European Commission

WP1: Synthesis report

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

Task 3 Country Report Poland

September 2016

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List of abbreviations

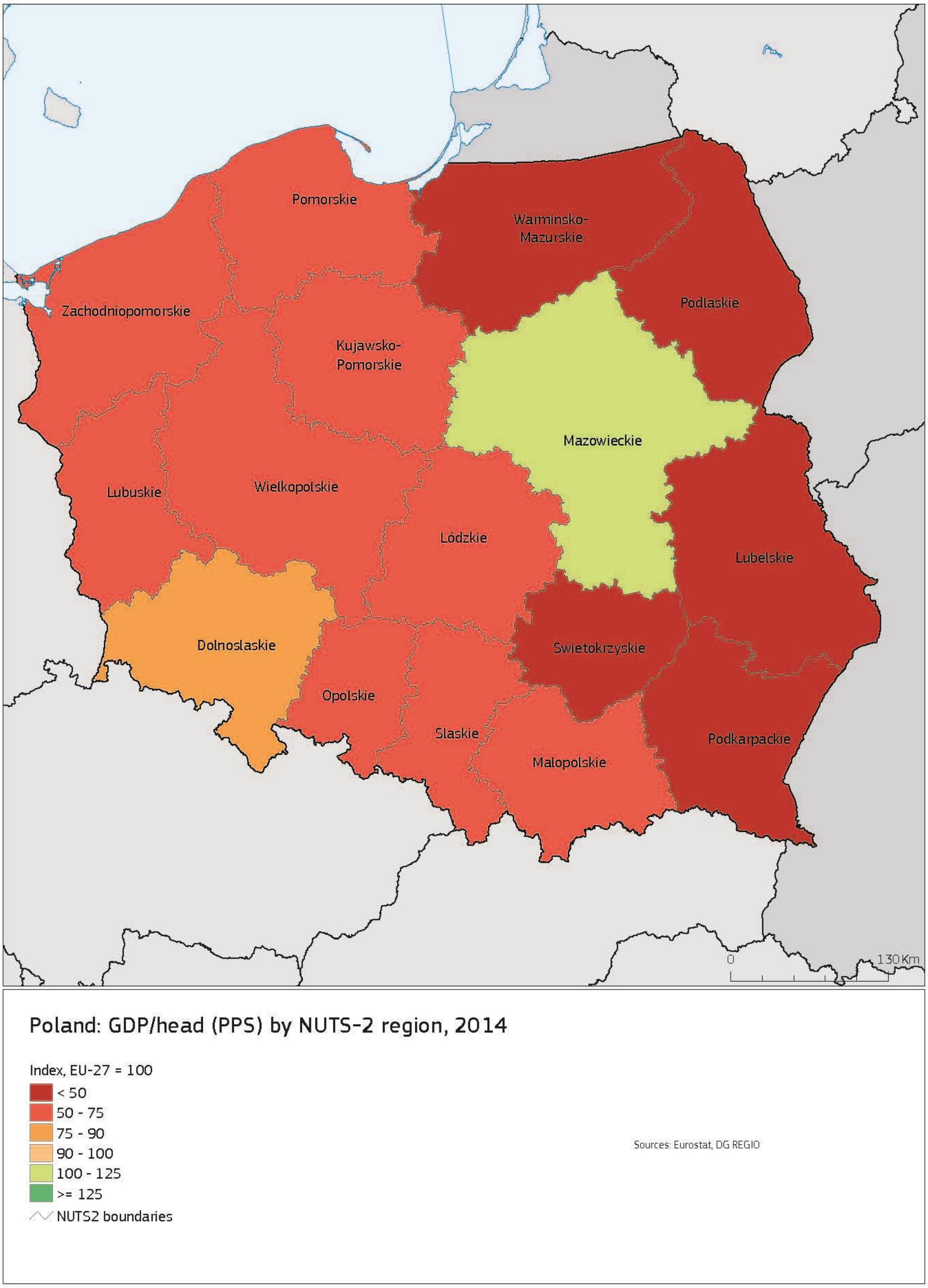
AIR	Annual Implementation Report
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
GDP	Gross Domestic Product
GDFCF	Gross Domestic Fixed Capital Formation
MC	Management Committee
MA	Managing Authority
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
R&D	Research and Development
RTD	Research and Technological Development
SME	Small and Medium Enterprise

List of programmes and link to beneficiaries of ERDF and Cohesion Fund support

CCI	Name of OP	Link beneficiaries	Number of projects
2007PL161PO001	OP Innowacyjna Gospodarka, 2007-2013	http://www.poig.2007-2013.gov.pl/Strony/lista_beneficjentow_POIG.aspx	17 107
2007PL161PO002	OP Infrastruktura i Środowisko	http://www.pois.2007-2013.gov.pl/Strony/lista_beneficjentow_POIS.aspx	3 056
2007PL161PO003	OP Rozwój Polski Wschodniej 2007-2013	http://www.polskawschodnia.2007-2013.gov.pl/Strony/lista_beneficjentow_PORPW.aspx	306
2007PL161PO004	OP Pomoc Techniczna	http://www.popt.2007-2013.gov.pl/Strony/lista_beneficjentow_POPT.aspx	446
2007PL161PO005	ROP dla Województwa Dolnośląskiego na lata 2007-2013	http://rpo.dolnyslask.pl/index.php?id=1319	2 173
2007PL161PO006	ROP Województwa Kujawsko-Pomorskiego na lata 2007 - 2013	n.a.	n.a.
2007PL161PO007	ROP Województwa Lubelskiego	n.a.	n.a.
2007PL161PO008	Lubuski ROP Program Regionalny Odsyłacz	http://mapa.lrpo.lubuskie.pl/mapa	1 091
2007PL161PO009	ROP Województwa Łódzkiego na lata 2007-2013	http://zmieniamy.lodzkie.pl/projekty.php	2 727
2007PL161PO010	Małopolski ROP na lata 2007-2013	http://mapyfunduszy.umwm.pl/mapa/368	3 246
2007PL161PO011	ROP Województwa Mazowieckiego	http://rpo.mazowia.eu/mapa-projektow-rpo-wm/	2 481
2007PL161PO012	ROP Województwa Opolskiego na lata 2007-2013	http://rpo.ocrg.opolskie.pl/	1 330
2007PL161PO013	ROP Województwa Podkarpackiego	http://www.archiwum.podkarpackie.pl/wrota_kopia/kopia/res/rpo/Aktualnosci/2014/06/140604__3czerwca_2014r.doc	2 739
2007PL161PO014	ROP Województwa Podlaskiego na lata 2007-2013	http://www.podlaskiedotacje.pl/	1 381
2007PL161PO015	ROP Województwa Pomorskiego	http://dpr.pomorskie.eu/	1 861
2007PL161PO016	ROP Województwa Zachodniopomorskiego na lata 2007-2013	http://www.rpo.wzp.pl/rpo/informacje_dla_wnioskodawcow/lista_projektow_dofinansowanych.htm	1 916
2007PL161PO017	ROP Województwa Wielkopolskiego	http://www.wrpo.wielkopolskie.pl/index.php/lista-beneficjentow/lista-beneficjentow-wrpo	2 604
2007PL161PO018	ROP Województwa Świętokrzyskiego	http://rpo-swietokrzyskie.pl/mapa_dotacji/mapa/wyszukaj	1 382
2007PL161PO019	ROP Województwa Śląskiego	http://rpo.slaskie.pl/?grupa=15&sort=1&id_m=217	5 549
2007PL161PO020	ROP Województwa Warmińsko-Mazurskiego	http://rpo.warmia.mazury.pl/index.php?page=dzial&dzial_id=202	2 862

Note: The web links above are to websites of the respective Managing Authorities who, under the rules governing the 2007-2013 programmes were required to publish the names of the beneficiaries of the funding allocated. The number of projects supported has been estimated on the basis of the information published on the website at the time when the data were downloaded. In the meantime the data concerned may have been updated. It may also be that the data have been moved to another part of the website, in which case the link may not work. If this is the case, those who wish to locate the data concerned will need to go to main OP website, as indicated by the beginning part of the link and search from there.

Map 1 Poland and NUTS 2 regions, GDP/head (PPS), 2014



Preliminary note

The purpose of the country reports is to provide for each Member State a short guide to the findings of the ex post evaluation of Cohesion policy programmes 2007-2013 undertaken by DG Regional and Urban Policy and an overview of the context in which the programmes were carried out. It is based on information produced by Task 1 and Task 2 of WP1 and on the country specific findings from the various WPs that form the ex post evaluation. These are listed below with an indication in brackets of the case studies carried out in the Member State concerned.

WP0 – Data

WP1 – Synthesis

WP2 – SMEs, innovation and ICT (case study OP Innovative Economy)

WP3 – Venture capital, loan funds (case study OP Małopolskie)

WP4 – Large enterprises (case study OP Innovative Economy)

WP5 – Transport (country case study Poland - case study A1 motorway Toruń-Stryków - case study Railway line E30/C-E-30)

WP6 – Environment (case study Municipal Waste Management in Gdansk – case study Water and Sewage Management Project in Żory)

WP8 – Energy efficiency (country report Poland – case study OP Infrastructure and Environment)

WP9 - Culture and tourism (case study OP Podlaskie and two mini-case studies on the Opera and Philharmonics of Podlaskie and the Centre for Education and Muslim Culture of Polish Tatars in Kruszyniany)

WP10 – Urban development and social infrastructure

WP11[1] *– European Territorial Cooperation (case studies South Baltic and Baltic Sea Region Programme)*

WP12 – Delivery system (case studies OP Infrastructure and Environment, OP Development of Eastern Poland and ETC PL/DE – ESF OP Human Capital - Assessment of capacity building financed by technical assistance)

WP13 – Geography of expenditure

WP14 – Impact modelling

[1] The findings from WP11 – European Territorial Cooperation are summarised in a separate report as part of Task 3 of WP1.

Executive summary

Poland was alone among the EU Member States, in avoiding global recession in 2008-2009. Since the slowdown in the 2011-2013, growth has increased back to over 3% a year, but still slightly below the rates experienced before the slowdown, while unemployment in 2015 was well below the rate in 2007 at the start of the programming period.

In the 2007-2013 period, the whole country qualified for support under the Convergence Objective, though there are significant differences between regions in the level of economic development. These disparities remained broadly unchanged over the period. In particular, the Eastern regions remained the poorest in the country because of their structural disadvantages (over-representation of low productivity sectors and poor infrastructure). GDP per head in these regions was still less than half that in the Capital city region, Mazowieckie in 2015, and over 20% less than in the Western regions.

The ERDF and the Cohesion Fund going to Poland for the period amounted to EUR 57.2 billion, equivalent to 2.3% of GDP and 41% of Government capital expenditure. The rate of programme implementation, as reflected in payments relative to the funding available, was relatively consistent over the period to reach 95% by the end of March 2016, implying that all the funding available was spent by the end of 2015 as the regulations require.

Almost half of the funding (45%) went to support of investment in transport, largely to the construction of new roads (1 886 km in total and 1 056 km on the TEN-T network) and the upgrading of others (7 216 km), as well as to the modernisation of railway lines (482 km overall and 124 km on the TEN-T). A quarter of the funding supported enterprises and innovation and around 12% went to environmental infrastructure.

Overall, the measures co-financed over the period contributed directly to the creation of over 87 427 gross jobs, of which over 38 600 were in SMEs, 5 000 in research activities and almost 4 000 in tourism. These jobs were the result of the support given to 15 000 investment projects in SMEs, over 1 300 RTD projects and 1 000 cooperation projects between SMEs and research centres. In addition, investment in environmental infrastructure led to an additional 537 thousand people being connected to new or upgraded wastewater treatment facilities, and an additional 262 thousand people being connected to clean water supply.

The investment supported by Cohesion and rural development policy in Poland is estimated to have increased GDP in 2015 by over 4% above the level it would have been in the absence of the funding provided. In 2023, 8 years later, GDP is estimated to be almost 6% above what it otherwise would be as a result of the investment concerned.

1. The policy context and background

1.1. Macroeconomic situation

Poland was the only EU country that weathered the post-2007 global financial and economic crisis without going through a recession (Table 1). Growth in GDP in the crisis years was only slightly lower than in the period before. However, in 2011-2013, years of renewed recession across Europe, GDP growth slowed appreciably, in part because of the reduction in external demand and cutbacks in public investment. Since 2013, growth has increased again to only a little below the rate experienced before the global recession hit.

Table 1 GDP growth, employment and unemployment, Poland and the EU, 2000-2015

	2000-07	2007-09	2009-11	2011-13	2013-2014	2014-15
GDP growth (Average % pa)			*(Annual average % pa)*			
Poland	4.1	3.3	4.4	1.4	3.3	3.5
EU average	2.3	-2.0	1.9	-0.1	1.4	1.9
	2000	**2007**	**2009**	**2011**	**2013**	**2015**
Employment rate (% 20-64)						
Poland	61.1	62.7	64.9	64.5	64.9	67.8
EU average	66.5	69.8	68.9	68.6	68.4	70.1
Unemployment rate (% lab force)						
Poland	16.3	9.6	8.2	9.6	10.3	7.5
EU average	9.2	7.1	8.9	9.6	10.8	9.3

Source: Eurostat, National accounts and Labour Force Survey

The economic slowdown in 2011-2013 is mirrored in the unemployment rate, which increased to 10.3% in 2013 but fell back to 7.5% in 2015 as GDP growth increased. The employment rate remained unchanged over the 2009-2013 period, implying that job creation was insufficient to prevent unemployment from increasing as a larger proportion of people of working age (20-64) joined the work force. In the two following years, it increased to almost 68%, 5 percentage points higher than in 2007, but still some way below the Europe 2020 target of 75%.

Table 2 Government budget balance, accumulated debt and investment, Poland and the EU, 2000-2015

	2000	2007	2009	2011	2013	2015
Public sector balance			*(% GDP)*			
Poland	-3.0	-1.9	-7.3	-4.9	-4.0	-2.6
EU average	0.0	-0.9	-6.7	-4.5	-3.3	-2.4
Public sector debt						
Poland	36.5	44.2	49.8	54.4	56.0	51.3
EU average	60.6	57.9	73.1	81.1	85.5	85.2
General Govt investment						
Poland	1.9	4.5	5.1	5.8	4.1	4.4
EU average	2.9	3.2	3.7	3.3	3.0	2.9

Source: Eurostat Government financial accounts

The public sector deficit, which was below 2% of GDP in 2007, rose in the following years due to the measures taken by the government to support the economy in the crisis period and reached a peak of over 7% of GDP in 2009, when an excessive deficit procedure was initiated by the Commission against Poland. Changes in the pension system – specifically an increase in the retirement age – and cuts in public investment helped to bring the deficit back to below 3% in 2015 (Table 2).

1.2. Regional Disparities

At the beginning of the 2007-2013 period, all Polish regions (with the exception of Mazowieckie, where growth was driven mainly by the capital Warsaw) had levels of GDP per head far below 75% of the EU average, ranging from less than 40% in Podkarpackie, Lubelskie and Podlaskie in the Eastern part of the country to over 50% in Dolnoslaskie, Wielkopolskie, Slaskie in the West (see Country folder for Poland and Map 1, p.7).

While the whole country fell under the Convergence Objective as regards Cohesion policy, significant differences remain in regional development levels due to various factors, such as the historical heritage (e.g. the gap between the western and the eastern parts of the country); the division between urban and rural areas, with large cities growing faster (Warsaw, Poznań, Kraków, etc.) than other areas; differential progress in restructuring away from traditional industries, which has tended to be faster when supported by foreign direct investment; proximity to big agglomerations and the capacity to realise growth-enhancing spill-over effects.

Despite positive developments over the programming period, there was no real change in the major regional disparities. The five Eastern regions[2] remained the poorest in the country, essentially because of their dependence on low-productivity agriculture, the poor state of infrastructure and their remoteness from economic centres at national and EU level as noted above. Structural features take a long time to change. GDP per head in Eastern regions remained less than half of that in Mazowieckie and over 20% less than in the Western regions. Unemployment rates also remained above the national average (at around 10% as against a national average of 7.5% in 2015).

2. Main features of Cohesion Policy implementation

2.1. Nature and scale of Cohesion Policy in the country

According to the National Strategic Reference Framework for the 2007-2013 period, Poland had six priorities: (1) to improve the administrative capacity of public administration and strengthen civil society; (2) to increase the quality of human capital and enhance social cohesion; (3) to develop and modernise key infrastructure in order to boost national economic growth; (4) to foster the competitiveness and innovativeness of enterprises, with a special focus on SMEs; (5) to promote local development potential, particularly in the five poorest Eastern regions (which received a special allocation from the European Council); (6) to balance development opportunities and to support structural changes in rural areas.

The six priorities set out in the NSRF were pursued through 20 OPs: 16 regional OPs and 4 sectoral OPs[3]. Over two thirds of the resources were allocated to the sectoral OPs with Infrastructure and Environment receiving nearly 50% of the total funding

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[3] The four sectoral OPs were: OP Innovative Economy, OP Human Resources, OP Infrastructure and Environment, and OP Development of Eastern Poland.

available (EUR 28.3 billion). The Eastern regions received 8.5% and the Capital city region, 3% of the total.

The initial funding from the ERDF and the Cohesion Fund was EUR 55.5 billion but this was increased to EUR 57.2 billion due to the allocation from the performance reserve in 2011 and a ‘technical adjustment’ allocation. Funding was equivalent to just over 2% of GDP and represented nearly 41% of Government capital expenditure (Table 3).

Table 3 ERDF and Cohesion fund resources and national co-financing for the 2007-2013 period in Poland, initial (2007) and last (April 2016)

	2007				**2016**			
	EU funding	National public funding	National private funding	Total	EU funding	National public funding	National private funding	Total
EUR million								
Convergence	55 514.7	12 395.2	2 707.7	70 617.5	57 178.2	7 995.8	2 626.8	67 800.7
Change, 2007-2014								
Convergence					*1 663.5*	*-4 399.4*	*-80.9*	*-2 816.8*
% GDP	2.2	0.5	0.1	2.8	2.3	0.3	0.1	2.7
% Govt. capital expend	39.8	8.9	1.9	50.6	40.9	5.7	1.9	48.6
Per head (EUR) pa	207.8	46.4	10.1	264.3	214.0	29.9	9.8	253.8
EU12								
% GDP	*2.1*	*0.4*	*0.1*	*2.6*	*2.2*	*0.4*	*0.1*	*2.6*
% Govt. capital expend	*38.3*	*7.6*	*1.0*	*46.9*	*38.7*	*6.4*	*1.4*	*46.5*
Per head (EUR) pa in Convergence	*212.4*	*42.1*	*5.6*	*260.2*	*214.6*	*35.5*	*7.8*	*258.0*

Note: EU funding relates to decided amounts as agreed in 2007 and as at 14 April 2016. The figures for % GDP and % Govt. capital expenditure relate to funding for the period as % of GDP and of General Government capital expenditure aggregated over the years 2007-2013. Govt. capital expend is the sum of General Government gross fixed capital formation and capital transfers. The EU12 figures are the total for the EU12 countries for comparison.
Source: DG Regional and Urban Policy, Inforegio database and Eurostat, national accounts and Government statistics

2.2. Division of funding between policy areas and changes over the period

The distribution of funding between broad policy areas was largely in line with the priorities set out in the NSRF. In particular, a large share (45%) went to Transport, reflecting the priority given to improving communication links, especially roads, both in the Eastern part of the country and between the regions located there and the rest of Poland. A significant share (15%) went to foster the competitiveness of enterprises, with a special focus on innovation and RTD. Environment received the third largest share of funding (12%), reflecting the need for improvements in water supply, wastewater treatment and waste management (Table 4).

In the course of the programing period, a number of shifts in funding between policy areas were made, partly to allocate the additional resources from the performance reserve and the ‘technical adjustment’ allowance, but also to accelerate the implementation of programmes. The main change was the increase in funding for innovation and SME support (items 1, 2 and 3 in Table 4) and for roads. The increase for roads was mainly compensated by reductions in funding for rail and ‘other transport’. The funding for rail in particular was reduced as a consequence of delays caused by managerial deficiencies in the companies responsible, *Polskie Koleje Państwowe* (Polish State Railways, PKP) and *PLK PKP* (Polish Railway Tracks). Smaller, yet significant, increases in funding were made to support for energy infrastructure and urban development and tourism (included under ‘the territorial dimension’ in Table 4).

Table 4 Division of financial resources in Poland for 2007-2013 by category, initial (2007) and last (April 2016) and shift between categories

	EUR million					% Total	
Category	2007	2016	Added	Deducted	Net shift	2007	2016
1.Innovation & RTD	7 971.8	8 824.4	1 296.5	-443.8	852.7	14.4	15.4
2.Entrepreneurship	878.9	1 072.7	232.6	-38.8	193.8	1.6	1.9
3.Other investment in enterprise	1 590.5	1 781.3	240.1	-49.4	190.8	2.9	3.1
4.ICT for citizens & business	2 730.2	2 656.0	403.5	-477.7	-74.2	4.9	4.6
5.Environment	6 650.9	6 724.7	520.6	-446.7	73.8	12.0	11.8
6.Energy	2 219.8	2 336.0	348.1	-231.9	116.2	4.0	4.1
7.Broadband	984.2	940.2	136.4	-180.4	-44.0	1.8	1.6
8.Road	15 211.9	15 910.6	1 248.7	-550.0	698.7	27.4	27.8
9.Rail	5 481.7	5 479.1	679.6	-682.2	-2.6	9.9	9.6
10.Other transport	4 313.2	4 268.5	193.9	-238.6	-44.7	7.8	7.5
11.Human capital	-	-	-	-	-	-	-
12.Labour market	-	-	-	-	-	-	-
13.Culture & social infrastructure	3 746.8	3 751.9	269.1	-264.0	5.1	6.7	6.6
14.Social Inclusion	-	-	-	-	-	-	-
15.Territorial Dimension	1 741.4	1 863.6	172.4	-50.2	122.2	3.1	3.3
16.Capacity Building	50.1	16.2	-	-33.9	-33.9	0.1	0.0
17.Technical Assistance	1 943.4	1 553.0	44.8	-435.3	-390.5	3.5	2.7
Total	**55 514.7**	**57 178.2**	**5 786.4**	**-4 122.9**	**1 663.5**	**100.0**	**100.0**

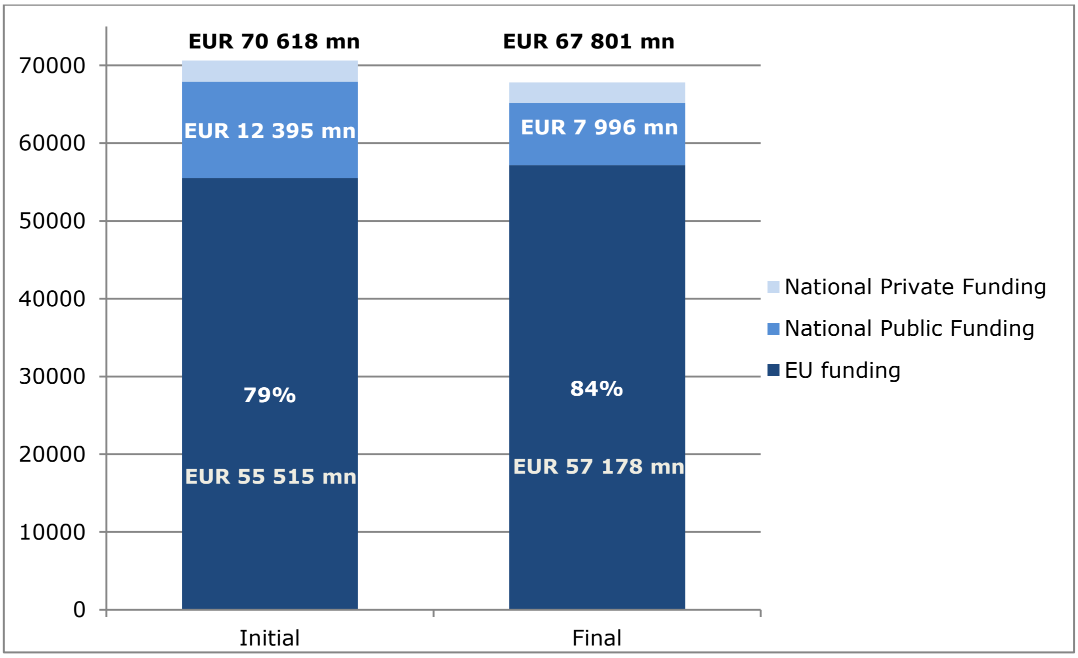
Note: 'Added' is the sum of additions made to resources in OPs where there was a net increase in the funding going to the category. 'Deducted' is the sum of deductions made to resources in OPs where there was a net reduction in funding. 'Social inclusion' includes measures to assist disadvantaged groups and migrants. 'Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.
Source: DG Regional and Urban Policy, Inforegio database, April 2016

2.3. Policy implementation

The average EU co-financing rate increased over the period from 79% to 84% in order to reduce the national funding which needed to be found to carry out projects so as to help the Government with the implementation of fiscal consolidation measures. In all, public funding was reduced by EUR 4.4 billion and private financing by EUR 81 million (Figure 1). This was offset in part by the increase in EU funding noted above, but the overall funding for investment was EUR 2.8 billion lower than initially planned.

Apart from an initial delay, which was mainly due to the overlap with the previous period, the rate of implementation of programmes, as reflected in payments by the Commission from the ERDF and the Cohesion Fund for expenditure incurred, was relatively consistent over the period. Already at the end of 2015, payments amounted to 95% of the funding available, the maximum allowed given that 5% of funding is held back until all the expenditure is approved (Figure 2).

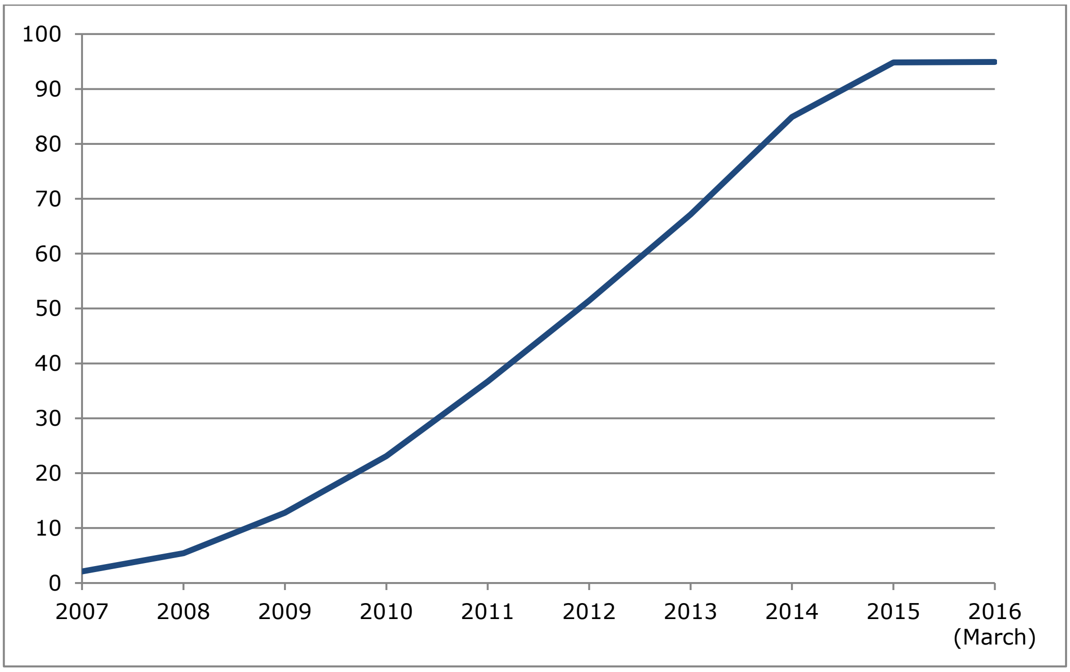
Figure 1 Total funding going to expenditure on Cohesion policy programmes for the 2007-2013 period, initial planned amount and final amount (EUR mn)



Source: DG Regional Policy financial data, 14 April 2016

This, therefore, suggests that all the funding was spent by the end of 2015, in line with the regulations.

Figure 2 Time profile of payments from the ERDF and Cohesion fund to Poland for the 2007-2013 period (% of total funding available)



Source: DG Regional Policy financial data, end-March 2016

2.4. Delivery system (WP12)

An evaluation of the management and implementation of Cohesion policy over the 2007-2013 period was carried out by WP12[4]. When the period began, Poland did not have long experience of operating EU Structural Funds. Over the period, the management system was gradually de-centralised, posing challenges in terms of coordination and organisation. As in many other EU12 countries, there was a lack of experience in setting adequate policy objectives, which were often too broadly or too vaguely defined to be meaningful. Progress was made during the 2007-2013 period in public administration, particularly through efforts to reduce the administrative burden and to simplify procedures. Areas in need of or future improvement are the use of electronic documentation and better financial management and control so as to avoid time-consuming administrative procedures that cause delays in reimbursing expenditure.

Poland is seen as an example of good practice in terms of policy evaluation and of developing an evaluation culture. Nearly a third of the 900-plus evaluations carried out on ERDF and Cohesion Fund interventions in the 2007-2013 period were on Polish programmes[5].

3. The outcome of Cohesion Policy programmes – main findings from the ex post evaluation

The main findings summarised here come from the evaluations carried out under the Work Packages (WPs) of the ex post Evaluation of Cohesion Policy 2007-2013, which covered in detail the following policy areas:

- Support to SMEs – increasing research and innovation in SMEs and SME development (WP2);
- Financial instruments for enterprises (WP3);
- Support to large enterprises (WP4);
- Transport (WP5);
- Environment (WP6);
- Energy efficiency in public and residential buildings (WP8);
- Culture and tourism (WP9);
- Urban development and social infrastructure (WP10);
- European Territorial Cooperation (WP11);
- Delivery system (WP12);
- Geography of expenditure (WP13);
- The impact of cohesion policy 2007-2013: model simulations with Quest III and Rhomolo (WP14).

All of these are relevant for Poland. The evaluation of ETC (WP11), it should be noted, is the subject of a separate report. The findings of WP12 were outlined above, while

[4] The WP12 report is published at http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1?.

[5] Two case studies were carried out as part of: Assessment of capacity building financed by technical assistance (Task 5) and Case study reports (Task 3), Delivery System, WP12, see http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/%231?#1.

the estimates produced by WP13 on the allocation of funding and of expenditure between regions are not considered here[6].

3.1. Enterprise support and innovation (WP2, WP3 and WP4)

The funding allocated to this policy area amounted to EUR 11.7 billion, representing 20% of the total ERDF and Cohesion Fund available for the 2007-2013 period. This share is slightly larger than the EU12 average but smaller than in the EU15. About 76% of the funding went to support of innovation and RTD and 15% to that of other investment in enterprises.

By the end of 2014, 1 382 RTD projects in enterprises had been supported, along with 1 057 R&D cooperation projects between enterprises and research institutes. The funding helped the start-up of 1 993 new businesses and provided support to 14 955 investment projects in SMEs. The majority of projects were located in the regions with the largest number of firms, namely, Mazowieckie, Wielkopolskie and Śląskie. Altogether, an estimated 87 427 jobs were created as a direct result of ERDF interventions, of which 38 624 were in SMEs and 5 000 in research activities (see Table 5 at the end of this section).

SME support, R&D and innovation (WP2)

Over the programming period, there was an increase in the value-added produced by SMEs and in R&D expenditure in Poland. The main support to R&D and innovation was provided via the national 'Innovative Economy' OP (see box). It included many different measures (26 in total) but nearly 40% of the funding was concentrated on three specific measures, all supporting innovation in SMEs. There were two reasons for this. First, it was considered that in countries operating away from the technological frontier, like Poland, returns from spending on innovation are higher from supporting investment in existing technology in low-tech manufacturing than from investing in basic research. Secondly, it was thought that projects should have a critical size implying a large amount of funding per project and a 'narrow' selection of the target group of firms to avoid dispersion. The 'Technological Credit' initiative was a concrete example of this approach. It was allocated over EUR 430 million and provided support to large investment projects in 600 SMEs. The support financed the modernisation of production processes and the purchase of new machinery, so improving productivity and increasing exports.

Although R&D expenditure in Poland is still very low (0.9% of GDP in 2012 as compared to 2% in the EU on average), evaluation evidence suggests that the ERDF support has helped to increase the R&D capability of SMEs. It is estimated that the share of R&D expenditure in GDP would have been smaller in the absence of the ERDF (0.7%,instead of 0.9% in 2012)[7] and that high-tech exports would have been just half as high (3.8% instead of 6.7% in 2013).

'Innovative Economy' OP case study[8]

Over 90% of the total OP funding (EUR 5 billion) was devoted to R&D, innovation and ICT. The OP comprised 26 different policy instruments, 15 of which were exclusively focused on innovation (with over EUR 1 billion going to projects with high innovative potential). Funding

[6] They are available at: http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1.
[7] WYG PSDB Sp. z o.o. (2014). Ocena wpływu Programu Operacyjnego Innowacyjna Gospodarka na zwiększenie innowacyjności przedsiębiorstw. Raport końcowy.
[8] The report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp2_case_study_pl.pdf.

provided support for the adoption of new technology. Another focus was on completing research projects that were near finalisation. Grants were the most common form of support, giving rise to criticism from those who considered loans more suitable for many of the projects financed, especially the ones producing a stable and predictable cash flow.

Up to the end of June 2015, 12 797 enterprises had received support (or 1% of the total SMEs in Poland), of which over 50% were micro-enterprises with less than 10 people employed. While most recipients in industry (63%) were in the low and medium-low tech sectors, many of those in services (47%) were in knowledge-intensive sectors. The support induced changes in behaviour. Some 42% of the enterprises supported had not previously undertaken R&D and did so as a direct result of the intervention[9]. The companies supported spent EUR 240 million on R&D, 4% of total business R&D expenditure in Poland. Almost 21 900 jobs were directly created as a result of the programme.

While, as noted above, 1 057 cooperation projects between enterprises and research centres were undertaken as a result of support, the evaluation found that research centres were not always good at responding to the needs of SME.

Financial Instruments for enterprises (WP3)

In the 2007-2013 period, EUR 782 million of the ERDF went to the support of FIs, about 7% of the total ERDF support to enterprises. By the end of 2014, nearly all of this (99%) had been paid into FIs and 98% had reached final recipients. Funding went into 237 different FIs[10], the share of funding going to FIs ranging from 30% of the total available for enterprise support in Śląskie and Wielkopolskie ROPs to less than 2% in the national 'Innovative Economy' OP. In most cases, FIs were used in combination with grants, though the support provided by the Development of Eastern Poland OP, for example, was exclusively in the form of FIs. FIs were operated in most cases through Holding Funds managed by public institutions at local or regional level.

The main forms of FIs were loans and guarantees with a repayment period of between 3 and 10 years. FIs supported not only fixed investment in SMEs but also working capital. Equities were used less and mainly went to fund investment in innovation, the amount being of up to EUR 1.5 million.

Małopolskie case study[11]

The Małopolskie OP provided support of EUR 35 million (just under 3% of the total ERDF available) to 14 FIs (11 loans funds, three of which were specifically targeted at SMEs affected by natural disasters, and three guarantee funds).

The revolving nature of the funds was a strong incentive to use FIs, though an additional motivation was to support activities in SMEs which were not eligible for support from grants (e.g. because it was not compliant with State aid rules) and which would otherwise have had difficulty in obtaining finance.

The implementation of the FIs was delegated to an Intermediary Body (IB) using a wide network of experienced funds managers. The set-up of the funds was not considered costly or time-consuming and disbursement to final recipients was fast and effective, reaching SMEs throughout the Małopolskie region.

Most of the support (77%) went to fixed investment in micro-enterprises predominantly in the form of loans and guarantees (91%). In total, 287 enterprises received support by the end of 2014.

[9] Polish Agency of Enterprise Development (2013b), Świt innowacyjnego społeczeństwa. Trendy na najbliższe lata, Warsaw, p. 151.
[10] ERDF support co-financed FIs in two national OPs and 16 Regional OPs.
[11] The report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp3_final_en.pdf.

The cost per additional job directly created by loan funds was EUR 100 000 on average but varied from EUR 45 000 to EUR 300 000. The cost per job from non-repayable grants was significantly lower at EUR 41 000 on average. It should be noted, however, that job creation was in many case not the main objective of support but instead to increase competitiveness.

Large enterprises (WP4)

A total of EUR 1 356 million of the ERDF available went to large enterprises In Poland in the form of non-refundable investment grants. This was more than in any other country and represented a fifth of the overall support which these received in the 2007-2013 period.

The funding co-financed 539 investment projects in 408 large enterprises. The average amount of support per enterprise was EUR 2.8 million, much larger than the average in the 8 case study countries considered by the evaluation carried out by WP4 (EUR 1.6 million). Two thirds of the large firms supported were engaged in manufacturing, 79% of these in high- to medium-high tech industries and the rest in services (55% in advanced services). Some 91% of the firms concerned were Polish companies, a few of them multi-nationals, while 9% were the branches of foreign multinationals.

The support was exclusively provided in the form of non-refundable grants either for investment or for innovation. Evidence from the evaluation suggests that grants for investment in large-scale projects were among the most efficient measures in terms of job creation (see Box).

'Innovative Economy' OP case study[12]

The OP allocated EUR 1 153 million to large enterprises or 14% of the funding available. This represented 85% of the overall ERDF support for large enterprises in Poland. Economically disadvantaged areas received around 17% of the funding.

The justification for support was the critical role played by large enterprises in promoting employment and strengthening innovation and growth.

The funding supported 416 projects in 338 large enterprises and averaged EUR 3.3 million per company. A third of the large enterprises employed less than 250 people and 21% more than 1 000. A third also were foreign multinationals, mainly German and US. There was no sectoral focus in project selection as such but the enterprises needed to be ready to introduce innovation.

The large enterprises supported created 6 700 jobs up to April 2015. However, the evaluation found that most of the projects supported would have been undertaken anyway, though support led to projects being implemented sooner or on a larger scale and influenced the decision on location.

3.2. Transport (WP5)

Nearly half of the total funding available from the ERDF and Cohesion Fund in the period 2007-2013 (EUR 25.6 billion) went to Transport with the aim of improving the network. Around two-thirds was invested in roads while the remainder was shared almost equally between rail and other forms of transport (including urban transport, airports and, to a much lesser extent, ports and inland waterways). Some 77% of the funding was concentrated in the national 'Infrastructure and Environment' OP (EUR 19.7 billion) and the remainder was divided between the 16 regional OPs (EUR 4.9

[12] The report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp4_case_study.pdf.

billion) and the Development of Eastern Poland OP (EUR 1.1 billion). Nearly 80% of the funding was allocated to major projects, 135 in total.

EU support was a major source of funding for transport amounting to around half of total spending on transport infrastructure over the period, though most of expenditure on rail, suggesting that railway projects would not have been carried out without EU support.

EU support helped to construct a network of motorways to connect Poland better with neighbouring countries and the rest of the EU in line with national and EU objectives. In particular, 1 886 km of new roads were constructed, 1 056 km of which were part of the TEN-T network. In addition, 7 216 km of roads were improved. EU funding also helped to upgrade the standard of the existing rail network: 482 km of rail were modernised, 124 km of which were part of the TEN-T (see Table 5).

Modernisation of railway line E30/C-E 30, Kraków – Rzeszów section, case study[13]

The project - part of the Infrastructure and Environment OP - entailed the modernisation of the railway line in the South-East of Poland between Kraków and Rzeszów forming part of the E30/C-E30 corridor which connects Ukraine and Germany. The objectives were to allow speeds of up to 160 km per hour for passenger trains and 120 km per hour for goods trains and to improve the quality of service. The cost was initially estimated at EUR 1.13 billion, but it is expected to be less.

Construction started in November 2011 and is planned to be completed, behind schedule, in December 2016. The split of the project into 6 separate contracts was seen as a major cause of delay since planning permission was needed for each contract.

Although there is no doubt that the motorways constructed as part of TEN-T improved connectivity, e.g. between the north of Poland and the centre, as in the case of the Toruń – Stryków motorway (see Box), it is less clear how far the investment has contributed to territorial cohesion and local development. A priority in the 2014-2020 programming period is, therefore, to give more importance to a balance between local, national and EU-wide needs as well as to promote sustainable transport, particularly in urban areas.

The Toruń – Stryków A1 motorway case study[14]

The project was a key link to complete the strategic corridor connecting the north of the country and the port of Gdańsk with central Poland and the Czech Republic. The cost of the project was EUR 1.4 billion, nearly EUR 600 million less than initially estimated. The project started in 2010 and was planned to be completed in two years, but because of delays, it was finished in April 2015.

Delays were due, in particular, to the splitting up of the project into 7 separate contracts (a common approach in Poland during the 2007-2013 period – which made procurement overly complicated and protracted as well as to the cancellation of three contracts which needed to be re-tendered).

Although the General Directorate for National Roads and Motorways (GDDKiA) affirmed in an interview carried out as part of the evaluation, that the project is of good value, there is some concern about its financial sustainability as the National Road Act in Poland does not allow revenues generated from tolls to be used for maintenance. Moreover, according to GDDKiA, the lack of sufficient junctions on the motorway might impede the development of some local areas.

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[13] The full case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp5_task3_en.pdf.
[14] The full case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp5_task3_en.pdf.

3.3. Environmental infrastructure (WP6)

Some EUR 6.7 billion from the ERDF and Cohesion Fund, or 12% of the total, went to environmental projects. This was larger than in any other Member State and it was justified by the substantial investment needed to comply with EU Directives in this area. EUR 1.3 billion were allocated to waste management and EUR 3.9 billion to water supply and wastewater treatment.

As regards waste, the funding co-financed 44 investment projects for pre-treatment, recycling, composting and separate collection as well as the closure of landfills not complying with EU standards.

EU support had an important role in building regional waste facilities to replace smaller local ones (see Box) and to reduce waste going to landfills.

Modernisation of municipal solid waste management in Gdańsk - case study[15]

The project included a sorting station and material recovering facilities to handle different types of waste. The cost of the investment was EUR 83.5 million (slightly less than initially planned), 58% of it covered by the Cohesion Fund.

The project started in 2007 and was expected to be completed in August 2010. Because of delays, the composting station started working at full capacity in November 2013 and the sorting facility in July 2015.

Overall, the composting and sorting capacities built were in line with plans and the project is considered technically and financially sustainable, since the operation is financed by charges and no subsidies are required.

As regards water supply and wastewater treatment, the bulk of investment went to projects in large agglomerations and included, in particular, the building or modernisation of main drainage and sewage treatment plants. Part of the funding also went to construct pipelines for distributing clean drinking water. At the end of 2014, the investment co-financed had resulted in an additional 262 221 people being connected to clean water supply and 537 311 more people being connected to wastewater treatment plans.

Water and sewage management project in Żory – case study[16]

The project, part of the Infrastructure and Environment OP, was aimed at improving the water supply and main drainage in Zory, a town of around 60 thousand people in the Śląskie region in southern Poland. The objectives were to increase the connection rate to the sewerage system to 98% of the population, to improve standards and reduce environmental damages as well as to modernise part of the old water pipelines. The cost amounted to EUR 42.7 million, about 32% less than initially planned, 68% being financed by the Cohesion Fund.

The objectives were largely reached, though there were some delays in completing the project due to long public procurement procedures, difficulties with a number of contractors and administrative issues in relation to the financing agreement with the Cohesion Fund. Interviews carried out as part of the evaluation indicate that most of the issues causing delays have partly been addressed by the regulation for the 2014-2020 period.

[15] The full case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp6_2nd_intermediate_report.pdf.

[16] The full case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp6_case_study.pdf.

3.4. Energy efficiency in public and residential buildings (WP8)

The resources going to energy efficiency, co-generation and energy management amounted to EUR 578 million, just 1% of the total of the ERDF and Cohesion Fund available for the period. Around 60% of this is estimated to have gone to energy efficiency in public and residential buildings. In total, 633 projects were co-financed, mostly through grants.

Infrastructure and Environment OP case study[17]

The OP allocated EUR 278 million to energy efficiency, co-generation and energy management. Of this amount, EUR 109 million was invested in renovation of public buildings - twice as much as initially planned. The support was delivered in the form of non-repayable grants with an average aid intensity of 81% and targeted exclusively at public buildings.

At the end of 2014, 40 renovation projects were completed and energy systems in 413 buildings had been modernised. Energy saving from the intervention is estimated at 94 796 MWh a year.

The evaluation pointed to a number of areas in need of improvement. These concern lengthy and complex procedures in energy audits and project selection, as well as a lack of strategic planning and the absence of a coherent action plan coordinating interventions at different levels of government.

3.5. Culture and tourism (WP9)

EUR 2.1 billion, or 4% of the total ERDF and Cohesion Fund available, went to these policy areas. The funding was nearly equally distributed between culture (47%, EUR 1 010 million) and tourism (43%, EUR 917 million), while a smaller share (10%, or EUR 220 million) went to investment projects in individual hotels and restaurants. All Polish OPs, apart from Technical Assistance, provided support to these areas.

The main rationale for providing support was to promote economic development. The two policy areas were regarded as interrelated with culture being a pull factor for the development of tourism. The construction of the Opera and Philharmonics in Podlaskie and of the Centre for Education and Muslim Culture of Polish Tatars in Kruszyniany (see Box below) - both in the east of the country – for example, were intended to reduce regional disparities in culture and to increase its role as a factor for development. The projects co-financed directly created an estimated 3 950 full-time equivalent jobs in tourism at the end of 2014.

Podlaskie case study[18]

Slightly more than EUR 100 million, or 10% of the funding available for the OP, were invested in culture and tourism. The stated aim was not only to reduce regional disparities in cultural assets but also to broaden the economic base of the region in general and tourism in particular.

One of the projects supported was the Opera and Philharmonics in Podlaskie[19], with the ERDF providing EUR 24.4 million of the total cost (EUR 43.6 million). Another, more modest, example

[17] The full case study report can be consulted here as separate annex to final report: http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1.
[18] The full case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_podlaskie_en.pdf.
[19] The full mini case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_mini_case_podlaskie_en.pdf.

is the Centre for Education and Muslim Culture of Polish Tatars in Kruszyniany[20], which cost EUR 1.3 million in total, EUR 0.85 million coming from the ERDF.

An evaluation of the OP suggested that the average number of tourists in the region has increased by 5% compared to the period before the investment and that the number of foreign tourists has increased by 40%. In total, 435 of full time equivalent jobs in tourism were created by the end of 2014.

3.6. Urban development and social infrastructure (WP10)

Some 7% of the total ERDF and Cohesion Fund available went to support of investment in urban development and social infrastructure. Sixteen of the twenty OPs allocated more than EUR 22 million to these areas (and were therefore among the programmes reviewed by the evaluation carried out under WP10)[21]. Two thirds of the funding went to investment in social infrastructure, mainly education and healthcare facilities. The rest of the funding went to support urban development projects, mostly in regional centres, some OPs explicitly focusing on large agglomerations (e.g. in Małopolskie and Łódzkie).

The evidence on achievements from the investments is scarce. The only core indicator reported relates to areas of rehabilitated land, which, by the end of 2014, amounted to 144 km^2.

3.7. ETC (WP11)

Poland was involved in 7 Cross-border Cooperation programmes financed under the ETC Objective. These were, respectively, with Germany, the Czech Republic, Slovakia, Lithuania and three Baltic States. The ETC-funded programmes are the subject of a separate report.

3.8. Impact on GDP (WP14)

In Poland, investment supported by Cohesion and rural development policies in the 2007-2013 period amounted to an annual average of close to 2% of GDP. The investment concerned is estimated to have increased GDP in 2015, at the end of the programming period, by around 4.3% above the level it would have been in its absence.[22] In 2023, 8 years later, GDP is estimated to be 5.7% higher than it otherwise would be. The estimate of the gain to GDP is larger in Poland than in other EU12 countries, in part because of the composition of investment being more favourable to growth.

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[20] The full mini case study report can be consulted here: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_mini_case_tatar_podlaskie_en.pdf

[21] They included the national OP Infrastructure and Environment and regional OPs: Dolnośląskie; Kujawsko-Pomorskie; Lubelskie; Lubuskie; Łódzkie; Małopolskie; Mazowieckie; Opolskie; Podkarpackie; Podlaskie; Pomorskie; Zachodniopomorskie; Wiekopolskie; Świętokrzyskie; Śląskie; Warmińsko-Mazurskie.

[22] Estimates by the Quest model, a new-Keynesian dynamic general equilibrium model of a kind widely used in economic policy research, developed by DG Economic and Financial Affairs to assess the effects of policies. See The impact of Cohesion Policy 2007-2013: model simulations with Quest III, WP14a, final report, http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp14a_final_report_en.pdf.

3.9. Overview of achievements

In addition to the achievements reported above under the different WPs, support for investment in renewable energy added 915 Megawatts to the overall capacity to produce electricity from renewables. In addition, as a result of the support, nearly 1.7 million people, or about 4% of the population, were connected to broadband (Table 5). It should be emphasised that since not all MAs reported all core indicators, and in some cases, only a minority, the figures tend to understate achievements, perhaps substantially. In addition, the data reported relate to the situation at the end of 2014, one year before the official end of the period in terms of the expenditure which could be financed.

Table 5 Values of core indicators for ERDF and Cohesion fund co-financed programmes in Poland for 2007-2013 period, as at end-2014

Core Indicator Code	Core indicator name	Value up to end-2014
0	Aggregate Jobs	87 427
1	Jobs created	84 636
4	Number of RTD projects	1 382
5	Number of cooperation projects enterprises-research institutes	1 057
6	Number of research jobs created	5 000
7	Number of direct investment aid projects to SMEs	14 955
8	Number of start-ups supported	1 993
9	Number of Jobs created in SMEs (gross, full time equivalent)	38 624
12	Number of additional population covered by broadband access	1 672 039
14	km of new roads	1 886
15	km of new TEN-T roads	1 056
16	km of reconstructed roads	7 216
17	km of new railroads	2
18	km of TEN-T railroads	124
19	km of reconstructed railroads	482
24	Additional capacity of renewable energy production (MW)	915
25	Additional population served by water projects	262 221
26	Additional population served by waste water projects (no.)	537 311
29	Area rehabilitated (km2)	144
35	Number of jobs created in tourism	3 948

Note: The figures in the table are those reported by MAs in Annual Implementation Reports. Core indicators for which no data were reported by the Member State are not included. The aggregate jobs indicator is based on an examination by the Commission of all gross job creation reported for each priority axis and is regarded as the most accurate figure for the total number of gross jobs directly created as a result of funding. It tends to be higher than the sum of the figures reported by MAs for the core indicators relating to jobs created because of some MAs failing to report anything for these indicators.

Source: Annual Implementation Reports, 2014 and DG Regional Policy post-processing of these, August 2016

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