What do evaluations tell us about Cohesion Policy?

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Brussels, September 28, 2017
competing narratives about CP (1)
competing narratives about CP (2)
macro perspective
setup of cohesion policy programmes
structure of expenditure

- 48% electric appliances, machines
- 15% transport equipment
- 8% computers, electronics
- 29% other

- supply of products
- construction
- external services
- personnel, project costs
2007-2013

- ICT
- Innovation and competitiveness
- Transport
- Human capital
- Social infrastructure
- Energy and environment
- ICT
- Human capital
- Labor market, social inclusion
- Innovations/competitiveness
- Transport

- Energy and environment: 5.57
- Social infrastructure: 1.99
- Human capital: 0.52
- ICT: 0.45
- Labor market, social inclusion: 0.88
- Innovations/competitiveness: 2.22
- Transport: 5.69
Narrowing the development gap

V4+4

2006 2015
-34% -32%

Poland

2006 2015
-49% -31%

bars represent:

- production
- hours worked
- employment
- demography
- GDP per capita
How significant is CP?

<table>
<thead>
<tr>
<th>Country</th>
<th>CP as % of public investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>4%</td>
</tr>
<tr>
<td>SL</td>
<td>25%</td>
</tr>
<tr>
<td>RO</td>
<td>25%</td>
</tr>
<tr>
<td>CZ</td>
<td>34%</td>
</tr>
<tr>
<td>BG</td>
<td>39%</td>
</tr>
<tr>
<td>PL</td>
<td>41%</td>
</tr>
<tr>
<td>SK</td>
<td>52%</td>
</tr>
<tr>
<td>HU</td>
<td>57%</td>
</tr>
<tr>
<td>EU28</td>
<td>7%</td>
</tr>
</tbody>
</table>

CP inflow relative to GDP

Decreasing economic significance of a single EUR

- GDP growth
- CP as % of GDP
- PL
- V4+4
KPIs and the impact of cohesion policy

GDP per capita (rel. EU 28)

- EU28
- Poland
- V4+4

+18 percentage points

employment rate

- EU28
- Poland
- V4+4

+8 percentage points

unemployment rate

- EU28
- Poland
- V4+4

-6 percentage points

22% contribution of CP to accumulated economic growth

39% contribution of CP to employment growth

31% contribution of CP to the fall of unemployment
## Regional Development

Local Development (Matching Estimation)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Policy</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>CP + CAP</td>
<td>+</td>
</tr>
<tr>
<td>Employment</td>
<td>CP + CAP</td>
<td>no impact</td>
</tr>
<tr>
<td>Private Investment (Enterprise)</td>
<td>CP</td>
<td>+</td>
</tr>
<tr>
<td>PIT Raised Locally</td>
<td>CP</td>
<td>+</td>
</tr>
</tbody>
</table>

### CP’s Impact on Eastern Poland

(Macroeconomic Modelling)

![Graph showing CP’s impact on Eastern Poland](image-url)
Reginal development

GDP per capita ranking

Regional Innovation Scoreboard

<table>
<thead>
<tr>
<th>RIS 2016</th>
<th>w por. do RIS 2008</th>
<th>województwa</th>
</tr>
</thead>
<tbody>
<tr>
<td>moderate innovators</td>
<td>0</td>
<td>mazowieckie, dolnośląskie, śląskie, pomorskie, łódzkie, małopolskie, podlaskie, podkarpackie</td>
</tr>
<tr>
<td>modest innovators</td>
<td>↑</td>
<td>zachodniopomorskie</td>
</tr>
<tr>
<td></td>
<td>↓</td>
<td>wielkopolskie, lubelskie, opolskie, świętokrzyskie, kujawsko-pomorskie</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>warmińsko-mazurskie, lubuskie</td>
</tr>
</tbody>
</table>
Total benefits of EU-15 amount to EUR 96.6 bn; since total contributions of EU-15 stand at EUR 121 bn, the economic benefits account for 80% of the contributions paid.
Cooperation within V4 generated turnover of approx. **EUR 2.8 billion**, more than half of which came from **Czech-Slovakian trade in goods and services**. Moreover, Polish contractors established a presence in Czechia (EUR 165 million), and Czech contractors became active in Poland (EUR 468 million).
energy & environment
KPIs and the impact of cohesion policy

Population connected to wastewater treatment:
- +8.9 percentage points

Population connected to public water supply:
- +6.3 percentage points

Share of renewable energy in gross final energy consumption:
- +6.5 percentage points

Contribution of CP:
- Poland: 74%
- V4+4: 18%
- EU28: 21%
what have we learned?

Cohesion Policy extremely important in the upgrade of wastewater treatment infrastructure, less important, though still significant in waste management.

despite complimentary national interventions, the 2007-2013 OPs were insufficient to fulfill all Poland’s pre-accession commitments.

Cohesion Policy had a big impact on RES, but the scale of potential effects of regulatory solutions is much larger.

in general: Cohesion Policy’s contribution is has the largest impact in policy areas, where objectives had been precisely defined prior to the intervention.
labour market & human capital
outreach of the intervention

Females:
- 57% of total participants
- 9.5 MLN participants
- 34% of total population aged 15-64

Low edu:
- 34%

Disabled:
- 4%

Participants - total: 9.5 MLN

- Employed: 4.0 MLN
  - In SMEs: 1.4 MLN
  - In public administration: 1.0 MLN

- Out of work: 5.0 MLN
  - Unemployed: 2.0 MLN
  - Long-term unemployed (LTU): 0.7 MLN

Disabled: 57%

PL in millions:
- CZ: 10.0 MLN
- PL: 9.1 MLN
- HU: 5.0 MLN
- BG: 2.6 MLN
- SK: 2.2 MLN
- RO: 1.4 MLN
- SI: 0.8 MLN
- HR: 0.017 MLN

31.1 MLN participants
the impact of cohesion policy

Impact on unemployed in PL

- Share of unemployed participated in ESF projects: app. 11% per year
- Share of unemployed who gained job after intervention: app. 6%-8%

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<th>Effectiveness</th>
<th>Net effect</th>
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<td>Approx. 52% - 74% unemployed participants found a job</td>
<td>Per annum: 0.8% app. 13k people</td>
</tr>
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</table>

Impact on education in PL

- 36% of children aged 3-5 from rural areas participated in early childhood education as a result of CP
- 79% vocational schools implemented methods of individualized learning
- 98% higher education institutions implemented development programmes
what have we learned?

Great outreach is not equivalent of good intervention

Net effect doesn’t reflect the impact of the intervention

It is difficult to determine the impact of ESF intervention on macro-level

Labour market intervention should be based on individualisation (customized support)

It is a struggle for schools to maintain extra activities without EU funding

Systemic changes need legislation to support it
SME & innovation
KPIs and the impact of cohesion policy

GERD/GDP

+0,45 percentage points

BERD/GDP

+0,3 percentage points

Product and/or process innovative enterprises - Industry (except construction) (2014)

18% contribution of CP (2007-2015)

22% contribution of CP (2007-2015)

22% contribution of CP in 2014
Investment grants

projects

26,471

enterprises

19,997

structure of the intervention

significance of CP investment grants

approx. 1.1% of all existing enterprises

approx. 7.7% of private investment (2008-2015)

projects worth approx. EUR 17 billion including approx. EUR 6 billion of EU-contribution

number
value of projects
EU contribution

micro small medium large

micro small medium large

micro small medium large

micro small medium large

micro small medium large
## Financial Instruments

<table>
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<tr>
<th>Guarantees</th>
<th>Value of Loans</th>
<th>EU Contribution</th>
</tr>
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<tbody>
<tr>
<td>Project Values (Intermediaries)</td>
<td>1,30 mld zł</td>
<td>1,08 mld zł</td>
</tr>
<tr>
<td>Loans</td>
<td>Value of Loans</td>
<td>EU Contribution</td>
</tr>
<tr>
<td>Project Values (Intermediaries)</td>
<td>3,11 mld zł</td>
<td>2,59 mld zł</td>
</tr>
</tbody>
</table>

- **16.2k final recipients**
- **4.2x for EU contribution**
- **32.6k final recipients**
- **1.6x for EU contribution**
what have we learned?

changing values of indicators do not always correspond to real change

deadweight is unavoidable

net effects are present, but let’s not exaggerate their magnitude and interpretation

supporting business environment is even harder than supporting SMEs

FIs remain terra incognita in terms of impact evaluations
conclusions
so, what do the evaluations tell u, after all?
thank you!