

National Fund for Environmental Protection and Water Management

# Renewable source of financing



## Renewable source of financing



**The National Fund for Environmental Protection and Water Management** (NFEP&WM) which was established in 1989 as the regime transformation took place in Poland, is the pillar of the Polish system of financing environmental protection along with voivodeship funds for environmental protection and water management. The Act Environmental Protection Law serves as the basis for the National Fund's operation as a State legal person



### Environment- and beneficiary-friendly fund

According to the National Fund's Strategy for 2009-2012, the mission of the National Fund is to financially support undertakings aimed at environmental protection and respect its value pursuant to the principle of sustainable development included in the constitution. We participate in implementation of the environmental policy of Poland as a source of financing and cooperate, along with the Ministry of the Environment, with commissions of environmental protection at the Sejm and Senate. The National Fund and voivodeship funds provide financial support to projects which contribute to enforcement of Polish obligations stemming from the Accession Treaty and other EU directives. The National Fund supports also activities undertaken by the Ministry of the Environment and relating to meeting Polish obligations from the Climate Convention, Biodiversity Convention, implementing the Financial Instrument LIFE+, NATURA 2000 and environmental education. The National Fund, which is responsible for applying increasing amounts of funds from the European Union as well as implementing the motto saying "Beneficiary-friendly fund", organises series of trainings and „open days" for entities applying for financial support from both domestic and foreign financial sources.



### Modern economic instruments

The source of the National Fund's revenues are fees and penalties for economic use of the environment, provided for in the Law on Environmental Protection, exploitation and concession fees collected by virtue of Geological and Mining Law, charges determined in the Water Law, substitution fees and penalties originating in the Energy Law as well as fees stipulated in the Act on recycling of end-of life vehicles. The National Fund has also revenues on the "climate account" from selling the surplus of the Polish greenhouse gasses emission within the Green Investment Scheme (GIS). The National Fund has also a function of the National Operator of the Green Investment Scheme under the international emission trading. The National Fund also gains revenues on the "climate account" from selling the surplus of the Polish greenhouse gasses emission within the Green Investment Scheme (GIS). Since loans are the main form of supporting activities, the National Fund is a „renewable source of financing" for environmental protection. The "financial leverage" effect obtained through including other financial entities (e.g. banks, voivodeship funds) in cooperation with the National Fund means more available capital on the environmental protection market and larger environmental effects. Through financing projects concerning environmental protection and water ma-

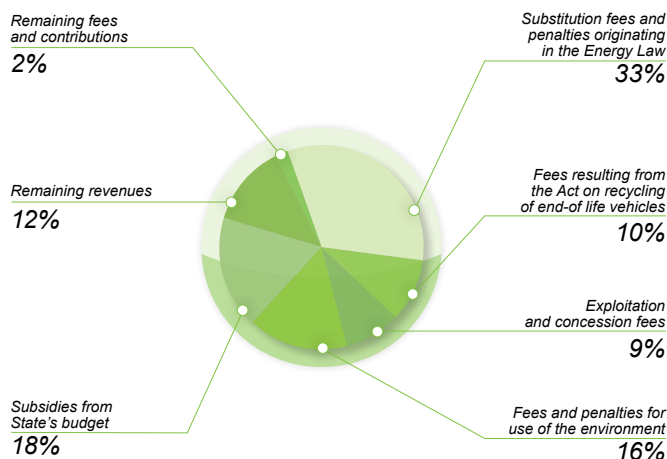


nagement, the National Fund offers many economic instruments adjusted to a project and beneficiary's possibilities, inter alia loans, subsidies, payments to interest of bank credits, payments to dismantling end-of-life vehicles, partial repayment of bank credit capital and payments to interest or purchase price of bonds.



### Financing environmental protection

Economic instruments used by the National Fund are oriented mainly towards co-financing large investments with the nationwide and supra-regional significance. Their objective and environmental effect is to eliminate pollution of water, air and soil. Moreover, financing covers activities concerning water management, geology and mining, monitoring of the environment, prevention of environmental risks, protection of the environment and forestry, popularising environmental knowledge, children's health prevention as well as scientific and research works and expertises. Investments connected with improving energy efficiency and using renewable energy sources are treated as special priorities.



Structure of revenues of the National Fund in 2009.



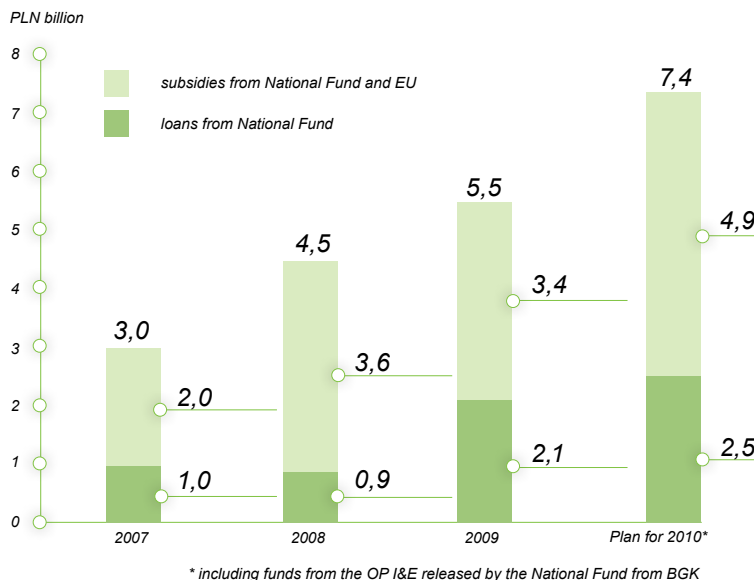
### Our achievements

The National Fund plays an important role in improving the state of the Polish environment. In 1989-2009 the National Fund concluded more than 15 thousand contracts allocating more than PLN 24 billion for financing environmental undertakings. The cost of activities co-financed from the National Fund exceeds PLN 86 billion. Most funds were allocated to water protection and water management as well as to air protection. These activities have contributed to a explicit improvement of living conditions in Poland.



### Record-breaking period of 2008-2010

The year 2009 was record-breaking in terms of the amount of funds spent on environmental protection in Poland. In 2009 undertakings concerning environmental protection and water management were supported with amount of more than PLN 5.5 billion, including the transfer of foreign funds operated by the National Fund. In 2010 we plan to increase this amount to PLN 7.4 billion. Improvement of the condition of the environment in Poland is a measurable environmental effect of these activities, e.g. limiting emission of air pollutants, lower power consumption, reduced amount of wastewater, better waste management and increased environmental awareness.



Financing environmental protection by the National Fund in 2007-2010



### Priority programmes

Priority programmes which encompass detailed, specific for a particular programme principles of granting co-financing as well as criteria of selecting undertakings to be financed are the basis of accepting and considering applications for co-financing in the National Fund. Every priority programme has relevant blank application forms which are necessary when applying for co-financing. the National Fund.





### **National Fund: centre of excellence**

Within the system of managing and financing environmental protection in Poland, the National Fund is a specific centre of excellence in implementation of EU directives and investments for the environment, it initiates important social and economic processes concerning energy saving and using energy renewable sources. The National Fund participates in environmental education of the society and in shaping public opinion in respect of ecology. In 2009-2010, the National Fund's budget for educational projects was doubled. Introducing system and organisational changes, the professional staff uses modern standards of management in the current operation of the National Fund.



### **Cooperation in good climate**

In recent years, the National Fund has exceeded cooperation with voivodeship funds for environmental protection and water management, the banking sector and industry. It has become possible to provide the voivodeship funds with financial sources from the National Fund, aimed at granting loans or subsidies for the indicated programmes and undertakings. The National Fund launches new initiatives of co-financing activities through e.g. introducing a system of payments to bank credits and investment loans and new priority programmes. Their objective is for example to reduce emission of greenhouse gasses from the economy, limit energy losses in enterprises and public utility buildings as well as to finance energy-saving investments. In 2010, the National Fund initiated the nation-wide programme of payments to credits for installation of solar collectors by individual investors. The National Fund also acts as the National Operator of the Green Investment Scheme under the international emission trading.



### **Offer for an individual investor**

In 2010, the National Fund initiated the nation-wide programme of payments to credits for purchase and installation of solar collectors by individual investors, natural persons and housing associations. In coming years similar principles will be applied to introduction of new programmes available for smaller investors and covering inter alia home wastewater treatment plants and connecting buildings to collective sewage system.



### **Absorbing foreign funds**

The National Fund is the largest Polish partner for international financial institutions concerning management of foreign funds allocated to environmental protection in Poland. The experience in administering European Union funds resulted in commissioning the National Fund the role of the Implementing Authority for five priorities of the Operational Programme Infrastructure and Environment. The National Fund is responsible for absorbing in 2007-2013 EUR 5.035 billion, which are intended most of all for undertakings within water and sewage management, water management, waste management, environmentally friendly power production as well as for providing co-financing for projects connected with environmental protection and environmental education. The experience in administering European Union funds resulted in vesting the role of the Implementing Authority to the National Fund in five priorities, i.e. thematic areas of the Operational Programme Infrastructure and Environment (OP I&E) which include the following: water and wastewater management, waste management and protection of land, resource management and counteracting environmental risks, adjusting Polish entrepreneurs to environmental requirements, highly effective generation and efficient distribution of energy as well as thermal insulation of public buildings. The amount of EUR 5.035 billion from the European Union funds will be allocated for these activities in 2007-2013. The National Fund provides also co-financing for OP I&E projects concerning nature protection and environmental education. A new task for the Fund is to financially support projects submitted for implementation under the Financial Instrument LIFE+. What is more, the National Fund coordinates implementation of projects which were granted co-financing under the Norwegian Financial Mechanisms and the EEA Financial Mechanism.

We encourage to visit our website: [www.nfosigw.gov.pl](http://www.nfosigw.gov.pl) as well as our head office in Warsaw. We are always at your service.



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