Investments are financed from the Modernisation Fund's resources under the adopted priority programs of the National Fund for Environmental Protection and Water Management.

The list of priority programs financed from the Fund's resources allocated to Poland is approved by the Supervisory Board after prior agreement with the minister competent for climate and environment.

An additional process is the obligation for the minister responsible for climate and environment to consult the Consultative Council for each priority program to be financed from the Modernization Fund. The Consultative Council of the Modernisation Fund is an advisory body to the minister competent for climate and environment in the scope of functioning of the National Implementation System of the Modernization Fund. The Council operates on the basis of regulations adopted by the minister responsible for climate and environment. The Consultative Council issues its position in the form of a resolution.

A representative of the National Fund for Environmental Protection and Water Management participates in the work of the Consultative Council of the Fund as an observer without the right to vote.

The next stage of the process is the stage of arrangements at the level of the EIB and the European Commission. The Modernization Fund Operator is obliged to submit a priority program in the priority area containing information in accordance with the requirements of Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council with regard to operation of the modernization fund supporting investments in the modernization of energy systems and improving the energy efficiency of certain Member States to the EIB for approval.

If the priority program adopted by the National Fund for Environmental Protection and Water Management concerns investments in non-priority areas, the Investment Committee issues recommendations for co-financing the investment, which is possible after meeting the conditions set out in detail in Art. 7 of Regulation 2020/1001.

**Scope of activities comprising the management of the Modernization Fund by the National Fund for Environmental Protection and Water Management:**

1) within the competence of the Supervisory Board of the National Fund for Environmental Protection and Water Management:

* approval of priority program lists;
* establishing criteria for selecting investments financed with accumulated resources on the FM account;
* establishing the rules for granting and redeeming loans as well as the rules for granting and accounting for subsidies granted from the funds accumulated on the FM Account;
* adopting resolutions on approving co-financing in accordance with the EPL Act.

2) within the competence of the Management Board of the National Fund for Environmental Protection and Water Management:

* preparing lists of priority programs and presenting them to the minister responsible for climate and environment for agreement;
* agreeing priority program proposals with the minister responsible for climate and FM Consulting Council
* approval of the regulations for the call for proposals financed from the funds accumulated on the Modernization Fund Account;
* submitting priority programs to the EIB and / or the Investment Committee;
* adopting resolutions on granting co-financing;
* submitting applications to the EIB for the payment of funds from the FM for co-financing the implementation of investments.

3) within the competence of the NFEPWM Bureau (Department / Departments responsible for the implementation of FM):

* organizing calls for proposals and evaluation of applications for co-financing;
* undertaking activities leading to the conclusion of contracts for co-financing investments supported by FM funds;
* supervising the implementation and implementation of investments, exercising control over the use of FM funds by the beneficiaries;
* organizing technical assistance for potential beneficiaries;
* preparing a draft report and submitting it to the minister competent for climate matters from the implementation of co-financed investments and the material and environmental effects achieved;
* conducting promotional and informational activities about the National FM implementation system;
* monitoring of:
  + achieved effects related to the avoidance or reduction of greenhouse gas emissions as part of the National FM implementation system,

disbursement of funds obtained from the FM Account by the beneficiaries and progress in the implementation of investments co-financed from the funds