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ECONOMIC EFFICIENCY OF WATER RECLAMATION – AN EXAMPLE OF THE RURAL DEVELOPMENT PROGRAMME FOR THE YEARS 2007–2013

Key words: economic efficiency, flood control, the Rural Development Programme, water reclamation

Summary

Because of their infrastructural character, water reclamations belong to long-term investments of special importance for the whole society. Multifunctional rural development makes their importance for economy go beyond agriculture. In Poland many investments in water management are carried out with the use of public funds. Public aid should be used on condition that the value of social effects resulting from project implementation is higher than its cost. This paper presents an assessment of economic efficiency of reclamation projects executed within the Rural Development Programme in 2007–2013. The following efficiency indices were used: present net value of the project, internal rate of return and payback period. Performed calculations showed that the accomplished projects are economically efficient from the social point of view, their efficiency is, however, low. Calculated indices of efficiency explicitly show that water reclamation investments should be financed from public funds.