



**Környezetvédelmi
és Vízügyi
Minisztérium**

II. National Development Plan Hungary

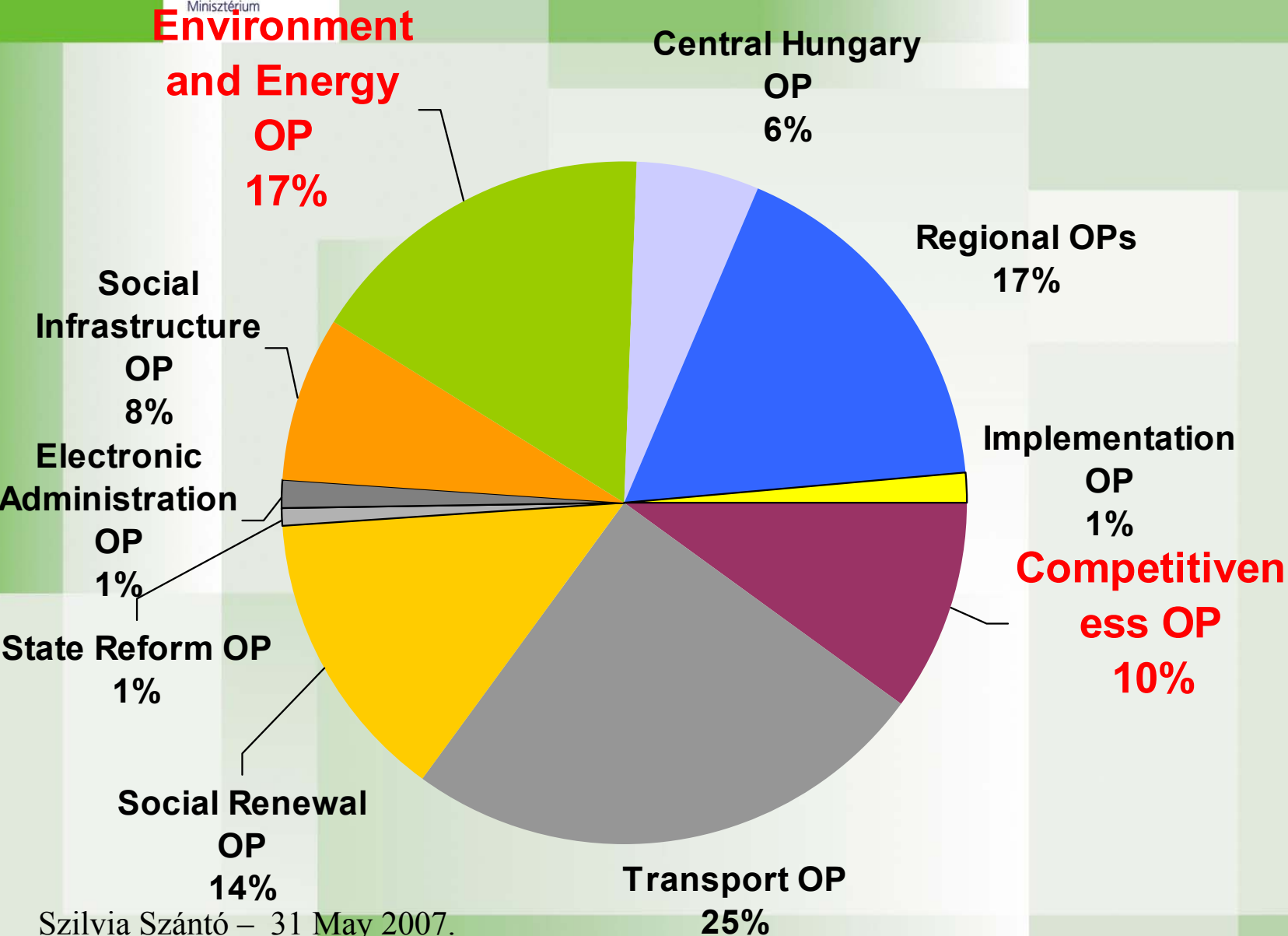
Public Sector Finance Seminar,
31st May, 2007. Berlin
Szilvia SZÁNTÓ
Ministry of Environment and Water
Hungary



- Ministry of Environment and Water
- Department of Environmental Development (Development coordination and environmental technologies)
- Planning the period 2007-2013 of EU Funds
- Environment and Energy Operational Programme
- Competitiveness/Economy Development Operational Programme
- SCP, RES and Energy efficiency priority axes
- Beneficiaries: SMEs

The New Hungary Development Plan (*NHDP*): Strategic Reference Framework for the use of EU Cohesion Fund and Structural Funds.

Resource allocation of the NHDP



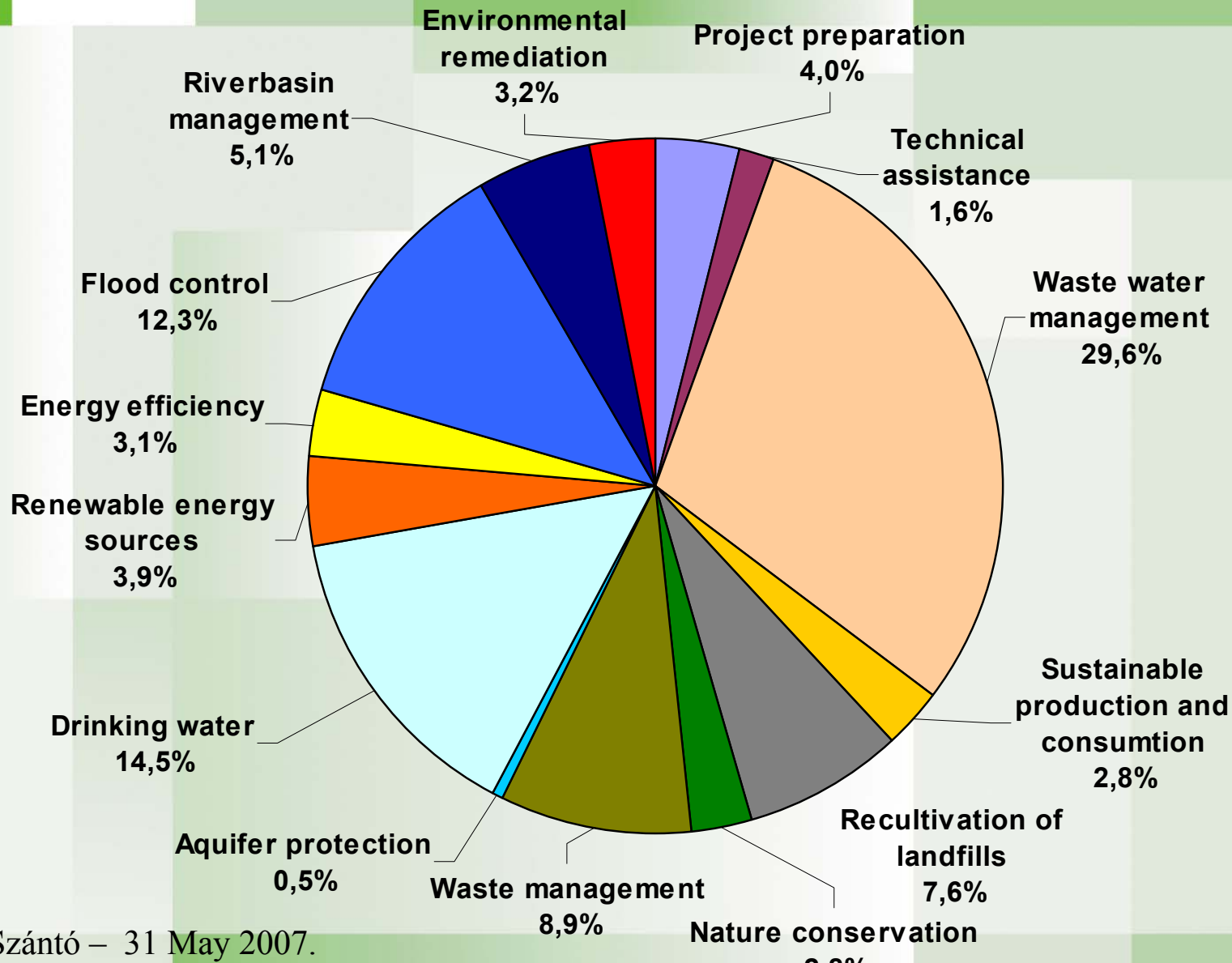
EEOP overall strategic objective:

- to carry out tasks necessary to meet EU requirements;
- to promote pollution prevention and preventive approach;
- to meet regional needs.

Economic growth and continuously increasing employment should be reached while ensuring a safe, clean, good quality environment, and creating opportunities for healthier, longer and more complete lives.

Priority axis	Financial Assistance (€)	%
Healthy and clean settlements, covering:	2.588.186.376	53%
Wastewater treatment	1.445.449.113	30%
Waste management	432.931.950	9%
Improvement of drinking water quality	709.805.333	15%
Efficient energy usage	153.437.399	3%
Increase of the usage of renewable energy sources	191.839.812	4%
Wise management of waters, covering:	1.401.657.427	29%
Formation of good flood protection practices	602.874.583	12%
Complex river basin development	249.468.332	5%
Environmental remediation	153.958.995	3%
Recultivation of landfills	372.691.096	7%
Aquifer protection	22.664.457	1%
Wise management of natural assets	135.281.906	3%
Promotion of sustainable lifestyle and consumption	138.797.265	3%
Project preparation	195.745.699	4%
Technical assistance	78.447.087	2%
TOTAL	4.883.392.969	100%

Resource allocation of the EEOP



Planned operations :

- Biomass-utilization
- Waste utilization
- Biological waste based biogas production and utilization
- Geothermal electric and/or thermal energy generation
- Instalment of the most up-to-date heat pump systems
- Establishment of solar power utilization systems
- Energy conscious architectural solutions
- Increase of existing water power plants' life span, efficiency
- Electric energy production via wind power
- Biofuel production

Planned operations :

- Modernizing the energy consumption of public buildings
- Modernization of district heating systems
- Modernization of energy systems in the commercial sector (industry, energy industry, services)

Demand:

- 106 projects
- 68, 78 million €

Decision for payment:

- 42 projects
- 23,45 million €

Indicator (target / achieved):

- Installed new RES capacity (30 MW / 1,8 MW)

Target for 2007-2013

- Increase of green electricity 6,5%
- Increase of overall RES 7,2-7,6%
- Decrease of energy use by 0,15-0,3%



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Economy Development Operational Programme - 2007-13

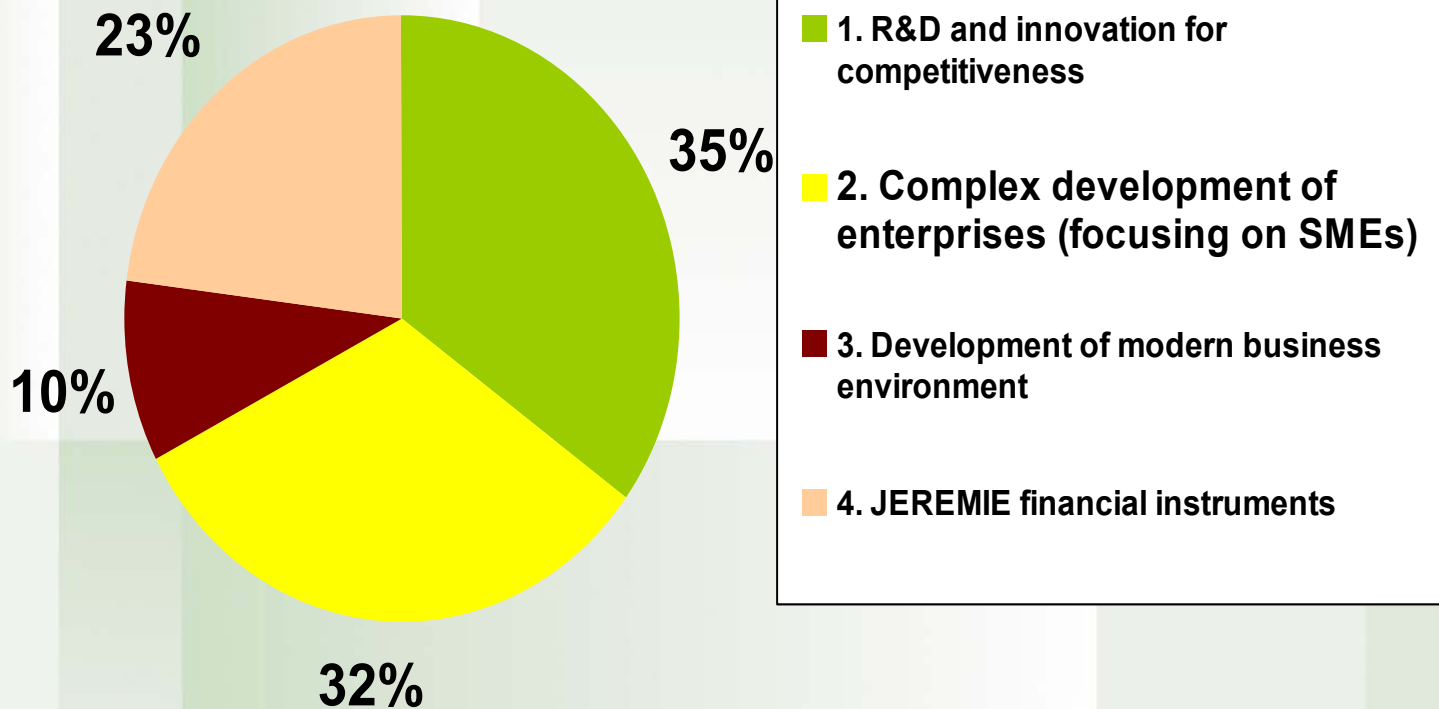
Ministry of Economy and Transport

- Enhancing economic competitiveness by promoting
 - *excellence, and*
 - *catching-up.*
- Principle of intervention: state aid must contribute to overcoming market failure, or improving market structures
- EDOP is no normative social assistance to entrepreneurs
- Major changes to the predecessor ECOP
- More emphasis on RTD and innovation
- Complex enterprise development projects
- Introduction of financial engineering actions



Measure	Million €
1. R&D and innovation for competitiveness	990,7
2. Complex development of enterprises (focusing on SMEs)	910,3 5,5 - SP
3. Development of modern business environment	278,2
4. JEREMIE financial instruments	650,9
TOTAL	2 830,1

EDOP Financial allocation



Priorities of Economy Development OP

1. **R&D and innovation for competitiveness**
2. **Complex development of enterprises (focusing on SMEs)**
3. **Development of modern business environment**
4. **JEREMIE financial instruments**

Eligible costs in all possible support schemes:

- **Development of info-communication technologies and services**
- **Enterprise human resources development**
- **Resorting business, consulting and market development services**

Planned operations:

- Good housekeeping (company audits, environment management systems, stakeholder-forums)
- Supplementing facilities (Rationalizing production procedures and facilities)
- Introducing cleaner technology (BAT, EVABAT, etc)
- Inter-business actions, industrial ecology

Development policy instruments

- **Non-refundable incentives/grants**
- **Financial engineering actions**
 - *Microfinance*
 - *Loan guarantee*
 - *Venture and seed capital*

JEREMIE – main characteristics

- **Sustainable (recycling funds),**
- **Leverages ERDF grants with private capital,**
- **Enhances market driven and sustainable financial products and instruments,**
- **Based on identifying appropriate instruments to fill the market gaps (*gap analysis*),**
- **Flexibility in rearranging funds or complying with n+2 rules,**
- **The holding fund follows demand, monitors implementation and stands for efficient management.**

Requirements

	Turnover (every year last 3 years average)	Turnover in proportion of financial support
2.1.1./A	15 %	*1,2
2.1.1./B	12 %	*1,6
2.1.1./C	10%	*2
2.1.2. B	10%	*1,2
2.1.2./C	8%	*1,6



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Thank you for your attention!

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Magyar Köztársaság