Analysis of the sources of financing for water management in the Polish economy

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ABSTRACT

Environmental protection expenditures stimulate the investment process in each area of environmental protection including water management. Thus, the pace and scope of these investments is dependent on the level of expenditures incurred by both commercial and public sectors, including local government units. In this paper, a comparative analysis of expenditures of the EU countries in Poland in relation to GDP has been presented. A completed study showed some significant differences between various countries; however, some similarities have been seen within the so-called old and new EU members. With regard to new members, some significant progression of the environmental expenditure in relation to GDP has been noticed while in the case of the so-called old countries the relationship remained relatively constant. At the same time, it has been proved in structure analysis that the analyzed amount of expenditures is not determined by the level of development of individual countries. Moreover, higher dynamics of incurred expenses in the New Union compared to countries belonging to the so-called Old Union has been diagnosed. Against this background, the structure of sources regarding financing Poland’s water economy has been assessed indicating that the debt including in particular funds mainly from the EU, environmental funds and the state budget are an important source of financing. It should be emphasized that funds obtained from the EU in the period 2005–2010 increased significantly. That increase resulted in reconverting the structure of financing the capital expenditure on fixed assets in water management, whereas in the years 2010–2011, the highest proportion of funds accounted for the funds mainly provided by the EU. Despite a decline in new investments undertaken in the years 2011–2012, it still remains the main source of funding. The regression of investment in water management in the years 2011–2012 occurring especially in business enterprises and municipalities should be a matter of concern.

Keywords: Water management; Investments; Fund

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