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EU4Environment

Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine

STRENGTHENING PUBLIC FINANCE CAPACITY FOR GREEN INVESTMENTS IN THE EASTERN PARTNERSHIP (EaP) COUNTRIES

Webinar

Designing and implementing green public investment programmes – experience from Poland and the Czech Republic

Draft agenda

Thursday, 4th February 2021, 10:00 – 12:25 (CET)

Please register for the webinar [here](#)

Action implemented by:



Background

Soon after embarking upon transformation processes in the early 1990s, the countries in Central Europe recognised the importance of public support and coordination mechanisms to bolster environmental projects and green investments. Back then, the national public authorities – including the ones in Poland and the Czech Republic – were learning how to use public resources effectively and efficiently to correct the vast environmental damages that the previous regime had caused over more than 40 years.

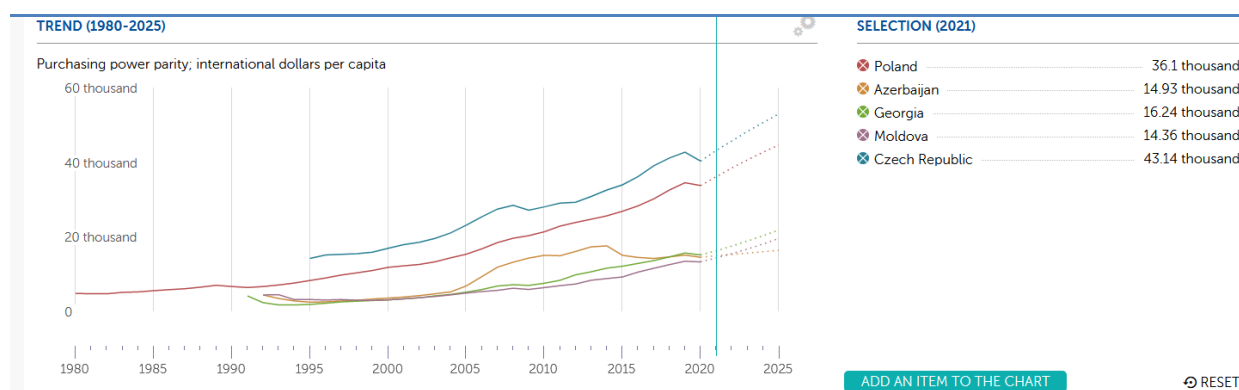
Public policy discourse progressed from the notion of public procurement as the only instrument to achieve these goals towards creating regulatory framework and economic incentives for greener investments of households and companies with a vision that targeted and efficient public support can align other investments and leverage private ones.

In this process, the governments swiftly moved away from the initial financing of projects on ad-hoc basis and began to work on a programmatic approach: they started to prepare programmes to reach the given environmental targets in a given, often multi-year, timeframe and allocated budget. Since then, green public investment programmes have played an increasingly important role in leveraging non-state investments into projects with environmental, climate-related or social objectives that would not have been implemented without public funding.

In countries applying this concept, the major beneficiaries of public support have traditionally been municipalities and municipal companies (especially for projects related to the municipal services like water/wastewater, solid waste management, or heating), followed by households and private companies. Their environmental or climate-related investment projects can be supported (co-financed) in form of grants, soft loans (low-interest loans), or other instruments.

Important to note is that the programmatic approach was introduced already a long time before the countries gained access to more significant finances from domestic or international sources. By applying such an approach they have increased their human, operational and institutional capacities to prepare and to implement much larger environmental expenditure programmes and to leverage additional resources.

It is also worth to emphasise that according to the IMF, Poland's GDP per capita (purchasing power parity; international dollars per capita) was USD 6 600 in 1990 and USD 14 000 in 2004, which is a figure comparable to the current GDP per capita in Azerbaijan, Georgia or Moldova. This shows that regardless of the level of economic development, economically sound public investment programmes designed and costed in line with international good practices that identify pipeline(s) of cost-effective projects can effectively compete for, and generate, support and leverage funds from both budgetary and donor sources.



Source: International Monetary Fund

In the context of public finance, expenditure programming is a process by which decisions are made with regard to which priority areas need public support and whose objectives would not be achieved without allocating such funds. A programme is a group of activities, in the form of project pipelines, intended to contribute to achieving an identified set of government objectives with a clearly defined, i.e. allocated, budget and a timeframe, including target dates for achieving these objectives. However, contrary to projects pipelines in a sense of list of concrete projects, a programme is a framework for how these projects can be selected based on eligibility criteria.

Programming approach also requires more refined implementation structures and, accordingly, higher level of ownership of national public authorities. It also includes defining the rules that will govern the allocation of resources across different sectors). Given the cross-sectoral nature of environmental and climate change issues, responsibilities for their management can be spread across different government ministries and agencies (environment, economy, infrastructure, regional development, etc.). There are many ways of financing and setting up the system of environmental protection. In this webinar, representatives from Poland and the Czech Republic will share their experience from the viewpoint of national environmental funds as implementing bodies.

Since 2012, the OECD has supported countries from the Eastern Europe, Caucasus and Central Asia (EECCA) in the area of energy efficiency of the housing sector ([Kazakhstan](#)) as well as clean urban public transport ([Kazakhstan](#), [Kyrgyzstan](#), and [Moldova](#)). The OECD provided technical assistance and capacity building to public authorities in designing, costing green public investment programmes as well as support in complementary activities and requirements that need to be in place to successfully launch the programme's actual implementation.

Beyond the primary technical assistance,¹ also capacity development activities on the programmes' implementation are being currently conducted under the EU4Environment Action ([Moldova](#)). The OECD has developed a number of policy tools that aim to support efforts of governments to design

¹ This activity included developing and applying a specific programme costing methodology and (Excel-based) costing tool that allow for a precise assessment of the overall implementation costs – both in terms of “hard” investments as well as administration/management expenditure – of a particular investment programme over its foreseen/aspired environmental impacts. In this way, it provides implementers an opportunity either to optimise the targets given a specified programme budget, or vice versa, to adjust the programme budget to achieve the set targets. As such, the model is an analytical tool that can help the decision-making process become better informed and more transparent.

and implement green public investment programmes – either at national or local level – in a cost-effective way and in line with international good practices.² In addition, the OECD has also conducted training courses on public environmental expenditure management, which can provide a basis for developing further training programmes on this issue.

Objectives of the Webinar

- to facilitating knowledge transfer and experience-sharing between the EU and EaP countries with regard to greening public expenditure;
- to support Moldova in efforts to launching the designed green public investment programme targeted at more environment-friendly urban public transport based on the previous work;
- to support the initial stages of OECD co-operation with the governments of Azerbaijan and Georgia with regard to designing and costing green public expenditure programmes, in particular, in identifying and narrowing down a focus (sub-)sector where public support would be legitimate and cost-effective.

Participants – Speakers and Target Audience

Speakers at this webinar will come from implementing bodies of green public expenditure programmes – the National Fund for Environmental Protection and Water Management in Poland, and the State Environmental Fund of the Czech Republic – as well as from an academic institution that has been involved in the preparation of these programmes – Institute of Environmental Economics in Poland.

The invited audience are local public authorities (national, regional or local level), environmental NGOs and environmental experts from the EaP countries.

Practical Information

English-Russian interpretation will be provided during the meeting.

About EU4Environment

The “European Union for Environment” (EU4Environment) aims to help the six partner countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine preserve their natural capital and increase people's environmental well-being, by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. The Action is funded by the European Union and implemented by five Partner organisations: OECD, UNECE, UNEP, UNIDO and the World Bank based on a budget of some EUR 20 million. The Action implementation period is 2019-2022.

For further information contact: EU4Environment@oecd.org

Project website: <https://www.eu4environment.org>

² Some of these tools include: Good Practices for Public Environmental Expenditure Management (<http://www.oecd.org/env/outreach/38787377.pdf>) and the Handbook for Appraisal of Environmental Projects Financed from Public Funds (<http://www.oecd.org/env/outreach/38787377.pdf>).

AGENDA

Session 1	Welcoming remarks
10:00 – 10:10 (10 min)	<ul style="list-style-type: none"> Objectives of the webinar, background of the project and introduction of presenters <p>Krzysztof Michalak OECD Environment Directorate</p>
10:10 – 10:20 (10 min)	<ul style="list-style-type: none"> Brief introduction to programmatic approach in public environmental expenditure <p>David Simek OECD Environment Directorate</p>
Session 2	Review of specific public green investment programmes implemented in two selected Central European countries – Poland and the Czech Republic
10:20 – 10:35 (15 min)	<ul style="list-style-type: none"> The origin and objectives of the Clean Air Programme <p>Andrzej Gula Institute of Environmental Economics, Poland</p>
10:35 – 10:50 (15 min)	<ul style="list-style-type: none"> Implementation of the Clean Air Programme <p>Agnieszka Rendemann National Fund for Environmental Protection and Water Management, Poland</p>
10:50 – 11:05 (15 min)	<ul style="list-style-type: none"> Review of green public investment programmes implemented by the State Environmental Fund of the Czech Republic <p>Ivo Marcin State Environmental Fund of the Czech Republic</p>
11:05 – 11:25 (20 min)	<ul style="list-style-type: none"> Questions and answers, discussion <p>Rafal Stanek (facilitator) Kommunalkredit Public Consulting</p>
Session 3	Institutional framework for implementing public green investment programmes in two selected Central European countries – Poland and the Czech Republic
11:25 – 11:40 (15 min)	<ul style="list-style-type: none"> Institutional and operational setup of the programming processes of green investment support programs in Poland

	<p>Marta Babicz National Fund for Environmental Protection and Water Management, Poland</p>
11:40 – 11:55 (15 min)	<ul style="list-style-type: none">• Key institutional, staffing and operational features of the implementation of investment programmes in the Czech Republic <p>Ivo Marcin The State Environmental Fund of the Czech Republic</p>
11:55 – 12:15 (20 min)	<ul style="list-style-type: none">• Questions and answers, discussion <p>Christian Oberleitner (facilitator) Kommunalkredit Public Consulting</p>
Session 4	Closing remarks
12:15 – 12:25 (10 min)	<ul style="list-style-type: none">• Wrap up of the event and key takeaways <p>Krzysztof Michalak OECD Environment Directorate</p>
	<p><i>Related documents:</i></p> <ul style="list-style-type: none">• Presentations (English)
