



Presentation given during the CONFERENCE on the use of EU pre-accession funds and their environmental and social implications
Billions for Sustainability? Lessons learned from the use of pre-accession funds (25-26 November 2002)

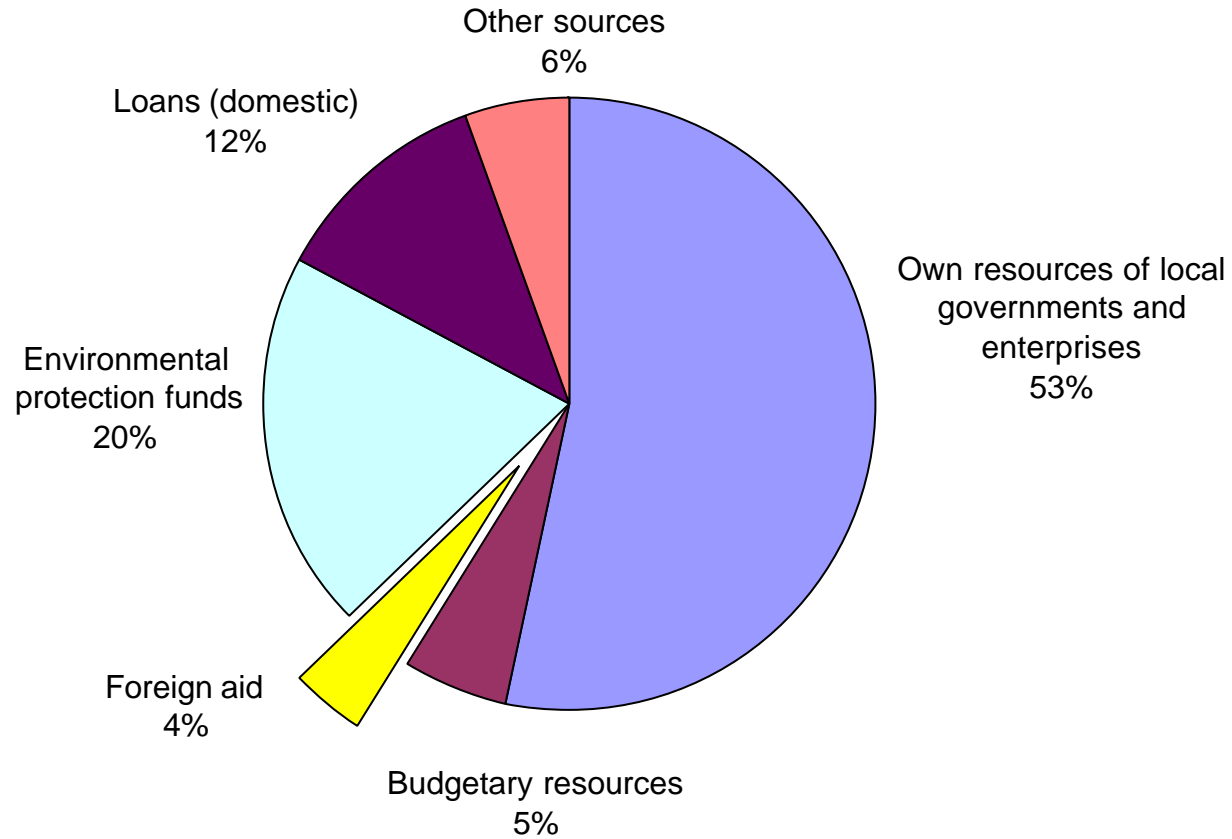
Costs of environmental accession - Polish case

Andrzej Gula - CEE Bankwatch Network

- Positive effects of implementing environmental *acquis communautaire* - accelerating process of investments in environmental protection infrastructure (e.g. requirements of the 91/271/EEC and 99/31/EC directives)
- Sources of financing environmental protection investments in Poland

Sources of financing environmental protection investments in Poland

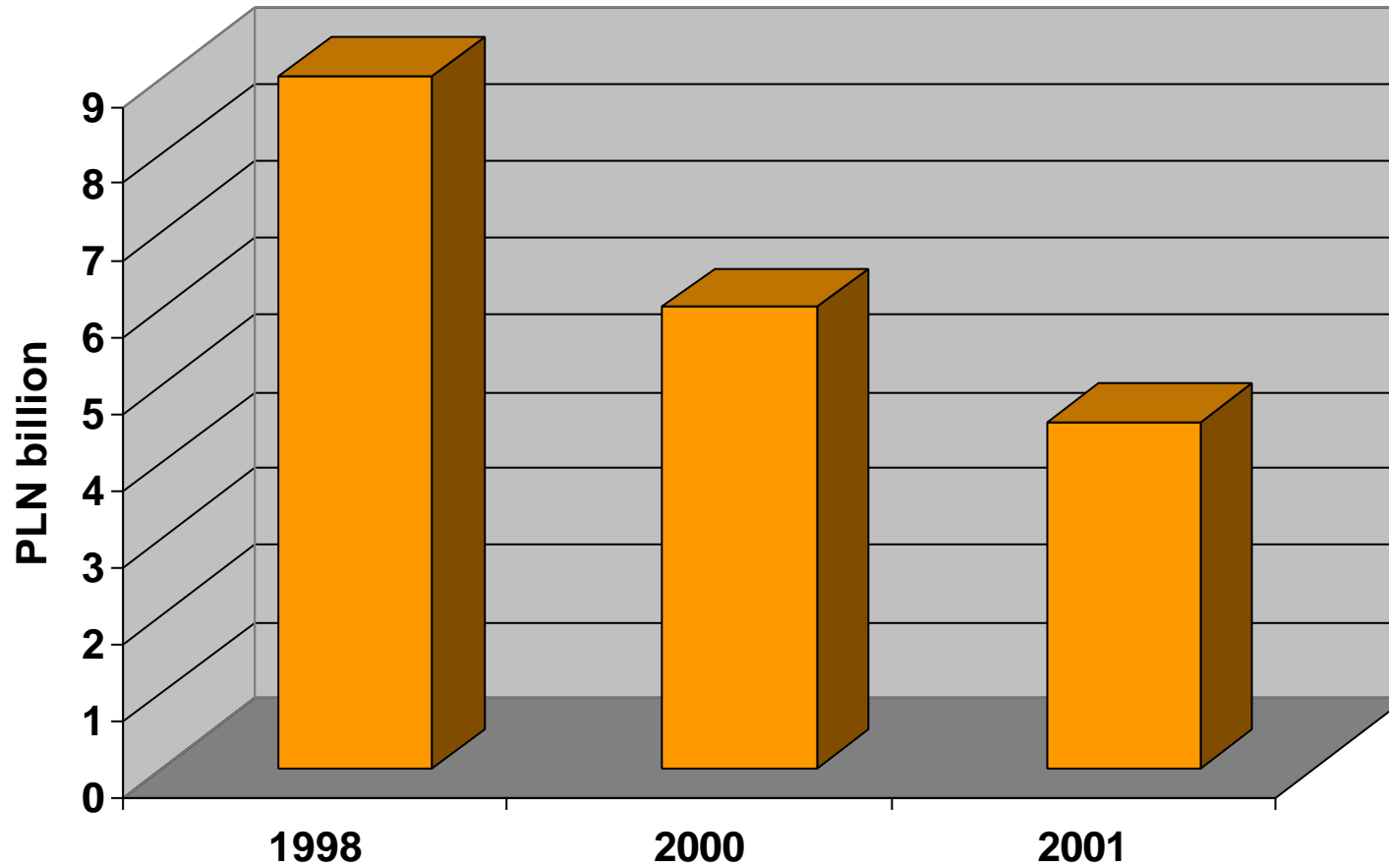
Source: Main Statistical Office, 2001



Environmental protection investments in Poland

(data for 2001 are preliminary estimations of the Main Statistical Office)

Source: Ekofinanse, July-August 2002



Deficits in financing environmental protection investments in Poland?*

**The calculations presented below are based on the model prepared by K. Berbeka, PhD from the University of Economics in Krakow. The model enables to look at various scenarios of balancing necessary outlays for implementing environmental AQ with available financial resources.*

- Between 2000-2006 the estimated deficit in financing environmental protection investments may reach 342.1 million Euro
- However the deficit may be even larger, as the calculations do not take into account costs of the IPPC directive (a very investment-heavy directive), there are no data available on new framework water directive and the LCP directive
- The calculations assume the minimum cost scenario for implementation of the wastewater directive (91/271/EEC), adopting the maximum cost scenario would increase the deficit to over one billion Euro

Deficits in financing environmental protection investments in Poland?

- Moreover, the calculations assume that the decrease in environmental protection outlays will halt (whilst currently we observe the opposite trend)
- Decrease in financial capacity of environmental protection funds by 7% and further stagnation would increase the deficit by another 470 million Euro
- A significant deficit may occur with respect to waste management directives (e.g. 99/31/EC) - the largest decrease of investment outlays has been observed in this sector

Other problems with environmental protection investments

- The outcomes of statistical survey conducted by the IETR among Polish municipalities in 2001 indicate that mainly larger territorial units (cities and towns) submit applications to the pre-accession funds and domestic environmental protection funds (among the municipalities that submitted applications to one of the assistance funds 82.7% were larger territorial units i.e. towns and cities, and 17.3% were rural municipalities)
- Municipalities tackled significant problems with application procedures (filling in complicated application forms, changes of the application format, etc.)
- Consultations with various stakeholders indicate the need to improve administrative capacities of Polish municipalities

Looking for solutions to the problems

- The Institute for Environmental Tax Reform from Poland and CEE Bankwatch network initiated the project: *On the Way to the European Union - Financing Environmental Protection Investments in the Accession Process*
- The project is implemented in four candidate countries - Poland, Lithuania, Latvia and Estonia
- The crucial task of the project is to investigate the barriers hindering implementation of environmental *acquis communautaire* in the candidate countries and to pursue positive solutions to the problems

Looking for solutions to the problems

- The preliminary study - *Financing Environmental Protection Infrastructure in Poland, Lithuania, Latvia and Estonia - Implementing EU Directives in Wastewater Treatment and Waste Management*
- Local conferences in the four candidate countries

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