subject to energy efficiency improvements.
- **For beneficiaries** deciding to invest in energy efficiency improvements, average total expenditures (including obtained subsidy and own contribution) for this purpose amount to approx. PLN 50 thousand (EUR 11k). This amount corresponds to the level necessary to reduce energy use by 1/3, however, it is less than half of what is needed to achieve the deep renovation of the building (2/3 of energy saved)

**The average subsidy** for investment in the replacement of a heat source was about PLN 6 thousand (EUR 1.3k). After taking into account the average level of subsidies, this translates into an average total value of an investment of approximately PLN 15 thousand (EUR 3.2k). More than half of the funds for the replacement of heat sources within the Programme were allocated to investments in heat sources based on fossil fuels, about 30% supported investment in biomass boilers, and 15% of support went to zero-emission heat pumps.

- **Current rules of the Programme**, allowing investments in heat sources based on fossil fuels and providing insufficient support for investments aimed at reducing energy demand are not consistent with the long-term aim of achieving climate neutrality. Given the high energy prices and uncertain natural gas supplies, insufficient support for investment in energy savings also threatens the achievement of the Programme's current main objective – a rapid replacement of outdated heat sources which generate smog.
- **Detailed recommendations for the "Clean Air" Programme:**
  - continue regular improvements of the Programme, especially with regards to its environmental outcomes and accessibility for households,
  - shift from a sole focus on improving the rules related to heat sources and strengthen the ones related to the improvement of energy efficiency,
  - provide higher support for deep renovations, in particular, for investments enabling the building to decarbonize through the combination of electrification of heating with far-reaching improvements in energy efficiency
  - further development and promotion of measures to facilitate capital intensive investments for energy efficiency improvements, in particular, engagement of banks and further development of loan offer to complement subsidies,
  - reduce support intensity and ultimately phase out support for heating sources based on fossil fuels,
  - ensure an appropriate scale of financing for the Program (e.g. through the additional allocation of funds from the sale of allowances under the EU ETS), taking into account the scale of investment needs associated with the deep renovation of Polish single-family buildings.

**Recommendations for improving the availability of data on the "Clean Air" Program:**

- establish a structure of the system for collection, analysis and publication by the NFOŚiGW of data collected by the regional funds and banks,
- widen the scope of data collected and analysed by the Fund – in particular from the point of view of the relationship between the expenditures incurred and the effects achieved in terms of reducing energy use and emissions.

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in Polish is available for download  
on our website:**

<https://ireform.eu/nasze-projekty/>

**Contact to the authors of the report:**

Aleksander Śniegocki

[aleksander.sniegocki@ireform.eu](mailto:aleksander.sniegocki@ireform.eu)

Zofia Wetmańska

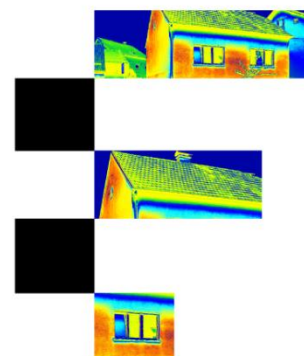
[zofia.wetmanska@ireform.eu](mailto:zofia.wetmanska@ireform.eu)

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**Termomodernizacja  
w „Czystym Powietrzu”:  
wyjątek czy reguła?**

Aneta Stefańczyk, Aleksander Śniegocki,  
Zofia Wetmańska

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