



The Włódy reservoir which was co-funded by NFOŚiGW. Photo: NFOŚiGW Archives

## → Absorption of foreign funds

The National Fund is the largest institution in Poland that cooperates with international financial partners and handles foreign funds designated for environmental protection. As a result of the National Fund for Environmental Protection and Water Management's vast experience in handling European Union funds, it has been entrusted with the role of implementing institution for five priorities of the Infrastructure and Environment Operational Programme. NFOŚiGW is responsible for the absorption of **EUR 5.035 billion** in the years 2007-2013, mainly concerning tasks related to water and sewage management, water management, waste management, environmentally-friendly power production and guaranteeing co-financing for environmental protection

projects and ecological education. NFOŚiGW also has the task of providing financial support for projects that will be realized under the EU's new financial instrument - LIFE+.

In recent years, one of the National Fund's tasks has been the coordination of 88 investment projects which, within the framework of the ISPA pre-accession fund and the Convergence Fund, received **EUR 2.850 billion** financial support from the European Commission in the years 2000-2006. The majority of the projects subsidized with monies from the National Fund are related to the construction or modernization of water treatment plants in cities and towns which have the greatest impact on clean water in Polish

rivers and the Baltic Sea. The large-scale projects carried out in Warsaw, Gdańsk and Szczecin are among the largest in Europe to be subsidized by the European Commission and co-financed by NFOŚiGW. Furthermore, nearly 250 capital expenditure projects co-ordinated by NFOŚiGW, and carried out by enterprises which obtained financing from the European Fund for Regional Development (EUR 148 million) in the years 2004-2006, and co-financed by NFOŚiGW in the amount of EUR 50 million, have been completed. Another of NFOŚiGW's tasks is the effective utilization of funds (EUR 135 million) which were transferred to Poland for environmental priorities from the Norwegian Financial Mechanism and EEA Financial Mechanism.

## → An Environmentally-Friendly Fund and one that is Friendly to the Beneficiaries

NFOŚiGW's strategy for 2009-2012 clearly states that its mission is to provide financial support for projects that promote environmental protection in accordance with the principle of sustainable development. Projects carried out with the participation of the National Fund are consistent with the goals of Poland's ecological policy. In cooperating with the Voivodeship Funds for Environmental Protection and Water Management, NFOŚiGW guarantees financial support for projects which fulfil Poland's obligations arising from the Accession Treaty and other European Union Directives. The National Fund also supports the activities of the Min-

ister of the Environment aimed at fulfilling Poland obligations vis-à-vis the Climate Convention, Biodiversity Convention, implementing the LIFE+ financial instrument, the NATURA 2000 programme, and the State's policy concerning ecological education. The National Fund which is responsible for utilizing the ever growing funds made available by the European Union, and implementing the slogan "friendly to beneficiaries", has for a number of years been organizing a series of training sessions for applicants who would like to apply for financial support both from national and foreign sources. In the last three years alone, more than ten thousand people

have attended the training sessions and conferences organized by the National Fund. In this way NFOŚiGW also contributes to raising the qualifications of the people responsible for environmental protection in Poland. The National Fund not only administers the national and foreign monies designated for environmental protection, it also actively helps to prepare projects from a professional, technical, conceptual and practical aspect.

Please visit our web page at: [www.nfosigw.gov.pl](http://www.nfosigw.gov.pl), and we also warmly invite you to visit our offices in Warsaw.



# The National Fund for Environmental Protection and Water Management



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Photo on the cover: Water treatment plant in Toruń. Photo: NFOŚiGW Archives

## A renewable source of financing





The Augustów Canal (Kanal Augustowski) after renovation work co-financed by NFOŚiGW (The National Fund for Environmental Protection and Water Management). Photo: NFOŚiGW Archives

In 2009 the National Fund for Environmental Protection and Water Management (NFOŚiGW, hereinafter the "National Fund") is celebrating its 20th anniversary. Together with the Voivodeship Funds for Environmental Protection (WFOŚ) – it forms the backbone of the system for financing environmental protection projects. The National Fund, which operates in accordance with the Environmental Protection Law,

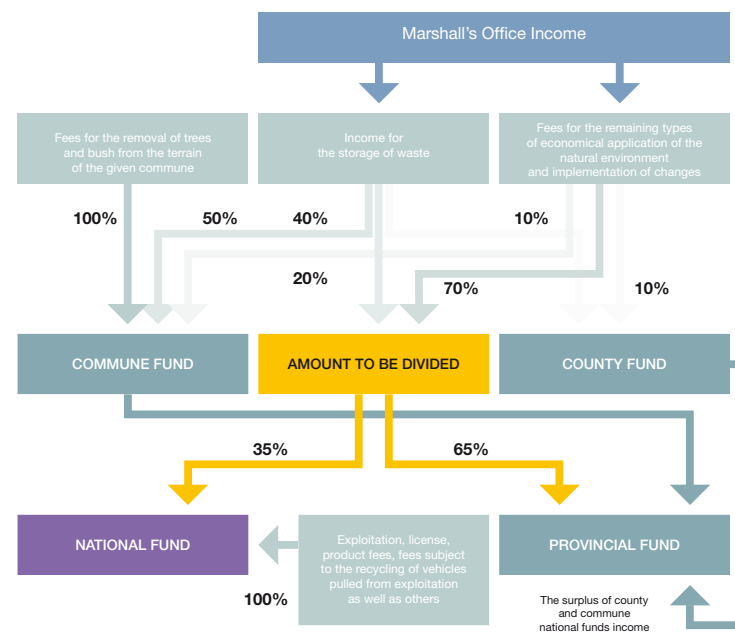
is a special purpose fund with legal personality and manages its finances independently. It finances tasks relating to environmental protection and water management from its own funds and from monies otherwise obtained. In recent years the National Fund has had the important task of demonstrating its effective and efficient use of funds obtained from the European Union for the development and modernization of the infrastructure for pro-

tecting the environment in Poland. Coordinating ecological projects which have already obtained, or are in the process of receiving, financial support from the European Commission, and co-financing these projects from the resources of the National Fund, will help Poland achieve the environmental goals that result from its international obligations.

## → Financing environmental protection

The National Fund's monies derive from the following: fees paid for use of the environment for economic activity; penalties paid for violation of the ecological law - which is closely connected with the Environmental Protection Law; utilization and concession fees collected under the Geological and Mining Law; fees determined under the Water Management Law, and also the act on recycling of decommissioned vehicles. Since co-financing mostly takes the form of loans, the National Fund constitutes a "renewable source of financing" for environmental protection projects.

Loans and grants, as well as other forms of co-financing provided by the National Fund, are mainly designated for co-funding large national and pan-regional capital projects for controlling water, air and land pollution. Grants are also allocated for tasks related to geology and mining, environmental monitoring, preventing threats to the environment, protecting nature and forestry, promoting environmental awareness, protecting children against health threats, and also scientific and research work and for obtaining expert opinions. Recently top priority has been given to investments related to improving energy efficiency and using renewable energy sources.



The division of ecological fees in accordance with The Natural Environment Protection Law

## → Impressive achievements in the years 1989-2009

Throughout the 20 years it has been in operation, the National Fund has made significant achievements in improving the environment of Poland. In the years 1989-2008 more than **14,000 contracts** were concluded (mainly in respect of loans and borrowings granted through Bank Ochrony Środowiska S.A.), and almost **PLN 21.4 billion** was allocated to funding environmental projects. Expenditure on projects which were co-financed from the resources of the National Fund in this period exceeds **PLN 76.5 billion**. During that time, the largest amounts of money were allocated to the protection of water and water management and to the protection of air. These efforts have resulted in a perceptible improvement in the environment of Poland. In 1990 there were almost 400 Polish towns without water treatment plants; this number has now been reduced to only a dozen or so. During the same period, the emission of harmful sulphur dioxide dropped by more than 63%, and dust by 77%. This is largely an effect of the National Fund financing environmental projects.

increased and amounted to more than **PLN 7.2 billion**. It disbursed more than PLN 1.9 billion for financing environmental protection; these monies came solely from its own funds and it was the largest amount of money disbursed in its 20-year history. In 2008, envi-

ronmental protection and water management projects received a record **PLN 4.6 billion**, which included the foreign funds transferred to the National Fund. In 2009, we expect to increase this amount to **PLN 7 billion**.



The National Operator of the Green Investments System – part of the international trade in greenhouse gas emissions – a new task for the National Fund. Photo: NFOŚiGW Archives

2008 was record year in terms of the scale of financing environmental protection projects in Poland. The National Fund's net assets

## → The National Fund: centre of excellence

The National Fund is not simply a provider of capital within the Polish environmental protection management and financing system. The Fund is also a centre of excellence in the field of implementing EU environmental projects; it initiates important social and economic processes, for example in respect of energy saving and the use of renewable energy sources, the National Fund helps shape public opinion in the area of ecology. It is also a credible and responsible partner for other financial institutions - both in Poland and abroad - that are already actively involved or are planning capital projects in the environmental protection

market. The National Fund has recently implemented changes and tools to adapt to modern management standards. The creation of an open, competent, effective and efficient public institution is largely due to the National Fund's employees, their professional approach, extensive knowledge, and long experience. Our staff is our most valuable asset.

Present-day challenges and the needs of the environmental protection market are obliging the National Fund to undertake further initiatives to co-finance a variety of projects, inter alia, introducing a broader system of addition-

al funding of investment loans and borrowings and new priority programmes aimed at, e.g., reducing gas emissions from the economic sector, reducing energy losses in enterprises and public buildings, and financing energy effective investments. The National Fund is preparing to assume the role of National Operator of the Green Investments System as part of international trade in greenhouse gas emissions.

## → Priority programmes

In 2009, the National Fund will be implementing new, more transparent working methods that are friendlier to the potential beneficiaries. The new reformed working methods are described in detail in three basic documents: "List of Priority Programmes of the National Fund for Environmental Protection and Water Management - financing planned in 2009"; "Rules for co-financing projects from the resources of NFOŚiGW" and "Selection criteria for projects financed from NFOŚiGW resources". The priority programmes are the basis for submitting and considering applications. They contain detailed rules for providing grants and the criteria for selecting the projects to be co-financed; these criteria are

tailored to each programme. Each priority programme has application forms that should be completed and submitted to the National Fund in order to start the grant application process. The priority programmes and infor-

mation concerning the submission of applications for grants are published on the National Fund's web page.

Water treatment plant in Olsztyn after modernization work which was co-funded by NFOŚiGW and the European Union. Photo: NFOŚiGW Archives

