



**SEMINAR ON ENVIRONMENTAL SERVICES AND FINANCING FOR THE PROTECTION AND SUSTAINABLE USE OF ECOSYSTEMS**

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**REPORT ON ENVIRONMENTAL SERVICES AND FINANCING FOR THE PROTECTION AND SUSTAINABLE USE OF WATER-RELATED ECOSYSTEMS**

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**PAYMENT FOR THE ENVIRONMENTAL SERVICES - PES<sup>1</sup>**

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Poland does not have a system for financing environmental services provided by water-related ecosystems in catchment areas. Instead some partial solutions are successfully used in this field, such as:

- Compensation for limiting land use connected with the establishment of protection zones for water abstraction sites and protection areas of inland water reservoirs paid to landholders, including the owners of agricultural land, forests, wetlands, etc. by an entity using a part of the water body,
- Payments for agro-environmental undertakings within nature protection areas: national parks, landscape parks, nature reserves, NATURA 2000 areas including protection and sustainable use of water-related ecosystems; payments are made by the Agency for Restructuring and Modernisation of Agriculture with the financial resources coming from the European Community and the state budget,
- Donations from environmental funds: the National Fund for Environmental Protection and Water Management and its sixteen regional funds – the Voivodship Funds for Environmental Protection and Water Management for the following purposes:
  - the development of the so called “small” water retention,
  - protection and restoration measures, including those contributing to the weakening of anthropopression effects over areas considered to be vital for the implementation of the strategy for the protection of nature and biodiversity, including water-related systems,
  - the implementation of the National Programme for Increasing Forestation.

The financial resources of the National Fund for Environmental Protection and Water Management and the Voivodship Funds for Environmental Protection and Water Management come from charges for the extraordinary use of the environment, including the use of water resources, and from fines imposed for violating the conditions for using the environment set in appropriate permits. In the case of the use of water resources, charges are

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<sup>1</sup> The aim of the „**payment for the environmental services**” – PES is to integrate the management of water, forests, wetlands, agricultural soils by using a market-based approach in a river basin. Upstream land users are compensated by the downstream users for stimulating environmentally friendly land-use practices for the management of forests, soil and other water-related ecosystems

- collected for water abstraction, wastewater discharges to water bodies or the soil and for discharging polluted rainwater from urban areas,
- Donations for the above-mentioned undertakings (activities) from the Eco Fund foundation: the financial resources of this fund are assistance funds from the state budget and constitute the so called eco-conversion funds – a form of payment of the Polish dept generated before 1980 to the countries expressing their consent for such a form of dept-paying (cancellation of up to 10% of the Polish State dept in return for environmental protection investments implemented in Poland),
  - Equivalents from the state budget for excluding farmland from agricultural use and undertaking forest farming activities instead.

Despite the sub-basin-like water management system, which has been operating since many years in Poland the payments, donations and equivalents are granted and executed within the administrative structures (framework). Only the compensations for land-use limitations due to the establishment of water abstraction protection zones and the protection of inland water reservoirs are connected with a concrete protected catchment area.

Catchment area programmes are an exception, but they address only a few catchment areas for which the local self-governments agreed on the need for preparing such programmes aimed at solving problems connected with water protection against pollution and water supply.

It seems that at present a system of payment for environmental services (PES) could be taken into consideration and introduced in Poland for a given catchment area only on experimental terms, as the existing Polish legislation does not allow to introduce a variety of fees for the extraordinary use of the environment within one catchment area structure. This remark is also valid for the payment for agro-environmental activities and also for excluding farmland from agricultural use and undertaking forest farming.

If a decision allowing to undertake such an experiment in Poland is made leading to the selection of an adequate catchment area, for which problems connected with eco-services compensation payments for upstream land users by the downstream land users may take place, and after an experimental simulation model proves to be successful, and after a positive public opinion on agreeing to make such payments is obtained, then the issues included in the guidelines for the national report on PES covering:

- Valuing ecosystem services,
- Legal and contractual aspects,
- Challenges for the implementation,

will be analysed in detail.