



JOINT ACTION STRATEGY

of the National Fund and the Voivodeship Funds for Environmental Protection and Water Management for 2013-2016 with a perspective to 2020



VFEPWM in Wrocław



VFEPWM in Toruń



VFEPWM in Lublin



VFEPWM in Zielona Góra



VFEPWM in Łódź



VFEPWM in Kraków



VFEPWM in Warsaw



VFEPWM in Opole



VFEPWM in Rzeszów



VFEPWM in Białystok



VFEPWM in Gdańsk



VFEPWM in Katowice



VFEPWM in Kielce



VFEPWM in Olsztyn



VFEPWM in Poznań



VFEPWM in Szczecin



Joint Strategy Working Party:

Project Steering Committee

1. Małgorzata Skucha, Deputy President of the Management Board of the NFEPWM, Committee Chairwoman,
2. Ryszard Ochwat, Vice-Director of the NFEPWM Office,
3. Dorota Comberska, Director of the Planning and Reporting Department of the NFEPWM,
4. Gabriela Lenartowicz, President of the Management Board of the VFEPWM in Katowice,
5. Hanna Grunt, President of the Management Board of the VFEPWM in Poznań,
6. Marek Mielczarek, President of the Management Board of the VFEPWM in Wrocław

Working Party

1. Janusz Bednarczyk, NFEPWM, Party Chairman,
2. Dobrochna Derecka, Ministry of the Environment,
3. Andrzej Żyłajtys, VFEPWM in Wrocław,
4. Krzysztof Mączkowski, VFEPWM in Poznań,
5. Agnieszka Wojtach, VFEPWM in Gdańsk,
6. Piotr Biernat, VFEPWM in Katowice,
7. Lesław Puczniewski, NFEPWM,
8. Maria Urbowicz, NFEPWM,
9. Ryszard Jurczak, NFEPWM,
10. Ernest Hys, NFEPWM,
11. Maciej Grzelec, NFEPWM

Advisory support in the methodology of strategic planning

Wojciech Kłosowski

1. Summary of the Strategy

The National Fund for Environmental Protection and Water Management and the Voivodeship Funds for Environmental Protection and Water Management (hereinafter referred to as the Funds) form a group of seventeen independent entities, which jointly service one coherent area of public tasks: provision of financial support to environmental protection and water management in Poland. In order for their actions to be co-ordinated and consistent, and hence effective, the Act of 27 April 2001 – Environmental Protection Law (Dz.U. of 2008, No 25, item 150, as amended; hereinafter referred to as EPL) provides the Funds with a tool, namely their Joint Strategy, which is drawn up every four years. It forms a uniform basis for the strategies of individual Funds. This Joint Strategy covers the 2013-2016 period with a perspective to 2020.

In the strategic perspective to 2020, the system of Funds that co-operate with each other and with environmental protection stakeholders effectively and flexibly support their beneficiaries in the implementation of high-quality projects aimed at improving the environmental condition of sustainable management of environmental resources by increasing the efficiency of their measures.

The implementation of that vision will be served by the implementation of the Funds' mission, which reads:

We support environment-friendly activities

and implementation of the overall objective, which is:

to improve the environmental condition and sustainable management of environmental resources by means of stable, efficient and effective support for initiatives and projects for the environment.

The measures formulated in the mission and the general objective are based on the result of the strategic diagnosis, which is completed with the following conclusions:

1. The key strength of the system of Funds is currently constituted by:
 - the capacity to generate payments of funds to finance environmental protection and water management in an amount that exceeds the receipts obtained from environmental fees and fines (in 2009-2011, the payments were higher by PLN 4.6 billion than the receipts from the environmental fees and fines),
 - financial reliability, the hitherto effectiveness and experience in financing environmental protection and water management, which include: skills and qualifications, impartial and objective procedures, non-commercial criteria and considerable ability to mobilise additional funds from other sources (financial leverage),

- the ability to implement and co-create the national and regional environmental protection policies and programmes, which arises from the legal independence, with system cohesion of the Funds' objectives at the same time.
- 2. System weaknesses, which might become even more severe in the years to come, include: nationally inconsistent system for registration and reporting of environmental effects; consultations, constantly in need of improvements, with the beneficiaries on the plans concerning e.g. the planned rules and action lines for the Funds; weakness of digital services for the co-operation and experience sharing between the Funds; and imperfect co-operation system in the financing of supra-regional tasks for the assurance of system complementarity of financing.
- 3. The expected substantial EU funding stream for environmental protection tasks, new financial instruments, increasing environmental awareness of the society, new area of economic development: innovations and new technologies provide an opportunity for the development of institutional competences. Significant opportunities also include an increase and optimisation of distribution of environmental receipts while maintaining a decentralised collection system.
- 4. The main threats include introduction of legal amendments that are disadvantageous for the Funds, e.g. to eliminate or centralise the Funds, to restrict their financial receipts and the role of the Funds in the implementation of policies under the new European Union's financial perspective. Other threats are connected with aggravation of the economic recession, which reduces the willingness of the territorial self-governments and entrepreneurs to make investments, as well as lacking complete update and huge disparities in the scope of estimations, environmental needs, both on the national scale and at the level of individual regions to specify the future areas of operation of the Funds and proper allocation of their resources.

Thus, if not neutralised the identified weaknesses of the Funds' system may prevent the main opportunity from being seized, whereas the strengths do not provide a sufficient response to the main threats. This Joint Strategy is to overcome this problem. The overall objective will be implemented under four priorities:

- protection and sustainable management of water resources,
- rational waste management and protection of soil surface,
- protection of the air,
- protection of biodiversity and ecosystem services,

while taking into account:

- **the necessity to implement the environmental commitments, in particular the ones arising from the Accession Treaty,**

- endeavours to use the repayable funds coming from the European Union and intended for environmental protection and water management,
- stimulation of “green” (pro-environmental) economic growth in Poland e.g. by support for energy efficiency, renewable energy sources, eco-innovation, low-carbon economy and society, as well as establishment of conditions for the creation of green jobs,
- promotion of environment-friendly behaviours, measures and projects aimed at conservation of rich biodiversity and climate change adaptation.

The Strategy assumes substantive support in the implementation of the specialist activities of the Funds under the priorities that implement environmental objectives arising from national and regional strategic documents, in particular the National Environmental Policy for 2009-2012 with a perspective to 2016 (NEP) and the revision, currently under development, of the NEP, the Energy Security and Environment Strategy, Voivodeship strategies for each voivodeship, environmental voivodeship plans and programmes, through a number of measures grouped under four perspectives (understood as action lines): *finance, beneficiaries, internal process and innovation, challenges, development*, under which 10 measures were chosen.. The measures can be summarised as follows:

PERSPECTIVE	MEASURE
Finance	1.A. Flexible adjustment of the financing forms and rules, as well as the scope and areas of support from the Funds to the needs of the recipients of co-financing, external conditions and own funding potential
	1.B. Mutual agreement on and correlation of co-financing areas and lines for the projects between the Funds
Beneficiaries	2.A. Improvement in the relations with the beneficiaries through consultations on the proposed solutions, training and beneficiary satisfaction survey
	2.B. Development of digital services for the beneficiaries
Internal processes	3.A. Joint measures for enhancement of skills and competences of the employees
	3.B. Joint information and promotion measures of the system of Funds
	3.C. Establishment and development of a digital platform for co-operation and information sharing
Innovation, challenges, development	4.A. Adaptation of the system of Funds to the implementation of the new EU policies and financial instruments as well as system participation in the implementation
	4.B. Reorientation of the system of Funds towards active creation of solutions that respond to the identified opportunities and threats
	4.C. Joint measures of the Funds with a view to implementing high-quality environmental education projects

The above-mentioned vertical **structure of measures grouped under the perspective serves the streamlining of the system of Funds** (and as such the very Funds are the direct beneficiaries of the Joint Strategy).

On the other hand, financing of the environmental tasks and implementation of the Funds' mission is planned in a horizontal system of four priorities, which, in a way, run across the vertical structure of measures: at the same time, each priority has to achieve the pursued objectives associated with the finance, beneficiaries, internal process and innovations, challenges and development.

The Joint Strategy is fitted with implementation tools: defined strategic tasks with associated executive responsibility and implementation deadlines, the system for monitoring of individual tasks, measures and priorities, Strategy implementation timetable and a Strategy progress evaluation system.

Because of the beginning of a new EU programming period and a new financial perspective an update of the Joint Strategy is planned for 2014.

2. Introduction

2.1. Background and conditions for the adoption of the Joint Strategy

The Joint Strategy for the operation of the National Fund and Voivodeship Funds for Environmental Protection and Water Management (hereinafter referred to as the **Joint Strategy**) is a planning document that serves the optimisation of co-operation of the National Fund for Environmental Protection and Water Management and sixteen Voivodeship Funds for Environmental Protection and Water Management (hereinafter referred to as the **Funds**)¹.

2.1.1. Legal basis

This Joint Strategy was adopted on the basis of Article 400h(2) point 2 of the EPL by the Supervisory Board of the National Fund following an agreement with the Minister of the Environment and after obtaining an opinion of the Minister of Regional Development and the Minister of Economy by the Management Board of the National Fund. Since its adoption, the Joint Strategy has been the basis for the creation of resultant action strategies for individual Funds: the National Fund (Article 400h(2) point 3 of EPL) and the Voivodeship Funds (Article 400h(4) point 1 of EPL) for 2013-2016.

2.1.2. General determinants

Progressing civilisational development, demonstrated e.g. through the increasing pressure on the natural environment, forces us to manage its resources in a more rational manner. This course of action is necessitated by the national and international law and strategic documents. Support for more efficient, sustainable management of environmental resources and stimulation of measures aimed at improvement of the environmental condition represent the main areas of operation of the Funds in Poland. The important role of the National Fund for Environmental Protection and Water Management and Voivodeship Funds for Environmental Protection and Water Management in addressing those challenges is decided, first of all, by:

- the ability to generate payments in the amounts that are higher than the obtained revenue from fees and fines through the developed mechanisms of reimbursable financing of environmental protection,

¹ Any reference in the text of this Strategy to the “Funds” (with initial letter capitalised) means the National Fund and the Voivodeship Funds jointly. Accordingly, in the entire text of the Strategy, the term “National Fund” means the National Fund of Environmental Protection and Water Management whereas “Voivodeship Funds” means sixteen Voivodeship Funds for Environmental Protection and Water Management.

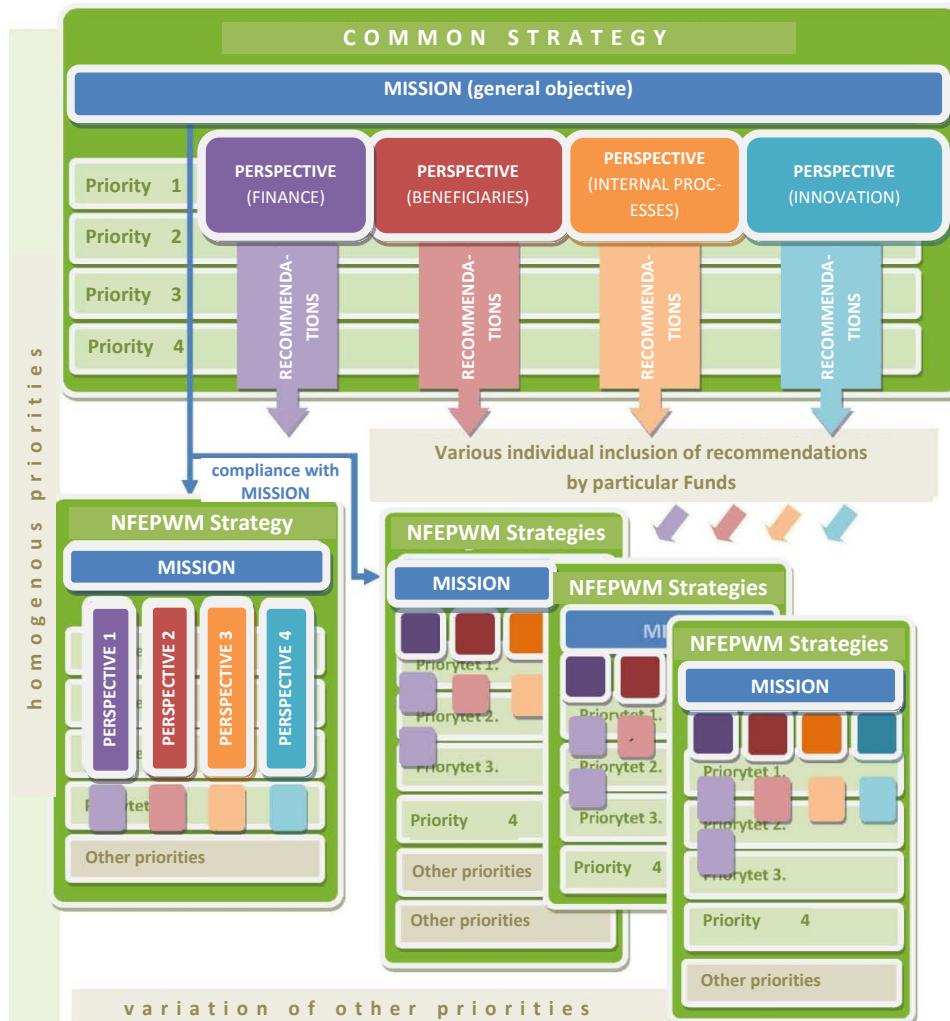
- the financial reliability of the Funds, award of financing that is objective, impartial and oriented towards the pursuit of the public environmental interest,
- many years of organisational experience in the financing of environmental protection and water management and implementation of the environmental policy of the State,
- the competences and qualifications of the employees,
- presence in each voivodeship and knowledge of regional environmental problems.

2.2. Place of the Joint Strategy in the Funds' strategic planning system

For the efficiency of strategic management of the Funds, it is required to more precisely specify the role of the Joint Strategy in the entire Funds' strategic planning system and the relation of the Joint Strategy to separate strategies of individual Funds. The Joint Strategy is to perform two significant tasks:

- to generate a common basis giving raise to the action strategies of individual Funds,
- to build a consistent system of Funds by regulating the Funds' co-operation area that is beyond their separate strategies.

Fig. 1: Place of the Joint Strategy in the Funds' strategic planning system



2.2.1. Joint basis for separate action strategies of individual Funds

The EPL clearly indicates that separate strategies of individual Funds **are to result** from the Joint Strategy. It should mean that the strategies of individual Funds must not be contradictory to each other.

In order to keep the necessary flexibility of the system of Funds, it was assumed that the Joint Strategy would contain planning arrangements functioning as **recommendations**. *Recommendations* are implemented by each of the Funds within the scope and at a pace that they deem optimal to achieve the strategy's objectives.

2.2.2. Regulation of the co-operation area that is not covered by separate strategies of the Funds

Furthermore, it is the goal of the Joint Strategy to regulate this area of mutual impact of the Funds that is beyond the scope of regulations included in their separate strategies. Such matters include: (1) the rules on avoiding unnecessary overlapping (doubling) of measures, (2) the rules on avoiding "white spots" – the areas that are not covered by the measures of any of the Funds, and (3) the rules on co-operation for the achievement of synergy, if any, and development of a consistent system. Thus, the Funds themselves are the beneficiaries of the Joint Strategy, and the Joint Strategy serves the optimisation of their co-operation.

2.3. Consistency with other strategic documents and programmes

The Joint Strategy is basically consistent with the superior strategic documents, including:

- the State's environmental policy in 2009-2012 with the perspective until 2016 and the NEP amendment under development,
- the Long-Term National Development Strategy Poland 2030. Third wave of modernity,
- Energy Policy of Poland by 2030,
- Mid-term National Development Strategy Poland 2020 and nine integrated horizontal strategies, in particular:
 - the Energy Security and the Environment Strategy. Perspective 2020 (Polish: *Bezpieczeństwo Energetyczne i Środowisko, BEiŚ*),
 - National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas,
 - Strategy for sustainable development of rural areas, agriculture and fisheries,
 - Strategy for innovations and efficiency of the economy in 2011-2020.

The leading strategy for the Joint Strategy is **the Energy Security and the Environment Strategy. Perspective 2020**, in which the National Fund and Voivodeship Funds are indicated as the institutions involved in the implementation of measures under the Strategy. The complementarity of the Joint Strategy with the BEiS Strategy was the key issue during the development of the Joint Strategy.

The national strategic documents include the development priorities for the entire Europe defined by the European Commission in *Europe 2020 strategy for jobs and smart, sustainable and inclusive growth: developing an economy based on knowledge and innovation, promoting greater resource efficiency, and being greener and more competitive as well as fostering high-employment and delivering economic, social and territorial cohesion.*

The Joint Strategy complies with the leading draft version of the strategy *Europe 2020 A resource-efficient Europe*, including the *Roadmap to a Resource Efficient Europe*, as well *Our life insurance, our natural capital: an EU biodiversity strategy to 2020*. In the *Roadmap to a Resource Efficient Europe*, the European Commission defined the goals and means that are to carry out the economic transformation towards low-carbon economy that efficiently uses resources. When developing the Joint Strategy, other policies and strategies were taken into account as well, and they included:

- Concept of the National Spatial Development 2030,
- National Waste Management Plan 2014 with a perspective to 2022,
- National Programme for Municipal Waste Water Treatment,
- National Water and Environment Programme,
- river basin management plans,
- Programme for the Environment and Climate Action LIFE,
- European Union Strategy for the Baltic Sea Region,
- 2nd National Action Plan for the Improvement in Energy Efficiency,
- Conference of the Parties to the United Nations Framework Convention on Climate Change,
- National strategy for protection and sustainable use of biodiversity,
- Strategic plan for biodiversity by 2020,
- Green Growth Strategy, OECD.

Because the activities of the Voivodeship Funds are oriented, primarily, at the implementation of regional environmental policy of voivodeships, regional documents (voivodeship strategies, environmental plans and voivodeship programmes) are an important determinant of the scope of their operation. The preparation of the Joint Strategy covers the period in which numerous strategic documents are being developed, such as: *Adaptation plan for the sectors and areas sensitive to climate change, National Programme for Development of the Low-Carbon Economy, National Urban Policy,*

7th plan for the Environment or the Common Strategic Framework for 2014-2020, which will make it possible to formulate the provisions of Operational Programmes. *Territorial Contracts*, which define the most important investment needs in the regions, will be concluded as well. A Partnership Agreement with the European Commission will be prepared, and it will define the priority areas to be supported by the EU funds. The provisions of those documents will require an update of the Joint Strategy.

The rules for financing of the environment that arise from the provisions of the Europe 2020 budget and draft regulations put forward by the European Commission for 2014-2020 (general ones, CF, ERDF) are of major importance for the Joint Strategy. particular attention should be paid to the European Commission proposal to increase the use of innovative financial instruments in the financing of projects in the new 2014-2020 perspective since the Funds use some of those instruments, e.g. reimbursable forms of financing from as early as 1989, and they have rich experience in this field and implemented support procedures.

2.4. Elements of the summary of the hitherto implementation of the Joint Strategy for 2009-2012

The Joint Strategy of the National Fund and the Voivodeship Funds for Environmental Protection and Water Management for 2009-2012 was approved by way of Resolution No. 128/08 of the Supervisory Board of the National Fund for Environmental Protection and Water Management of 23 September 2008, and then updated by way of Resolution No. 117/11 of 26 July 2011. Below we present only the main aspects of the hitherto implementation of the Joint Strategy, important in the context of setting targets and action lines for the next strategic perspective.

When performing the mission of “financial support for projects aimed at environmental protection and water management and respect for their values on the basis of the constitutional principle of sustainable development, while maintaining environmental safety, in accordance with the National Environmental Policy and the Accession Treaty”, the Funds:

- within the selected scope together assisted and monitored the projects to ensure the achievement of emission standards and environmental quality under the Community law and national laws, as well as those that have received funding from the European Union, thus providing the necessary national contribution and implementing the most urgent needs for investment in the region and the country,
- made huge progress in co-operation in specific programmes, agreeing on the principles of co-operation and sharing the tasks and resources. It was noticeable in particular in the case of distribution of wholesale loans or provision of the funds of the National Fund for renewable energy sources, co-financing of EU projects, removal of asbestos and two regional programmes (for the gminas adjacent to Białowieża Forest and the gminas within the catchment area of Rospuda),

- co-operated in many aspects concerning the improvement of their organisational efficiency (joint training, forums for the exchange of information and promotion).

These activities should continue to be implemented under the Joint Strategy for 2013-2016. When analysing the scope of our co-operation, however, particular attention should be focused on the areas and measures whose implementation is still a challenge for the Fund and their commencement might bring significant long-term benefits, particularly the environmental ones. In this respect, one should point e.g. the following:

- lack of precise quantification of environmental needs, consistent at the national level and making it possible to properly allocate the tasks and resources between Funds,
- minor progress in the area of exchange of information on environmental effects and unit costs, where the reason is the complexity of the matter and the diversity of the methodologies used by the Funds,
- limited system co-ordination of the scope of the simultaneous participation in the financing of a single project by the National Fund and the Voivodeship Funds.

Given the existence of the above-mentioned weaknesses, it is very difficult e.g. to provide a clear indication of the environmental dimension of the projects completed in the 2009-2012 perspective (occurrence of various methodologies and environmental indicators in financing contracts), in particular in the context of the degree of implementation of environmental commitments of the country.

Therefore, in the Strategy for 2013-2016 with the perspective to 2020, the structure of the document was changed, the expectations and action lines were clearly defined, as well as the tools, responsibilities and the monitoring method, in order to make it possible to assess the effectiveness and efficiency of the system of Funds. Redefinition of the Strategy functions, as proposed in this paper, is a challenge the implementation of which will be possible owing to a careful revision of the projection part (priorities, detailed objectives, perspectives, action lines) from the point of view of the occurrence of problems and the areas of co-operation.

Basically its new function is to:

- enable establishment of realistic commitments for specific perspectives and effects,
- specify the measurable and verifiable measures and tasks,
- establish the tools that make it possible to accomplish those measures,
- indicate the expected developments and the people responsible for the implementation of individual tasks.

3. Synthesis of the strategic diagnosis

3.1. Role of the Funds in the financing system of environmental protection and water management in Poland

The National Fund for Environmental Protection and Water Management and the Voivodeship Funds for Environmental Protection and Water Management constitute important links of the Polish system of financing environmental protection.

This is demonstrated by their capital resources, personnel, procedures in force and in the hitherto heritage of the Fund and the legal forms of co-operation with each other and the ones that were developed during their operation, which are an important tool for the implementation of the national and regional environmental policy, in particular for support of environmental investments resulting from the commitments of the Accession Treaty and other international agreements.

During the implementation of the current Joint Strategy, i.e. in 2009-2011, to finance environmental protection from their own funds, the Funds paid nearly PLN 13 billion, including the payments in the reimbursable form (loans) PLN 8.4 billion and PLN 4.6 billion in the form of non-repayable (subsidies). The expenditure on equity investments were of minor importance in all the indicated years – PLN 1.8 million. In addition, because of the role performed by the Funds as an institution that participates in the implementation of projects co-financed by the European Funds, they redistributed PLN 9.9 billion of those funds.

This means that on average, in the previous year, the system of Funds supplied PLN 7.6 billion, of which PLN 4.8 billion (63%) in the form of subsidies, and PLN 2.8 billion (37%) in the form of loans. When analysing the observed areas of expenses, it is clear that 70% of expenditure within that period (on average PLN 5.3 billion a year) was allocated for co-financing of environmental protection and water management projects, 12% were the air protection expenses (PLN 0.9 billion a year), and 7% (PLN 0.6 billion a year) were payments for projects that serve the rational waste management and protection of land surface. The other fields of financing environmental protection received an annual average of 11% of the sum of disbursed funds, i.e. PLN 0.8 billion.

3.2. Financial and organisational potential of the Funds

The financial and organisational potential of the Funds available at the time of adoption of the Joint Strategy will form an important basis for its implementation. The financial potential of the Funds means the status and structure of the net assets in possession of the Funds and the developed principles of financial management of the Funds. On the other hand, the organisational potential means

here, above all, the institutional capacity of the Funds (including their human resources potential) for the implementation of European programmes and the institutional capacity to finance a broad and diverse range of tasks related to environmental protection and water management.

3.2.1. Financial potential of the Funds

The value of the property, including in particular the net assets, is one of the indicators of the financial condition of the institutions, in addition indicating the ability to cover current and future liabilities. In 2009-2011, there was an increase in the total value of net assets of the Funds from ca. PLN 14.2 billion to ca. PLN 17.6 billion, i.e. by PLN 3.4 billion. The largest item in its structure is represented by receivables from loans granted in the amount of PLN 10.7 billion (61%) and cash and government securities of PLN 5.8 billion (33%), including PLN 3.8 billion of resources of the National Fund that may only be used to finance selected tasks specified in the EPL (long-term liabilities – former “sub-funds”).

It should be pointed out, however, that the indicated level of funds at the end of 2011 is used, *inter alia*, as collateral of the commitments that arise from the signed agreements and are to be paid after 2011. The amount of those commitments equals PLN 5.9 billion.

Despite the significant value of the total property of the Funds, their financial potential varies to a great extent. At the end of 2011, the proportion of the net assets' value of the Voivodeship Funds, which is an indication of their financial potential, between the Fund that has the most and the least resources was 8.6:1. There are regions where the Voivodeship Funds cannot fully engage in the co-financing of environmental tasks due to limited financial resources. Therefore, where appropriate, the National Fund supports the Voivodeship Funds by making its own resources available to them and by extending loans to the Voivodeship Funds. In the 2010-2011 period, PLN 690 million were made available to the Voivodeship Funds, of which PLN 150 million were paid to them.

As regards the developed rules on the conduct of financial management of the Funds, the following should be pointed out:

- efficient use of revolving instruments for the financing of environmental protection, as indicated by the fact that in 2009-2011 for all environmental fees and fines, the system of Funds received PLN 8.3 billion while the payment of its own funds to finance environmental protection amounted to PLN 12.9 billion – PLN 4.6 billion supplied additional environmental investments,
- the developed self-financing mechanism of the Funds, i.e. the ability to cover the costs of maintaining the units and offices (PLN 0.6 billion) from funds obtained from the interest on the extended loans (PLN 0.8 billion) (in 2009-2011),
- low service costs of payments to the beneficiary: in 2009-2011, the payment of PLN 1 from own resources and handled by the Funds cost on average PLN 0.03, and when taking into account that the Funds' operation costs include also the receivables, the unit cost of service is minimal.

3.2.2. Organisational potential of the Funds

The organisational potential of the Funds includes, first of all:

- high competences of the teams of employees of the Funds and their multi-year experience in the financing of environmental protection and water management,
- institutional capacity to implement European programmes, obtained as a result of experience from the EU's financial perspective for 2000-2006 and the so far part of the 2007-2013 perspective,
- institutional capacity to finance a broad and diverse range of tasks related to environmental protection, which is measured by the number of signed contracts (an average 11,700 contracts per year) and the amount of the granted co-financing (PLN 15.1 billion in 2009-2011).

In conclusion, the Funds have a significant financial and organisational potential whose orientation will make it possible to significantly support the improvement of the condition of the environment, water management and sustainable management of environmental resources.

3.3. Main conclusion resulting from the forecast of development trends within the scope covered by the Joint Strategy

The analysis of development trends in the perspective of the Joint Strategy in 2013-2016 indicates that:

- in the first instance there is the necessity to implement the environmental commitments, in particular the ones arising from the Accession Treaty and the EU's derivative law,
- it will be a priority by 2020 to undergo a transition to a low-carbon economy and resource efficiency because of the threats arising from climate change,
- the new financial perspective for 2014-2020, the most of EU funds will be earmarked for support for energy efficiency and renewable energy, research and innovation, support to small and medium-sized enterprises, as well as activities related to the development of urban areas,
- the approach to the development policy will prevail.

3.4. Conclusions from the strategic SWOT analysis of the system of Funds

The crucial strengths for the system of Funds (all the facts that have a positive impact on the activities of the Funds, on which the Funds are able to exert a causative impact and hence are able to manage them) include:

- the developed rules of financial management and the procedures for financing of environmental protection and water management to make it possible to disburse higher amounts than the amounts obtained from environmental fees and fines,
- financial reliability and stability of the financial potential of the Funds to assure co-financing of a substantial scope of projects,
- the ability to implement and co-create the national and regional environmental protection policies and programmes, which arises from the legal independence, with system cohesion of the Funds' objectives at the same time,
- knowledge of environmental aspects of national development and regional development, the needs and problems of the beneficiaries to enable flexibility and rapid response to the current challenges,
- experience in the financing of environmental protection projects, close co-operation with territorial self-government units, environmental protection institutions, banks and enterprises, to make it possible for the Funds to be the leading institutions that finance environment-friendly projects supporting the implementation of national and regional environmental policies,
- prioritisation of the public and environmental interest instead of project profitability only (non-commercial approach),
- objective, impartial process of awarding the co-financing,
- competent and qualified staff with huge professional experience, which makes it possible to properly implement the tasks, including the scope of implementation and management of EU operational programmes,
- diversity of rules and co-financing forms adjusted to the specifics of objectives and needs of the beneficiaries from a given region,
- mobilisation of resources for the environment from other sources (leverage effect).

The weaknesses (all the facts that have a negative impact on the activities of the Funds, on which the Funds are able to exert a causative impact and hence are able to manage them) include:

- a nationally heterogeneous system of registration and reporting of environmental effects,
- process of consultations, constantly in need of improvements, with the beneficiaries on the plans concerning e.g. the planned rules and action lines for the Funds;
- heterogeneity and weakness of digital exchange of information and good practices between the Funds,
- imperfect co-operation system in the financing of supra-regional tasks for the assurance of system complementarity of financing.

The most essential opportunities (all the facts that have a positive impact on the activities of the Funds, on which the Funds are able to exert a causative impact and hence are able to respond to them) include:

- considerable EU funding stream from the new perspective for the environmental protection tasks and the resultant opportunity concerning the participation of the Funds in the implementation of national and regional policies and strategies,
- new EU financial instruments,
- new area of sustainable development: innovation and new technologies,
- increase and optimisation of distribution of environmental receipts while maintaining an efficient decentralised collection and distribution system,
- increasing environmental awareness and investment activities in the field of the environment: territorial self-governments, public institutions, economic entities, NGOs and the society,
- high and sustainable demand for the resources from the Funds oriented at improvement of the environmental condition,
- maintenance of a high confidence and satisfaction level of the beneficiaries.

The diagnosed threats (all the facts that have a negative impact on the activities of the Funds, on which the Funds are not able to exert a causative impact and hence can only respond to them) include:

- introduction of legal amendments that are disadvantageous for the Funds, e.g. to eliminate or centralise the Funds, to restrict their financial receipts and the role of the Funds in the implementation of policies under the new European Union's financial perspective.
- the impact of recession causing a reduction in the willingness of the beneficiaries to take the investment risk, and reduction in the ability to undertake financial commitments by the territorial self-governments in connection with their debts,
- the impact of the crisis causing a reduction in public income and reduction in the investment ability of territorial self-governments, budget entities and enterprises,
- no full update and huge disparities in the scope of estimations, environmental needs, both on the national scale and at the level of individual regions.

4. Strategic Plan – Introduction

4.1. Structure of the Joint Strategy

The Joint Strategy comprises a general framework for individual strategies of particular Funds, and within this meaning, it is a tool used to keep the system of Funds consistent.

The structure of the Joint Strategy is organised in the following manner:

- within the scope pertaining to the specialist area of operation of the Funds, four co-operation priorities have been established. The Joint Strategy indicates the importance of specifying and detailing those areas in individual strategies of all the Funds (which is not contradicted by that individual Funds choose their additional other areas of operation justified by the regional specifics). The specialist objectives of individual priorities refer and ultimately depend on the relevant strategic documents and may be modified as a result of introduction and update of relevant environmental strategies, policies and programmes at the regional and national level. Indicators have been chosen for the priorities, and they will be monitored under annual implementation of the Strategy of individual Funds, whereas at the national level, they will be only summed. The measurement of those indicators is an auxiliary way to assess the implementation of the Joint Strategy,
- as regards the optimisation of Funds' co-operation oriented at accomplishment of the general objective and the environmental priorities, measures were defined that are grouped under the strategic perspectives. In addition, the Joint Strategy defines the tasks and tools for the implementation of measures, and – in the evaluation objectives – it describes, for each perspective, the direction of changes that should take place in the system as a result of implementation of those measures. The structure of objectives is described by means of implementation indicators at the level of measures (direct indicators) and perspectives (aggregate indicators). The annual evaluation of achievements in the field of those indicators is the main way to assess the implementation of the Joint Strategy.

The overlapping of the structure of measures and the structure of priorities, as indicated in the diagram, is to be understood so that each measure is a cross-section reference to all priorities.

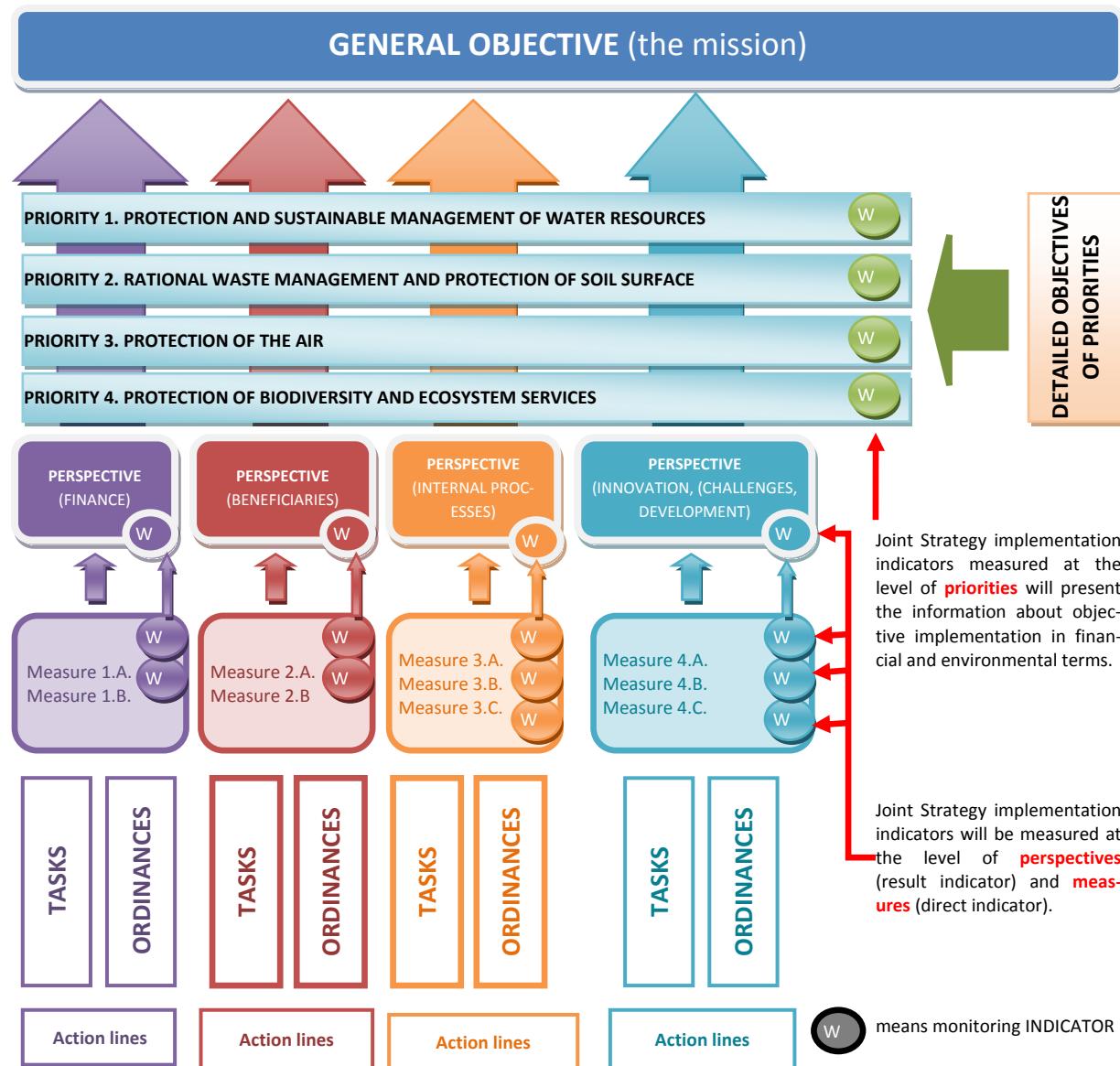
Example: Measure 1.B. *Agreement on and correlation of co-financing areas and lines for the projects between the Funds* must not concern only one priority, e.g. *protection and sustainable management of water resources*. Agreement on the directions and detailed areas of co-financing should be implemented to the same degree for all four co-operation areas.

The strategic perspectives and subordinated detailed measures concern all priorities.

Example: With reference to the forms of co-financing associated with the first priority *protection and sustainable management of water resources*, the measures from all four perspec-

tives should be implemented: one should simultaneously take care of financing, satisfaction of beneficiaries, streamlining of internal process and innovative and development-oriented approach.

Fig. 2: General structure of the Joint Strategy: structure of priorities and strategic perspectives



4.2. Time framework for the duration of the current Joint Strategy

This Joint Strategy is adopted at a specific moment, which additionally forces the way of planning its update. The first year of Strategy's duration (2013) is, at the same time, the last year of the ending

EU programming period 2007-2013. The rules for the new programming period, which will apply from the beginning of 2014 onwards, are not precisely known at the time of developing the Strategy². Moreover, the experience from the previous programming period shows that the national legislation for the new programming period may be not ready at the beginning of 2014, and it should be taken into account that they will be formulated gradually during the entire 2014. Hence the need to plan the update of the Strategy in the middle of its duration (at the end of 2014). Therefore, as a result of this update, it will be possible to take into account the changes arising from operational programs for the new EU financial perspective, the update of the National Environmental Policy and the developed methods for homogenous measurement of the main environmental effects from the activities of the Funds.

Fig. 3: Location of the Joint Strategy on the timeline for the EU programming periods



The Joint Strategy's action plan covers a four-year period from 2013 to 2016, and outlines the overall planning perspective for the next four years from 2017 to 2020. The period covered by the perspective falls within the same EU programming period as the main period. This will make it possible to keep the consistency of planning when creating the next Strategy in the first half of 2016.

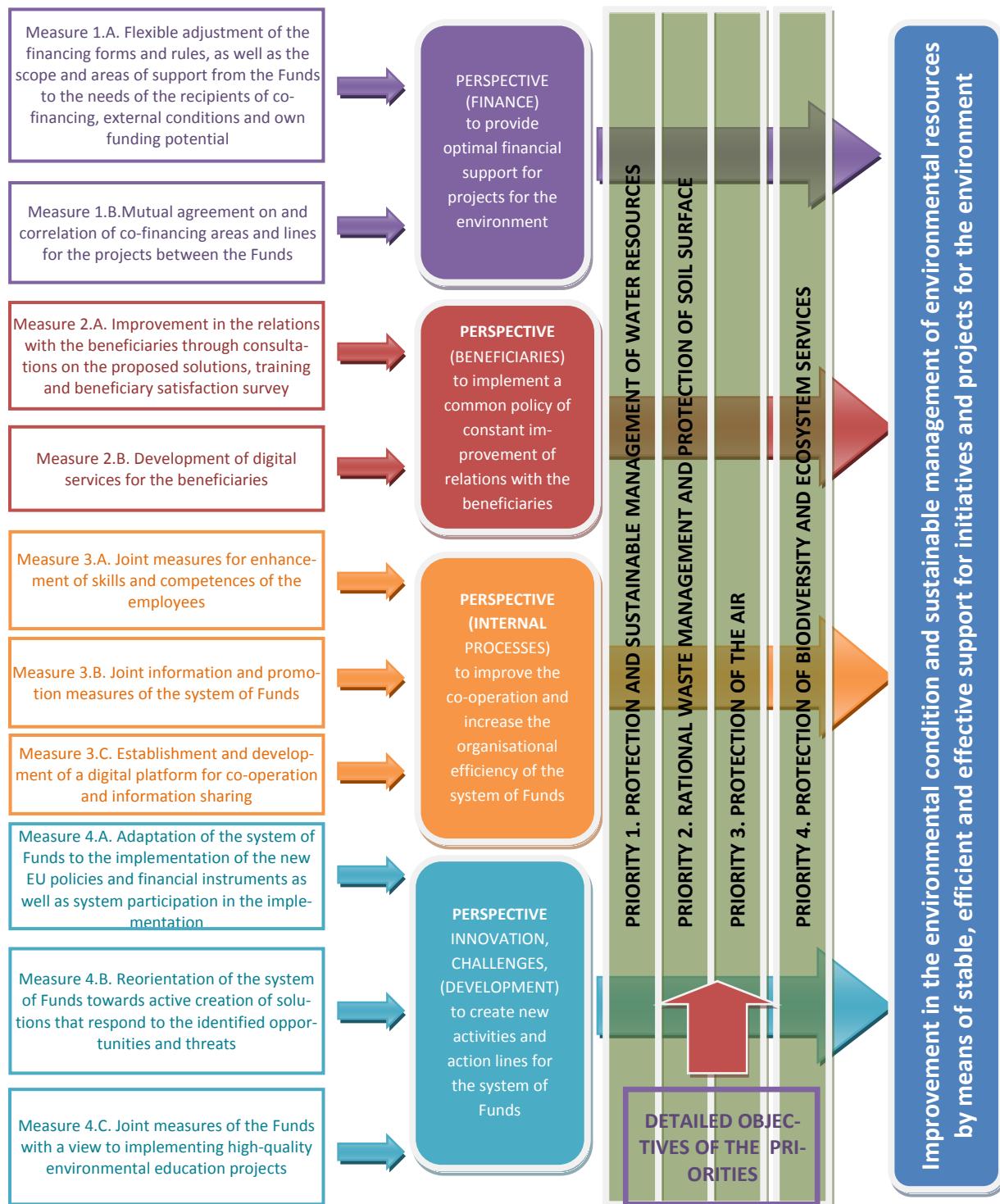
² The Joint Strategy was developed in the first half of 2012.

5. Objectives, priorities and perspectives of the Joint Strategy

In order to properly harmonise the rules and methods for the operation of Funds, the Joint Strategy is organised on the basis of the following structure of objectives and priorities:

- the entire Joint Strategy is subordinated to **the general objective** (the mission), which is to be implemented in four **environmental priorities**;
- the achievement thereof will take place through a simultaneous implementation of **four perspectives**;
- on the other hand, under each perspective, the Strategy defines several **measures**, whose implementation will be measured by means of indicators.

Fig. 4: Structure of the Joint Strategy objectives



Progress in implementation of the Strategy will be monitored at the level of individual tasks of each measure and then annually aggregated at the level of each of the four perspectives. After two years and at the end of the four-year term of the Joint Strategy, the general objective progress level will be assessed. The measure of the degree of approximation to the achievement of the general objective

will be represented by the aggregated level of implementation of the tasks assigned to the four-year period in all measures in the perspectives. The general objective of the Strategy is described and interpreted, and afterwards the four perspectives and individual measures within each of them are discussed. The measures are described by detailed specification of the manner of their implementation and specification of the tools used for this purpose, as well as the determination of indicators and deadlines to achieve them. For each perspective, action lines were additionally formulated: descriptions of the changes that should take place in the system under a given perspective during gradual implementation of planned activities.

5.1. General objective – the mission

The general objective of the Funds is to improve the environmental condition and sustainable management of environmental resources by means of stable, efficient and effective support for initiatives and projects for the environment

Comments: Individual elements of this formulation are important. Firstly, the goal of the Funds is to **support** two types of activities: **projects** (i.e. those activities that are the subject of the application form) and **initiatives** (i.e. other activities, such as environmental awareness raising, formulation of law, the promotion of pro-environmental attitudes, etc.). Secondly: such support must be both **stable** (it must not undermine the long-term potential to support further activities), **efficient** (environmental effects must be actually achieved) and as **efficient** as possible (while meeting the sustainability and effectiveness condition, it has to be as cheap as possible; it has to give the widest possible environmental effect for each zloty that was spent). And finally, it is specified in more detail what “environment-friendly” means: both in terms of improving the environment and sustainable management of resources.

Such a formulation of the general objective serves as an “example” when planning at the mid-term level: for the development of strategic programmes or priority lists (of programmes or projects). Priority programme or a list of priority projects before they are announced should always be evaluated: do the supported activities improve the environment or promote sustainable management of a resource³? Do the planned forms of support assure stability, effectiveness and possibly high efficiency of the system of Funds?

The mission is to:

³ This provision refers directly to development objectives of the Energy Security and Environment Strategy: “Improvement of the condition of the environment” and “Sustainable management of environmental resources”.

Effectively support the measures for the environment

Comments: The mission is aimed at reminding in a possibly lapidary and explicit way why do the Funds exist at all, what is the general rationale for their existence⁴. The mission is a declaration of the general value of a general activity for such a value. In case of the Funds, the general declared value is constituted by the **environment**, and the general type of activity of the Funds is constituted by the **support for measures** for the environment. It is an important statement: the mission of the Funds is not a direct impact on the environment (e.g., investment, organisation, cleaning), but exactly **it is support** to the efforts of other entities acting for those purposes.

The mission has mainly a motivating and identifying goal: it makes it possible for the teams and managers of the Funds to identify themselves with the Strategy under development. The mission obviously has a promotional overtone as well: it informs the external addressees how the Funds perceive their role and how they define themselves against the contemporary challenges.

The strategy assumes that the implementation of the Funds' mission will take place in four main priorities that define the substantive framework for the measures of all of the Funds. Four strategic perspectives and subordinated detailed measures will be implemented in each of those areas.

5.2. Priorities of the Joint Strategy

The environmental priorities, the areas on which substantive activities of the Funds are focused in the strategic perspective for 2013-2020, include:

- protection and sustainable management of water resources,
- rational waste management and protection of soil surface⁵,
- protection of the air,
- protection of biodiversity and ecosystem services,

they form the basic scope of activities of the Funds, and they are consistent with the directions indicated in the draft Strategy "Energy Security and Environment". By focusing on the implementation of the above-mentioned priorities, this Strategy also assumes that in addition to or as part of their implementation, the support by the Fund will be granted for projects that support such goals from the catalogue (that is referred to in EPL) of environmental protection financing areas that apply e.g. to

⁴ It is believed that the mission should be permanent within the entire organisation duration.

⁵ Waste management according to the waste handling hierarchy included in Directive 2008/98/EC.

environmental monitoring, the tasks in the field of prevention of accidents and environmental threats, noise protection.

With regard to the fact that at present many national and regional strategic documents relevant for the specification of goals of activities within the Joint Strategy perspective are at the programming stage, it is assumed that their gradual implementation may modify and have a minor impact on the change of emphasis of the objectives of individual priorities. The Funds' horizontal objectives that are to be implemented in each Joint Strategy priority will include:

- **support for implementation of environmental commitments, in particular the ones arising from the Accession Treaty,**
- **endeavours to use the repayable funds coming from the European Union and intended for environmental protection and water management,**
- **stimulation of "green" (pro-environmental) economic growth in Poland e.g. by support for energy efficiency, renewable energy sources, eco-innovation, low-carbon economy and society and establishment of conditions for the creation of green jobs,**
- **promotion of environment-friendly behaviours, measures and projects aimed at conservation of rich biodiversity and climate change adaptation.**

Measurement of implementation of individual priorities will take place at the level of annual monitoring of the financial and environmental dimension of the indicators' implementation at the plane of individual Funds, and at the national level it will be only aggregated. The measurement of those indicators is an auxiliary way to assess the implementation of the Joint Strategy. It is assumed that the monitoring of implementation of individual priorities will be carried out through the measurement of:

- the amounts of expenditure made (the financial dimension),
- the volume of obtained and contracted environmental effects (the environmental dimension).

It should be pointed out that the former planning of those values in the perspective strategic for the system of Funds was not conducted. This Joint Strategy attempts to present estimations of financial expenditure that will be incurred within the Joint Strategy duration and results from the current knowledge. However, because:

- there might be contingent events (natural disasters, economic crises), circumstances resulting from the risks of the investment projects under implementation that are co-financed with non-repayable EU funds – in the context of the statutory requirement to assure financial management that ensures the use of those funds,
- there are no final decisions on the form and rules of implementation and redistribution of European funds of the new EU financial perspective,

- the impact on the financial potential of the funds will be exerted by the changes in the legal provisions, in particular in the field of revenue and expenditure,

deviations from the presented estimations should be expected. The verification and update thereof will be covered by each update of the Joint Strategy.

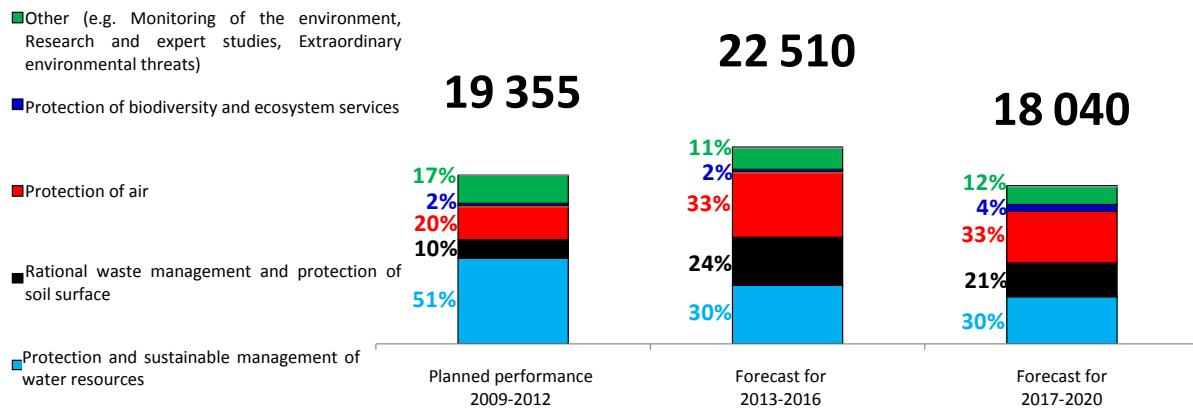
In addition, because at present the Funds have various methodologies to calculate the environmental effect (development of a common one is one of the objectives of this Strategy), those values have not been planned in terms of their value. However, measures important for the areas that will be monitored under the Joint Strategy have been identified in each of the areas. In the process of monitoring, the measures will be presented with information about the volume of the effect:

- that arises from the agreements entered into within such a period (the contracted effect), whose real achievement (completion of investment) might take place later,
- that arises from the agreements ended in the period in question and presents the effect that was actually achieved, refraining from the fact when project implementation was started.

The financial dimension of the Joint Strategy was prepared on the basis of the planning data submitted by the Funds. In Chapter 5.12, an aggregate table presents the forecast expenditure on financing of environmental protection from the resources of the Funds. **The presented amounts do not show the estimation of the European funds to co-finance the environmental protection projects and the own funds of the beneficiaries and banks involved as a result of the activities of the Funds, e.g. because of the absence of final decisions in the field of directions of redistribution of funds for the EU's financial perspective for 2014-2020. Therefore, the presented support amounts and their directions should be perceived as a preliminary estimation and an element for further flexible management thereof, depending on the observed conditions.** The main trends resulting from the presented data indicate:

- an increase in the disbursement of own funds to finance environmental protection by ca. 15% in the 2013-2016 perspective in comparison with the planned performance of payments in 2009-2012,
- advantage of reimbursable financing (loans), which will account for 60% of payments, maintained in the Funds' structure of financing,
- forecast change in the field structure of financing of environmental protection according to the Figure below.

Fig. 5: Forecast changes in the amounts and field structure of financing of environmental protection by own funds of the Funds in strategic perspectives (PLN million)



The expected change in the 2013-2016 perspective is mainly follows from the increase in total expenditure as a result of redistribution of funds from the resources under long-term liabilities (former "subfunds") of the National Fund for the financing of projects in the field of energy efficiency and waste management, with a slight decrease and change in the structure of financing of projects in the field of water protection and water management (interest rate subsidies instead of loans), observed in 2009-2012. The forecast changes in the structure of financing of environmental protection and the main objectives of activities in individual priorities for financing of environmental protection are described below.

5.3. PRIORITY 1: Protection and sustainable management of water resources

In this area, the planned strategic actions are focused mainly on achieving the objectives set out in the Roadmap to a Resource Efficient Europe, which shows that by 2015 good status of waters should be achieved in relation to quality, quantity and its use in all river basins of the EU and other water quality activities should concern water management efficiency. In the perspective of 2020, status and availability of surface water and groundwater resources will be one of the most important environmental conditions for socio-economic development of the country and a determining factor for the efficiency of efforts to halt the loss of biodiversity. In order to ensure efficient water management, it is essential to guarantee and maintain the necessary quantity and quality of surface water and groundwater resources, and remove or minimize any risks existing in this sector. To this end, action is required for the rapid and full implementation of Directive 2000/60/EC establishing a framework for Community action in the field of water policy, understood as implementation of the action programmes contained in the river basin management plans. The implementation of these objectives is

reflected in the design of the BEiŚ strategy in terms of actions grouped under the following intervention priorities: 1.2. Water management for protection against: floods, drought and water shortages; 3.1. Ensuring access to clean water for the society and the economy.

Implementation of these intentions will create the need to maintain a high share of co-financing of projects by Funds in the field of protection and sustainable management of water resources. In the 2013-2016 perspective, the Funds aim to spend ca. 30% of resources for their co-financing (almost PLN 7 billion). Specific objectives implemented in this priority will be:

5.3.1.1 Improving the quality of surface waters and groundwater

The fundamental action within the specific objective is to meet the requirements of the Directive 91/271/EEC with regard to reduced load of pollutants, including biogenic compounds (nitrogen, phosphorus) discharged into the waters. As part of the action tasks will be implemented involving maintenance, construction, expansion and modernisation of wastewater infrastructure, as provided for in the framework of the National Programme for Municipal Waste Water Treatment.

5.3.1.2 Efficient and rational use of water resources

Water scarcity and drought appear to be the major problems at the moment, and climate change could even worsen the situation. The key issue is to achieve progress with a view to the full implementation of the Water Framework Directive⁶. Efficient and rational use of water resources should cover water efficiency management activities i.e. removal of losses in the network, the use of smart meters, water-saving in the industry and in irrigation.

All activities in the field of efficient, rational use of water resources and protection of waters should result from the river basin management plans.

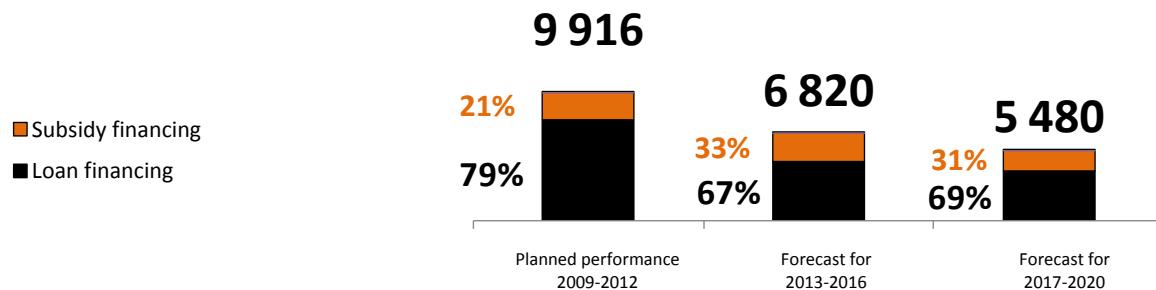
5.3.1.3 Adapting water management sector to climate change

Increasing probability of extreme weather events will result in significant changes in the quality and availability of water resources, which will affect many sectors including food production (depending on irrigation). Thus it is necessary to e.g.: improve the efficiency of water supply, including in agriculture, households and buildings, minimize potential adverse effects of floods for the life and health of people, the environment, cultural heritage and economic activity, to increase water storage capacity, improve water retention, carry out investments for lower water consumption in the industry. It is also important to carry out investments in flood protection using emerging energy facilities and support non-technical measures related e.g. to increasing natural retention, building early warning systems and flood forecasting and flood risk management and running educational campaigns.

The Funds carrying out projects in the field of protection and sustainable management of water resources will also cover activities to protect the Baltic Sea and the objectives arising from the strategy documents on water management, such as: National Water and Environment Programme and river basin management plans.

⁶ Directive 2000/60/EC establishing a framework for Community action in the field of water policy

Fig. 6: Projected changes in the amount and form of financing projects from own resources of the Funds for the protection and sustainable management of water resources (PLN million)



With respect to co-financing by the Funds of the implementation of projects in this field, there has been a change in the structure of financing and the amount of funds expended. This is mainly due to the change in the financing model of projects involving European funds, which consists in replacing loan financing with bank loans interest subsidies or bond aids. These solutions allow for the inclusion of external resources (banks) in the process of financing investments and reduce annual payments from own resources of the Funds, as indicated in the above figure.

It should, however, be borne in mind that this does not mean, in our view, the reduction in the total expenditure on the financing of the water protection and sustainable management of water resources in Poland, because the breakdown does not include the funds of the banks, whose share in financing these investments is growing considerably (as a result of the leverage effect of funding as a result of the increasing share of financing in the form of bank loans interest subsidies) and European funds, which have a dominant position in the existing structure of the co-financing of environmental protection. In addition, action will be strengthened by continued fund payments under ongoing investments related to the elimination of the effects of floods and environmental threats that are recognised separately.

In the field of water protection and sustainable management of water resources, the ecological dimension of implementing the strategy on an *ad hoc* basis (before the implementation of single register of major environmental effects) will be carried out using the following measures:

- Additional population served by improved wastewater treatment (PE),
- Population covered by anti-flood protection measures (persons).

The choice of these measures is due to the projected availability of data (these are already monitored in the framework of the many existing agreements) and their significant relevance for the area. As an addition to these measures, the strategies of individual Funds will include a selection of addi-

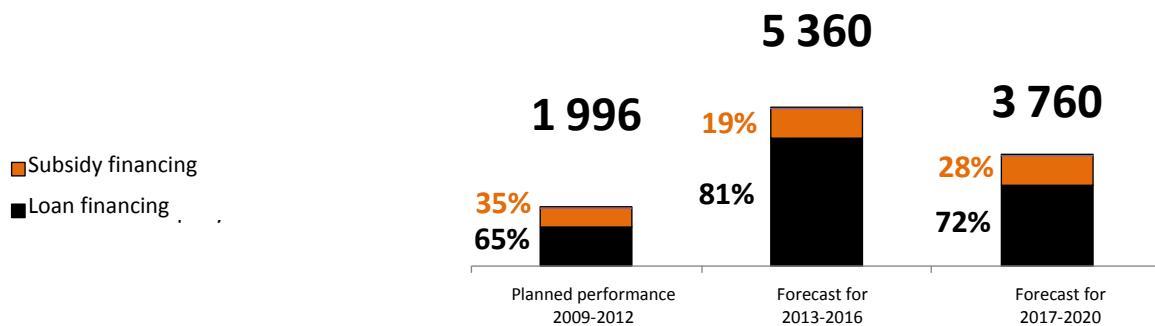
tional measures to diagnose the real impact of these projects on the quality of water, e.g. taking into account the level of contaminants removed.

5.4. PRIORITY 2. Rational waste management and protection of soil surface

Rationalization of waste management in Poland is slow, and its effects are definitely unsatisfactory. A key challenge in municipal waste management is full implementation of the Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste (the so-called Waste Directive). It involves the introduction of a hierarchy for handling waste defined in the Waste Directive, i.e. prevention actions, preparing for re-use, recycling, other recovery methods (e.g. energy recovery) and disposal of waste at the very end.

The scope of projects supported in this area is focused on the implementation of Measure 3.2 of the BEiS strategy proposal "Rational waste management, including the prevention of waste and their use for energy purposes" and 1.1. Rational and effective management of mineral resources. The implementation of these objectives, taking into account the expiry of transitional periods for the Accession Treaty, will create the necessity of increasing the share of co-financing from the Funds for projects in the field of rational waste management and protection of soil surface. In the 2013-2016 perspective, the Funds aim to spend ca. 24% of fund payments for their co-financing (almost PLN 5.4 billion). The following is a comparison of payments for this priority in individual strategic perspectives analysed.

Fig. 7: Projected changes in the amounts and forms of financing projects for rational waste management and protection of soil surface from own resources of the Funds (PLN million)



With respect to co-financing from the Funds the implementation of projects in this field, there has been an increase in the share of loan financing in the structure of expenses and a considerable (160%) increase in the amount of funds expended. This is mainly due to the expected co-financing of

projects in the field of thermal transformation of waste, and planned broader use of funds from multiannual commitments of the National Fund for financing waste projects. The objectives carried out in this priority will be activities for soil protection and remediation as well as for waste management, including:

5.4.1.1 Minimisation of landfill waste

Activities supported will concern a gradual move away from a system of storage of waste to a system to support the processing and recovery of raw materials and their use for energy – having regard to the waste handling hierarchy. Greater importance will be assigned to action related to waste prevention and elimination of inefficient landfills. Crucial for the effectively functioning of the waste management system will be supporting and implementing low-waste production technologies. Minimising the landfill of waste will also contribute to the fulfilment of the requirement to reduce biodegradable waste landfill including: down to 50% by 16 July 2013 and by 16 July 2020 to 35% in relation to the weight of biodegradable municipal waste produced in 1995.

5.4.1.2 The use of municipal waste and sewage sludge for energy purposes

As part of this objective, it will be important to use energy potential in converting waste and sewage sludge. Implementation of the EU requirements will also have an impact on energy efficiency-related activities – Waste-to Energy projects (thermal or biological transformation of waste) and Methane-to markets projects (landfill gas from renewable energy sources). Some of the energy obtained from waste may be treated as originating from renewable energy sources. At the same time, it is important to note that in accordance with the EU policy in the field of waste by 2020, what is promoted is the use of recycling of waste and only then their thermal treatment.

5.4.1.3 Promotion of waste re-use and recycling

A major challenge in waste management is to comply with the requirements in terms of achieving the levels of recovery and recycling of packaging waste, in particular through the improvement of separate waste collection systems.

5.4.1.4 Rational and efficient management of mineral resources

Activities under this strategic objective should lead to a better degree of recognition and protection of the national resources of strategic deposits. It is also important to reduce environmental pressures exerted by the mining sector in areas where intense mining activity is currently carried out (or will be carried out in the future). A special role should be attributed to spatial planning, an instrument determining spatial environmental management priorities, including determining protection zones for areas of high-nature value. In terms of Priority 2: Rational waste management and soil protection, the main ecological dimension of the implementation of the Strategy will be information on reduction of weight of landfill waste (Mg/year).

The measure selected is relevant and universal, covering all the activities associated with reducing the generation of waste, selective collection and subsequent recycling and recovery. However, it should be noted that the wide range of activities within this area requires a consideration of com-

plementing the measure, in strategies of individual Funds, with more detailed measures (e.g. for groups of waste), suitable for action taken.

5.5. PRIORITY 3. Protection of the air

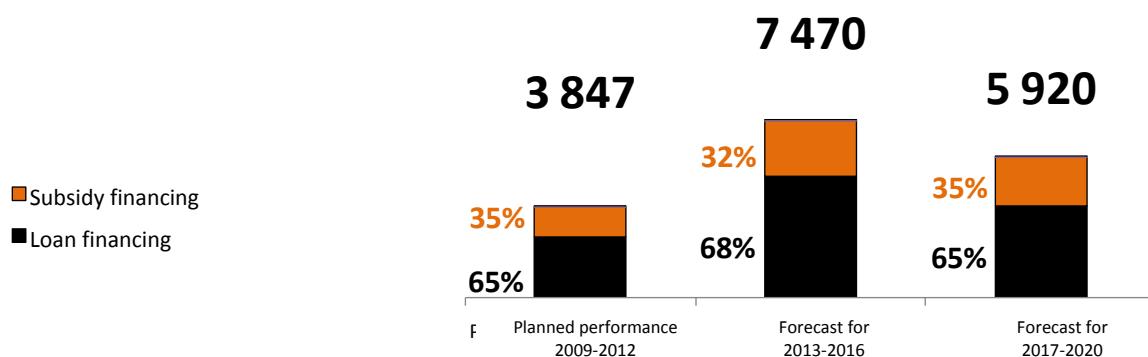
As part of this thematic area, support will be given to tasks related to reducing air pollution and reduction of the emission of such pollutants as compounds of nitrogen and sulphur (NO_x, SO_2), carbon monoxide (CO), dust and polycyclic aromatic hydrocarbons with a particularly negative impact on human health and the sustainability of ecosystems.

The increase in the production of electricity and heat must be followed by the reduction of industrial emissions and other air pollutants, including greenhouse gases. Reconciling these issues is possible through modernisation of the energy and heat sector and reducing the so-called low emissions by means of, *inter alia*, increasing available financial mechanisms that support this type of investment. It will also be important to increase energy efficiency through further support to thermal modernisation, development of cogeneration and renewable energy, including mainly wind power, biogas plants and biomass installations.

Participation in co-financing of projects in this field supports actions identified in the BEiS strategy with regards to: 2.1. Better use of national energy resources; 2.2. Improving energy efficiency; 3.3. Protection of the air, including reduced impact of the energy sector.

It is expected that the implementation of these objectives will reorient the priorities of financial intervention in Funds precisely towards financing the protection of the atmosphere. In the 2013-2016 perspective, the Funds aim to spend ca. 33% of resources for co-financing this field (almost PLN 7.5 billion). The following is a comparison of payments for this priority in individual strategic perspectives analysed.

Fig. 8: Projected changes in the amount and form of financing of projects from own resources of the Funds for the protection of the atmosphere (PLN million)



With respect to co-financing by the Funds of the implementation of projects in this field, the expenditure for this purpose is expected to double. This will mainly entail financing projects in the field of renewable energy sources and energy efficiency, as well as reduced low emission, whose advanced implementation will allow e.g. for the use of funds from multi-annual commitments of the National Fund obtained from replacement fees and penalties under the Act on the Energy Law. The objectives implemented in this priority will include:

5.5.1.1 Improving the quality of the air

The most important quality issue in Poland is the fact of exceeding permissible standards for fine particulate matter PM⁷10 and PM 2.5 as referred to in CAFE Directive. Compliance with the standards is necessary because long-term exposure to particulate matter results in a shortened life expectancy. Eliminating the so-called low emission may contribute to meeting the requirements of the CAFE Directive. Low emission includes transport emission, dust emission and emission of harmful gases from coal-fired boilers and home heating furnaces, in which coal combustion takes place in an inefficient way usually with cheap coal of low heating parameters. This also often includes the practice of combustion of household waste in boilers. Reducing emission of harmful substances may be possible through full liquidation of the existing, inefficient heating equipment, the use of renewable energy sources and collective district heating systems.

5.5.1.2 Support for distributed renewable energy sources

The development of renewable energy sources, especially as decentralised generation and striving to continually improve energy efficiency will contribute to the effective use of environmental resources and reduced CO₂ emissions.

It is anticipated that in the field of air protection, the ecological dimension of implementing the strategy will be presented by providing information about the degree of reduction or avoiding emissions of carbon dioxide, sulphur oxides, nitrogen oxides and particulate matter (Mg/year) as a result of the implementation of the co-financed projects. In addition to these measures, more detailed measures may be selected in individual strategies of Funds, which would be appropriate for the action taken.

5.6. PRIORITY 4. Protection of biodiversity and ecosystem services

Under this thematic area, biodiversity preservation-related tasks will be mostly supported at the level of ecosystems, species and genes including: protection of the Baltic Sea and its coastal zone, the Oder and Vistula and Przymorze Rivers, national parks, Natura 2000 sites, nature reserves, landscape parks, elimination of alien invasive species and tourism focused on areas of great natural beauty,

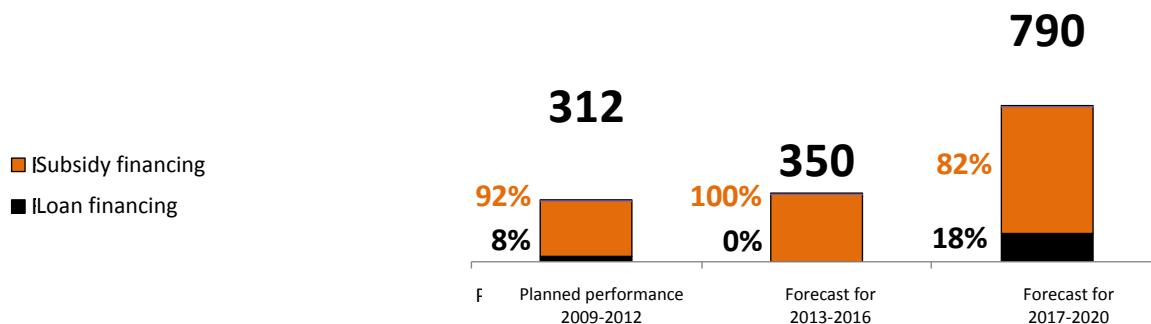
⁷ Particulate matter

which are particularly vulnerable to human pressure. It will be also very important to support projects on protecting species of plants, animals and fungi, as well as managing conflicting species.

The implementation of this priority requires informed and consistent action, starting from a comprehensive diagnosis of the status of the environment – developing a methodology for an inventory (including: development of uniform criteria for natural inventories for public use and administrative proceedings conducted and development of a basis for assessing environmental value) after elaboration and adoption of the plans/programmes required by the law. Particular attention should be paid to the so-called “ecosystem Services” (assessing their values), maintenance and restoration of natural water retention ecosystems, especially in mountain areas.

The implementation of this priority will ensure a better use of European funds for biodiversity (not presented in this work) e.g.: LIFE+ funds, the Norwegian Financial Mechanism and European Economic Area Financial Mechanism, which is a key priority of the Strategy “Our life insurance, our natural capital: an EU biodiversity strategy to 2020”. In the 2013-2016 perspective, the Funds aim to spend ca. 2 % of resources for co-financing this field (PLN 350 million).

Fig. 9: Projected changes in the amount and form of financing projects from own resources of the Funds for biodiversity and ecosystem services (PLN million)



The forecasts presented on spending funds for achieving this objective suggest a maintained level of funding for projects in the 2013-2016 perspective and their doubling in the 2017-2020 perspective. The objectives pursued in this priority will include:

5.6.1.1 *Maintenance and restoration of ecosystems and their functions*

About 60% of the Earth's ecosystems have degraded in the last five decades. Protection and restoration is crucial in terms of biological diversity. What is important is investment in natural capital – e.g. in the form of green infrastructure. The European Commission plans to publish a Communication on green infrastructure later this year.

5.6.1.2 Protecting ecological corridors

Protecting ecological corridors will guarantee the maintenance of the status of biological diversity in existing centres of this biodiversity and maintaining continuity of natural processes and through this it will ensure stability of ecosystems. The important task is to protect the Natura 2000 sites and green infrastructure, and in the future activity of Funds may involve support for work consisting in inventories, creation of databases, or buyout of land in key areas for maintaining continuity of the corridors.

5.6.1.3 Ensuring sustainable development of forestry, farming and fishing

Sustainable multi-purpose forestry, fishing and agriculture will contribute to the prevention of climate change and mitigating its effects, extinction of species and conservation of natural resources.

With regard to the protection of biological diversity and ecosystem functions, the ecological dimension of implementing the Strategy for the protection of habitats will be presented with an indication of the total surface area on which ecosystems were restored or received appropriate protection (ha). With respect to species protection information will be presented about the quantities of species from the Red Book of endangered species, protected as a result of implementing projects of Funds (their number).

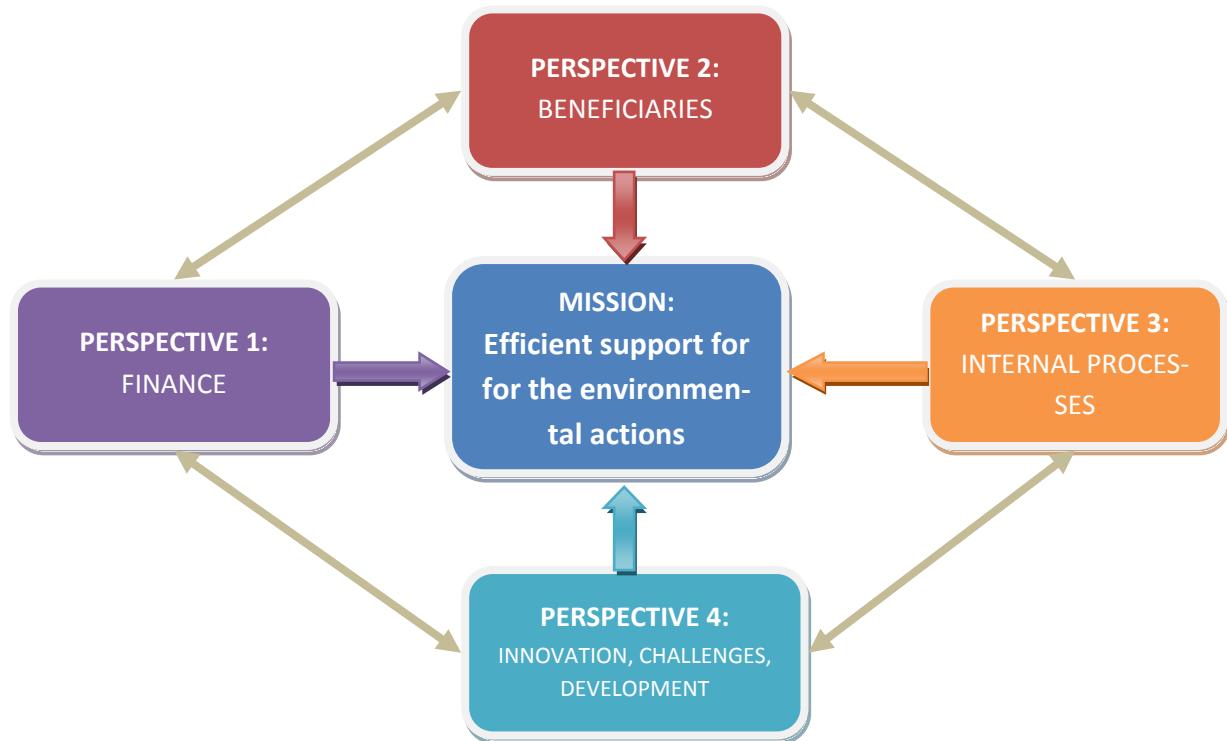
Species protection will be an important dimension of the implementation of the Joint Strategy in the priority of protecting biodiversity and ecosystem services.

In addition to this measure, more detailed measures may be selected in individual strategies of Funds, which would be appropriate for the action taken.

5.7. Perspectives of implementing the mission and priorities of the Joint Strategy

The implementation of the mission and priorities of the Joint Strategy will take place as a result of implementing activities grouped under the four perspectives. In order for this mission (general purpose) to be successfully implemented, progress must be made in each of these perspectives, namely from the perspective of the beneficiaries, finance, internal processes, and innovation. In addition, various actions in the perspectives are not isolated from each other; there are important interactions between them.

Fig. 10: System of four strategic perspectives in the context of implementing the mission



In the course of implementing specific objectives and achievement of individual priorities, there is a need to ensure that the implementation of specific actions from any of the perspectives does not take place at the expense of another perspective.

Example: a change that enhances financial arrangements procedure between the funds (progress in Priority 1), but at the same time makes it difficult for beneficiaries to access financing (regression in Priority 2) cannot be considered as progress in the implementation of the Strategy. **Thus, there must be a balance between the implementation of all four perspectives.**

5.8. Perspective 1- FINANCE

5.8.1. Description of the perspective

The financial perspective of the Joint Strategy concerns the basic area, which the Funds deal with: **financing** of environmental tasks. What is key for the financial perspective is the concept of **optimising the financing**, which is understood here in two ways.

- Firstly, with regard to the *optimisation of the funding* understood as the **development of a system for selecting the most appropriate forms, priorities and rules for financing to the different needs of beneficiaries in the context of the various environmental objectives**, with the best possible use of opportunities presented by the Funds. In this perspective, the specificity of the Funds was also taken into account, which, as public institutions, are guided not only by cost-effectiveness, but first and foremost, public and environmental interest, and thus can better fund the implementation of the objectives of public policies relating to the

environment. In this sense, **optimal financing is financing according to the rules and in the form selected to match the priority, specificity of the beneficiary and environmental objective, in order to ensure maximum effectiveness** (measured in terms of the environmental effect) **with the largest financial efficiency** (measured in terms of the environmental effect based on PLN 1 invested in the project).

- Secondly, it is about *optimisation of the financing* understood as **systemic complementarity of financing by individual Funds**. It is understood as a flexible system of consulting priority programmes, lists of priority projects and other objectives for funding in such a way as to avoid unintended double financing of the same projects by more than one Fund, and on the other hand, so that recognised areas of environmental needs are not left with unintentional "white spots", uncovered by financing of any Fund. In this sense, **optimum financing is about funding the entire area of needs at a given time, where each task directly⁸ obtains funding from only one Fund**.

Perspective 1: FINANCE

Funds will seek to provide optimal financial support for projects for the environment

Measure 1A:

Flexible adjustment of the financing forms and rules, as well as the scope and areas of support from the Funds to the needs of the recipients of co-financing, external conditions and own funding potential

Measure 1B:

Mutual agreement on and correlation of co-financing areas and lines for the projects between the Funds

*Description of the Measure – in point **Błąd! Nie można odnaleźć źródła odwołania.***

*Description of the Measure – in point **Błąd! Nie można odnaleźć źródła odwołania.***

*Directions of changes supported under this perspective were described in point **Błąd! Nie można odnaleźć źródła odwołania.***

5.8.2. Measure 1A

Measure 1A has been formulated as follows:

⁸ This does not preclude the indirect involvement of the National Fund, for example, in the form of providing financial resources.

Flexible adjustment of the financing forms and rules, as well as the scope and areas of support from the Funds to the needs of the recipients of co-financing, external conditions and own funding potential

5.8.2.1 *Description of the Measure*

The Measure means **development of a system for the best possible selection of the most appropriate forms, rules and directions for financing to the different needs of beneficiaries in the context of the various environmental objectives**, with the best possible use of Funds' capacities. It is about financing according to the rules and in the form selected to match the priority, specificity of the beneficiary and environmental objective, in order to ensure maximum **effectiveness of financing** (measured in terms of the environmental effect) with the largest **financial efficiency** (measured in terms of the environmental effect based on PLN 1 invested in the project⁹). "Making the best possible use of funds" is understood as strategic balancing of the requirement of **stable funding** (and thus preserving possibly non-reduced capital) with the principle of **non-commerciality criteria** (and therefore a consent to subsidise major environmental needs, which are impossible to be financed with the use of commercial resources) and the requirement of **flexibility of financing** (which in turn justifies the maintenance of a specified resource of free funds).

5.8.3. **Measure 1B**

Measure 1B has been formulated as follows:

Mutual agreement on and correlation of co-financing areas and lines for the projects between the Funds

5.8.3.1 *Description of the Measure*

The measure means **the development of a solution ensuring systemic complementarity of financing by individual Funds**. It is about an effective system for consulting priority programmes, lists of priority projects and other priority objectives for the financing of tasks so as to:

1. avoid unintended double-financing of the same projects by more than one Fund,
2. avoid unintended "white spots", uncovered by any Fund, in the areas of recognised environmental needs.

It is therefore about financing the whole area of needs, recognised at any given moment, whereby each task directly obtains funding from only one Fund. However, indirect funding is planned in the system by making the resources of the National Fund available for Voivodeship Funds or, in justified cases, other forms of co-financing in a planned and agreed manner. The proposed solution creates a demarcation line of intervention in a flexible manner, allowing for justified co-financing and avoiding only uncontrolled co-financing as well as such financing that introduces a lack of clarity in settlements and monitoring the outcomes.

⁹ We also include the funds from sources other than the Funds, in order to take account of the leverage effect.

5.8.4. Supported directions of changes in the financial perspective

Measures taken for the financing of environmental protection and water management will focus on:

- striving to make use of the resources available for financing of the protection of the environment,
- ensuring complementarity of implemented priorities for co-financing of projects,
- increasing efficiency of the operation of the system of Funds and the effectiveness of the *Funds-beneficiary* relationship, since under the system – and as a general rule - the support of a single project will be served by a single institution (National Fund or Voivodeship Funds),
- provide for a possibility of derogations from the aforementioned rules for the sake of preserving the priority of effectiveness of support for environmental projects,
- providing support by the National Fund to meet local and regional needs that cannot be met from the resources of the Voivodeship Funds through the provision of resources from the National Fund for the Voivodeship Funds to the extent of the National Fund's financial capacity.

5.9. Perspective 2 – BENEFICIARIES

5.9.1. Description of the perspective

The relationship with the beneficiaries is of key importance for every well-functioning public sector entity, providing services to the citizens. This principle is particularly important right now, at the time of creating this Joint Strategy, in the context of the general changes in public governance model, which our country is undergoing. Public governance model including market mechanisms and a focus on efficiency, known as *New Public Management*, was an important novelty thirty years ago, but it is now no longer an adequate response to the challenges of the present and does not fully satisfy the aspirations of the civil society. Therefore it must be supplemented by the model of *Good Governance* as recommended by the United Nations, whose key values include: citizen participation in public decisions and transparency of public procedures.

Inclusion of the Funds in this trend of changes in public governance is a response to the current change in the expectations of civil society, but is also crucial for building confidence in the Funds system in society and therefore affects the performance of the system. In addition, the focus on dialogue with the beneficiaries, including consultation of the new, still planned solutions gives the Funds an opportunity to better identify social and environmental needs, align more aptly the rules, forms and funding directions of the projects with these needs.

Explanation: throughout the Joint Strategy the term *beneficiary* is used in the sense of: "the one who uses any of the services of the Fund at any stage". Thus the term *beneficiary* means both the applicant and the beneficiary of the funding or -for example - a participant of a training.

Perspective 2 – BENEFICIARIES

The Funds will implement a policy of constant improvement of relations with the beneficiaries.

Measure 2A:

Improvement in the relations with the beneficiaries through consultations on the proposed solutions, training and beneficiary satisfaction survey

*Description of the Measure – in point **Błęd! Nie można odnaleźć źródła odwołania.***

Measure 2B:

Development of digital services for the beneficiaries

*Description of the Measure – in point **Błęd! Nie można odnaleźć źródła odwołania.***

*Directions of changes supported under this perspective were described in point **Błęd! Nie można odnaleźć źródła odwołania.***

5.9.2. Measure 2A

Measure 2A has been formulated as follows:

Improvement in the relations with the beneficiaries through consultations on the proposed solutions, training and beneficiary satisfaction survey.

5.9.2.1 Description of the Measure

Measure 2A integrates the beneficiaries into co-shaping the policy of Funds and its essence is to establish partnerships with beneficiaries and eventually consulting with them important objectives of the Funds addressed at the beneficiaries, in particular the priority programmes and lists of priority projects. An element of the improvement of the relationship with the beneficiaries will also be an extensive training programme as proposed by Funds, preparing beneficiaries to make more effective use of the Funds' support and promote wider education of beneficiaries in new environmental challenges and new policies. Improvement of the relationship with the beneficiaries will also be monitored by regular satisfaction surveys of beneficiaries in order to obtain feedback and possible correction of action taken.

5.9.3. Measure 2B

Measure 2B has been formulated as follows:

Development of digital services for the beneficiaries

5.9.3.1 *Description of the Measure*

Measure 2B consists in implementing possibly systemic digitisation of beneficiary service by the Funds. Actions planned within the framework of a Joint Strategy relate to digitisation of the application procedure for funding and payment with electronic support for applicants (smart error correction, list of frequently asked questions and answers, instructions).

5.9.4. **Supported directions of changes in the beneficiary perspective**

In this area, action will focus on:

- intensification and extension of the relationship with the beneficiary, i.e. improvement of the existing forms of communication and searching for new ones, according to the needs of the beneficiary (or even – by anticipating these needs),
- building a two-way relationship; not only trainings for the beneficiaries are important, but also asking for their opinions on the improvement of the system and satisfaction surveys.

5.10. **Perspective 3 - INTERNAL PROCESSES**

5.10.1. **Description of the perspective**

The third perspective will pursue objectives aimed at improvement of the internal processes of the system. "Internal processes" means here the processes within the entire system of Funds (rather than within individual Funds). The third perspective includes those internal processes that have not been included in perspectives 1 and 2, and therefore those that do not directly relate to the funding or the relationship with the beneficiaries. It emphasises three areas of objectives: enhancing the qualifications and competences of employees, improving external information and promotion, archiving and digitisation of internal processes understood as a system of communication with the system of Funds.

Perspective 3 - INTERNAL PROCESSES

Funds will improve the mutual co-operation and increase the organisational efficiency of the system of Funds

Measure 3A:

Joint measures for enhancement of skills and competences of the employees

Description of the Measure – in point Błąd! Nie można odnaleźć źródła odwołania.

Measure 3B:

Joint information and promotion measures of the system of Funds

Description of the Measure – in point Błąd! Nie można odnaleźć źródła odwołania.

Measure 3C:

Establishment and development of a digital platform for co-operation and information sharing

Description of the Measure – in point Błąd! Nie można odnaleźć źródła odwołania.

Directions of changes supported under this perspective were described in point Błąd! Nie można odnaleźć źródła odwołania.

5.10.2. Measure 3A

Measure 3A has been formulated as follows:

Joint measures for enhancement of skills and competences of the employees

5.10.2.1 Description of the Measure

Measure 3A consists in the implementation of a common system for enhancing the competences of the Funds personnel. An asset of the Funds, namely competent and qualified personnel, with extensive professional experience, loses its importance, because in today's world knowledge increasingly needs to be updated, in particular with regard to the challenges arising from the new "EU" policies, which is largely due to a significant reformulation of the EU support instruments. Hence the need for constant updating of skills. In addition, it can be assumed that the Funds' knowledge potential is high, but varied by subject (individual Funds have different experience in accomplishing individual tasks and priorities), so probably there is an opportunity for valuable mutual training.

5.10.3. Measure 3B

Measure 3B has been formulated as follows:

Joint information and promotion measures of the system of Funds

5.10.3.1 *Description of the Measure*

Measure 3B - the second of the activities in the structural perspective is focused on coordination and, in some areas, perhaps integration of information and promotion activity of the Funds through the creation of a common "knowledge base" in terms of universal information for the whole system of Funds through launching permanent cooperation between units responsible for the promotion of the individual funds in order to open up opportunities for joint planning and implementation of the Funds' promotional policy.

5.10.4. Measure 3C

Measure 3C has been formulated as follows:

Establishment and development of a digital platform for co-operation and information sharing

5.10.4.1 *Description of the Measure*

Measure 3C consists in the digitisation of internal processes of Funds' system through building and development of a digital platform for collaboration and exchange of information (it is planned to be an Internet portal of a kind with access for all Funds). This platform will provide a fundamental tool for the implementation of selected tasks in the framework of individual activities of the Joint Strategy and will be, at the same time, an important tool for monitoring of the Joint Strategy.

5.10.5. Supported directions of changes in the perspective of internal processes

In this area, action will focus on:

- cost savings in these activities, where unnecessary duplication of effort can be avoided (e.g. training of staff after changes in law have been introduced, changes in public reporting and accounting rules, amendments to internal guidelines) so as to achieve economies of scale,
- harmonising knowledge and overall skills of workers (the same knowledge across all Funds) while abiding by the principle of "leading competences" in the areas, where a Fund has the most experience in a given thematic area for objective reasons. In such cases, training opportunities are provided for by specialists from a given Fund to employees of other Funds,
- joint promotion of the Funds as a system with a common mission,
- maintaining the principle of "completeness and complementarity of information": i.e. including in one's own information policy also the information on complementary offer of other funds,
- using the principles of mutual cooperation instead of competition in information policy of the Funds.

5.11. Perspective 4 - INNOVATION, CHALLENGES, DEVELOPMENT

5.11.1. Description of the perspective

Under the fourth perspective, initiatives are carried out aimed at the creation of new activities and priorities of the system of Funds and the response to the new challenges. This Joint Strategy is being created at a special time when the basic assumptions of the pro-environmental policy are being reformulated, and so we should expect that in the coming years, changes in the operations of Funds may be substantial and take place by leaps and bounds. We can expect to see changes in the fundamental principles governing the existing policies (such as withdrawal from the emissions trading scheme in its present form), or changes in the basic assessment criteria (e.g. replacement of measuring the "environmental effect" with measuring the effect from the point of view of sustainable development). In this situation, the existing institutional competences of Funds will become out-of-date in a substantial part and we will quickly need to acquire new competences, and for this purpose, the Funds need to become more of a learning organisation and switch to an innovative approach to their own future.

In addition, we must bear in mind that the Funds' surrounding should also switch to an innovative economy. Existing sources of economic growth in Poland, such as relatively low labour costs, are running low and enterprises operating in Poland will not be able to compete on their basis in the long-term. Entrepreneurs should use an opportunity to build their competitive advantage on the basis of an increase in innovation. The European Union also supports this priority. And, in an innovative environment, the Funds must also become innovative.

DEFINITION: INNOVATION in this strategy is understood as a new product (e.g., type of support, another new service for the beneficiary), process, structural or marketing solution, which, at the time of introducing meets at least one of the following conditions:

1. for professionals within the given field with an average level of knowledge the given use does not clearly follow from the current state of practice (innovative concept),
2. it is not used in similar institutions or is used in less than 15% of applications (*own estimation*) and it does not exist for more than two years (innovative implementation).

Perspective 4: INNOVATION, CHALLENGES, DEVELOPMENT

Funds will create new activities and action lines and seek innovative solutions for the future

Measure 4A:

Adaptation of the system of Funds to the implementation of the new EU policies and financial instruments as well as system participation in the implementation

*Description of the Measure – in point **Błąd! Nie można odnaleźć źródła odwołania.***

Measure 4B:

Reorientation of the system of Funds towards active creation of solutions that respond to the identified opportunities and threats

*Description of the Measure – in point **Błąd! Nie można odnaleźć źródła odwołania.***

Measure 4C:

Joint measures of the Funds with a view to implementing high-quality environmental education projects

*Description of the Measure – in point **Błąd! Nie można odnaleźć źródła odwołania.***

*Directions of changes supported under this perspective were described in point **Błąd! Nie można odnaleźć źródła odwołania.***

5.11.2. Measure 4A

Measure 4A has been formulated as follows:

Adaptation of the system of Funds to the implementation of the new EU policies and financial instruments as well as system participation in the implementation

5.11.2.1 Description of the Measure

Measure 4A consists in preparation of the whole system of Funds for the implementation of new policies and financial instruments of the EU, and priorities for financing environmental protection, so that as a result of this preparation the Funds can take part in implementation. Skills preparation of workers has already been included in Measure 2A (in task 2A-1), while Measure 4A is about wider competences of the system: organisational willingness to implement EU policies on the environment in the new financial perspective.

5.11.3. Measure 4B

Measure 4B has been formulated as follows:

Reorientation of the system of Funds towards active creation of solutions that respond to the identified opportunities and threats

5.11.3.1 Description of the Measure

Measure 4B is aimed at meeting the challenges of the future, which are not yet entirely known at the time of preparation of the Joint Strategy and includes the task correcting the key weakness of the Funds' system as identified in the SWOT analysis (non-uniform nationwide system of records and reporting of the environmental effects) and includes a strategic response to the threat identified in the SWOT (absence of full updating and large variation in the range of estimates of environmental needs, both nationally and in the regions in order to determine future priorities for the Funds' operations and appropriate allocation of their resources). Under this Measure, it is planned to develop the principles of organising cooperation in case of natural disasters and extraordinary environmental threats.

It is assumed that the tasks under this Measure – due to the specificity of change management - can be updated more frequently than every two years.

5.11.4. Measure 4C

Measure 4C has been formulated as follows:

Joint measures of the Funds with a view to implementing high-quality environmental education projects

5.11.4.1 Description of the Measure

Measure 4C is aimed at shaping pro-environmental attitudes of all age groups, both social and professional, improving access to information on the status of the environment, increasing social acceptance for the implementation of the necessary investment and the implementation of programmes for the protection of the environment.

5.11.5. Supported directions of changes in the perspective of innovation, challenges and development

In this area, action will focus on:

- building the *highest possible organisational competence of the Funds* for implementation of the EU instruments and policies in the new financial perspective,
- development of a single registration system of the major environmental effects,
- identification and update of the environmental needs of Poland,
- effective implementation of the tasks in the field of environmental education,
- development of the systemic concept of financial support for eco-innovation,
- development of the principles of organising cooperation between Funds in emergency situations.

5.12. The financial framework for the priorities of the Joint Strategy

Fig. 11: Forecast of funds payment (excluding EU funds) to finance environmental protection in 2009-2020 [PLN million]

Item	Details	planned performance 2009-2012	Forecast					
			2013	2014	2015	2016	2013-16	2017-20
1	NFEPWM and VFEPWM - lending activities based on own resources – total	11,851	3,690	4,070	3,630	2,880	14,270	11,070
		<i>of which:</i>						
1.1	Protection and sustainable management of water resources	7,790	1,430	1,360	910	870	4,570	3,780
1.2	Rational waste management and protection of soil surface	1,297	750	1,060	1,450	1,070	4,330	2,720
1.3	Protection of the air	2,519	1,460	1,590	1,210	820	5,080	3,870
1.4	Protection of biodiversity and ecosystem services	24	0	0	0	0	0	140
1.5	Other	221	50	60	60	120	290	560
2	NFEPWM and VFEPWM – subsidy activities based on own resources – total	7 504	2 590	2 490	1 910	1 250	8 240	6 970
		<i>of which:</i>						
2.1	Protection and sustainable management of water resources	2,125	920	530	480	320	2,250	1,700
2.2	Rational waste management and protection of soil surface	699	250	250	280	250	1,030	1,040
2.3	Protection of the air	1,328	530	1,000	470	390	2,390	2,050
2.4	Protection of biodiversity and ecosystem services	288	120	100	100	30	350	650
2.5	Other	3,064	770	610	580	260	2,220	1,530
3	NFEPWM and VFEPWM - lending and subsidy activities based on own resources – total (1+2)	19,355	6,280	6,560	5,540	4,130	22,510	18,040
		<i>of which:</i>						
3.1	Protection and sustainable management of water resources	9,915	2,350	1,890	1,390	1,190	6,820	5,480
3.2	Rational waste management and protection of soil surface	1,996	1,000	1,310	1,730	1,320	5,360	3,760
3.3	Protection of the air	3,847	1,990	2,590	1,680	1,210	7,470	5,920
3.4	Protection of biodiversity and ecosystem services	312	120	100	100	30	350	790
3.5	Other	3,285	820	670	640	380	2,510	2,090

6. Annex 1. Tasks and tools in support of the implementation of Measures

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator		
Finance	Measure 1A Flexible adjustment of the financing forms and rules, as well as the scope and areas of support from the Funds to the needs of the recipients of co-financing, external conditions and own funding potential	35%	It consists in the exchange of information about relevant mechanisms and tools used to respond to changes in the objectives of beneficiaries in terms of payment of funding in order to use the resources available in a given year to finance the protection of the environment. As a result of information exchange, a report will be created to be used in the operations of the Funds.	Report presenting best practices in terms of relevant mechanisms and tools used to respond to changes in the objectives of beneficiaries in terms of payment of funding in order to use the resources available to finance the protection of the environment.	Selected leader of task in co-operation with the other Funds.	Preparing and circulating the report electronically to the Funds or its presentation at a joint conference of the Funds	Monitoring: every two years (2013, 2015).	YES/NO
		30%	It consists in reviewing practices in the financing of environmental objectives (relevant forms and rules on the financing of projects depending on the specifics of the environmental objectives, types of tasks and beneficiaries), practices for selection criteria of projects for funding. The review is for preparation of information material (report) to be used in the operations of the Funds.	The report "Review of funding rules and the selection criteria for projects applied by the Funds."	Selected leader of task in co-operation with the other Funds.	Preparing and circulating the report electronically to the Funds or its presentation at a joint conference of the Funds		
		35%	It consists in the presentation of information on major financial figures of the Funds (fund status, structure of assets) in the context of the priorities of Funding currently implemented and efficiency and effectiveness of the Funds' system in financing environmental objectives. Information material is prepared e.g. on the basis of reports on public statistics.	Report on major financial figures of the Funds in the context of the priorities of funding currently implemented and efficiency and effectiveness of the Funds' system in financing environmental objectives.	National Fund in cooperation with other Funds	Preparing and circulating the report electronically to the Funds or its presentation at a joint conference of the Funds	Monitoring: at the end of June each year for the preceding year, and in 2013 – for 2009-2012.	YES/NO

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator		
Finance	Measure 1B Mutual agreement on and correlation of co-financing areas and lines for the projects between the Funds	30%	To identify needs and expectations as to the functional conditions of convenient communication and information sharing between Funds in order to create a digital platform (separate Task 3C-1).	Communication by IT services of the National Fund of user expectations as to the functionality of digital platform for information sharing between the Funds.	National Fund in cooperation with other Funds	Specification of the functionality of the "digital platform for information sharing between the Funds" – preparation and submission	Monitoring at the end of the first quarter of 2013.	YES/NO
		Task 1B-1				An agreed procedure for the exchange of information and terms of use of the "Internet platform."	Monitoring at the end of first half-year of 2013.	YES/NO
		40%	Development of principles and once task 3C-1 is implemented -strengthening communication practices between Funds in above area.	An agreed procedure for the exchange of information and terms of use of the "Internet platform ..." and ongoing monitoring of the use of the "Platform..."; Including the tasks of entering information on the platform into the internal procedures of Funds on creating programmes and lists of priority projects.	National Fund in cooperation with other Funds	Including information entry on the "Platform" in internal procedures for all Funds	Monitoring at the end of 2013	Percentage rate (percentage of Funds that included the use of the "Platform" in procedures)
		Task 1B-2				Establishment of the task force on "Agreeing..."	Monitoring at the end of the first half-year of 2013.	YES/NO
		30%	Agreeing the terms and conditions for provision of the National Fund resources for Voivodeship Funds and joint funding of projects of supra-regional and regional level.	Development of the terms, conditions and criteria for funding availability and joint funding of projects of supra-regional and inter-regional character as a result of the work of the task force.	National Fund in cooperation with other Funds	Ready and agreed "Terms, conditions and criteria for funding availability and joint funding of projects of supra-regional and inter-regional character."	Monitoring at the end of 2013	YES/NO
		Task 1B-3						

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator		
Beneficiaries	Measure 2A Improvement in the relations with the beneficiaries through consultations on the proposed solutions, training and beneficiary satisfaction survey.	30%	It consists in the development and presentation of own (separate for each Fund) principles of consultation with the beneficiaries of the new essential objectives of the Funds, taking into account the review of the procedures and practices used for public consultations in other public institutions. Where such principles of consulting are already developed, the task involves the presentation of practices used in this area.	Presentation or preparation plus presentation of the principles used for consulting with the beneficiaries of the new essential objectives of the Funds at a joint conference of the Funds	All Funds	Every two years, inclusion of information on rules on consulting with the beneficiaries of the new essential objectives of the Funds in common agenda of the Funds Conference	Monitoring at the end of 2013 and the end of 2015.	YES/NO
		20%	It consists in the development of the concept of conferences and training courses for the beneficiaries, including proposed conferences and training with a broader purpose (e.g., to disseminate knowledge about new environmental challenges, new environmental policies and innovative plans of the Funds. The concept of the programme of conferences and training courses for the beneficiaries should include a proposal for notification method of new training needs by industry professionals of the Funds and by the beneficiaries themselves.	The concept of conferences and training courses for the beneficiaries	National Fund in cooperation with Voivodeship Funds	Ready "Concept of conferences and training courses for the beneficiaries"		
		50%	Beneficiary satisfaction surveys covering all the Funds	Participation in beneficiary satisfaction survey conducted according to uniform criteria	National Fund in cooperation with other Funds	Participation in beneficiary satisfaction survey once a year, along with a report on the survey	Annual Monitoring.	Percentage of Funds that surveyed beneficiary satisfaction according to indicated methods.
				Questionnaires for beneficiaries completed after the project or stage of its implementation (for example, after conclusion of the contract).	Funds that do not participate in the survey according to uniform criteria	Ready summary of questionnaires from satisfaction survey completed in continuous mode by the beneficiaries of the Funds		

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)		Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
	Subject matter and form of monitoring	The frequency of monitoring	Monitoring indicator						
Beneficiaries	40%	Development of digital services for the beneficiaries	100%	The development of IT systems of the Funds through the use of digital beneficiary support tools developed for the National Fund and planned to be made available to the Funds or development of own systems.	The tool for implementation of the measure is the implementation of digital beneficiary support tools.	All Funds	To provide information on the implementation of such solutions in various Funds.	Will be monitored annually and directly (at measure level),	Percentage of Funds that have implemented digital beneficiary support
	25%		40%						
INTERNAL PROCESSES	25%	Joint measures for enhancement of skills and competences of the employees	Task 3A-1	It consists in joint development and running a training programme for Funds' workers in terms of the necessary knowledge for the implementation of the new programming period policies and instruments of the EU.	Joint training programme for Funds' workers in terms of the necessary knowledge for the implementation of the new programming period policies and instruments of the EU.	All Funds	Implementation of planned training in a given year – report.	Annual Monitoring	Percentage of trainings implemented
			Task 3A-2	It consists in the implementation of a system for the exchange of information on planned training for workers thus allowing the participation of employees from other funds and co-organising trainings.	System of exchange of information on the planned training for workers.	All Funds	Existence of a system of exchange of information on the planned training for workers.	Implementation and monitoring at the end of first half-year of 2014.	YES/NO

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator		
INTERNAL PROCESSES	Measure 3C Establishment and development of a digital platform for co-operation and information sharing	100%	The design of digital functionality of the platform, taking into account all its specific tasks provided for in the Joint Strategy, and taking into account the flexibility to add new tasks (by mid-2013). On this basis - IT solution to ensure the efficiency and reliability of the platform will be selected and implemented, as well as convenient access of all the Funds (by the end of 2013). The first year of the platform's operation (2014) must be a period of permanent monitoring of its functionality and rapid adjustment of the mechanism to the needs of new users of the active platform.	National Fund in cooperation with other Funds	Creation of a description of functionality of the digital platform as agreed with the users	Monitoring in mid-2013	YES/NO	
	40%	Adaptation of the system of Funds to the implemen-	60%	It consists in continuing the participation of the representatives of the Funds in the work of the working groups preparing, at the initia-	Agreed method of transfer of knowledge to the Funds from the work of the working groups at the	The funds participating in the work	Transfer to the Funds of knowledge from the working groups at	Implementation by the end of 2014. Percentage of groups that trans-

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring			
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator			
Measure 4A	tation of the new EU policies and financial instruments as well as system participation in the implementation	Task 4A-1	tive of the Minister of the environment, tools, and priorities for the financing of environmental protection for a new perspective.	Ministry of the Environment.	of the working groups	the Ministry of the Environment in the manner agreed by each group	Monitoring at the end of 2013 and 2014	ferred knowledge to Funds; at the level of each group - YES/NO indicator	
			40%	It consists in development of the systemic concept of financial aid for eco-innovation.	Preparation of universal assumptions for support principles and criteria for research conducted and implementations related to eco-innovation.	Selected leader of task in co-operation with the other Funds.	Preparation of a report presenting universal assumptions for support principles and criteria for research conducted and implementations related to eco-innovation.	Implementation and monitoring for the first half of 2014	
		Task 4A-2						YES/NO	
Measure 4B	Reorientation of the system of Funds towards active creation of solutions that respond to the identified opportunities and threats	40%	40%	It consists in creating a uniform nationwide single registration system of major environmental effects identified in the Joint Strategy and implementing it in the next 2 years throughout the system of Funds.	Designing a methodology for a single register of major environmental effects and subsequent implementation and registration of the effects according to this methodology.	Selected leader of task in co-operation with the other Funds.	Ready design for a single register of major environmental effects	Monitoring at the end of 2013	YES/NO.
							Demonstration by all Funds of environmental effects in accordance with the uniform registration system	Monitoring at the end of 2014	YES/NO
		Task 4B-1							
40%	Reorientation of	20%	It consists in the preparation, together with	Participation in the work of the	Selected	Presentation by the	Annual	YES/NO.	

Perspective	Measure (name of the measure and impact on evaluation of the implementation of perspective)	Task (task description and impact on the assessment of the implementation of Measure)		Tools for implementation of task	Task carried out by	Monitoring		
		Subject matter and form of monitoring	The frequency of monitoring			Monitoring indicator		
Measure 4B	the system of Funds towards active creation of solutions that respond to the identified opportunities and threats	Task 4B-2 the Ministry of the Environment of solutions to identify and update environmental needs.	Ministry of the Environment to identify and update the environmental needs.	leader of task in co-operation with other Funds.	leader/leaders of the task of a progress report on solutions to identify and update the environmental needs of Poland	Monitoring		
		40% Task 4B-3 It consists in the preparation of the rules of organising cooperation in response to the occurrence of a natural disaster or other extraordinary environmental threat.	Preparation of formal rules (procedure) of organising cooperation in response to the occurrence of a natural disaster or other extraordinary environmental threat.	Selected leader of task in co-operation with the other Funds.	A ready procedure to organise cooperation in response to the occurrence of natural disasters or other extraordinary environmental threats	Monitoring at the end of the half-year of 2014.	YES/NO.	
Measure 4C	Joint measures of the Funds with a view to implementing high-quality environmental education projects	20% 50% Task 4C-1 It consists in launching permanent cooperation between units responsible for environmental information and education and implementation of the system for the exchange of information.	Agreed procedure for the exchange of information between the Funds on educational projects funded, presentation of "flagship" projects and dissemination of objectives and effects of model solutions (launched by the end of 2013).	All Funds	Development of a procedure for the exchange of information between the Funds	Monitoring at the end of 2013	YES/NO.	
		50% Task 4C-2 It consists in the development of a system of financing high-quality environmental education projects primarily a nationwide character.	Developing and updating the list of thematic areas that require implementation of nationwide projects or complementary regional and supraregional projects. An indication by each of the Funds of the "leading competences", i.e. thematic areas, where they could take the role of a leader	All Funds	Preparation of a list of thematic areas and allocating leader Funds to them	Monitoring at the end of 2013	YES/NO.	



7. Tables and lists

7.1. List of Contents:

1.	Summary of the Strategy	3
2.	Introduction	7
2.1.	Background and conditions for the adoption of the Joint Strategy	7
2.2.	Place of the Joint Strategy in the Funds' strategic planning system	8
2.3.	Consistency with other strategic documents and programmes	10
2.4.	Elements of the summary of the hitherto implementation of the Joint Strategy for 2009-2012	12
3.	Synthesis of the strategic diagnosis	14
3.1.	Role of the Funds in the financing system of environmental protection and water management in Poland.....	14
3.2.	Financial and organisational potential of the Funds	14
3.3.	Main conclusion resulting from the forecast of development trends within the scope covered by the Joint Strategy 16	
3.4.	Conclusions from the strategic SWOT analysis of the system of Funds.....	16
4.	Strategic Plan – Introduction	19
4.1.	Structure of the Joint Strategy	19
4.2.	Time framework for the duration of the current Joint Strategy	20
5.	Objectives, priorities and perspectives of the Joint Strategy	22
5.1.	General objective – the mission.....	24
5.2.	Priorities of the Joint Strategy.....	25
5.3.	PRIORITY 1: Protection and sustainable management of water resources.....	28
5.4.	PRIORITY 2. Rational waste management and protection of soil surface.....	31
5.5.	PRIORITY 3. Protection of the air	33
5.6.	PRIORITY 4. Protection of biodiversity and ecosystem services	34
5.7.	Perspectives of implementing the mission and priorities of the Joint Strategy.....	36
5.8.	Perspective 1- FINANCE	37
5.9.	Perspective 2 – BENEFICIARIES	40
5.10.	Perspective 3 - INTERNAL PROCESSES.....	42
5.11.	Perspective 4 - INNOVATION, CHALLENGES, DEVELOPMENT	45
5.12.	The financial framework for the priorities of the Joint Strategy.....	48
6.	Annex 1. Tasks and tools in support of the implementation of Measures	49
7.	Tables and lists	57
7.1.	List of Contents:	57
7.2.	List of figures:.....	57

7.2. List of figures:

Fig. 1:	Place of the Joint Strategy in the Funds' strategic planning system	9
Fig. 2:	General structure of the Joint Strategy: structure of priorities and strategic perspectives	20
Fig. 3:	Location of the Joint Strategy on the timeline for the EU programming periods	21

Fig. 4: Structure of the Joint Strategy objectives	23
Fig. 5: Forecast changes in the amounts and field structure of financing of environmental protection by own funds of the Funds in strategic perspectives (PLN million)	28
Fig. 6: Projected changes in the amount and form of financing projects from own resources of the Funds for the protection and sustainable management of water resources (PLN million)	30
Fig. 7: Projected changes in the amounts and forms of financing projects for rational waste management and protection of soil surface from own resources of the Funds (PLN million)	31
Fig. 8: Projected changes in the amount and form of financing of projects from own resources of the Funds for the protection of the atmosphere (PLN million)	33
Fig. 9: Projected changes in the amount and form of financing projects from own resources of the Funds for biodiversity and ecosystem services (PLN million)	35
Fig. 10: System of four strategic perspectives in the context of implementing the mission	37
Fig. 11: Forecast of funds payment (excluding EU funds) to finance environmental protection in 2009-2020 [PLN million]	48