Renewable source of financing

Effectively and efficiently support the pro-environmental activities
Fund friendly to the environment and beneficiaries

The National Fund for Environmental Protection and Water Management (National Fund), founded in 1989 in the transformation period in Poland, is the main link in the chain of Polish system of financing of environmental protection and water management, with the largest financial potential. The financing system (the Ekofund Foundation constituted its part by 2010) was extended in 1993 with voivodeship funds for environmental protection and water management. The National Fund is an important tool for the implementation of the state’s environmental policy. This is to be achieved by stable revenue, experienced staff and tried and tested forms of cooperation with beneficiaries.

The National Fund runs independent finances, pursuant to the Act on the Environmental Protection Law. By executing the principle “polluter pays”, the National Fund collects mostly funds from: fees and fines for exploitation of the environment, mining fees and concession fees, payments resulting from Energy Law and the Act on recycling of the end-of-life vehicles, revenue from sales of assigned amount units of CO2, and other sources. As Implementing Authority, the National Fund provides the use of foreign funds for environmental protection from, inter alia, the Cohesion Fund, the European Regional Development Fund, the LIFE+ financial instrument, the Norwegian Financial Mechanism and the EEA Financial Mechanism. We assist beneficiaries in efficient and timely project implementation, by means of e.g. co-financing programmes for the implementation of initiatives from the national funds.

The National Fund provides financial support mostly for projects which implement environmental obligations of Poland transpiring from the membership in the European Union. It also supports the Minister of the Environment in executing Polish obligations under e.g.: the Climate Convention, the Convention on Biodiversity, the NATURA 2000 programme. Management of the finance of the National Fund by priority programmes guarantees transparent, objective and impartial process of granting co-funding.

Results of our activity

In 1989-2011 the National Fund co-funded ecological initiatives with the amount of PLN 42.4 billion (including foreign grants managed by the National Fund). The most funds were allocated for water protection and water management as well as for air conservation. These activities have contributed to an explicit improvement of environmental conditions in Poland. Only large, long-term investment in water and wastewater management, completed in 2011 (and mostly co-funded since 2000 from the Cohesion Fund of the EU) improved the service standard in this area for over 12 million people in Poland.

Environmental protection and water management financing by the National Fund in 1989-2011 (PLN million)

![Graph showing environmental protection and water management financing by the National Fund in 1989-2011](image)

**OUR STRENGTHS:**
- Ability to create diverse financial instruments,
- High competence of the employees of the National Fund and many years of experience in servicing projects,
- Active participation in solving environmental problems on legal, financial and organisational level,
- Multiannual planning of revenues and costs, guaranteeing beneficiaries funds for full balancing of their undertakings,
- Institutional potential for implementing projects funded from European funds,
- Being open to innovation...

**FINANCING ACCORDING TO FORMS**
- Investment and non-investment grants
- Interest-bearing loans
- Credits granted by banks from the National Fund’s resources
- Co-financing of disassembly of end-of-life vehicles
- Co-financing of interest-bearing credits
- Amortisation of loans
- Equity investments
- Co-financing of interest-bearing obligations or price of purchase of obligations

**FINANCING ACCORDING TO SECTORS**
- Water protection and water management
- Air and climate protection
- Earth surface protection
- Nature and landscape conservation, forestry
- National monitoring of the environment
- Prevention of natural disasters
- Mining and geology
- Ecological education
- Scientific and research expertise and works
- Energy efficiency and renewable energy sources
- Waste management, including recycling
The National Fund’s strategy

"The National Fund for Environmental Protection and Water Management – the leader of the financing system for environmental protection and water management is EFFECT-oriented – this is the summary of a vision approved in 2012 in the “Action Plan for the National Fund for Environmental Protection and Water Management for 2013-2016 in the perspective to 2020”. It means, that the National Fund will strive to become an institution which:

E – is environmentally friendly (respecting and promoting principles of sustainable development),
F – provides financing (efficient financial support for environmental and water management activities),
E – is elastic (responding to recipients’ needs),
C – is competent (in its mission as a public institution)
T – is transparent (implementing tasks in an ethical, transparent and visible manner).

The general objective of the National Fund’s strategy for 2013-2016, entitled “Improvement of environmental conditions and sustainable management of environmental resources by means of stable, efficient and effective support for initiatives and projects for the environment” will be implemented under four priorities:

- Protection and sustainable management of water resources
- Rational waste management and conservation of soil surface
- Conservation of air
- Conservation of biodiversity and ecosystem services

As a part of the four priorities above, horizontal activities will also be implemented, related to environmental education, expertise, innovation, low-emission and resource-efficient economy and monitoring of environment and counteracting risks, and supporting environmental management systems mainly through Eco-management and Audit System (EMAS).

The strategy for 2013-2016 sets ambitious goals for the National Fund as a dynamic and creative institution, organisation capable of efficient and flexible operation, which achieves results in response to the demand of entrepreneurs and citizens, relative to constitutive principle of sustainable development.

Selected environmental effects from contracts concluded in 2009-2011

<table>
<thead>
<tr>
<th>Environmental Effect</th>
<th>Growth/Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons using improved wastewater treatment</td>
<td>Growth by 1,252 thousand PE (population equivalents)</td>
</tr>
<tr>
<td>Population covered by anti-flood protection</td>
<td>Growth by 438 thousand</td>
</tr>
<tr>
<td>Limiting the mass of land-filled waste</td>
<td>Decrease by 5.5 tonnes</td>
</tr>
<tr>
<td>Surface recultivated/revitalised</td>
<td>Growth by 24 thousand hectares</td>
</tr>
<tr>
<td>Limited or avoided emission of CO₂, SO₂, NO and ashes</td>
<td>Decrease by 911.7 thousand tonnes</td>
</tr>
<tr>
<td>Surface of areas where protection of the right state of ecosystems was restored or ensured</td>
<td>Growth by 441 thousand hectares</td>
</tr>
</tbody>
</table>

In 2009-2011 the National Fund paid almost PLN 6.8 billion for financing environmental protection and water management from own funds, of which PLN 3.8 billion in the form of a loan and PLN 3.0 billion in the grants form. As an institution participating in implementation of projects co-funded by the EU, the National Fund paid PLN 8.1 billion. In the last few years, the National Fund spent almost PLN 15 billion for implementation of environmental investments.

Financing of environmental protection and water management by the National Fund in 2009-2011 (PLN million)
A modern financing institution
The developed principles of running financial management of the National Fund:
• Efficient use of revolving funds
• Self-financing mechanisms
• Low cost of services

Financial management by priority programmes
The basis of accepting and considering applications for co-financing in the National Fund are priority programmes which encompass principles of granting co-financing and criteria of selecting undertakings to be financed. In the majority of programmes, the submitted projects are evaluated on the basis of a competition formula. Lately new priority programmes were launched, for instance “Intelligent energy networks” (budget of PLN 340 million), “Efficient use of energy” (PLN 820 million for investment preceded by audits), where environmental protection is paired with energy supply, promoting innovation and competition of the Polish economy. In cooperation with the National Research and Development Centre, with the budget of PLN 400 million, a programme entitled “GEKON - Ecological Concepts Generator”, is under establishment as an instrument to support Polish scientific and technical research and innovation concerning environmental protection.

Absorbing foreign funds
The National Fund is the largest Polish partner for international financial institutions concerning service of foreign funds allocated for 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, i.e. thematic areas of the Operational Programme Infrastructure and Environment 2007-2013 (OP I&E) which include the following: water and wastewater management, waste management and land conservation, 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. Under the OP I&E ca. 400 agreements for co-financing were concluded by September 2012 for the amount of over PLN 14.7 billion. The National Fund provides also co-financing for the OP I&E projects concerning nature protection and environmental education.

Offer for households
The offer of the National Fund directed to individual households enjoys much popularity. In the RES sector the programme of co-financing of credits for solar collectors brings very good results. Ca. 25 thousand households joined the programme. In 2011 the National Fund, as the only Polish institution, was awarded a prestigious prize – the Best Practice Certificate EPSA 2011. In the same year, the offer for households (by the intermediary of territorial self-government units) was extended by grants and loans for home wastewater treatment plants and connecting households to the central sewage system. In cooperation with some banks, in 2013 the National Fund will launch a programme of co-financing credits for purchase or construction of energy-efficient buildings. By 2018 the National Fund will support individual investors with the amount of PLN 300 million, co-financing purchase or construction of the planned 12 thousand energy-efficient houses and apartments.

National Fund: the competence centre
In the management and financing system of environmental protection in Poland, the National Fund is a “competence centre” of a kind in financing and implementing projects for environmental protection, fulfilling standards of the EU directives. Experienced staff uses modern management techniques in ongoing Fund’s activities. Taking part in consultations and legislation works, and co-financing research, analyses and expertise, we initiate important social and economic processes in, inter alia, waste management, energy savings and its efficient use. The consultations under the Energy-Effect-Environment Forum, or “Best practice in waste management” forum, and in the Educational Forum launched in 2012 enable to initiate new programmes on the market. In the competition held by the Ministry of Regional Development in 2012, the National Fund was awarded a prize for “Good practices in strategic management of development in Poland”. Both in statutory activities (financing environmental protection and water management) and in auxiliary activities and work organisation, the National Fund uses the CSR principles, with particular focus on social dialogue and decreasing negative influence on the environment.

The Polish system of financing environmental protection, with good recommendations of many international institutions (OECD, World Bank, European Commission) has become a source of inspiration and example to build similar economic mechanisms in other countries.

We invite everyone to visit our website: www.nfosigw.gov.pl as well as our office in Warsaw. We are always at your service.