

SUMMARY

In the 5th priority direction, in accordance with the regulations of the Cabinet of Ministers, funding of 814 million EUR was planned, of which CF and ERDF financing - up to 85%. Actual (attributable and non-attributable) funding as of 10.06.2024. is 1.14 billion EUR, incl. financing from EU funds EUR 0.66 billion (58%). On 10.06.2024. there were 246 completed projects and 29 ongoing projects.

Investments are made related to mitigating flood risks, anthropogenic load and preserving biological diversity, developing the environment and water monitoring and control system, moving towards the implementation of EU directives in waste management and ensuring biological diversity, preserving natural and cultural heritage and the availability of the services they provide, to reduction of the area of degraded areas, creation of new jobs.

Investments have been made in accordance with the EU regulation regarding the achievable indicators in the field of environment, as well as in accordance with the planning documents of the industry, incl. in order to return unused territories and objects to the economic cycle and to assign greater added socio-economic value to the underutilized territories.

Investments are related both to each other and to investments outside the priority direction. For example, investments promote entrepreneurship and job creation (3rd priority direction), ICT development (2nd priority direction), GHG emission reduction/energy efficiency (4th priority direction) and transport infrastructure development (6th priority direction). No significant relationship has been identified with the other priority directions' investments.

The objectives of all SAMs have generally been or will be met. Planned results are or will be achieved in all SAMs. At the same time, SAM 5.2.1 and 5.6.2 should be highlighted, where the achievement of some outcome indicators has been postponed after 2023 (in some cases even until 2028). However, the progress towards the outcome indicators shows that these values will be achieved.

The beneficiaries of investments are municipalities, residents and commercial sector, tourists, state institutions and NGOs, as well as society in general. The actual impact of the investments on the beneficiaries is: (a) reduced threats to infrastructure; (b) reduced threats to the health and the environment; (c) reduced risks associated with discharge of insufficiently treated wastewater into the environment; (d) previously degraded or inefficiently used natural territories are improved, organized and returned to the socio-economic cycle; (e) returned to economic circulation or created new cultural or business territories and infrastructure; (f) preserved natural values, biological diversity.

The usefulness and profitability of SAM investments has been evaluated using two different approaches: (a) SAM 5.2.1., SAM 5.3.1., partially SAM 5.5.1., SAM 5.6.1. and SAM 5.6.2. have CBA reports and calculation models that have been prepared for all projects; and (b) SAM 5.1.1, SAM 5.1.2, SAM 5.4.1, SAM 5.4.2, SAM 5.4.3, partially SAM 5.5.1. and SAM 5.6.3. have a qualitative assessment of the expected benefits, supplementing it with individual quantitative indicators (for example, the

number of inhabitants protected from floods or the number of visitors to a tourist facility). Economic impact assessment and CBA has been prepared for some projects.

The assumptions made during the preparation of the projects in determining the socio-economic benefits have not always been realistic and based on data. In the future, it should be ensured that during the project evaluation process, CFLA must make sure that the assumptions made by the project planners are rational and based on data, or that objectively unverifiable factors (if any) are not included in the evaluation of the economic feasibility of the project.

Analyzing the CBA, it was concluded that SAM 5.2.1., SAM 5.3.1., SAM 5.5.1., SAM 5.6.1. and SAM 5.6.2. and their expected socio-economic benefits are greater than investment and maintenance costs, and projects generally demonstrate positive socio-economic utility and effectiveness. For some projects the socio-economic benefits have been assessed excessively optimistically, not taking into account the fact that the achievement of the outcome indicators also requires the investments, actions and knowledge of third parties. Thus, it can be initially concluded that, although the economic utility of the projects as such is not in doubt, in general it could be lower than was initially assessed in the project submissions. The discounted value of the socio-economic benefits assessed in the above-mentioned SAM project submissions (summing them up) is EUR 1.41 billion, while the economic net present value (NPV) of all SAMs is EUR 0.63 billion, which indicates a significant investment in the development of the national economy.

Also investments in SAM 5.1.1., 5.1.2., 5.4.1., 5.4.2., 5.4.3., 5.6.3. demonstrates the socio-economic benefits of the implemented projects. The usefulness of the projects from the environmental aspect is essential. The benefits to the local economy of the tourism sector (where applicable) - there are no comprehensive data available that would allow conclusions to be drawn about the extent of the actual impact.

SAM investments have a system for maintaining results. During the monitoring of the projects and after the end of the monitoring of the projects, the results are surveyed and managed in accordance with the internal procedures of the beneficiaries. The necessary funding is found in the budgets of institutions and companies. Possible risks in maintaining the results are related to vandalism (for example, the established infrastructure of natural and cultural heritage), insufficient funding for maintenance and restoration works etc.

In agreement with the experts, good examples of projects have been selected for further analysis. The main value of these good example projects are related to the careful preparation of the project, the successful cooperation of all parties, the ability to carry out work in difficult conditions, the benefit provided to a large number of beneficiaries / a large part of the territory, as well as the achievement or even exceeding of the outcome indicators set in the project.

In the course of the evaluation, operational and strategic proposals have been prepared. Operational proposals are aimed to more effective investment planning, project preparation, implementation and monitoring. The strategic recommendations are aimed to promoting the efficiency of the project application process, evaluating the outcome and result indicators, promoting further investments in certain areas, as well as transforming the principle of support for those projects that are directly aimed to stimulate the national economy.