

## ENVIRONMENT-PURPOSED AIMS WITHIN THE FRAMEWORK OF THE NEW HUNGARY DEVELOPMENT PLAN

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### *ABSTRACT*

*The environment protection got more attention in the last few years. The New Hungary Development Plan (shortly: NHDP) 2007-2013 has a detached operational program for environment-purposes. In the period between 2007-2013 approximately 8.000 billion HUF can be called down as not refundable subsidy in the framework of NHDP. The aim of this study is to present and analyse the priorities and programs, and the utilisation of the supports within the Environment and Energy Operational Program (EEOP). Every 22nd HUF was paid out for environment and energy modernisation or development in the last three years. It is a gladsome tendency that people and companies pay more attention to environment consciousness, but the financial means utilised for this purpose are still very low. It is also regrettable that only one-third of the submitted tenders was accepted by the National Development Agency.*

(Keywords: European Union, New Hungary Development Plan, Environment and Energy Operational Programme, National Strategic Reference Framework of Hungary 2007–2013)

### INTRODUCTION

Between 2007 and 2013, Hungary got a possibility to develop and re-align the country from almost HUF 8.000 billion. This enormous amount of money comes from European taxpayers, through the European Union's development fund of EUR 22.4 billion and funds available for rural development. This is a never returning opportunity to launch a catch up to the developed West-European countries, and strengthen the Hungarian economy and the existing potentials in the Central-European Region. In 2007 the Government defined the way of development in the National Strategic Reference Framework of Hungary 2007–2013. In this document they chose the employment and growth as title words for the upcoming seven years.

The NHDP has six main priorities which are cross-linked and have impact on each other. One of these priorities is the environment development. The aim of this study is to analyse the representation of the environmental objectives within the framework of the NHDP.

“The priority of environmental and energy developments is aimed at the achievement of objectives defined in the horizontal policy of sustainability. The priority contributes to the achievement of the long term growth objective by reducing influences damaging the environment, by preserving the natural

environment that forms the basis of growth, and with prevention, efficiency as well as an integrated approach to complex problems.

According to the respective guideline of the CSG Europe and its regions should be made more attractive places to invest and work in by strengthening the synergies between environmental protection and growth, and by less intensive use of traditional energy sources. From an environmental point of view, serving economic growth means the promotion of preventive measures in the long term. However, these measures can have a proper impact only if “end-of-pipe” solutions are adequately widespread so as to tackle environmental burdens that are inevitably caused by social and economic activities. As regards preventive environmental protection, Hungary’s commitments determined in the Treaty of Accession are the starting point from which sustainable use of the environment can be reached by strengthening environmentally efficient production and consumption structures.

The strategy in the NHDP is based on the above described principle, thus our main goal is to build up the missing elements of the environmental infrastructure, but at the same time we also strive to give impetus to the spread of preventive environmental solutions in the field of both production and consumption. The following intervention groups serve the environmental and energy developments:

Developments improving the environment, the elements of which include:

- Achieving healthy and clean settlements including:
  - waste management,
  - waste water management,
  - improvement of drinking water quality;
- Wise management of our waters including: protection against floods,
- Protection of the quality and quantity of our waters, prevention of further pollution of waters (protection of water bodies of high importance, water aquifer protection, recultivation of waste deposits and environmental remediation), state measures of WFD implementation,
- Wise management of our natural assets;
- Promotion of sustainable production and consumption habits, raising the awareness of environmental and climate issues;
- Regional dimensions of environment developments. Environment-friendly energy developments, the planned tools of which are:
  - the promotion of developments aimed at energy efficiency and saving,
  - the production and utilization of renewable energy.

The objectives of the sustainable use of the environment are to be realized in line with the priorities of the Community Strategic Guidelines and the 6<sup>th</sup> Environment Protection Action Programme of the European Union...“ (NDA, 2007).

## **MATERIALS AND METHODS**

For the analysis I used the official homepage and database of the New Hungary Development Plan. It presents data about the NHDP and its results. Researcher can search and organize the data presented by the webpage, in many different views. For

this comparative analysis I used the actual statistics of the operational programmes and priorities which were presented on the 6<sup>th</sup> November 2010. The above mentioned statistical database is only available on the Hungarian sites, in Hungarian.

I used the *TÉRKEPTÁR* data source as well, which is a special geographical information system (shortly: GIS) of the National Development Agency (shortly: NDA) to represent the statistics and data related to NHDP on the map of Hungary at very different levels. The presented data can be displayed at country, regional, county or micro-region levels as well.

To prepare this comparative analysis I used general and descriptive statistical methods such as mean, variance, differences, etc. The analysis and the graphs were created with the Microsoft Office 2007 program.

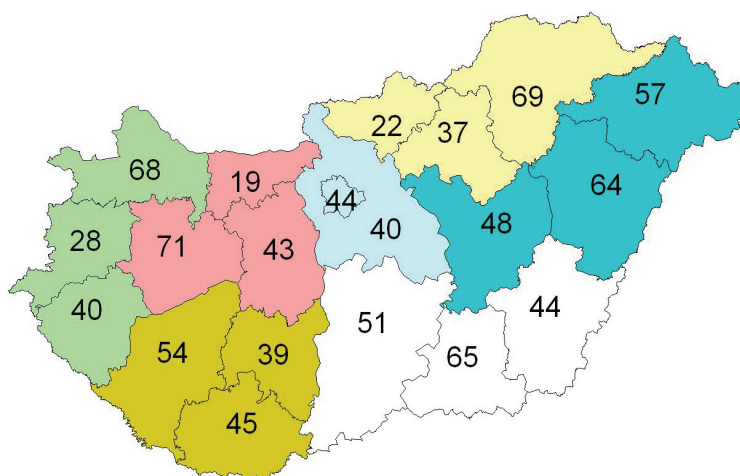
## RESULTS AND DISCUSSION

In my analysis I wanted to observe how the environmental project proposals were distributed between the counties. In average 47.4 project were implemented between 2007-2010 in each Counties.

*Figure 1* represents the distribution of environment project proposals projects in Hungary. It was surprising that not Budapest or Pest County has applied to the most environment related project, but Veszprém, Borsod-Abaúj-Zemplén and Győr-Moson-Sopron had it. The fewest projects in environmental theme were implemented in Komárom-Esztergom, Nógrád and Vas Counties. These counties have generally low economical potential, which can impact the low participation rates in EEOP.

**Figure 1**

**Environmental project proposals projects among counties,  
Hungary, 2007-2010**



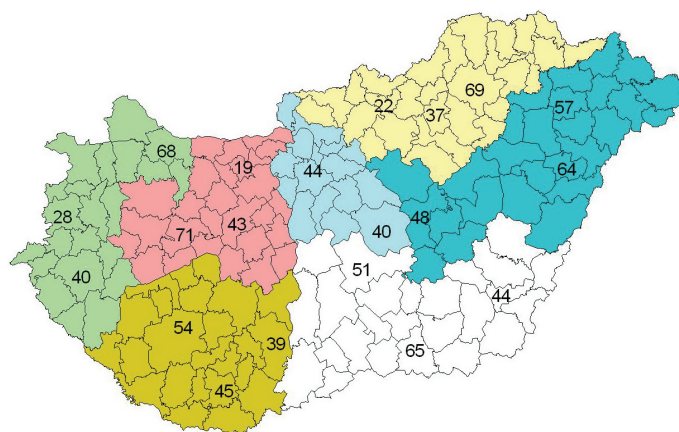
Source: *TÉRKEPTÁR*, 2010

After the above mentioned surprising data, I was wondering how the projects were divided on micro-regional level. The results were not so unexpected. All of the projects were implemented in the micro-region which includes the county seat as shown on *Figure 2*. This could be foretold, because only these counties have enough economic power to take part in economical developments and projects. The purposed environmental investments cost huge money, originates only a few workplaces and financial return takes decades.

Until the end of November 2010, from the approximately 54.000 applications which were registered, only 3.605 were handed in to the Environment and Energy Operational Programme. This means the 6.64% of the all projects. The number and rate of the supported EEOP projects shows bit worse results. Only the 5.26% of the supported projects was handed in to the EEOP. About 60% of the handed in applications to EEOP was disclaimed by the NDA.

**Figure 2**

**Environmental project proposals among micro-regions,  
Hungary, 2007-2010**



Source: *TÉRKEPTÁR*, 2010

I wanted to observe how the handed in and supported projects were divided within the framework of Environment and Energy Operational Programme between the different priorities and actions. The Environment and Energy Operational Programme consists of eight priorities and 28 actions. In my opinion the first six priorities are the most important from the aspect of environment protection in short- and long-term too.

*Figure 3* illustrates very well, how the supported applications are divided between the eight priorities. The distribution of the applications was really astonishing. The 7<sup>th</sup> and 8<sup>th</sup> priorities give the 31% of supported applications in EEOP; however these two priorities are principally just administrative actions, to prepare the delivery of the first six priorities. These actions do not results real environmental protection investments neither in short, nor in long-term. The first five priorities

are instrumental in doing environmental protection and rehabilitation, the 6<sup>th</sup> priority of EEOP is focusing on maintainable lifestyle and consumption, measures reflecting the principle of preventive environmental protection involve among others, the following:

- promoting the organisation of private and community production and services on an industrial ecologic base;
- spreading the best possible eco-efficient and environment-friendly technologies and techniques;
- supporting and spreading sustainable consumption habits, action patterns, model projects;
- developing environment-friendly attitudes.

The EEOP 1-5 which are focusing on realisation of new and forward-looking methods and technologies represents just the 44.12% of the total supported projects. This is a really depressing result. In my opinion it has to be much higher because of two reasons. On the one hand these projects will protect our environment and through the environment they will protect the Globe as a whole, and on the other hand, these investments generate workplaces. The aims of these priorities are the:

- *Healthy and clean settlements* (EEOP-1);
- *Good management of waters* (EEOP-2.);
- *Good management of natural values* (EEOP-3);
- *Increased utilisation of renewable energy sources* (EEOP-4) and
- *Efficient energy utilisation* (EEOP-5).

Comparing the number of the project proposals applications with the number of the supported proposals and the number of contracts is shown on *Figure 3*. It represents spectacularly that only the fragment of the received proposals were supported by the NDA, but almost all of the supported applications were contracted. The 8<sup>th</sup> priority within the EEOP is the only one which has 100% support. It has ten actions, which were dedicated aims to the Managing Authorities (shortly: MA) and to the Intermediate Bodies (shortly: IB).

In average 38.8% of the received proposals were supported, but in the case of the EEOP-1 and EEOP-5 the level of support is only 26%. The 5<sup>th</sup> priority's (Efficient energy utilisation) target to influence the structure of energy sources, develop tools enabling energy saving and efficient energy utilisation in both the production and the consumer spheres. It contains the building-energetic developments, which is more than 75% of the 1.102 piece of handed in proposals. The low rate of support is because the incompleteness of the proposals, or the insufficient level of the financial commitment.

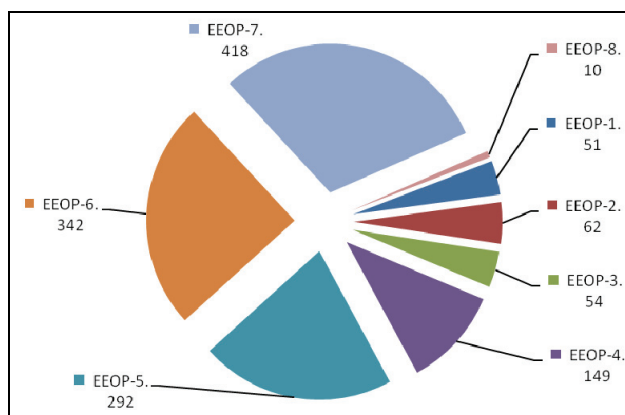
Comparing the result shown on *Figures 4 and 5* a really interesting and surprising consequence can be observed. The supported applications of EEOP-1 and EEOP-2 consist only the 8% of the summary supported competitions, but means the 81,27% of the required amount of aims in the supported applications.

By these two priorities the level of the supported amount is over 50%, however the number of supported projects are only 26%. This means, that the supported

projects belong to higher budget level. The EEOP-1 (Healthy and clean settlements) focuses on the implementation of urban environmental public services, environmental infrastructure developments and direct environmental protection and damage prevention using opportunities of comprehensive environmental management and planning, applying cost-efficient solutions.

**Figure 3**

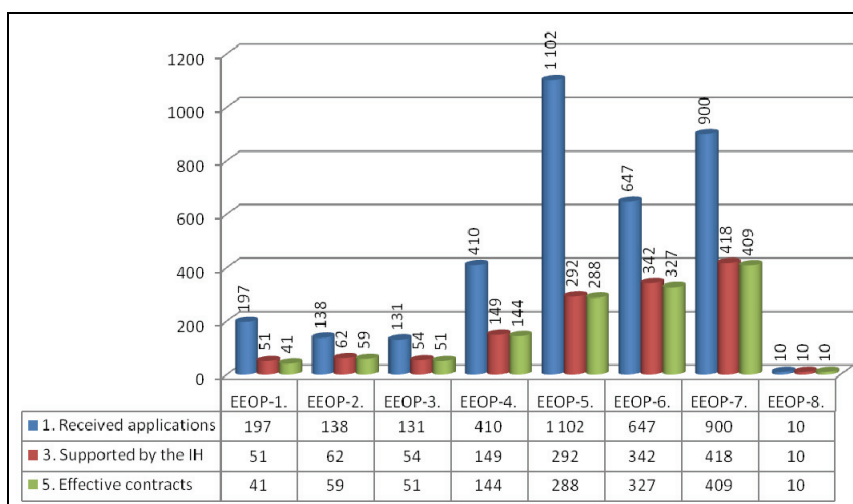
**Number of supported EEOP proposals between 2007-2010**



Source: Based on *www.nfu.hu*, 2010

**Figure 4**

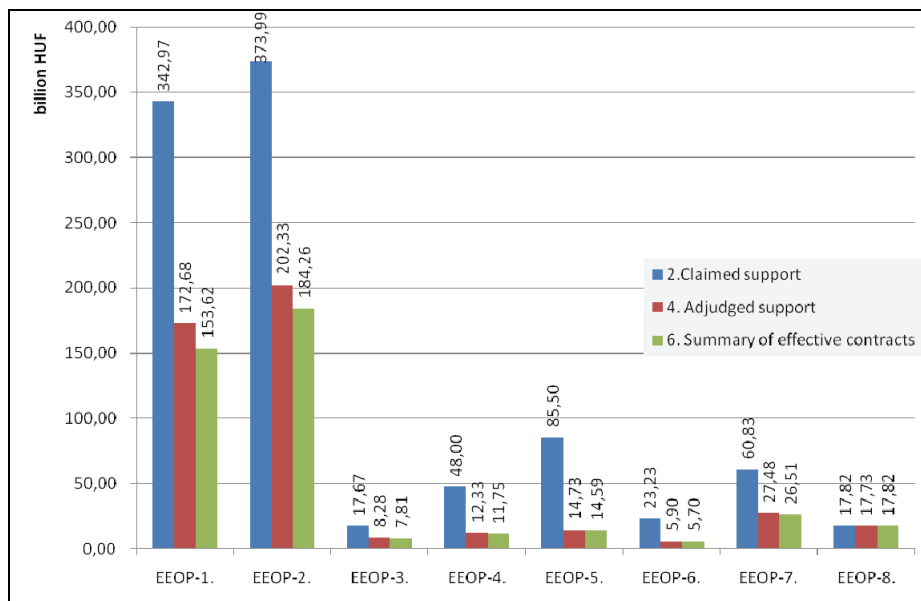
**Number of received, supported and contracted EEOP project proposals, 2007-2010**



Source: Based on *www.nfu.hu*, 2010

Figure 5

### Amount of claimed, adjudged and contracted project proposals EEOP applications, 2007-2010



Source: Based on *www.nfu.hu*, 2010

The EEOP-2 (Good management of waters) connects to EEOP-1. Its aim to prevent natural, economic and cultural values in Hungary, the prevention of floods and other damages related to water is. Besides protection against water damage another important task is to achieve the good ecological status of waters. River basin management and integrated water use measures serving this objective encompass measures prescribed by the Water Framework Directive (monitoring, protection of the quality and quantity of our waters) (NDA, 2007).

By the other six priorities the adjudged support is only 17-47%, except the 8<sup>th</sup> priority (Technical Assistance) because the adjudged amount is 99,5% there, but the contracted value is the 100% of the required one. It is possible that there is an error in the database because of rounding. The adjudged amount in EEOP-5 was expectable in sight of the results shown on the previous graph.

## CONCLUSIONS

The distribution of claimed and adjudged support is out of proportion. Most of the proposals were handed in to the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> priorities, however the highest amount of aim required in the framework of the first two priorities.

The huge difference between the submitted in and supported project proposals shows a serious problem. The applicants can not present enough financial

commitment or the submitted technical documentation was not in line with the MA. The other reason of the low supporting rate could be the wrong handed in the project proposals. Many projects fail because the incomplete proposals too. The rules of applying to the NDA for the financial support of the European Union are strict and more often than not complicated.

The distribution of support is consistent on county level but very concentrated on micro-regional level. All of the financial incentives are concentrated to county seats however on countryside there is also an urgent need in EU co-financed support to environment protection and increasing utilisation of renewable energy sources.

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