Analysis of information on sources of financing for thermomodernisation of buildings available in 2024

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EXECUTIVE SUMMARY

The report 'Financing Buildings in Poland 2024' (KAPE S.A.) structures publicly available information on central programmes supporting the energy efficiency of buildings and assesses the effectiveness of national and EU instruments in the context of reducing energy consumption and CO_2 emissions. It covers the following segments: single-family, multi-family, public and commercial buildings. The authors note that much of the data for 2024 was incomplete, so where necessary, data from 2023 or conservative estimates were used. The aim of the publication is to provide a preliminary analysis of the system, not a full financial and effectiveness assessment.

Four programmes are of the greatest importance in the national support system: Clean Air, FEnIKS (European Funds for Infrastructure, Climate and Environment), Modernisation Fund and Warm Flat. Clean Air (PLN 103 billion for 2018–2029) is the largest and longest-running programme for the modernisation of single-family homes, financing the replacement of heat sources and comprehensive thermal modernisation. FEnIKS, with a total budget of €29.3 billion for all sectors, covers investments in the energy efficiency of residential and public buildings and the installation of renewable energy sources. The Modernisation Fund (approximately PLN 18 billion allocated to Poland) supports the energy transition by financing low-carbon projects, including programmes such as Warm Flat (PLN 1.75 billion for 2022–2026), aimed at owners of flats in multi-family buildings.

Another important element of the support system is the Thermal Modernisation Tax Relief, which has been in place since 2019. It allows owners of single-family buildings to deduct expenses incurred for thermomodernisation from their tax base – up to PLN 53,000 per person (PLN 106,000 for married couples). The relief covers, among other things, the insulation of building partitions, the replacement of windows and doors, and the installation of heat pumps or photovoltaic systems. In 2023, the value of deductions exceeded PLN 6 billion, making this mechanism one of the most important, albeit indirect, tools for financing investments in the housing sector. The report points out that despite considerable interest from taxpayers, the energy effects resulting from the relief are not monitored, and data on actual energy savings come exclusively from external projects such as Odysee-Mure.

What stands out among these public programmes is the White Certificate System, which acts as a market mechanism to support energy efficiency. Introduced by the Energy Efficiency Act of 2011, it is one of the few instruments independent of budgetary funds. Under this system, companies obliged to improve efficiency can achieve the target of 1.5% annual energy savings through investments or by paying a substitution fee. Although the potential market value reaches several hundred million zlotys per year, only about 30% of the obligation is fulfilled through actual investments, with the majority being fulfilled through the substitution fee. Unlike subsidy programmes, the White Certificate System rewards the most cost-effective projects and can complement public programmes, providing an alternative tool for achieving energy saving targets.

The total value of funds available in programmes supporting the modernisation of buildings in Poland amounts to several dozen billion zlotys, with the Clean Air programme accounting for the dominant share. Despite the significant scale of support, the report points to significant systemic limitations – the lack of a uniform methodology for calculating energy effects, the dispersion of data sources and limited transparency of reporting. The authors emphasise that, unlike the white certificate mechanism, most programmes do not disclose information on cost-effectiveness per toe (tonne of oil equivalent), which makes it difficult to compare the effectiveness of different forms of support.

The report recommends the creation of an integrated system for monitoring energy efficiency in buildings, covering both publicly funded programmes and market instruments. Standardising reporting methodologies, increasing data transparency and including social effects – such as reducing energy poverty and improving air quality – would allow for more effective planning of future actions.

The report provides a summary of national programmes for financing the thermal modernisation of buildings, identifying their scale, structure and key gaps – lack of coordination between programmes, insufficient reporting of effects and the need for better integration of policies supporting the improvement of energy efficiency in the building stock in Poland.

References

Full report:

https://kape.gov.pl/blog/aktualnosci-kape-1/publikacja-kape-analiza-informacji-na-temat-zrode-finansowania-termomodernizacji-budynkow-741

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