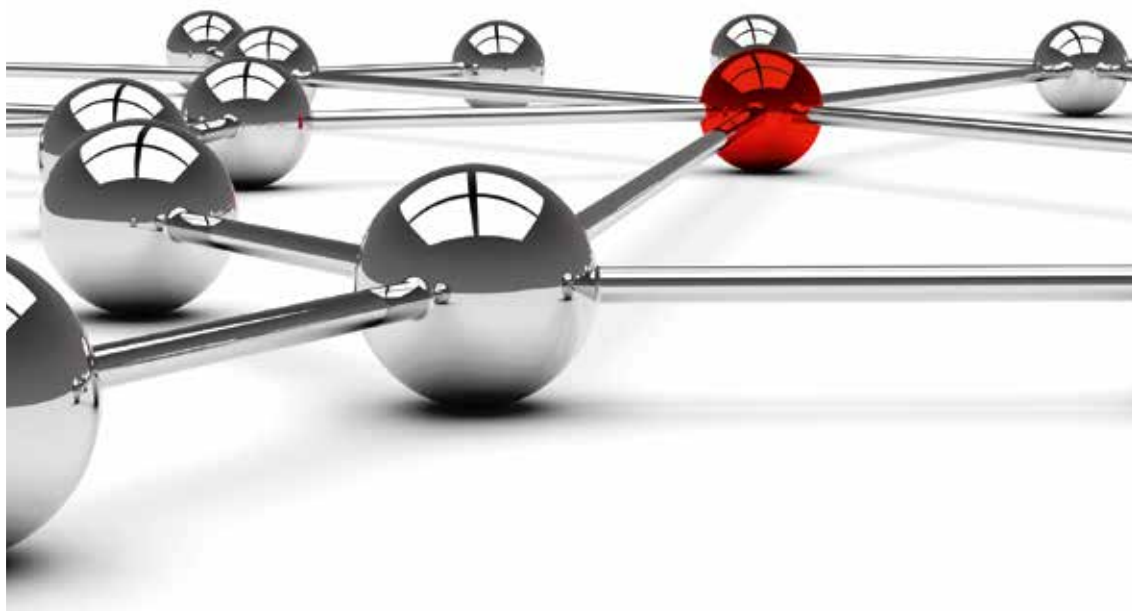


National Fund for Environmental Protection and Water Management



Action strategy
of the National Fund for Environmental Protection
and Water Management for 2013–2016
with a view to 2020

Abstract

Warsaw 2013

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Abstract of the NFEPWM Action Strategy



Considerations

Development of the *Action Strategy of the National Fund for Environmental Protection and Water Management for 2013-2016 with a view to 2020* (hereinafter referred to as the *NFEPWM Strategy*) follows directly from the provisions of the Act of 27 April 2001 – the Environmental Protection Law (hereafter EPL). Article 400k determined that the tasks of the Executive Board of the NFEPWM include development of a draft action strategy of the National Fund, and Article 400h stipulates that the tasks of the Supervisory Board of the National Fund include adoption of this strategy, once in four years, by 30 September of the year preceding the first year covered by the strategy. The duration of the current *action strategy of the National Fund for Environmental Protection and Water Management for 2009-2012* ends in 2012, therefore, the next strategy is developed for 2013-2016 and also covers the outlook for 2020.

The next financial perspective of the European Union (hereinafter referred to as the EU) begins in 2014, and shall determine the directions of actions co-financed by the EU. At the time of the approval, the *NFEPWM Strategy* lacks definitive solutions on how to finance environmental investments from EU funds in the 2014-2020 financial perspective. The institutions participating in the implementation of projects financed by the EU are not known. In addition, experience of the previous period shows that national legislation may not be ready by the beginning of 2014 and it should be taken into account that they will be formulated gradually throughout 2014. Taking into account the above considerations it is necessary to schedule the update of the *NFEPWM Strategy* at half of its duration (at the latest by the end of 2014).

The update will allow for the inclusion of changes resulting from operational programmes, the update of the *National Environmental Policy for 2009-2012 with a view to 2016* (hereinafter referred to as the *National Environmental Policy*), the provisions of the *Strategic Plan for Adaptation of sectors and areas vulnerable to climate change* and the *Framework of the National Programme for Development of Low-Carbon Economy*. In addition, the update will allow for use of a single method of determining the degree of implementation of the main environmental objectives.

Years:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
UE Programming periods:	2007-2013		2014-2020						2021-2027		
necessary update::	up-date										
current NFEPWM Strategy: 2013-2016 with a view to 2020:		STRATEGIC PLAN				Perspective					
next NFEPWM Strategy: 2017-2020 with a view to 2024:					STRATEGIC PLAN				Perspective		

Fig. 1. Location of the NFEPWM Strategy on the timeline in relation to EU programming periods

Background

NFEPWM Strategy is to determine the role and tasks of the NFEPWM for the next four years and tasks scheduled for action by 2020. The action defined in the *NFEPWM Strategy*, along with financial support provided by the NFEPWM, is to contribute to the improvement of the environment, with particular emphasis on projects co-financed from EU funds.

NFEPWM Strategy is the result of the analysis of the effects of implementing the *Action Strategy of the NFEPWM for 2009-2012* and takes into account directions of development set out in the programme documents, i.e. the *National Environmental Policy and Strategy for Energy Security and Environment*. The *2020 perspective* (hereinafter referred to as *ESE*). It also includes arrangements for implementing environmental measures under the *Common Action Strategy of the National Fund and voivodeship funds for environmental protection and water management for 2013-2016 with a view to 2020* (hereinafter referred to as the *Common Strategy*).



The main lines of action are based on the SWOT analysis, both of the institution itself and the state of the environment and the system of financing.

Summary of the NFEPWM Strategy for 2009-2012

Objectives of the *NFEPWM Strategy*, carried out in 2009-2012, contributed to:

- improvement of the environment and reducing emissions by providing co-financing from the national funds on pro-environmental projects and support for foreign funds, including the provision of national co-financing,
- implementation of financial management by multiannual priority programmes,
- preparation and contracting of tasks (signing contracts and promissory notes) within the priority programmes for which the amount paid by the end of 2011 amounts to almost PLN 3 billion,
- establishment of close cooperation with the voivodeship funds for environmental protection and water management and with banks in achieving the objectives of the *National Environmental Policy* through loans or providing own funds for renewable energy sources, co-financing of EU projects, removal of asbestos or regional programmes,
- application of new financial instruments, such as subsidies to interest rate on bank loans, subsidies to redemption price,
- cooperation with external partners and beneficiaries, in order to exchange experiences and knowledge and promote innovative solutions in the field of environmental technologies through the organization, *inter alia*, of the *Energy-Effect-Environment Forum* and the *Forum on best practices in waste management*,
- beginning of the process of organizing the National Fund's equity portfolio (development of Equity Strategy of the National Fund for Environmental Protection and Water Management for 2009-2012),
- more flexible forms of employment in the NFEPWM through the introduction of teleworking and a more incentive-based system of rewards and promotion based on annual employee evaluations.

The implementation of the objectives set out in the *NFEPWM Strategy* for 2009-2012 has been recognized by external institutions, this concerns in particular the activities of the NFEPWM and the use of "good practices". NFEPWM has received a prestigious award – Best Practice Certificate at the European Public Sector Award (Best Practice Certificate EPSA 2011) for a programme devoted to subsidies for the purchase and installation of solar panels. It should be noted that the proposal submitted by the NFEPWM competed with 274 proposals submitted from 34 countries and the European institutions and it was the only proposal of 21 Polish institutions that received this award. In 2012, the Ministry of Regional Development honoured the NFEPWM in the competition "Best Practices for Management of Strategic Development in Poland" for consistent attempts to integrate the tasks in the management of development policy.

SWOT analysis

The **SWOT** analysis of the **NFEPWM** shows that:

- **STRENGTHS** are:
 - the ability to create a variety of financial instruments that meet the needs of beneficiaries,
 - the high competence of the NFEPWM staff and years of experience in supporting projects financed both from foreign and domestic funds,
 - the active participation in solving environmental problems on legal, financial and organizational grounds,
 - the long-term planning of revenues and expenses, which ensures funds for beneficiaries for the full balance of projects,
 - the institutional capacity to implement projects funded by the EU, obtained as a result of the experience gained in the implementation of the financial perspective for 2000-2006 and perspective for 2007-2013, as well as projects funded by the Norwegian Financial Mechanism,
 - openness to innovative solutions.

• **WEAKNESSES** are:

- very different sizes of projects – large number of small and labour-intensive projects,
- the distributed financial offer – too many priority programmes that generate problems in planning,
- the underdeveloped system of quantification and registering of environmental effects,
- the imperfect process of handling beneficiaries,
- the limited use of the criterion of cost-effectiveness,
- the imperfect methods of budgeting, resulting in incomplete implementation of the financial plan,
- the need for improvement of communication with the beneficiaries of the system, including procedures for consultation and evaluation of the NFEPWM actions by the beneficiaries,
- the fragmentary system of digital service for beneficiaries,
- the process to ensure transparent, user-friendly and simple procedures for the beneficiary requires strengthening,
- the poor knowledge of the full offer of the NFEPWM among potential beneficiaries,
- the inefficient handling of internal processes,
- the lack of an integrated IT system,
- the need for improvement of internal communication and collaboration,
- too little flexibility in resource management,
- the need for improvement of the risk management system,
- the limited competence regarding innovative financial instruments.

For the identified weaknesses, the *NFEPWM Strategy* indicates (in four perspectives: financial, beneficiaries, internal processes, innovation, challenges, development) specific actions written for specific tasks that will reduce the impact of weaknesses/eliminate weaknesses that inhibit development.

• **OPPORTUNITIES** are:

- the need for funds for investments resulting from legislative requirements (implementation of EU directives, implementation of the Accession Treaty obligations and international agreements),
- the new EU financial perspective 2014-2020, the new operational programmes and innovative financial instruments (repayable),
- the demand for funds, which in connection with the implementation of legislation will be spent on improving the environment,
- the new directions of funding – e.g. eco-innovation, low carbon and resource-efficient management, prevention of climate change,
- the increasing environmental awareness, influencing investment activity in the field of the environment,
- the cooperation with other institutions, not involved directly in the protection of the environment, in order to create new initiatives for the protection and improvement of the environment, with simultaneous economies of scale in the form of actions for economic growth and positive impact on the labour market,
- building a high level of trust and satisfaction of the beneficiaries.

The most significant opportunity for the NFEPWM is the opportunity to participate in the implementation of operational programmes and innovative financial instruments in the new EU financial perspective for 2014-2020 and to prepare for the role of the Fund of the Funds¹, i.e. the financial intermediary, implementing innovative financial instruments with EU funds (repayable instruments such as loans or taking up and purchasing shares and bonds, and the use of guarantees). It will be also important, in addition to financing existing lines, to open up to new lines of business, including eco-innovation and low-carbon and resource efficient economy. It will be necessary to use modern, innovative solutions, cooperate with various institutions and strive for continuous improvement of cooperation with the beneficiaries.

¹ Within the meaning of Article 32 of the of the draft Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006.

- **THREATS** are:
 - the applicable laws, creating barriers to investment, which constrain spending and result in an increase in cash in the NFEPWM account,
 - the draft amendments to the law that are unfavourable for the NFEPWM, among others eliminating or limiting the independence of the NFEPWM, restricting financial inflows and the role of the NFEPWM in the implementation of policies in the new EU financial perspective,
 - the economic recession, which will change the priorities of the Government,
 - the impact of the crisis on reducing public revenues and investment capacity of local governments, budget units, as well as entrepreneurs,
 - the financial implications of implementing environmental commitments to the European Commission and the penalties that may be applied in this area,
 - the competition with the EU funds available under other programmes for environmental protection and water management.

To mitigate the negative effects of the identified and potential risks (i.e. factors affecting the activities of the NFEPWM, that cannot be shaped actively by the NFEPWM) there will be activities aimed at communicating and presenting the relevant public bodies with existing and potential barriers that prevent the effective implementation of the *NFEPWM Strategy* and the proposals of solutions.

SWOT analysis of the **environment** indicates that the strengths include valuable natural resources and the significant progress in reducing emissions into the environment. Improvements are required in surface water quality, air quality, waste management and integration of environmental considerations in spatial planning, and a big threat is the accelerating climate change and the resulting extraordinary threats.

SWOT analysis of the **financing system**, indicates the involvement of funds from sources other than the NFEPWM for the environment and the inclusion of external partners (e.g. banks) in pro-environmental projects as a positive aspect. The negative side of the financing system is the need to improve cooperation in the funding of supraregional tasks, the high indebtedness of local governments and the deteriorating situation of economic operators, which will cause a reduction in the willingness to invest in environmental projects. The crisis on the market of performers of environmental investments can significantly affect the pace and implementation level of the investment. A significant negative trait can be the lack of the uniform system for recording the environmental effects, enabling their proper reporting and accounting.

Directions of change

Given the changing reality and the environment, the *NFEPWM Strategy* took particular account of the need for changes in the current business model of the institution. In the future, the NFEPWM will strengthen the leadership role of the system of financing environmental protection and water management in Poland, through flexible adaptation to changes in the environment, particularly in the following areas:

- **the supported areas** – consolidation of supported objectives, their clear identification and **reduction of the number of priorities**. Changing the allocation of resources and directing the largest funding stream for activities related to the widely understood low-carbon and resource-efficient economy, climate protection and the prevention of its changes (including water management), eco-innovation developments in improving the competitiveness of businesses operating in Poland and reducing the use of natural resources, as well as creating green jobs;
- **the supported sectors** – funding will be directed primarily to **local self-government units, businesses and households**. With this directional change, the main determinant will be to maximize the environmental effect induced by funding from the NFEPWM;

- **the financial instruments and financial structure** – an important action is the creation of instruments, so that, for example, through the involvement of a third party (ESCO², public-private partnerships, including concessions), the local authorities will carry out their tasks and meet the needs of residents, without increasing debt. It is envisaged to **increase significantly the share of repayable financing in relation to the non-repayable financing from own funds in 2016 to the ratio of 65/35. The target, recommended share level in 2020 is 80/20 (conversion into a revolving fund)**. At the same time, it is assumed that the non-repayable aid will be granted, in principle, as a targeted support to attract external funding sources (e.g. **subsidies to interest rate on bank loans and issuance of municipal bonds or bond redemption**) or as part of the incentives for environmental investments (depreciation). The forecasted level of repayable financing may vary in case of adverse conditions in the public finance sector that limit the possibilities of its indebtedness;
- **the organizational structure and mode of action** – to increase organizational efficiency due to the development of cooperation with external partners. Apart from continuing the existing operations and direct co-financing to the beneficiaries, including the function of the Implementing Authority, also in the new EU financial perspective, the objective of the NFEPWM in the new perspective of the European Union will be also to operate as a Fund of Funds, i.e. the financial intermediary, implementing innovative financial instruments from EU funds (repayable instruments such as loans, taking up or purchasing shares, bonds and the use of guarantees). In terms of national resources, the NFEPWM, in consultation with the Minister of the Environment will set out and define the principles of support and direct this support to the beneficiaries through the institutions cooperating with the NFEPWM (mainly VFEPWM and banks);
- **the quantification of objectives – precise quantification of objectives both ecological and organizational.** Monitoring the achievement of anticipated levels of indicators, and in the event of a risk of failure to achieve them, quickly taking steps to eliminate it.

The changes indicated in the recommendations will be implemented following the review and the detailed analysis of both the priority programmes and the current macroeconomic situation (analysis of public debt, etc.). NFEPWM will apply analytical tools that will allow for a flexible response to the challenges associated with current needs and abilities of potential beneficiaries. The recommendations should be considered as challenging directions of changes that will be verified and updated to important national circumstances.

Vision, mission, general purpose

NFEPWM in the 2020 perspective will seek to achieve the following vision:

National Fund for Environmental Protection and Water Management
Leader of the system of financing environmental protection and water management in Poland
intending to obtain EFFECTS

This means that the NFEPWM will seek to become:

- E** – ecological (respecting and promoting the principles of sustainable development),
- FF** – funding (effectively providing financial support to activities in the environment and water management)
- E** – elastic (adaptable to the needs of customers),
- C** – competent (filling the duties of a public body in a competent and reliable manner),
- T** – transparent (executing duties in an ethical, open and transparent manner).

² Energy Saving Company or Energy Service Company is an indication of companies offering expert services in the areas of energy by way of financing energy projects by the so-called third party (TPF – Third Party Funding).

Target for 2020 is **3 x 20** (with respect to the base value for 2016):

20% – faster support for beneficiaries from 90 days in 2016 to 72 days in 2020,

20% – lower own costs, as a percentage of aid paid from own funds and from EU funds from 1.6% in 2016 to 1.3% in 2020,

20% – higher average payout from about PLN 5 billion to about PLN 6 billion.

Achieving this goal will be possible by converting the existing institution into a dynamic, creative organization capable of flexible operation, which achieves results and supports actions for the environment in response to the identified needs of local governments, businesses and citizens.

It is assumed that during the implementation of the *NFEPWM Strategy*, the priority will be financing of projects which are innovative solutions for environmental protection and water management. The strategy will continue to support the widely understood low-carbon economy³ carried out by:

- development of low carbon energy sources,
- improving energy efficiency,
- improving the efficiency of materials management,
- development and use of low carbon technologies,
- preventing creation of waste and improving the efficiency of waste management,
- promoting new patterns of consumption
- and preventing climate change.

There should also be new developments in the fields such as: noise reduction, reducing emissions and use of methane, comprehensive solving of environment-related problems in protected areas and in the cities, spa towns, green rings around cities.

The mission of the NFEPWM is:

We efficiently and effectively support environmental activities

It will be important in both the 2013-2016 perspective and in 2020 perspective, to maintain:

- effective use of **renewable financing instruments** of environmental protection and water management; in 2009-2011 all environmental fees and fines received by the NFEPWM amounted to PLN 5.8 billion, while the payment of NFEPWM own resources to finance the environmental protection and water management amounted to PLN 6.8 billion. The difference in the amount of PLN 1.0 billion enabled additional funding for investments in the environment and water management,
- **NFEPWM self-financing mechanism**, i.e. the ability to cover the cost of maintenance of bodies and agencies from the proceeds from interest on loans. These costs do not exceed 50% of the proceeds of this account, and other interest income further contribute to financing in the area of environmental protection and water management,
- **low operating cost** of payments to the beneficiary; in the 2009-2011, payment of PLN 1 of own resources and resources supported by the NFEPWM cost less than PLN 0.02.

³ According to the Guidelines adopted on 16 August 2011 by the Council of Ministers for the National Programme for the Development of Low Carbon Economy, the main objective was defined as: Development of low-carbon economy while ensuring sustainable development of the country.

The assessment of the effectiveness of the institutional activities of the NFEPPWM will continue (in relation to the *NFEPPWM Strategy 2009-2012*) to measure the following indicators:

- **own expenses**, as a percentage of aid paid from own funds and from EU funds – planned value to be achieved in 2016 is **1.6%** (plan for 2009-2012 – 1.8%),
- **average processing time of proposals**, from submission to signing the contract – planned volume to be achieved in 2016 is **90 days** (plan for 2009-2012 – 150 days).

Reaching the above levels will be conditional on full implementation of IT tools, which is included in particular in measures 2B and 3A of the *NFEPPWM Strategy*. Speeding up the process of handling the beneficiary will be carried out simultaneously with ensuring a high quality of operations.

The diagnosis of the current situation and effects of the *NFEPPWM Strategy for 2009-2012*, and the obligations imposed on the NFEPPWM by strategic documents, helped to define the **general objective of the NFEPPWM Strategy**:

Improving the environment and the sustainable management of natural resources through sound, effective and efficient support for projects and initiatives for the environment

This general objective of the *NFEPPWM Strategy* is a response to environmental obligations set out in the Accession Treaty and other legislation and is designed to meet the objectives set out in the *National Environmental Policy*.

Priorities

The general objective will be implemented under four environmental priorities, i.e.:

PRIORITY 1:

protection and sustainable management of water resources – the measures related to water protection will include programmes covering in particular the construction and modernization of sewage systems (wastewater treatment plants, sewage networks) and investments in management of municipal sewage sludge. In addition, the programmes will continue to support the construction of individual sewage treatment systems in areas not covered by urban complexes designated for the national programme of urban waste water treatment. At the same time measures will be conducted in the field of water management, aimed mainly at the rationalization of resource management of surface and groundwater, in order to avoid water deficit and protect against flooding. It is also important to carry out investment in flood protection, using objects for energy purposes and to support non-technical measures to, inter alia, increase the natural retention, build early warning and flood forecasting and flood risk management systems, as well as conducting education campaigns.

PRIORITY 2:

rational management of waste and protection of earth – this priority will implement projects involving gradual transition from a system of storage of waste to a system supporting processing, recovery of raw materials and their energy use. The measures for the prevention of waste generation will play a significant role. It will be important to support and implement low-waste technologies of production. Furthermore, it will be important to strengthen the possibilities of the energy use of waste through thermal treatment of waste, particularly biodegradable waste, including sewage sludge. There will also be measures for the rehabilitation and/or revitalization of areas degraded by industrial, commercial and military activity and as a result of natural phenomena. At the same time measures will be implemented aimed at rational and effective management of minerals and other raw materials and materials derived from them. They require conducting reconnaissance and research and identifying strategic reserves. The measures will be aimed at development of technology and at increasing the availability of renewable energy technology in a variety of natural resources, as well as development of other low-carbon technologies (e.g. clean coal technologies). There will also be educational campaigns on the rational management of raw materials, materials and waste.

PRIORITY 3:

protection of the atmosphere – this thematic area will support primarily tasks related to climate change, including the reduction of greenhouse gas emissions and improving air quality. Reducing emissions of harmful substances into the atmosphere will be carried out through a comprehensive elimination of the existing, inefficient heating devices and through collective heating systems. In addition, the priority will include task of increasing energy efficiency and use of renewable energy sources. Improving energy efficiency must relate to the generation, transmission and use at end-users. It will be very important to develop cogeneration, including high-efficiency cogeneration, modernization and expansion of district heating, thermal modernization of public buildings and energy efficient construction. In order to strengthen the role of end-users in the management of energy consumption, it will be important to modernize the energy sector in the field of smart measuring and smart energy networks (SEN). In terms of the use of renewable energy sources, the measures will be aimed at increasing energy production from renewable energy resources.

PRIORITY 4:

protection of biodiversity and ecosystem services – the primary objective of the priority is halting the decline in biodiversity and ensuring a favourable conservation status for the greatest possible number of species and habitats. This priority will include measures related to the comprehensive assessment of the state of the environment, valuation of ecosystem services, development of protection tasks and plans and programmes/strategies for the protection of the species most valuable from the point of view of the protection of wildlife. Due to the economic development and increased tourist traffic, it will be important to also reduce human impact on the most valuable protected areas and to eliminate direct pressure on natural areas by reducing low emissions. In addition, measures will be implemented to maintain and restore natural ecosystems of water retention (especially in mountainous areas) and to slow water runoff, mitigate the impact of climate change on the environment by absorbing CO₂, improve thermal balance and counteract disaster phenomena relating to habitats and species and resulting from climate change and human impact, and eliminate their effects.

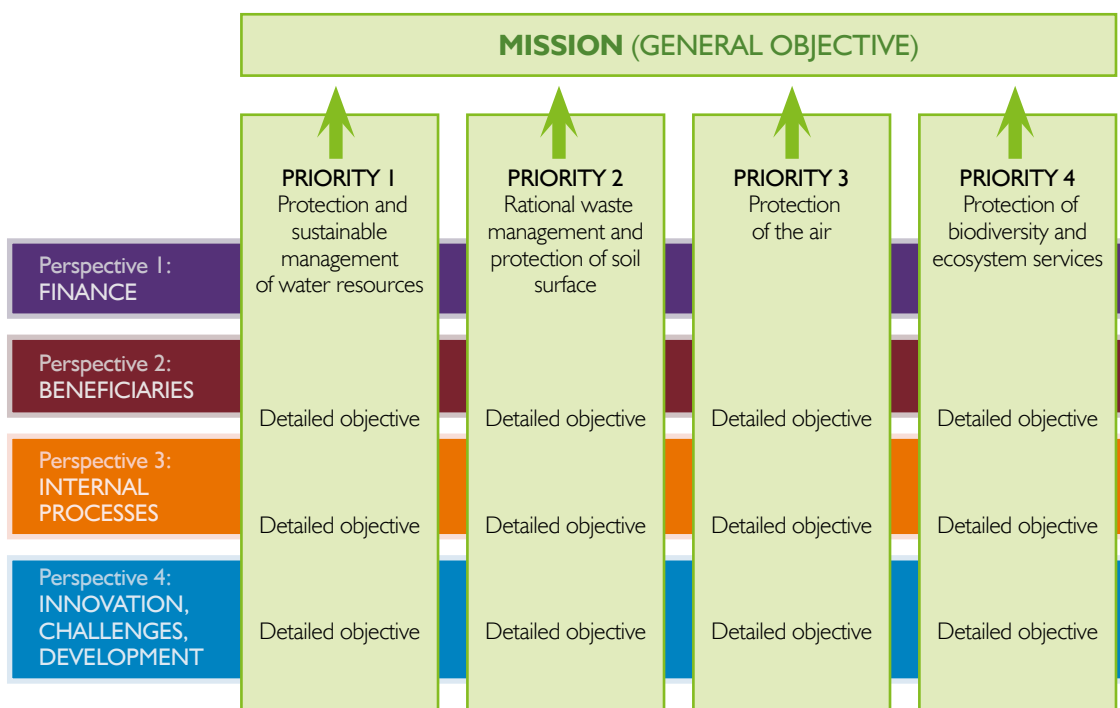


Fig. 2. Structure of the objectives and priorities of the NFEPWM Strategy

The above four horizontal priorities will also implement measures related to **environmental education, expertise, innovation, low carbon and resource efficient economy, environmental monitoring and risk prevention**, as well as support for environmental management systems, mainly the Eco-Management and Audit System (EMAS).

Perspectives

Implementation of the general objective and environmental priorities of the *NFEPWM Strategy* will occur as a result of measures grouped under four perspectives that are complementary to each other and interact with each other. To ensure systemic care for improvement of all aspects of the NFEPWM operations, the *NFEPWM Strategy* adopted four **perspectives** (i.e. four points of view), in which the NFEPWM system will be analyzed with the intention of continuously improving it. The four perspectives are:

- Finance,
- Beneficiaries,
- Internal processes,
- Innovation, challenges, development.

The most important for the future of the NFEPWM is perspective No. 4: **Innovation, challenges, development**, as this area will build new instruments, expertise and innovative solutions resulting in transformation of the NFEPWM in a more efficient, modern, creative and dynamic institution. According to the balanced score card method, the effective implementation of the strategy consists in building a sequence of cause and effect: starting from the **perspective of development**, which builds the new expertise affecting improved **internal processes**, resulting in increased satisfaction of **beneficiaries** and followed by an improvement in **finance**. This approach is the starting point for the implementation of the NFEPWM balanced score card. The different perspectives will implement measures with the indicated tasks and tools to achieve them. Perspectives, measures and tasks of the *NFEPWM Strategy* have defined indicators of achieving each of them, allowing monitoring of implementation. Internal strategies and policies of institutions should be drawn from the *NFEPWM Strategy* and be consistent with the tasks specified therein.

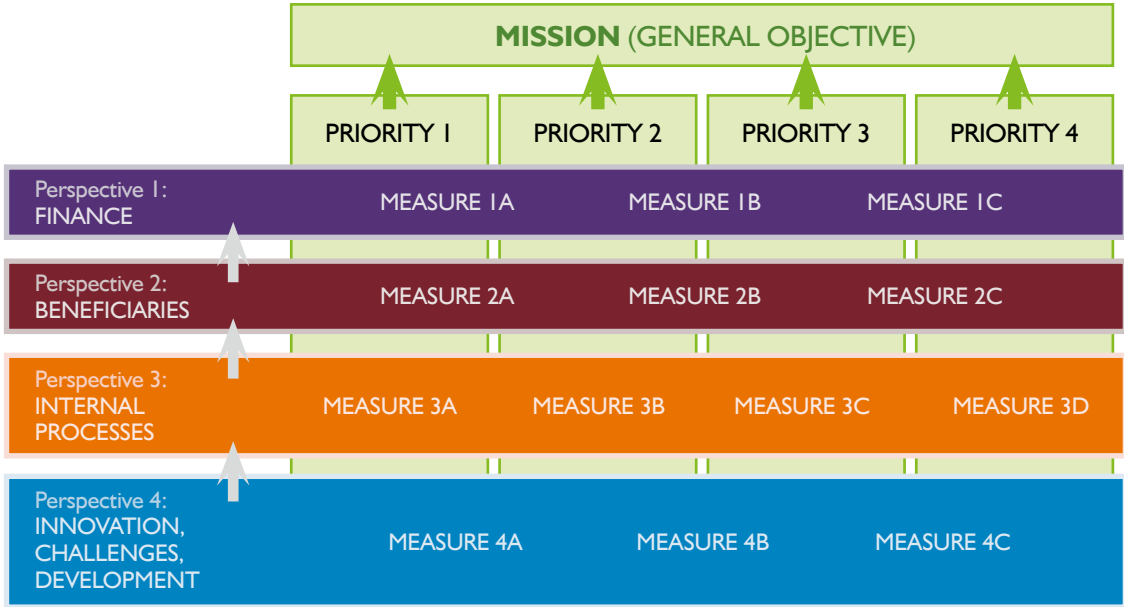


Fig. 3. Four perspectives of the NFEPWM Strategy



Perspectives for achieving the objectives are:

PERSPECTIVE 1: FINANCE

Maximizing the effectiveness and efficiency of use of available financial resources

Measure 1A: Orientation and flexible adjustment of NFEPWM programming, given the NFEPWM strategic objectives and the needs, conditions and abilities of recipients of co-financing.

Measure 1B: Streamlining processes of granting co-financing and settlement of payments with particular emphasis on security.

Measure 1C: The constant increase in efficiency and effectiveness of financing of environmental protection, taking into account the benefits arising from the use of available external resources.

The Finance perspective refers to the financing of measures in environmental protection and water management, and its goal is to maximize effectiveness and efficiency of use of available financial resources and full implementation of the financial plan. Implementing measures in the Finance perspective, the NFEPWM is guided not only by the profitability of tasks, but also by public and environmental interest, which contributes to achieving the objectives of public policies relating to the environment. It is also important to use flexible financing arrangements that are responsive to the real needs of consumers, financial capabilities and external conditions.

PERSPECTIVE 2: BENEFICIARIES

Continuous improvement of relations with the beneficiaries

Measure 2A: Improving relations with the beneficiaries.

Measure 2B: Development of digital servicing of beneficiaries.

Measure 2C: Development of information and promotion activities.

The Beneficiaries perspective concerns the improvement of cooperation with the beneficiaries and the socio-economic partners (in particular non-governmental organizations), attention to transparent rules, criteria and decision-making process, which will improve the image of the NFEPWM as a reliable public partner. Measures proposed by NFEPWM will be based on the following principles: consultation, collaboration, accountability, and ensuring high quality of service of the beneficiary. These activities will be carried out in accordance with the model of Good Governance, whose key values are *inter alia*: participation of citizens in public decisions and the transparency of public procedures. There will be projects related to the servicing of beneficiaries and applicants, support for the digitization of beneficiary servicing, education for beneficiaries, including in the preparation of proposals and their settlement.

PERSPECTIVE 3: INTERNAL PROCESSES

Increasing organizational efficiency

Measure 3A: Computerization of processes.

Measure 3B: Development of internal communication and collaboration (team building).

Measure 3C: Proper allocation of resources.

Measure 3D: Full implementation of management control, business continuity, risk analysis and anti-corruption system.

Internal processes perspective relates to improvements, standardization and flexible adaptation of internal procedures for optimized processes while meeting the condition of improved organizational effectiveness of the NFEPWM. This perspective is to ensure that the NFEPWM, as a public institution, carries out its task effectively, and that its activities are aimed at reducing administrative barriers and improving the process of disbursement of funds for environmental purposes. At the same time the NFEPWM must ensure that the measures will be carried out in a transparent manner, so as to eliminate or prevent the occurrence of corruption and that in the case of external disturbances, the NFEPWM has a solution that will ensure the maintenance of designated and acceptable level of implementation of measures.

PERSPECTIVE 4: INNOVATION, CHALLENGES, DEVELOPMENT

Active creation of the future

Measure 4A: Adaptation of the NFEPWM for the implementation of new policies and financial instruments of the EU and participation in the implementation.

Measure 4B: Promoting eco-innovation.

Measure 4C: Active creating of systemic solutions corresponding to the identified opportunities and threats.

Measure 4D: Human resource management – support for modern public institution and a friendly employer.

The innovation, challenges, development perspective concerns the implementation of initiatives aimed at creating new activities and lines of actions of the NFEPWM and responding to new challenges. This perspective will also implement measures aimed at continuous improvement of the institution and implementing an innovative approach to its future, as well as measures focused on innovative approaches to financing environmental protection and development of the organization.

The most important for the future of the NFEPWM is perspective No. 4: Innovation, challenges, development, as this area will build new instruments, expertise and innovative solutions resulting in transformation of the NFEPWM in a more efficient, modern, creative and dynamic institution.

Financial framework

The implementation of the *NFEPWM Strategy for 2013-2016* will be allocated a total of over PLN 23 billion, of which about PLN 13 billion comes from own funds of the NFEPWM. EU funds spending plan is more than PLN 10 billion. These values only apply to measures carried out in the framework of the Operational Programme Infrastructure and the Environment (hereinafter referred to as OP I&E).

Projected changes

There are envisaged significant increases in the share of repayable financing in relation to non-repayable financing (in 2016 in a ration of 65/35). The target, recommended level of share in 2020 – 80/20

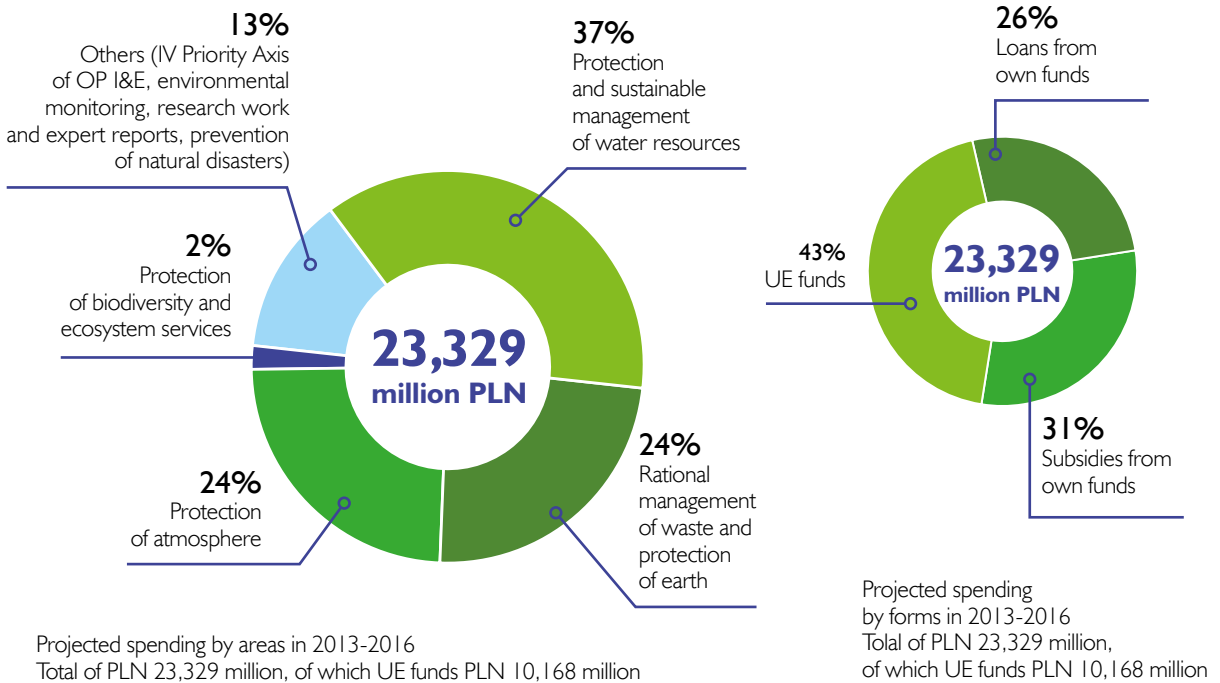


Fig. 4 The amount and structure of financing environmental domains from NFEPWM own funds and funds supported by the NFEPWM in 2013-2016, according to existing priority programmes

(conversion into a revolving fund). At the same time, it is assumed that the non-repayable aid will be granted, in principle, as a targeted support to attract external funding sources (e.g. **subsidies to interest rate on bank loans and issuance of municipal bonds or bond redemption**) or as part of the incentives for environmental investments (depreciation).

The forecasted level of repayable financing may vary in case of adverse conditions in the public finance sector that limit the possibilities of its indebtedness.

Monitoring the implementation of the NFEPWM Strategy

Monitoring of the implementation of the NFEPWM Strategy will be held in three sections: a) environmental, based on the metrics defined for each environmental priority b) financial, based on specific financial frameworks defined in the budgets of priority programmes, c) institutional performance.

Monitoring the implementation of the perspectives will be carried out through weights and measures specified for individual measures.

Environmental effects expected to be achieved during the implementation of the NFEPWM Strategy 2013-2016

Priority/indicator	unit	Projected performance in
		2013-2016*
PRIORITY 1: Protection and sustainable management of water resources		
Reduction of wastewater load, treated in accordance with the requirements of Directive 91/271/EEC	PE thousand	130
Population covered by anti-flood protection	thousand persons	212
PRIORITY 2: Rational management of waste and protection of earth		
Limiting the mass of land-filled waste (Mg/year)	thousand Mg/year	2,100
Surface recultivated/revitalised	ha	540
PRIORITY 3: Protection of the atmosphere		
Degree of reduction or avoidance of carbon dioxide emissions	thousand Mg/year	1,600
PRIORITY 4: Protection of biodiversity and ecosystem services		
Total area with reinstated or guaranteed appropriate protection of ecosystems	thousand ha	2,200
Number of species of the Red Book of endangered species, protected as a result of the NFEPWM measures	pcs	50

* values planned to be achieved, resulting from contracts signed or to be signed during the period

Tab. 1. Planned environmental effects from NFEPWM funds

OPI&E Priority Axis/indicator	unit	Projected value of indicator	Signed contracts*	Contracts to be signed
I Priority Axis of Operational Programme Infrastructure and the Environment				
Number of people connected to the sewer system built	person	750,258	684,423	65,835
Number of people connected to the water supply system built	person	61,524	60,504	1,020
II Priority Axis of Operational Programme Infrastructure and the Environment				
Processing capacity of the new supra-regional waste management plants	Mg/year	1,561,500	1,561,500	
Processing capacity of rebuilt/refurbished waste treatment plants	Mg/year	395,200	395,200	
Number of persons covered by the municipal waste management	person	5,432,213	5,432,231	
Share of waste disposed in relation to waste accepted to new WMP	%	28	28	
Change in the proportion of waste disposed in relation to those accepted to the modernized WMP	from% to%	65	65	
III Priority Axis of Operational Programme Infrastructure and the Environment				
Volume of retained water under low and high retention	mIn m ³	32	32	
Time of recognition of and response to the threat at the national level	hour	3	3	
Number of people covered by flood protection	person	670,529	618,529	52,000
IV Priority Axis of Operational Programme Infrastructure and the Environment				
Change in the amount of recovered waste generated by supported businesses	Mg/year	1,090,025	1,090,025	
Change in the amount of waste generated by supported businesses	Mg/year	315,279	315,279	
Change in water consumption in supported enterprises	m ³ /year	1,711,958	1,711,958	
Change in the amount of treated industrial wastewater	m ³ /year	1,000	1,000	
Change in the energy consumption in supported enterprises	MWh/year	39,645	39,645	
Change in the amount of waste generated by supported businesses	Mg/year	32,295	32,295	
Change in water consumption in supported enterprises	m ³ /year	1,514	1,514	
Reducing the amount of industrial wastewater requiring treatment	m ³ /year	200,750	200,750	
Change in the emission of major air pollutants:				
<i>sulphur dioxide</i>	Mg/year	197,166	97,166	100,000
<i>nitrogen oxides</i>		39,853	19,853	20,000
<i>dust</i>		10,025	5,025	5,000
<i>carbon dioxide</i>		19,825,094	9,825,094	10,000,000
IX Priority Axis of Operational Programme Infrastructure and the Environment				
Quantity of electricity generated in cogeneration	MWh/year	631,044	631,044	
Amount of heat produced in cogeneration	MWh/year	1,462,274	1,462,274	
Quantity of electricity generated in cogeneration from renewable sources	MWh/year	109,754	109,754	
Amount of heat generated in cogeneration from renewable sources	MWh/year	213,384	213,384	
Amount of energy savings from projects	MWh/year	610,674	610,674	
Avoided CO ₂ emissions from energy savings as a result of the projects	Mg/year	1,529,000	1,529,000	
Amount of energy savings from projects (MWh/year)	MWh/year	467,024	337,251	129,773
Avoided CO ₂ emissions from energy savings as a result of the projects	Mg/year	438,990	394,300	44,690
Amount of energy savings due to the implementation of thermal modernisation projects	MWh/year	277,887	272,426	5,461
Avoided CO ₂ emissions from energy savings as a result of the projects	Mg/year	646,282	643,860	2,422

Tab. 2. Planned environmental effects from funds of the OPI&E axis I-IV and IX

An important element of the impact of the NFEPWM on environmental improvement is the ability to provide financing in various forms: loans, grants, subsidized loans, etc. An important line of action of the NFEPWM in the strategic perspective is the further development of co-operation with banks, including the Bank for Environmental Protection, whose main shareholder is the NFEPWM. This cooperation makes it possible to use a network of bank branches to distribute NFEPWM products, providing beneficiaries with direct, easy access to them. This solution also provides an opportunity to improve organizational efficiency of the NFEPWM through the inclusion of banks in the process of providing funding, thereby reducing the time and effort for servicing the beneficiaries in the NFEPWM. Moreover, the shares in the Polish National Energy Conservation Agency (KAPE) give the possibility of NFEPWM participation in the activities to support energy efficiency. Capital investments contribute to financing more projects that implement the *National Environmental Policy*.

NFEPWM has extensive experience in the financing and implementation of the tasks related to environmental protection and water management, it has a competent and dedicated staff and the ability to respond to changes in the environment. **Renewable financial resources, ability to independently carry out financial management (including self-financing) and the development of instruments and funding rules, as well as highly competent personnel and adequate resource allocations of the NFEPWM, guarantee the realization of the vision, mission and the objectives of this NFEPWM Strategy.**

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