



**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013**

**TASK 2: COUNTRY REPORT ON
ACHIEVEMENTS OF COHESION POLICY**

POLAND

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LIST OF ABBREVIATIONS

CAP – Common Agriculture Policy

DSPC – Department for Structural Policy Coordination (within the Ministry for Regional Development)

ERDF – European Regional Development Fund

ESF – European Social Fund

MA – Managing Authority

MRD – Ministry for Regional Development (Ministerstwo Rozwoju Regionalnego – MRR)

NSRF – National Strategic Reference Framework (Narodowe Strategiczne Ramy Odniesienia – NSRO). Uses also another Polish title: Narodowa Strategia Spójności (National Cohesion Strategy)

OP – Operational Programme

NSRD – National Strategy for Regional Development (Narodowa Strategia Rozwoju Regionalnego, NSRR)

NEU – National Evaluation Unit (within the Ministry for Regional Development)

SSRD – State Strategy for Regional Development 2010–2020 (Krajowa Strategia Rozwoju Regionalnego 2010–2020)

SEA – Strategic Environmental Assessment (Ocena Oddziaływania na Środowisko, OOS)

EXECUTIVE SUMMARY

Poland is a country with wide – though no wider than in several other European countries of similar size – regional differences that are of structural origin (the sectoral structure of employment). Metropolisation is one of the major drivers of the changes in the spatial pattern of economic activity across the country and is mostly responsible for the increase in interregional differences. Domestic regional policy, closely in line with the principles of the EU Cohesion Policy, has not been able to reverse this process, and there is a view that the EU funds – which are larger in the most developed regions and which are generally used in them more for economic growth than for the social aims – seem to be unable to reverse the trend.

The overall pattern of the 2007–2013 strategic priorities is not much different from that in the 2004–2006 period. Some 64% of all EU Cohesion Policy resources have been (formally) earmarked as “Lisbon-type” activities.

In Poland’s Development Strategy Priority 6 is called “Regional development and enhancing territorial cohesion”, under which regional development policy for 2007–2015 is intended to concentrate on creating the conditions for strengthening the competitiveness of all regions in such a way that it contributes to economic, social and territorial cohesion and the pursuit of the goal of equalising the development opportunities of regions, while, simultaneously ensuring sustainable development. Under the National Cohesion Strategy, in the priority “Increase of the competitiveness of Polish regions and counteracting of their social, economic and territorial marginalization”, the following aims were specified: (a) better utilization of the endogenous potential of the largest cities; (b) acceleration of the development of regions in Eastern Poland regions; (c) counteracting marginalization and peripheralisation of problem areas and (d) support for the development of territorial co-operation.

The National Strategic Reference Framework (NSRF)¹ has been operationalised through three Sectoral Operational Programmes (Infrastructure & Environment; Innovative Economy; Human Capital); one regional programme managed at the national level (Eastern Poland Development), 16 Regional OPs and 7 programmes of European Territorial Cooperation (plus Technical Assistance). The programmes directly related to the regions absorb 28% of the total allocation of funding for 2007–2013. The regions are also involved in the sectoral programmes.

Financial allocation of resources seems to follow the stated objectives of the policy, though visible preference is given to technical infrastructure, and in particular to transport and environmental protection. None of the regions allocated significant funding to research and R&D, concentrating spending in other areas (infrastructure, support to businesses,

¹ In Polish: Narodowe Strategiczne Ramy Odniesienia

environment). There is also limited willingness in the regions to cooperate with neighbouring ones. Despite government pressure, the regions were unwilling to spend more than 37–43% of their allocation on Lisbon-type projects.

Across all OPs, commitments on average have already reached 25% of the funding allocated in sectoral programmes and 30% in regional ones. In some cases it means that after 2010 no new projects will put forward for competitive tendering, since in some activities commitments will soon reach 100% of allocation (the OP Innovative Economy, in particular). Expenditure (covered by payment claims sent by beneficiaries to the managing authority) reached 3.7% of the funding allocated, (EUR 3,049 million of which the ERDF accounts for EUR 2,211 million and the Cohesion Fund EUR 838 million). Expenditure already paid by the bodies responsible for making payments to beneficiaries has reached EUR 2,732 million (the ERDF accounting for EUR 1,899 million and the Cohesion Fund to EUR 833 million). According to these figures, overall expenditure amounts to 3.3% of the total allocation to Poland (as at December 2009).

Despite the fact that up to now expenditure has been relatively modest, there is a widely shared conviction that the progress measured by the commitments already made ensures that the programmes will be successfully implemented on time. This is due to the fact that large development projects (like motorway and railway construction and modernisation) take a lot of time to prepare, but in the near future – when they are finalised – they will absorb large parts of the Cohesion Policy budget.

The most advanced activities (both in terms of commitments and expenditure) are in the “competitiveness” and “social infrastructure” areas. The measures mostly relating to building the Knowledge Economy are – unfortunately – the least advanced. Progress in implementation of the European Territorial Cooperation (ETC) Programmes is relatively slow and differs across regions.

The activities within the sectoral operational programmes have created jobs. A relatively good situation has been reported as regards training programmes, seminars and conferences for beneficiaries of Cohesion Policy (269 under the Innovative Economy framework and 91 under the Eastern Poland Development programme), new products and technologies supported (1), enterprises (22,385 supported), the modernisation or construction of laboratories (4), R&D activities in the enterprises concerned (6), the use of internet in rural areas over the past 12 months (48% increase), the number of employees who finished training courses (56,521) and the reduction in air pollution (13,023 tons). The regional programmes reported the following results by the end of 2009: 26.2 kms of roads modernised and 29.7 kms of new road constructed; the construction of 39.7 kms of water pipe lines (with the connection of 4,456 people to the mains), and 176.3 kms of main drainage (with 17,241 people being connected).

Some 4,043 net jobs were estimated to have been created and 1,279 training programmes, courses and conferences were organised, attended by 30,543 people.

In general terms it may be assumed that in line with results of econometric analysis Cohesion Policy intervention has increased GDP growth on average by 0.4 to 0.8% a year. There is no doubt that funding under Cohesion Policy creates the conditions for strengthening territorial, economic and social cohesion (though in functional rather than convergence-driven terms). The opportunities provided by Cohesion Policy have been used to overcome increasing economic problems created by the global crisis, which, however, has not led to economic recession in Poland. This was most visible in the rate of absorption of funds for business support and labour market policies.

The system of evaluation units in all Managing Authorities (MA) coordinated by the unit established within the Ministry for Regional Development (MRD) has been developed. The evaluation report containing a full ex-post evaluation of Cohesion Policy in the 2004–2006 period is in the final stages of preparation (expected in autumn 2010). It is believed that the findings of the evaluation will serve as a valuable source of information for designing programmes from 2013 on.

According to MRD unofficial estimations, out of 400 evaluations carried out up to date around 25% were of poor quality, 50% could be considered satisfactory but not weakness-free, and the remaining 25% were in line with expectations.

The successes and shortcomings already observed enable a general conclusion to be made that Cohesion Policy was strongly beneficial for Poland in terms of physical progress, human capital development and improvement in governance. It is now time to put as strong an emphasis on physical progress, results and impacts as on financial monitoring. In other words, quality should become the strategic priority.

SECTION 1 – SOCIO-ECONOMIC CONTEXT ²

The broad pattern of settlements and the main transport corridors were established in Poland as early as the late Middle Ages. The East–West divide is a constant part of the spatial pattern that has persisted over several historical upheavals and frequent changes in State boundaries. It remained unaffected by even the socialist period, which was strongly (at least formally) geared towards equalising interregional differences through intensive industrialisation.

Poland is a country with wide – though no wider than in several other European countries of similar size – regional differences. The difference in GDP per capita (in current prices) between NUTS 3 regions in 2007 (the last data available) was as much as to 5 to 1 between Warsaw and the Chełmsko–Zamojski and Bialski sub regions in the eastern part of the country. Considerable differences can also be observed within individual regions (voivodships), especially those with large cities. For instance, in 2005 in the Mazowieckie voivodship the gap between Warsaw and the Ostrołęka–Siedlce sub region (east of Warsaw) was 4 to 1, while in the Małopolskie voivodship (mid–south, where Kraków is the regional capital) the difference between the highest GDP per capita and the lowest was almost 3 to 1, and in Wielkopolskie (mid–west, where Poznań is the a main city) – 2 to 1³.

The differences between Polish regions reflect differences in their socio–economic structure. The productivity of a person employed in agriculture, fishery and forestry is only 10% of that of someone employed in non–market services, and around 12% of that in industry. At the same time, the shares of employment in the primary sector vary (2008) from under 5% in industrialised Upper Silesia to 3% in the eastern regions (Lubelskie voivodship)⁴. It is not surprising, therefore, that the latter have lower values of GDP per inhabitant than the industrialised region, or that the highest values of GDP per inhabitant can be found in metropolitan regions with the largest shares of employment in market services.

Metropolisation is mostly responsible for the rapid growth of regional differences in Poland⁵. This is a new expression of the traditional division into urban and rural areas. After 1990, large cities (mainly Warsaw, as well as Poznań, Kraków, Wrocław, Tricity of Gdańsk–Gdynia–Sopot), with diverse economy structures, connected with the rest of Europe via relatively well developed

² This part consumes much of the similar input to the report on Cohesion policy in Poland during the period 2004–2006.

³ <http://appsso.eurostat.ec.europa.eu/nui/setupModifyTableLayout.do>,

⁴ GUS 2009; http://www.stat.gov.pl/cps/rde/xbcr/gus/PUBL_PDL_pracujacy_w_gospodarce_narodowej_w_2008.pdf table 6A (p. 42).

⁵ For 1995–2007 there is a positive correlation (0.44) between the level of GDP per person in NUTS3 and the GDP rate of growth.

transport and telecommunication system, with R&D centres and a relatively well-educated population, are able to establish links with the global economy (Gorzela, 2006). The spread of development from a large city to neighbouring areas does not exceed a 30-kilometre radius (in the case of Warsaw, and probably even less in the case of other large cities), and the areas within a 50 to 100-kilometre radius are characterised by the 'back-washing' of resources (mostly people) from the metropolitan region to its metropolitan centre (Gorzela, Smętkowski 2005).

At the same time, the mostly rural regions in the east have demonstrated considerably less ability to attract external (mostly foreign) investment and have not been able to develop their own endogenous potential. This is due to their relatively poor urban base, low education attainment, poor infrastructure, underdeveloped institutions, inferior performance of regional and local governments and poor accessibility. A few cases of local growth and on a larger territorial scale the dairy industry in the north-eastern region as well as the restructured engineering and aviation industries in the south-eastern region are rare examples of successful economic development in the Polish East (Gorzela 2007).

The post-industrial regions demonstrate varied performance. Upper Silesia (heavy industries) and Łódź (light industry) have not overcome the need to adapt their industrial heritage. The South-western part of the country (Wałbrzych, Jelenia Góra) as well as the north-western region (Szczecin) has yet to attain a satisfactory growth path.

The crisis has not affected the Polish economy as much as elsewhere in Europe and it remains one of the very few not to slide into recession, though growth did slow down (to 1.7% in 2009⁶, with expected growth of 2.7% in 2010 and up to 6% in 2011). However, the financial crisis is reflected in the state of the country's finance – the budget deficit has grown to over 7% of GDP in 2009 and total public debt to 51% of GDP. No major reform of state finances has been introduced, and potential financial problems are one of the main hazards for the future development of the Polish economy.

The regional pattern of the slowdown is unclear – in general, the metropolitan centres have demonstrated the greatest resilience to turbulence and still have the highest potential for future growth.

EU funding appeared to be one of the main factors protecting against the economic upheaval from the financial crisis, mostly through maintaining domestic demand at high levels.

Regional policy was revived only after 2000, when accession became probable and Poland started to adopt principles in line with EU policies (before, during the transformation period, in

⁶ See Excel file for Table 2.

spite of a long and rich tradition of regional policy and regional planning in Poland, regional issues were sacrificed on the altar of transition and growth). This was when the principle of '80:10:10' was devised that has since governed the allocation of public funds (at first national, later from the EU) to the regions (voivodships, NUTS 2)⁷. However, prior to accession, the domestic resources directed to explicit regional policy were limited, and did not have any major effect on regional differences across the country.

The EU funds that Poland began to receive after 2004 changed the picture for Polish regions, but not the shares of resources that they received in relation to their levels of development. Although per capita and relative to GDP the poorer regions received more, in absolute term, much larger amounts went to the more advanced ones, with large urban centres. The sectoral programmes also directed more funds to the "core" regions, since they showed more reason to finance infrastructure, human capital development, institutions and so on than the peripheral ones, and the CAP, which is mostly social rather than economic in importance, was not able to change this pattern. Accordingly, EU funds have not changed the regional pattern of economic activity in Poland, and there is even a view that regional differences⁸ have widened as a result of EU intervention.

SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

The main priorities of regional development policies over the period 2007–2013 were shaped by a number of factors: political, social, economic, even assumptions about the factors determining development (paradigm). Of particular importance, however, was the very pragmatic fact that both NSRF and operational programmes were prepared in the early period of implementation of 2000–2006 Cohesion Policy. The effects of various measures applied were therefore barely known, and limited knowledge in this regard could not serve as a basis for

⁷ Regional population 80%; unemployment rate in counties with over 150% of Poland's average: 10%; regional GDP below Poland's average: 10%.

⁸ We carefully and deliberately avoid the word "disparities". Not all differences should be labelled as "disparities", since this latter term has strong value underpinnings and denotes something incorrect. On the contrary, regional differentiation is natural and unavoidable, and only some regional differences should be called as disparities. However, before doing this one should structure the "correct" or desirable (or even acceptable) level of differentiation, and only after doing this differences above this level might be called as disparities. Since establishing the "correct" level is difficult (if possible at all), the word disparities is almost automatically used to denote all differentiations, which is unjustified, leads to oversimplifications and without due intellectual reflection pushes the regional policy to the corner of fighting all differences and trying to achieve unachievable goals of interregional equalisation.

priority planning for the next programming period. As a result, the overall structure of the 2007–2013 priorities is not much different from the period 2000–2006, or, to be more precise, 2004–2006. In theory the only exception is the fact that in the period 2007–2013, 64% of all EU Cohesion Policy resources have been earmarked as “Lisbon-type” activities. Taking account of the very wide scope of activities understood as “Lisbon-type”, the main difference relates to the Innovative Economy OP, where all the support to businesses was provided solely to innovative projects (though rather liberally understood). It is estimated that in the period 2004–2006 “Lisbon-type” projects absorbed 51% of the Cohesion Policy allocation of funds for Poland for this period (ECORYS 2007).

It would be expected that the structure of regional policy objectives in 2007–2013 reflects the National Strategy for Regional Development 2001–2006 (NSRD 2001). However, due to changes (economic and political – including accession) the final objectives also reflect both domestic and EU strategic development documents (in particular Poland’s Development Strategy, 2006, and National Cohesion Strategy [NSRF], 2007). Poland’s Development Strategy formulated Priority 6: Regional development and enhancing territorial cohesion under which regional development policy for 2007–2015 is intended to concentrate on creating the conditions for strengthening the competitiveness of all regions in such a way that it contributes to economic, social and territorial cohesion and is line with the goal of equalising regional development opportunities, simultaneously with achieving sustainable development.

National Cohesion Strategy (NSRF, 2007) under its priority “Increase of the competitiveness of Polish regions and counteracting of their social, economic and territorial marginalization” has the following aims:

- better utilization of the endogenous potential of the largest cities;
- acceleration of the development of regions in Eastern Poland;
- counteracting marginalization and peripheralisation of problem areas;
- support for the development of territorial co-operation (NSS 2007: 68–72).

General distribution of Cohesion Policy resources is presented in Table A.

Table A – Financial allocation by OP (2007–2013); Excl. Polish contribution

Operational Programmes (OP)	EUR billion	As %	Fund
Infrastructure & Environment	27.9	41.9	ERDF, Cohesion FundF
Innovative Economy	8.3	12.4	ERDF
Eastern Poland Development	2.3	3.4	ERDF
16 Regional OPs	16.6	24.9	ERDF
Human Capital	9.7	14.6	ESF
Technical Assistance	0.5	0.8	ERDF
Reserve	1.3	2.0	all funds
Total	66.6	100	

Source: NSRF 2007: 116

In addition to the financial allocation under Cohesion Policy (Convergence Objective), a additional EUR 557.7 million was earmarked for European Territorial Cooperation (7 programmes for cross-border cooperation and 2 for transnational cooperation) and EUR 173.3 million for two programmes under the European Neighbourhood and Partnership Instrument (NSRF 2007: 117). The distribution by policy area is presented in Table B.

Table B – Financial allocation by main policy area, 2007–2013 (EUR million)

Convergence Objective	ERDF and Cohesion Fund	ESF	Total
1. Enterprise environment	13,171.4	603.3	13,774.7
1.1 RTDI and linked activities	6,968.6	603.3	7,571.9
1.2 Support for innovation in SMEs	3,112.4		3,112.4
1.3 Other investment in firms	1,575.5		1,575.5
1.4 ICT and related services	1,514.9		1,514.9
2. Human resources	6.9	8,196.3	8,203.2
2.1 Education and training		4,530.5	4,530.5
2.2 Labour market policies	6.9	3,665.8	3,672.7
3. Transport	22,677.5		22,677.5
3.1 Road	15,110.1		15,110.1
3.2 Rail	5,481.7		5,481.7
3.3 Other	2,085.7		2,085.7
4. Environment and energy	11,028.6		11,028.6
4.1 Energy infrastructure	2,219.8		2,219.8
4.2 Environmental infrastructure	8808.8		8,808.8
5. Territorial development	6,643.7		6,643.7
5.1 Tourism and culture	1,993.2		1,993.2
5.2 Planning and rehabilitation	933.7		933.7
5.3 Social infrastructure	3,716.8		3,716.8
6. Technical assistance	1,986.7	907.5	2,894.2
Total Objective	55,514.7	9,707.2	65,221.9

Source: DG Regio, 2010

In general, the financial allocation of resources seems to be in line with the stated objectives of policy, though evident preference is given to technical infrastructure, and in particular to transport and environmental protection (Table B). Part of the financing going to the enterprise environment is also infrastructure-oriented. It should be noted that infrastructure is the main element in every area which the ERDF finances as the under-development of infrastructure is considered by many as the main barrier to development. Two comments can be made in this respect. First, as a country which is stressing its dedication to building the Knowledge-Based Economy (K-BE) there is a relatively high level of financing earmarked for “hard”, “heavy” infrastructure, not necessarily directly (or indirectly) linked to K-BE. This relates to the ongoing debate on development factors in Poland. It is perhaps too early to summarize its outcome, but even in MRD reports some consideration is given to the limited importance for economic

development of the small, basic infrastructure projects undertaken in a number of regions (MRD 2008).

Interestingly, according to the data available, none of the regions allocated any funding to R&D, concentrating spending on other forms of support (infrastructure, support to businesses). Investment in businesses in regions was the second priority after transport infrastructure. In the latter, the most typical policy was to allocate funding to construction and the modernization of regional and local roads. Only one region (Pomorskie) allocated any funding (EUR 32 million) to intermodal transport development.

With few exceptions (Mazowieckie, Wielkopolskie and Zachodniopomorskie) the regions allocated significant resources to environmental protection projects (water management being mostly the top priority). All regions also put emphasis on investment in social infrastructure. Within this area, regions differed in terms of specific sub-areas supported and the amounts devoted to them (for instance Dolnośląskie allocated as much as EUR 68.6 million to health infrastructure, while in Lubelskie and Mazowieckie this was not considered a priority at all. Other sectors (like tourism and cultural activities) have a small, if not marginal, place in planned development. The pattern of priorities in regions shows a general tendency to finance hard infrastructure in the areas where social needs are not satisfied (roads, environmental protection, business development).

The cross-border activities undertaken under the European Territorial Cooperation (ETC) Objective to a large extent address the needs expressed by sub-regional authorities (self-governmental counties and municipalities, NUTS 4 and NUTS 5 units, respectively). A short examination of the priorities set under individual ETC programmes shows that there is no universal pattern. For instance, the Mecklenburg-Vorpommern-Poland programme contains the following priorities: infrastructure for cross-border co-operation and the environment support to trans-border economic contacts and R&D co-operation; and trans-border human resource development. However, the Poland-Saxony programme has only two priorities: trans-border development and trans-border social integration. A variety of priorities and measures (not to mention specific international managing structures) makes them difficult to analyse in a synthetic way to bring out any firm generalisations.

As the overall development strategy is relatively general and does not go into detail of financial allocation, it should be said that there is no major discrepancy between the NSRF and OPs. However, as was said already, there is a very visible propensity to invest in infrastructure rather than “softer” measures.

Assessment of the ‘quality’ of the allocation of funds in territorial terms depends on the main drivers of development which are assumed to operate in regions. In all regions, whether more or less developed, there is a predominant propensity to spend on hard infrastructure, mostly

transport and the environment (MRD 2008a). While this obviously reflects to some extent objective needs; the belief that hard infrastructure is both a necessary and sufficient driver of development is widespread at the regional level. It can also be noted that in the less developed eastern regions of the country there is a strong propensity to allocate resources to small, dispersed projects of local significance (or no significance at all!, MRD 2008a). While on average in Poland there were 205 projects per 100,000 inhabitants, in Eastern regions this figure was: Podlaskie 425, Lubelskie 347 and Świętokrzyskie 300, while in the capital region of Mazowieckie the number of projects per 100 000 inhabitants was 230, in Wielkopolskie 230, Lubuskie 148, and Śląskie 91. It is worth noting that one of the Eastern regions, Podkarpackie, presented many fewer projects than other Eastern regions, that is only 154 projects per 100 000 inhabitants (MRD 2008a: 91; see also MRD 2009).

It seems justifiable to say that despite differences in regional allocation per capita (due to the 80–10–10% formula used, the allocation criteria did not give priority to a precise definition of regional problems. To give two examples. The Śląskie region with its large mining industry is considered one of the key areas in need of socially and economically costly restructuring. This was not strongly reflected either in the distribution of funding between regions or in the regional structure of OPs. It is also debatable whether in Eastern regions, suffering from an outdated agrarian structure, a dispersed settlement structure, a low level of urbanization, large dependence on agriculture and low educational levels outside the largest cities, the structure of ROPs truly reflects the modernization and restructuring objectives. It may be argued that in practice the emphasis is put more on projects leading to an improvement of living conditions than on the restructuring and modernization needed for economic development.

Unfortunately, there is also rather limited willingness within the regions to cooperate with their neighbours. The Eastern Poland Development Programme was meant to offer supra-regional support in order to solve common problems and satisfy developmental needs of 5 less developed regions. In fact, the programme administered by the MRD ended up as five separate sets of activities for five individual regions. The only exception is a cycle path which links all the regions in question.

While in the period 2004–2006 funds were distributed among the 16 regions under the Integrated Regional Operational Programme according to the principle that “one size fits all”, it was expected that from 2007 onwards every region would determine a specific distribution of funding which was in line with its development needs. However, the differences between the regional programmes are now smaller than expected and generally the national Lisbon targets have not been met. Despite MRD pressure, regions were unwilling to spend more than 37–43% of their allocation on Lisbon-type projects.

Following the formula already in place before accession, in territorial terms EU resources were allocated to individual regions according to the 80:10:10 rule (see footnote 7 above).

Additionally, EUR 2.3 billion was allocated to 5 underdeveloped regions in Eastern Poland (under Eastern Poland Development OP). As a result, the highest per capita allocation went to Warmińsko–Mazurskie region (north–eastern, sparsely populated, and largely rural), while the lowest went to the most developed regions like Mazowieckie (the capital city region), Wielkopolskie or Pomorskie.

There is an important question about the relationship between EU funding and national regional policy. All data available suggest that EU funds play an enormous role in regional policy in Poland, both in financial and regulatory terms. Even a brief look at NSRD (National Strategy for Regional Development, 2001) and SSRD (State Strategy for Development Regional 2010–2020, project) leave little doubt that there is no difference between EU and Polish development policy. According to data for 2009, the EU contribution to structural expenditure⁹ in Poland exceeded 30%, and is on the increase (MRD 2009).

As mentioned above, the priorities for regional development policy were set in a period when only limited advances had been in implementing the 2004–2006 Cohesion Policy programmes. Evidence–based policy could, therefore, not be applied to designing new priorities for the new programming period after 2007. Despite this, it is widely believed that up to now there has been no need to change the priorities or finance allocated to them. On the other hand it does not exclude small adjustments being made within priorities.¹⁰

POLICY IMPLEMENTATION

The progress in implementation when measured in relation to all OPs can be presented in the following way¹¹. As regards the commitments already made, the overall picture is optimistic. In all OPs, on average commitments have already reached 25% of funding allocated in sectoral programmes and 30% in the regional ones (MRD 2010a: 7; Zygadło 2010: 26). In some cases it means that after 2010 no new projects will be forwarded for competitive tendering, since in some activities commitments will soon reach 100% of allocation (the OP Innovative Economy in particular). Progress can be further analysed through the level of commitments and the

⁹ That is any expenditure which can be financed under EU Cohesion Policy.

¹⁰ For instance: in 2004–2006 due to highly limited absorption of funds for innovations in firms, these funds were to be transferred to another measure (investment support to business, where innovation was not a condition). In 2007 almost half of Innovative Economy OP is distributed among innovative projects by firms. And progress is satisfactory. The question remains whether Polish businesses become so innovative so soon or the definition of innovative project has loosened.

¹¹ In AIRs relatively complicated system of presentation of expenditure was used. As a result there is no simple answer for questions on commitments and expenditure carried out.

expenditure reported by the Annual Implementation Reports for individual Operational Programmes.

Expenditure (covered by payment claims sent by beneficiaries to the managing authority) reached 3.7%, (EUR 3,049 million of which the ERDF amounts to EUR 2,211 million and the Cohesion Fund to EUR 838 million)¹². Expenditure already paid by the bodies responsible for making payments to beneficiaries has reached EUR 2,732 million (the ERDF accounting for EUR 1,899 million and the Cohesion Fund to EUR 833 million). According to these figures, overall expenditure amounts to 3.3% of the funding allocated.

Despite the fact that up to now expenditure has been relatively modest, there is a widely shared conviction that progress, as measured by commitments, already ensures that programmes will be successfully implemented on time. This is due to the fact that large development projects (like motorway and railway construction and modernization) take a long time to prepare, and by 2009 none of the processes had been fully completed. However, they will soon begin to absorb large amounts of the Cohesion Policy budget in Poland.

And yet it is relatively difficult to get a clear picture of the results up to now. Data available concentrate more on financial monitoring than on real effects and even less on impacts. The following comments should be therefore treated as a first and rough indication¹³.

According to the data available, despite differences between operational programmes and priorities, the overall picture is positive. In general programmes are being implemented in line with what was planned. Obvious differences exist. For instance, in the case of regional OPs, the surprisingly weak position of the capital city region, Mazowieckie, should be noted. The only explanation can be deficiencies in managing the delivery of programmes¹⁴.

Innovative Economy OP, as in the case of other sectoral programmes, the annual report concentrates on financial transfers and expenditure rather than on commitments¹⁵. By the end of 2009 the overall level of expenditure reached 3.9% of allocation. The most advanced area was Priority Axis 3 (Capital for innovations, 20.7%), the least advanced Priority Axis 6 (Poland on international markets; 0.14%) (AIR 2010:21). The main reason is identified as the global crisis.

¹² Total funding (allocation) being equal to EUR 82,086 million.

¹³ In particular in case of regional OPs the way data are presented is not always clear as in some AIRs the term of "implementation" is used while in others "estimated implementation is preferred.

¹⁴ It is not, that Mazowieckie institutions, people and firms could not be successful in terms of the overall value of applications delivered to four national and 16 regional programmes (over 35 billion PLN, as compared to 25 billion in the second region – Śląskie, not to mention Opolskie or Świętokrzyskie (below 2 billion). (Sprawozdanie 2010: 153). They have problems with their own regional OPs.

¹⁵ Financial tables of sectoral AIRs do not contain information on commitments.

This however does not necessarily explain the differences between priorities and the fact that entrepreneurs were the most active in absorbing grants.

Table C – Commitment and expenditure by sectoral operational programmes and European Territorial Cooperation (31 December 2009)

Operational programme	EU allocation in EUR billion	Commitments (%)	Expenditure (%)
Innovative Economy	8.3	45	3.9
Infrastructure and Environment (ERDF & Cohesion Fund)	27.9	17	3.1
Eastern Poland Development	2.3	27	5.1
European Territorial Co-operation	0.9	5	-

Source: calculations based on MRD, 2010 and individual AIRs.

Infrastructure and Environment OP, financed by ERDF and the Cohesion Fund, this is the EU's most complex and largest programme. 66% of its value is earmarked for Lisbon Strategy measures. The overall level of expenditure is 3.1% of the budget allocated. Among 13 priorities (excluding two technical assistance priorities) the least advanced is environment friendly energy infrastructure (zero spent) and energy safety (0.1%). The most advanced is the TEN-T network (7.7%) and culture and cultural heritage (4.6%).

Eastern Poland Development OP, financed by the ERDF with an overall expenditure of 5.1% of the budget allocated. The least progress has been made in Priority Axis 2 (information society infrastructure) and 5 (sustainable natural resources based tourism development), both with no spending at all. The most progress has been made on priority Axis 1 (Modern economy – 9.7 %) and Axis 3 (regional growth centres, 6.0%)¹⁶. As is the case of the previous programming period, the main obstacles to implementation include the low quality of planning and documentation.

Due to the specific structure of ETC programmes and little progress in their implementation Table D does not cover them. The data presented in the table suggest that there is a large difference in the utilization of funds in different policy fields. In general, progress in sectoral programmes is more than in regional ones, which can be explained by the fact that unlike the regional managing authorities the central authorities have 6 years of experience in managing EU funds – i.e. twice as much.

When it comes to different areas, the most advanced (both in terms of commitments and expenditure) are activities in “competitiveness” and “social infrastructure”, while other areas are far less advanced. In most cases lower demand may be the main, but not the only explanation.

¹⁶ Surprisingly, AIR of this programme calls both priority 2 and 3 with the same name: Regional Growth Centres, though the text leaves no doubts that priority 2, in line with the programme structure, is about information society infrastructure.

The most likely explanation of the difference in the advancement of transport measures between sectoral and regional programmes (in favour of regional ones) is probably the scale of projects. The sectoral measures are concentrated in large-scale projects (e.g. motorways, express roads, and rail) which take a long time to prepare and implement, while regional investment in this area is more on small projects of local significance. The measures most closely linked to the new development paradigm (e.g. Information society) are least advanced. It seems justifiable to conclude that there is no one universal explanation for the differences in implementation. The data on individual OPs confirm this.

Table D – Commitments and expenditure by main policy fields and groups of programmes (as % of EU allocation), by 31 December 2009

	Competitiveness, innovativeness, entrepreneurship	Information society	Transport and road infrastructure	Environment, energy	Social infrastructure	Tourism, culture
Sectoral OPs	106.8 32.5	33.3 3.7	12.7 4.5	21.9 0.7	109.8 24.8	52.1 5.3
16 Regional OPs	33.2 17.0	14.0 1.1	29.2 8.8	22.4 3.3	47.9 8.4	32.8 8.4
Total	87.5 28.4	26.5 2.8	15.8 5.3	22.0 1.3	94.8 20.8	38.4 7.4

Remarks: upper numbers represent commitments, lower – expenditures as % of EU allocation in a given field. Except for support to businesses, where beneficiaries' own resources exceed 50%, in other measures an average level of own resources required roughly does not exceed 18-20%. Source: own calculations on the basis of Annual Implementation Reports

In 2009, the total value of cumulative commitments made by all 16 ROPs amounted to 26.9% of the allocation. The largest amounts were in Pomorskie (46.8%), Wielkopolskie (41.9%), Małopolskie (40.5%), Łódzkie (41.6%) and Dolnośląskie (37.1%). The smallest were in Mazowieckie (12.7%) and Lubelskie (16.9%). (MRD 2010a: 6). The data from individual Annual Implementation Reports grouped according to main policy areas are used to construct Table E.

Table E – Advancement in implementation of Regional Operational Programmes in selected policy fields by selected regions (commitments, in %)

Policy field	Competitiveness, innovativeness, entrepreneurship	Information society	Transport and road infrastructure	Environment, energy	Social infrastructure	Tourism, culture
Most advanced regions	Wielkopolskie: 49.6 Pomorskie: 41.4 Dolnośląskie: 32.5 Łódzkie: 32.4	Małopolskie: 5.0 Pomorskie: 2.9 Świętokrzyskie: 1.2	Opolskie: 28.7 Kujawsko-Pomorskie: 26.7 Lubuskie: 22.3	Podkarpackie: 16.1 Świętokrzyskie: 10.5 Opolskie: 14.2	Opolskie: 40.9 Świętokrzyskie: 24.1 Podlaskie: 16.1	Lubuskie: 86.2 Zachodniopomorskie: 21.8 Podlaskie: 14.2
Average progress in all ROPs (in % of allocation utilized)	16.9	1.1	8.8	3.3	8.2	8.4

Source: own analysis of data of the regional Annual Implementation Reports.

Data presented in Table E show that the utilization of the funding available differs significantly between policy areas and regions. The highest levels have been reached in competitiveness,

innovativeness, entrepreneurship (16.9% on average) and the lowest in information society (1.1%) and environment and energy (3.3%). There are two possible explanations. First, the high level of demand from the business community in the period of economic slowdown explains the relatively high expenditure in competitiveness and entrepreneurship. The second relates to other areas where, *de facto*, infrastructure is the key element of projects, the highest demand (and therefore the highest levels of absorption) being observed when investment is small, or modest, and does not impose a high financial burden on beneficiaries (mostly municipalities which usually have to finance their share of the total costs through bank loans). This would explain low absorption rates in the environment and, in particular, energy, where in both cases projects are often large and need long preparation time before work can start.

It is more difficult to explain interregional differences. In general, it can be noted that large metropolitan regions (like Wielkopolskie, Małopolskie and Dolnośląskie) are most advanced in implementation. However, it is striking that the capital city region Mazowieckie is not in this group, and its progress in implementation makes it more similar to smaller, non-metropolitan regions. Interestingly, it has reached the highest level of absorption in the social infrastructure (6.9%), while in other areas, the rate is under 3% (competitiveness: 2%; transport and roads: 2.8%, tourism and culture 2%)¹⁷. Leaving Mazowieckie aside, it is likely that having a large city as a regional capital has a strong positive impact on absorption capacity and – possibly – on the quality of implementation. This is why the MRD suggests (even if mildly) that EU funds tend to result in an increase in regional differences in Poland rather than regional convergence.

On average both commitments and expenditure do not fall significantly short of what has been planned. In particular in the light of data for first half of 2010, when in both respects major progress has been made, we can conclude that in financial terms there is no identifiable risk of not spending the money. However, it should be noted that there are priorities and measures in individual OPs that may require actions to ensure the full utilization of funding.

European Territorial Cooperation (ETC) Programmes. As was mentioned, due to various factors, progress in their implementation is relatively slow and differs across regions. The most peripheral areas have encountered problems which were not only financial. For instance, the content of OP Poland-Brandenburg was approved as late as in March 2008, first project selection procedures started as late as October 2008, and “First level control outlines” were adopted only in August 2009. Despite significant progress made in 2009, at end-December 2009 only around 25% of all resources had been contracted and a mere EUR 0.5 million paid to beneficiaries (Sprawozdanie 2010: 137).

¹⁷ Regional capital, Warsaw, has a significant share in absorption of resources from sectoral programmes.

In the case of the Poland–Slovakia OP the situation is better. At end–December 2009, 47% of programme resources have been contracted and EUR 1.28 million paid to beneficiaries (Sprawozdanie 2010: 140). On the German border, the two programmes implemented (with Mecklenburg–Vorpommern and Brandenburg) are still at an early stage of development. In other programmes, the situation as regards expenditure was the following: Sachsen–Poland, 0.2%, Lithuania–Poland, below 0.01%, Baltic Sea Region, zero, and Czech Republic–Poland, 1.0%.

Despite all the efforts taken to smooth the ETC programmes, the above cases show that the cross–border cooperation programmes are just as difficult to implement as other programmes if not more so. Reimbursement of costs incurred is often seen as a barrier in financial management. A question may be raised whether there is a crowding out effect between ETC and regional programmes.

The implementation of the programmes in general (except for ETC and possibly the Cohesion Fund) is in line with what was planned, though this is more visible in the data on commitments, than disbursement. As there are 28 operational programmes implemented, their progress also varies in terms of intervention fields. Relatively slow progress can be noted in large infrastructure programmes where the size and complexity of projects determine the timing. On the other hand, relatively fast progress has been achieved in the fields and programmes relating to smaller undertakings (support to SMEs in the regions, social infrastructure and similar) and where there is high demand from local authorities (mostly: technical infrastructure of medium and small scale).

Despite limited progress as regards particular programmes (as measured by expenditure which on average does not exceed 3%) a lot of work has been done in terms of project preparation, selection and signing contracts (commitments). On this basis, it can be expected that fairly soon expenditure will also begin to grow rapidly. However, these are problems common to all regions and programmes and it is the case that the majority of Managing Authorities were capable of solving them and speeding up the implementation process. Yet, differences in disbursement levels vary between programmes from 2.6% (Czech–Polish ETC programme) to 18% (Wielkopolskie regional programme) and 3% in the Infrastructure and Environment OP (AIRs 2010)

Differences within programmes are even wider. For instance, in Mazowieckie RPO in three priority areas, expenditure was zero. Even in the relatively successful Wielkopolskie region, spending barely started in two priority areas (around 0.1% of allocation).

According to the annual report on the progress of NSRF implementation (see MRD 2010b: 109 and following) progress in implementation varied between the 6 different thematic sectors.

According to available data in thematic sector No 1 (RTD, innovativeness and entrepreneurship) the level of commitments had reached 45% of allocation available. Most advanced are measures

relating to support for RTD in research centres (86%), R&D infrastructure (73%) and advanced services to firms and their groups (70%). According to the AIRs, activities in Enterprise Support are co-financed both by sectoral (Innovative Economy) and regional OPs. IEOP puts strong emphasis on the innovative character of projects supported, regional OPs used a far less restrictive approach. The Innovative Economy OP at the end of 2009 spent 3.9% of allocation. Among 9 priorities the most advanced is "Capital for innovations" (20.7%) and e-administration (7.3%). The least advanced is the priority providing support to information society (outside public administration) – 1.5% and R&D infrastructure – 1.9% (AIR POIE).

In Thematic sector 2 (information society): in POIE and regional OPs taken together, 2,430 contracts have been signed with a total value of EUR 0.9 billion. There is no information on results achieved, but only on results planned.

In Thematic sector 3 (HRD): commitments amounted to 34% of funding allocated. Since this sector is financed exclusively by the ESF it is outside scope of this analysis.

Thematic sector 4 (Transport) is financed both under Infrastructure and Environment OP, Eastern Poland Development OP, ETC Objective programmes and under the regional OPs (altogether 18 programmes). By the end of 2009, the highest level of commitments was reached in the programmes implemented in Małopolskie (EUR 0.20 million), Pomorskie (EUR 0.16 million) and Wielkopolskie (EUR 0.16 million). Instead of giving hard data on the results achieved, the annual reports offer information on the results planned in the contracts signed up until the end of 2009 (altogether construction or modernization of 3 821 km of various roads, out of which only 249 km are motorways. Plans for railways promise 241 kms to be re-constructed or modernised.

Thematic sector 5 (Energy) is of particular importance for Poland. Despite this, up until the end of 2009, the commitments reached only EUR 36.3 million (that is below 2% of estimated allocation). There are various explanations given, but the most important seems to be related to the changing strategic priorities in energy policy.

Thematic sector 6 (Environment and Natural Disasters), which is one of the most important parts of financial allocation under the NSRF, had a commitments of EUR 1.9 billion (mostly in the Infrastructure and Environment OP – EUR 1.4 billion). Instead of actual results, the documents describe planned results (like construction or modernisation of 5.1 thousand kms of sewerage and 2.3 thousand kms of water pipe lines, serving 0.5 and 0.1 million people respectively.

Thematic sector 7 (Social infrastructure, culture, tourism, revitalization of urban areas) is implemented by a number of OPs. Commitments reached EUR 2.2 billion from the ERDF contribution. Two thirds of this was under the Infrastructure and Environment OP. In practice,

as is the case of cultural activities, no project had been finalized (AIR IEOP). The report concentrates again on plans, not achievements.

The reasons behind modest progress in expenditure are typically: late approval of programme documents, changes in documents, initial lack of understanding of certain requirements (for instance definition of innovation turned out to be difficult for many potential beneficiaries), and technical mistakes in the applications received. It is not a problem as yet, but it looks as if there may be difficulties as a result of the not fully standardized indicators for monitoring project and programme progress. In the case of the ETC programmes the borders themselves and relatively complex managing structures were initial obstacles. Perhaps surprisingly, language also turned out to be a problem when applications were assessed by experts from the other side of the border.

There were specific problem relating to Regional OPs. Unfortunately, in 2004–2006, regional governments were not in charge of implementation of regional parts of IROP (Integrated Programme of Regional Development). As a result, in 2007 they faced completely new problems (and increased amounts of funding) as managing authorities that had not been given a chance to gain much of experience before. According to the regional Annual Implementation Reports, Managing Authorities in general point to delays in preparation of specific documents by the MRD, as well as sometimes other obstacles (like little demand, difficulties on the beneficiaries' side, and economic problems).

To what extent did the unfavourable global economic situation adversely affected the implementation of Cohesion Policy? The answer is twofold. First, the slowdown of the Polish economy (though not recession) forced certain adjustments in businesses and institutions (beneficiaries), often in the form of streamlining activities, concentrating on key development problems and careful financial management. Second, even before any real sign of the approaching slowdown was spotted, it was clear for everyone in Poland that Cohesion Policy can be a powerful instrument alleviating the hardships of potential crisis through enhancing domestic demand. Even taking account of the fact that Poland has not gone into recession, it is justifiable to say that Cohesion Policy funds played and still plays a positive role in implementing policy against the crisis.

Before going into description of progress so far, three specific initiatives should be mentioned. JASPERS, managed centrally, intended to help develop large projects financed as part of Cohesion Policy, up until the end of 2009 assisted over 120 projects. JEREMIE, aimed at supporting SMEs with access to repayable financial resources, had not started field operations as at end-2009. Up to now only 5 regions (Dolnośląskie, Łódzkie, Pomorskie, Wielkopolskie and Zachodniopomorskie) have decided to make use of the financial resources it provides. In addition, JESSICA (a scheme to provide loans to urban development projects) did not start when

expected (because of legal problems and prolonged negotiations with the EU). Again, only few regions (Pomorskie, Śląskie, Wielkopolskie, Zachodniopomorskie) expressed a willingness to take up the initiative. Interestingly, none of Poland's Eastern regional authorities has expressed interest in either of the latter two initiatives. The progress so far is negligible (MRD 2010 e: 98, 106).

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Managing authorities have worked in recent years under strong social and political pressure to demonstrate their ability to spend EU funds and this inevitably influenced their approach to monitoring and evaluating progress made. As a result, there is a visible emphasis in the reports (both sectoral and regional OPs) on financial rather than physical aspects. It is therefore much easier to find information on commitments and disbursement than on output produced (which anyway tends to be understood as the number of projects undertaken, which in fact is no different from purely technical information rather than output). Even less (if anything) is known about the impact of the projects implemented. This is mostly due to the fact that most of the projects are still in the implementation phase, though the general attitude favours reporting financial issues rather than "real" achievements, let alone impact. What is more, quite often the data on expenditure are presented using different indices (value of applications submitted and of re-payment claims; number of payment claims etc.) which makes different documents hardly comparable. In reports of several operational programmes it often happens that results are presented as planned results ("it is expected to..."; see MRD 2010b:110). Even more limited is information on qualitative aspects which in fact are not taken into account in reports.

Evaluations do not offer additional or complementary information on this aspect since it is probably the case that such effects are not yet among the issues of most interest. For all these reasons, knowledge about physical progress is hard to get.

According to data presented on outputs and results in individual AIRs of the sectoral operational programmes there were jobs created as a result of programme implementation. The same is true in other areas (length of roads contracted or modernised, time savings in transport, length of water pipelines and sewerage systems constructed or modernised). At the beginning of 2010, a better situation was reported in terms of training programmes, seminars and conferences for the beneficiaries of Cohesion Policy (269 under the Innovative Economy framework and 91 in the Eastern Poland Development programme), the number of new products and new technologies supported (1), the number of enterprises supported (22,385), the number of laboratories modernized or constructed (4), the number of R&D activities in these enterprises (6), the reported use of internet in rural areas over the past 12 months (48.1%), the number of employees who completed training courses (56,521), the reduction in air pollution (13,023 tons) (on the basis of AIRs).

It may be of interest to have a look at the progress reported specifically in the regional OPs as they are intended to respond to people's needs and opportunities. However, information on results of the regional operational programmes (ROPs) is limited and, as in the case at the general level, this demonstrates that all the preparatory activities are still to produce significant results. What is more, the data is limited to certain fields only. In practice, more time is needed to get a clear picture, since too many projects are still being implemented and no meaningful information on the results can be produced.

According to the AIRs, regional programmes taken together reported the following results by the end of the 2009. In of transport, 26.2 kms of roads were modernised and 29.7 kms built. Podlaskie was most active in road modernisation (93 kms), Świętokrzyskie was the second (51.6 kms). In some regions (for instance Lubuskie, Łódzkie, Zachodniopomorskie) there was no progress in this area, though, as noted above, all voivodships attach high significance to road infrastructure (the projects in other words are under way). The value of time saved in passenger transport (amounted to EUR 3.58 million, of which EUR 1 million was in Warmińsko–Mazurskie, EUR 0.81 million in Podlaskie and EUR 0.53 million in Kujawsko–Pomorskie.

The length of water pipe lines built amounted to 39.7 kms (and 4,456 people were connected to the mains), while of 176.3 kms of sewage pipe lines were constructed (and 17,241 people connected to main drainage). Most advanced were regions of Kujawsko–Pomorskie, Podkarpackie, Świętokrzyskie and Dolnośląskie.

There were also 1,279 training programmes, courses and conferences organised attended by 30,543 people. Among the most active regions was Lubuskie. No information on the usefulness of these events and their impact is available.

The data presented on the basis of regional OPs do not provide a full picture of progress achieved. The only conclusion one may draw is that the monitoring and reporting system in the early stages of implementation is unable to provide full data (it is not always clear, whether lack of data in the reports means zero progress, lack of projects completed or just lack of data)¹⁸.

To sum up, at the end of 2009 achievements understood as projects (tasks) accomplished were mostly below 5% of allocation and, as a result, 2010 is considered the year when the programmes will start to complete projects and when results can be assessed. In the period reported the tangible outputs and results are difficult to describe as often they were still to be achieved. The reports often describe plans instead of facts. It should be mentioned, however, that activities undertaken before 2010 will in general soon bring significant results (this conviction is supported by monthly and quarterly reports in 2010)¹⁹. It is also worth mentioning

¹⁸ In some cases data are confusing due to their contradictory character.

¹⁹ In mid-2010 expenditure level has reached circa 1/7 of the total Cohesion Policy budget

that it seems (again, too early to assess) that in activities implemented up to now there is little interest in measures other than traditional ones (grants). The policy area of creating a favourable business environment seems to be the one most oriented to innovative measures (seed and venture capital institutions, technology transfer centres etc.) but it will take time for the results to be visible.

In the case of regional operational programmes, only 7 of them (mostly metropolitan ones, except for Mazowieckie) have decided to earmark sums (altogether EUR 119 million) to co-finance Jeremie and Jessica initiatives (Zygadło 2010:22). At a higher level, some suggest that the Eastern Poland Development OP, because of its management structure, should be seen as an innovative operational programme of a new generation. And except for the energy sector, where circumstantial factors might have created obstacles to implementation, despite the negative influence of the global crisis on neighbouring economies, Poland used the opportunities provided by Cohesion Policy to overcome increasing economic problems. This was most visible in the rate of absorption of funds for businesses and those going to labour market policies.

Due to low levels of expenditure and shortage of full information on the projects implemented and completed and on their outputs it can be said only that, according to all the data available, both targets set and indicators produced seem to be meaningful for assessing the achievements of Cohesion Policy. Only data on progress in 2010, however, will bring the information necessary to make a fully justified assessment.

SECTION 3 – EFFECTS OF INTERVENTION

Given the relatively short time which has elapsed since the programming period began, it is difficult to identify significant effects but there are signs of interventions having a real influence on the potential for development. It would be risky, however, to suggest that individual projects contributed to tangible changes in the regions concerned. At the end of 2009 the level of advancement in implementation of programmes was far too limited to conclude anything about their impact. It may be assumed that in line with results of econometric analysis, Cohesion Policy intervention has, on average, increased GDP and employment growth by 0.4–0.8% a year (Zaleski et al. 2008). However, it is possible to comment in the wider context of the economy, which, is as the only one among Member States to grow over the past 3 years (see Gorzelak and Chor-Ching Goh 2010) and society, which increasingly shows a favourable attitude towards, and satisfaction about, achievements (in terms of income, quality of life, successful economic policy etc) (Czapiński i Panek 2009). Reports on the socio-economic situation give also very positive opinions (MRD 2010 d, MRD 2010 e). Of course these positive signs cannot be fully attributed to Cohesion Policy (or wider, EU policies), as there were other factors at work as well.

But Cohesion Policy resources are widely seen as those which can be most easily used for removing the most important barriers to development.

Taking account of the recent crisis in the EU, Cohesion Policy programmes from the very beginning were considered as an opportunity to counteract potential signs of crisis (Gorzalak 2007). In particular, among municipalities and local leaders there was a widely shared opinion that the Structural Funds together with local initiatives are a recipe to overcome development problems. It should be stressed, however, that in the 2004–2006 period, most people overestimated the importance of hard infrastructure for development. Despite the fact that other, more innovative measures, linked closely to new development theories, initially did not attract high demand, they had a positive role in enriching the instruments available and in showing alternative, or at least complementary ways, of achieving objectives.

The availability of Cohesion Policy funding has also had a significant influence on increasing the mobilization of local communities around common development goals. While some time ago passivity among municipalities was not an uncommon feature (Gumułka 2009), today passive leaders are hard to meet. Cohesion Policy funding definitely helped to maintain the level of public investment.

There is no doubt that the contribution from Cohesion Policy directly creates conditions for strengthening territorial, economic and social cohesion (however, understood in functional rather than convergence-driven terms, see the Polish response to the Green Paper on Territorial Cohesion). Despite relatively modest advancement (disbursement) of 2007–2013 activities, information on commitments and applications sent to implementing authorities leave no doubt that the effect of 2004–2006 and current programming periods will have a significant impact on cohesion. It is a question for future analysis whether this contribution will be as strongly visible in the long run. The limited progress made in the energy sector up to now shows that certain strategic policy decisions still have to be made.

SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Poland belongs to countries characterised by active and growing use of evaluation in planning and managing Cohesion Policy programmes. For the period 2007–2013 special Guideline 6 on evaluation was prepared and approved (MRD 2007). Over the years after accession the system of evaluation units in all Managing Authorities (MA) coordinated by the unit established in the Ministry for Regional Development has been developed. The Steering Committee for Evaluation of the NSRF consists of representatives of Department for structural Policy Coordination, National Evaluation Unit and Management Authorities, other institutions and experts. During this time, over 400 various evaluation projects have been carried out. In the beginning, in response to the initial problems with implementation of Cohesion Policy programmes, the focus

was on studies aimed at defining the sources of problems and making recommendations on how to remove them. As implementation progressed, the focus moved to more complex analyses. Poland (according to the information available) is perhaps the only country among the EU-12 which designed and implemented a full ex-post evaluation of 2004–2006 Cohesion Policy. This evaluation report is in its final stages of preparation (expected in autumn 2010).

Unlike when strategic documents and operational programmes for 2007–2013 were being prepared (i.e. before evaluation-based information was gathered) it is believed that findings of evaluations will serve as a valuable source of information for designing Cohesion Policy programmes after 2013. Research projects on learning processes in public administration have just started.

The evaluation process in Poland is based on an overall strategic plan and annual plans elaborated by each MA. These annual plans are presented to the MRD National Evaluation Unit which in this respect plays an opinion-forming and advisory role. It is also a unit which attaches a lot of attention to knowledge dissemination (see for instance: MRD 2008b, *Evaluation process in the Cohesion Policy in Poland* and other publications)

Out of the 400 evaluation studies carried out, 100 of them were commissioned by the National Evaluation Unit (within the structures of MRD). The list of evaluations is in the Annex. In general, as evaluation in the period 2004–2010 should be seen as a steady process of development, it is difficult to identify specific policy areas, priorities or groups of actions as the main subjects for these activities. On the contrary, evaluations cover various spheres, priorities and programmes relatively evenly. However, it can be noted that while initially (2004–2007 in particular) attention was focused mostly on evaluation studies of obstacles and necessary improvements in the implementation system, later, there was a visible shift towards more general, ex-post evaluations, more and more oriented to seeking effects, synergies, relationships with external policies and factors. Initially, according to MRD sources, of particular importance were evaluations in the field of innovations, MRD and infrastructure.

Up to the end of 2008, evaluations covered the following areas:

- good governance (27%);
- regional and territorial development (25%);
- MRD (16%);
- Innovation capacity of the economy (11%);
- development and modernization of infrastructure (8%);
- NDP/NSRF impact (7%);
- The environment (SEA) (6%). (Bienias et al 2009: 171).

The methods and techniques were selected according to the needs of specific evaluations. In most cases methods typically used in social science, adjusted to evaluation needs, were used. Over time, econometric modelling (like regional HERMIN models) and counterfactual analysis have increasingly been used. This is a sign of the growing maturity of the system which is addressing complex analytical questions in even more complex environment.

The main findings and recommendations of evaluation studies related to:

- analysing supply–demand relationship in various programmes and measures;
- defining barriers in programme implementation;
- remedies in different area to overcome unsatisfactory progress in implementation;
- indicators and their use;
- results (sectoral, territorial).

When assessing the results of evaluations carried out up to now, two factors have to be taken into account.

First, after the accession period (2004), innovative delivery mechanisms for public policy, of a scale and complexity unknown before in Poland, were developed. Evaluation, as part of this, despite experience from the pre–accession era²⁰, has in practice been built from scratch and used according to the needs of the system as a whole. Despite this, after 6 years the evaluation system is there and – although capacity building is still going on–progress is fairly advanced. One should bear in mind that the experience of evaluation does not depend only on the evaluation commissioning units but also on the availability of the services of experienced consultancies (Ferry 2009). In order to disseminate and strengthen evaluation culture in public administration, the MRD supports postgraduate studies and publications in evaluation (handbooks etc.) The demand for knowledge still exceeds supply.

As the history of evaluation is relatively short, assessment of its usefulness, reliability or methodological appropriateness is uneven. According to MRD unofficial estimates, of 400 evaluations carried out up to now, around 25% were of poor quality, 50% could be considered satisfactory but not weakness–free, and the remaining 25% fulfilled expectations. There are no data to verify this assessment, but it can probably be taken as giving a reasonably reliable indication. The assessment of the impact of Cohesion Policy on Poland’s development is an example of a problem which, from the very beginning, turned out to exceed the experience and methodological capability of the organisations performing such general evaluations. In most

²⁰ First evaluation based on Evalsed methodology was applied to Phare–STRUDER programme and later to some other programmes. For reasons difficult to understand all the experience gained before 2004 was not used for design of delivery mechanism operating since 2004 (Kozak 2007).

cases in the past, they were simply unable to specify and separately assess the influence of other factors (globalization, markets opening in 2004, world terms of trade etc.). Results of the ex-post evaluation of 2004–2006 will hopefully bring new quality in this respect. Undoubtedly, given that the quality of evaluations depends on the ability of the MA evaluation units to define expectations and formulate the tasks precisely, a proper monitoring system, a culture of evaluation in public administration and the quality of service providers (consultancies), progress in terms of quality, technical and methodological complexity of evaluations has been very fast. However, there are still significant challenges to overcome. The first relates to the inefficiency of the monitoring system and focus of public administrations on quantitative rather than qualitative aspects of the objectives pursued. The second is a lack of a strategic perspective: concentration on the implementation process rather than on effects and impacts (Bienias et al. 2009: 175 ff). Both the ongoing monitoring reports and annual strategic reports confirm these two points as they are focused mainly or exclusively financial data.

Among 400 evaluations there are examples of good practice (on the basis of MRD 2010f).

1. Ocena korzyści uzyskiwanych przez Państwa UE-15 w wyniku realizacji polityki spójności w Polsce (*Evaluation of EU-15 countries. benefits stemming from implementation of the Cohesion Policy in Poland*), 2009, Instytut Badań Strukturalnych, Warszawa. This is first evaluation which using sophisticated set of techniques (CAWI, documents analysis, macroeconomic research, interviews, and case studies) aims at measuring as complex problem as direct and indirect benefits for EU-15 received thanks to Cohesion Policy in Poland. Authors stress among others that level of these benefits is still lower than benefits on the Polish side. Final report available at:
http://www.ewaluacja.gov.pl/Wyniki/Documents/7_021.pdf
2. Polskie ministerstwa jako organizacje uczące się (*Polish ministries as learning organizations*), 2009, by Olejniczak K. et al.. Using state of the art methodology relating to research in the field of organization learning it proposes empiric model and applies it to selected ministries (in charge of major elements of Cohesion Policy implementation) in order to identify and analyse factors and processes of organizational learning. This line of research may be of high importance for maintaining good governance in public administration. Available at:
http://www.ewaluacja.gov.pl/Wyniki/Documents/Raport_MUS_4_ministerstwa_2010_05_13FIN.pdf [16.08.2010]
3. Banie beneficjentów ostatecznych pomocy udzielonej w ramach sektorowego programu operacyjnego Rozwój Zasobów Ludzkich 2004–2006, (*Research on final beneficiaries of the assistance of the Human Resource Development sectoral operational programme*), 2005, by Anna Chrościcka. Main aim was to measure efficiency and effectiveness of support

instruments used in three measures (1.2, 1.3, 1.5) of the HRD programme. Using CATI the evaluation gives detailed picture of situation of beneficiaries before and after receiving support, formulates clear conclusions and recommendations. Available at:

http://www.efs.2004-2006.gov.pl/NR/rdonlyres/44AFE056-C063-4708-A863-E4C9585D1117/16366/Raport_koncowy_BO_12_13_15.pdf [11.07.2010]

4. Nowoczesne metody pomiaru oddziaływania inwestycji infrastrukturalnych i taborowych w transporcie (*Modern methods of measuring impact of the infrastructural and rolling stock investment In transport*), 2009, by Wojtowicz D. et al. This report addresses important for transport development in Poland problems of selecting best projects from the long-term perspective. It uses a set of five techniques (not in use before in Poland) and analyse their usefulness for solving aforementioned problem through application to the Polish practice. Available at: http://www.ewaluacja.gov.pl/Wyniki/Documents/4_032.pdf

SECTION 5– CONCLUDING REMARKS – FUTURE CHALLENGES

Any public intervention undertaken on a large scale and implemented by a complex institutional system has to be sensitive not only to short-term pressure to deliver but also to strategic structural issues. Had there been no structural weaknesses in a number of European economies and steady worsening of the competitive position of the EU on the global scene, there would be no need to employ Cohesion Policy. As is the case of any instrument, its effects depend on the way it is used (its adequacy in relation to development needs, efficiency, efficacy, long term usefulness).

Up to now implementation of the Cohesion Policy in Poland can be characterised as follows. At the level of strategic goals it is trying to satisfy simultaneously old and new theories of development (over 60% earmarked for hard infrastructure and, at the same time, 64% for very liberally understood Lisbon-type measures). Initial experience suggests, as was also the case in the previous period, that the more down-to-earth level the more emphasis being put on small, local projects of little significance for economic development and of some significance for the quality of life (the so called bicycle routes are the best example: under this heading, pavements in villages and small towns are being constructed, which has no relevance for the development of tourism but it helps the residents to walk safely along sometimes busy roads).

Implementation of large projects with a large potential impact on economic development or the quality of the environment is proceeding only slowly.

The period examined here, from 2007 to the end of 2009, can be regarded as a time for preparation rather than execution of projects. Though the total value of applications exceeds the total allocation under Cohesion Policy for Poland, expenditure commitments at the end of 2009 reached 25–30% of the allocation, but the actual expenditure is on average relatively low

(below 5%). It seems that 2010 will be the first year that will demonstrate the system's ability to deliver. It should be stressed that the general system is very complex, since it consists of 28 operational programmes. Given the successful implementation of the 2004–2006 programming period and the current data on applications and commitments there is no doubt that in financial terms the current period will be a success. However, the issue is not about spending available resources, but to deliver planned results and achieve durable impact.

The following recommendations for future implementation of Cohesion Policy in Poland can be made.

1. More emphasis should be put on concentrating resources on larger projects, closely linked to development challenges and opportunities.
2. The evident propensity to invest mostly in hard “heavy” infrastructure should be kept under control. Instead, more attention should be devoted to generating and selecting projects built around new development factors, like innovation and economic competitiveness.
3. Since the system is organised in the form of a relatively large number of operational programmes, synergy between them need to be sought. A place-based approach may have a significant effect here on the results and impacts. Links between different policies should also be very carefully monitored. Up to now there is no doubt that certain measures under the CAP are anti-development in character and result in the economic structure in the least developed regions being frozen.
4. A similar comment can be made on the integration of activities undertaken with the use of the ERDF and ESF. The latter is devoted to several “soft” measures which are often undertaken with no connection at all with the activities financed by the ERDF, despite their close links (this issue was mentioned in the report on Innovation).
5. This would be easier to achieve if at the regional level multi-fund projects could be implemented, which at present is impossible according to the EU regulations. This leads to unnecessary fragmentation of activities and an increase in the administrative burden.
6. The key conditions to bring about improvements in the aforementioned areas include a significant improvement in monitoring the physical results of projects and activities. This has to be seen as a pre-condition for the introduction of experience-based policy development and implementation.
7. There is a need for the integration the evaluation activities so that these could embrace performance and results of several projects implemented in a given socio-economic and territorial context, no matter from which EU funds these are financed. The role of empirical, down-to-earth evaluations should be increased and should supplement evaluations conducted “from above” by using documents and reports.

To sum up, it is a high time that the emphasis put on physical progress, results and impacts was as strong as on financial monitoring. In other words: quality should become the strategic priority.

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TABLES

See Excel file for Tables 1 and 2

Table 1: Regional disparities and trends

Table 2: Macro-economic developments