

**THE ABSORPTION AND MAIN EFFECTS OF EU FUNDING
FOR INVESTMENTS IN TRANSPORT IN POLAND UNDER
OPERATIONAL PROGRAMMES 2007–2013(2015)**

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INTRODUCTION

Transport is a key factor in modern economies and mobility is a basic need of societies, both in global as well as regional and domestic conditions. Transport and mobility are especially crucial for the functioning of the European Union's Single Market¹, based on four fundamental principles, i.e. the free movement of people, goods, services and capital. These four freedoms are to enable "everyone in the EU – individuals, consumers and businesses – to make the most of the opportunities offered to them by having direct access to 28 countries and 503 million people". The realisation of the four freedoms in the EU Single Market generates an ever increasing demand for economic and effective transport, while the concern about the natural environment and safety of people increases demand for transport which is additionally energy-efficient and respects human health and the natural environment [Rakowska 2010]. Thus modern transport "must be sustainable from an economic, social and environmental viewpoint" [European Communities 2001: 10]. To achieve this the development of sustainable transport has become a shared competence of the EU and its Member States, which has resulted both in financial and monitoring joint activities.

The importance of sustainable transport for the EU Single Market has made it one of the major priorities of EU cohesion policy in 2007–2013, whose main instruments were cohesion and structural funds amounting to 347 billion EUR, equivalent to approximately one third of the European Union's budget². The EU allocated its cohesion and structural

¹ Also called EU "common" or "internal" market.

² Source: http://europa.eu/legislation_summaries/agriculture/general_framework/g24231_en.htm [accessed: 15.03.2015].

funds in less developed Member States to support them in, among other aims, improving their transport and in adjusting it to the present and future needs and challenges resulting from their participation in the EU Single Market.

As Member States' systems, transport infrastructure, safety, etc., differ significantly, they face different challenges in developing sustainable transport. To help them better identify shortcomings and define optimal investment priorities for their transport sectors, the European Commission issued in 2014 the EU Transport Scoreboard 2014 [European Commission 2014a and 2014b], which compares Member States' performance in 22 transport-related categories. Poland ranked last, *ex aequo* with Bulgaria and Greece [Rakowska 2014]. Poland's poor positioning in the ranking results mainly from its having the least efficient transport infrastructure and insufficient road and railway transport safety. This proves the need to continue investments in sustainable transport in Poland, using both domestic and EU financial resources, which should be allocated based on experience that has been gained in this field.

In 2007–2013(2015)³ Poland was the biggest beneficiary of EU funds, which – as highlighted in reports [for example: Ministry of Economy 2013] – have been of a considerable assistance for the Polish economy in times of regional and global crisis. Nearly 67.9 billion EUR of EU funding was allocated in Poland under Operational Programmes 2007–2013 (OPs), which can be divided into three types. The first includes OPs which have covered the whole country. The second is made up of one multiregional OP and the third of 16 Regional Programmes (RPs). As the first multiregional programme, the OP Development of Eastern Poland covers five voivodships (NUTS 2 regions): Warmińsko-mazurskie, Podlaskie, Lubelskie, Świętokrzyskie and Podkarpackie. Based on GDP⁴ per capita value, all these voivodships were classified as the poorest regions of the EU-25⁵, constituting the most economically lagging macroregion in the EU [Rakowska 2014], until its enlargement in 2007. The economic condition of this macroregion resulted in developing a special OP, whose funds have been addressed to beneficiaries from the five above-mentioned NUTS 2 regions.

Regional Operational Programmes were another new solution implemented in 2007–2013. Each of these programmes has been adjusted to particular development needs and bottlenecks of one individual voivodship and addressed only to potential beneficiaries from one particular NUTS 2 regions.

Consequently, EU structural funds 2007–2013 were allocated in Poland under four nationwide OPs⁶, i.e. the Infrastructure and Environment Operational Programme [Ministry of Regional Development 2011a], the Human Capital Operational Programme [Ministry

³According to the “ $n + 2$ ” principle, extending the deadline for allocation of EU funds 2007–2013 till the end of 2015. Time ranges “2007–2013” and “2007–2013(2015)” are used in this paper interchangeably.

⁴The role of GDP as an indicator of development has been recently discussed in a Communication from the Commission to the Council and the European Parliament, GDP and beyond. Measuring progress in a changing world, COM/2009/0433 final, Commission of the European Communities.

⁵See: [EUROSTAT data at http://epp.eurostat.ec.europa.eu](http://epp.eurostat.ec.europa.eu).

⁶Programme documents are available from the website of the Ministry of Infrastructure and Development: www.funduszeuropejskie.gov.pl/Strony/glowna.aspx [accessed: 15.04.2014].

of Regional Development 2013d, e], the Innovative Economy Operational Programme [Ministry of Regional Development 2011b, 2013b], the Technical Assistance Operational Programme [Ministry of Regional Development 2013a], under one multiregional Development of Eastern Poland OP [Ministry of Regional Development 2013c]⁷, Programmes of European Territorial Cooperation⁸ and 16 Regional Operational Programmes⁹, i.e.: Dolnośląskie RP, Kujawsko-pomorskie RP, Lubelskie RP, Lubuskie RP, Łódzkie RP, Małopolskie RP, Mazowieckie RP, Opolskie RP, Podkarpackie RP, Podlaskie RP, Pomorskie RP, Śląskie RP, Świętokrzyskie RP, Warmińsko-mazurskie RP, Wielkopolskie RP and Zachodniopomorskie RP.

Construction of these programmes enabled EU funding to be absorbed by a wide range of beneficiaries carrying out different projects in different economic and social fields. Due to legal regulations and procedural requirements the final outcomes of the allocation depend largely on beneficiaries' potential and willingness to apply for and absorb EU funding.

In this paper I look into the value and share¹⁰ of EU structural funds invested in transport infrastructure in Poland under Operational Programmes 2007–2013, define categories of the projects that were carried out and report the amount of EU financial support allocated to each of them.

RESEARCH METHOD AND DATA SOURCES

The analysis is based on qualitative and quantitative secondary data from the National Information System SIMIK, run by the Ministry of Infrastructure and Development (MiID¹¹), which is the Polish implementing agency for operational programmes 2007–2013(2015). As of 31 December 2014, the SIMIK system had registered 104,710 contracts for co-financing projects from EU structural funds allocated in Poland under all OPs 2007–2013(2015). The SIMIK entry for each contract (project) includes both qualitative and quantitative data. The latter data concern, among other things, the total value and EU funding of each project, while the qualitative data contains the number and title of the contract (project), the name of the OP and of the priority axis, and the address, name and the legal entity of the beneficiary, among other information.

⁷ Programming documents are available from the website of the Ministry of Infrastructure and Development: www.polskawschodnia.gov.pl/Dokumenty/Strony/Dokumenty.aspx [accessed: 15.04.2014].

⁸ The European Territorial Cooperation Programmes are excluded from this study, as they are of an international character, which is to support the activities undertaken jointly by partners from different countries. The study refers to programmes implemented exclusively by domestic beneficiaries.

⁹ Programming documents for all ROPs are available from the website of the Ministry of Infrastructure and Development: www.funduszeuropejskie.gov.pl/RPO/Aktualnosci/Strony/default.aspx [accessed: 15.04.2014].

¹⁰ In this paper the terms “region” and “regional” are used as a synonym of “voivodship” and “NUTS 2”, in accordance with the EU classification of territorial units for statistical purposes [see Rakowska 2014: 49].

¹¹ Formerly the Ministry of Regional Development.

The database structure and contents enabled the identification and coding of all transportation infrastructure projects carried out in 2007–2013, which in the next stage enabled their extraction. Thus the basic SIMIK data and the newly generated database on transport infrastructure projects allowed the following to be defined:

- the share that these projects have in the total number and value of contracts, in the total value of EU funding and in the value of EU funding under each individual OP;
- categories of transport infrastructure projects, specified according to Council Regulation (EC) 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) 1260/1999 and to the specification by the Ministry of Infrastructure and Development;
- the structure of total value and total EU funding by the above categories of transport infrastructure projects.

The analysis of the absorption of EU financing under operational programmes implemented in 2007–2013, done for this paper, was also based on the recognition of their main objectives and impact areas described in strategic documents.

RESULTS

According to SIMIK MIiD data (as of 31 December 2014), beneficiaries in Poland signed 104,710 contracts for projects co-financed by EU structural funds under the Operational Programmes 2007–2013. The total value of these projects reached 507.75 billion PLN, of which 56.2% (i.e. 285.5 billion PLN) came from EU structural funds.

In 2007–2013 Polish beneficiaries carried out 2774 transport infrastructure projects with a total value of 167.2 billion PLN, of which 59% (i.e. 98.5 billion PLN) came from EU funds. Transport infrastructure projects made up 2.7% of all contracts signed under all OPs, 33% of their total value and 35% of the total EU funding absorbed.

Based on Council Regulation (EC) 1083/2006 and categories assigned in the SIMIK database to all contracts, all the identified transportation infrastructure projects can be divided into 16 categories, reflecting the transport priority themes shown in Table 1. The categories differ significantly in terms of the number of projects assigned to them, their total value and share of the EU funding (Table 1). The EU funding absorbed from OPs 2007–2013 ranged from, at the low end, 28% of the total value of investments in rolling stock and 29% in multimodal transport (TEN-T) to as much as 82% of the total value of investments in inland waterways (TEN-T).

The structure of total EU funding for infrastructure projects in 2007–2013 (98.5 billion PLN = 100%), shows that the largest share was invested in motorways (TEN-T) 35.8%, followed by regional/local roads 16.4%, railways (TEN-T) 10.6% and further on, in decreasing order, in national roads 9.5%, motorways 7.6%, railways 6.7%, ports 2.7%, rolling stock 2.7%, urban transport 2.6%, airports 2.3%, rolling stock (TEN-T) 0.9%, intelligent transport systems 0.5%, multimodal transport 0.4%, inland waterways (TEN-T) 0.4%, bike routes 0.4% and multimodal transport (TEN-T) 0.3%.

TABLE 1. The number, total value and EU funding of transport infrastructure projects under Operational Programmes 2007–2013 by project categories

Category of projects	Number of projects	Total value	EU co-financing	EU co-financing in total value
		mln PLN	mln PLN	%
Railways	78	11 327.6	6 645.7	59
Railways (TEN-T)	21	18 715.6	1 0407.3	56
Rolling stock	26	4 871.6	2 647.1	54
Rolling stock (TEN-T)	7	3 246.5	905.8	28
Motorways	10	11 053.3	7 518.4	68
Motorways (TEN-T)	29	60 833.7	35 320.4	58
National roads	108	14 339.0	9 398.0	66
Regional/local roads	2 164	25 164.9	16 202.8	64
Bike routes	66	512.5	372.2	73
Urban transport	90	4 149	2 516.0	61
Multimodal transport	23	1 474.8	442.7	30
Multimodal transport (TEN-T)	10	1 003.5	292.1	29
Intelligent transport systems	20	664.5	523.1	79
Airports	72	5 752.9	2 256.1	39
Ports	39	3 628.4	2 694.8	74
Inland waterways (TEN-T)	11	472.8	386.3	82
Total	2 774	167 210.7	98 528.9	59

Source: the author based on SIMIK MiID data.

As much as 76% of EU funding for transport infrastructure projects came from the Infrastructure and Environment OP, while only 19% came from all RPs jointly and 5% from the multiregional Development of Eastern Poland OP.

In 2007–2013 investments in transport infrastructure were co-financed from only one OP covering the whole country, the Infrastructure and Environment OP (Table 2). At 58% of the total value (128.2 billion PLN) for 314 transport infrastructure projects, it was a significant source of co-funding. The IaEOP co-financed all categories of projects listed in Table 1, except regional/local roads, bike routes and urban transport. EU funding available for transport investments under IaEOP was absorbed at 101.2%¹².

The multiregional OP Development of Eastern Poland was a source of 4.7 billion PLN of EU funding for another 50 transport infrastructure projects valued at 7.2 billion PLN (Table 2). This OP supported only projects categorised as urban transport (8), local/regional roads (21), national roads (16) and bike routes (5). As of 31 December 2014, 99.3% of EU funding available for transport infrastructure investments from DEPOP had been absorbed¹³.

¹² Exceeded 100% due to differences in exchange rates and to possible re-allocation from other axes. Data from MiID report: http://www.pois.2007-2013.gov.pl/AnalizyRaportyPodsumowania/Documents/Zal_1_Dane_finansowe_31_1_2015.pdf [accessed: 1.03.2015].

¹³ Based on Ministry of Infrastructure and Development data: <http://www.polskawschodnia.2007-2013.gov.pl/AnalizyRaportyPodsumowania/Strony/default.aspx> [accessed: on 1.03.2015].

TABLE 2. The share of transport infrastructure projects in the number, total value and EU funding of all projects under nationwide OPs and the OP Development of the Eastern Poland 2007–2013

Operational Programme	Number of projects	Total value (mln PLN)	EU funding (mln PLN)	Share of transport infrastructure projects in**		
	(= 100)*			number of projects	total value of projects	EU funding
Infrastructure and Environment	2 998	225 336.7	119 959.0	10.5	56.9	62.3
Development of Eastern Poland	311	15 123.7	9 971.4	16.1	47.6	46.9

* Based on the number of contracts signed by all beneficiaries.

** Based on the number of contracts categorised by the author as transport infrastructure projects.

Source: author's elaboration based on SIMIK MiD data.

As of the end of January 2015, as much as 97% of EU funding available under the RPs had been allocated¹⁴ to beneficiaries. Based on contracts signed up to 31 January 2015¹⁵, the 16 RPs have co-financed the construction of 830 km of local and regional roads, and

TABLE 3. The share of transport infrastructure projects in the number, total value and EU funding of all projects under Regional Operational Programmes 2007–2013

Regional programme (RP) by voivodship	The whole RP		Transport infrastructure in RP	
	number of projects	EU funding (mln PLN)	number of projects	EU funding (mln PLN)
Dolnośląskie	2 841	5 092	64	895
Kujawsko-pomorskie	3 956	4 082	264	1 045
Lubelskie	3 999	4 829	170	1 113
Lubuskie	1 119	1 967	82	519
Łódzkie	2 831	4 325	99	1 096
Małopolskie	3 051	5 514	98	1 583
Mazowieckie	5 035	7 339	237	2 240
Opolskie	1 509	2 040	115	564
Podkarpackie	3 107	4 839	233	1 293
Podlaskie	1 362	2 770	86	922
Pomorskie	2 280	3 906	114	1 214
Śląskie	5 824	7 230	202	1 624
Świętokrzyskie	1 729	3 089	148	831
Warmińsko-mazurskie	3 166	4 337	149	1 446
Wielkopolskie	2 901	5 353	194	1 686
Zachodniopomorskie	2 046	3 517	155	1 041
Total	46 756	70 229	2 410	19 111

Source: the author.

¹⁴ Based on Regional Monitor. Regional Programmes – as of the end of January 2015, electronic available at: http://www.funduszeuropejskie.2007-2013.gov.pl/RPO/Aktualnosci/Documents/Monitor_2015-01-31.pdf [accessed: 1.03.2015].

¹⁵ Ibid.

the modernisation of 8.5 thousand local and regional roads. Under 11 RPs, EU funds have been invested in the construction and/or modernisation of 964 km of railways, and in the purchase or modernisation of 323 units of rolling stock with 39 seats. The investments also enabled the purchase or modernisation of 1502 units of urban rolling stock with 123 thousand seats, and led to the creation of 1.7 thousand km of new bike routes.

However, the number of projects, as well as the value (Table 3) and share (Fig. 1) of EU funding obtained from each RP for transport infrastructure projects differed. While the share of EU funding in voivodships ranged from the lowest (18%) in Dolnośląskie to the highest (33%) in Warmińsko-mazurskie, the lowest value was allocated in transport infrastructure projects in Lubuskie (519 million PLN), and the highest in Mazowieckie (2.24 billion PLN).

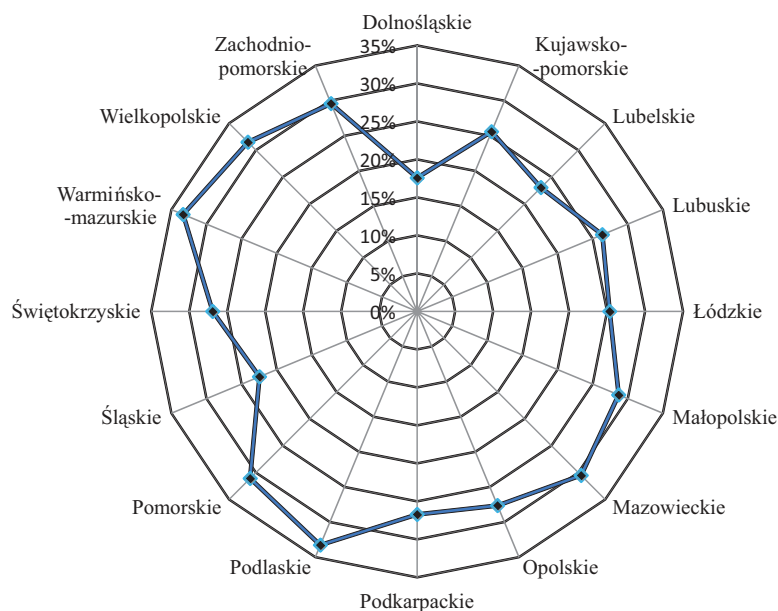


FIG. 1. The share of EU funding obtained from each RP for transport infrastructure projects
Source: the author.

Regarding all transport infrastructure investments 2007–2013 most of the projects were carried out by local (LAU 1 and LAU 2) and regional authorities, as well as by government agencies and their regional branches.

CONCLUSIONS

Under all Operational Programmes 2007–2013, beneficiaries in Poland signed 2774 contracts for transportation infrastructure projects of a total value of 167.2 billion PLN, of which 98.5 billion PLN had come from EU structural funds, as of 31 December 2014.

Although 2774 transportation infrastructure projects made up only 2.7% of all contracts, they enabled the absorption of nearly 35% of total EU funding allocated to Poland in 2007–2013 and made up a significant share of 33% of the total value of all projects carried out in Poland under the 2007–2013 OPs.

As such, the need to develop sustainable transport may be perceived as vital and urgent by all stakeholders who, as beneficiaries of OPs, participated actively in the absorption and investment of these funds.

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Regional Monitor. Regional Programmes – as at the end of January 2015, available at: http://www.funduszeuropejskie.2007-2013.gov.pl/RPO/Aktualnosci/Documents/Monitor_2015-01-31.pdf [accessed: 1.03.2015].

Summary. The aim of the paper is to define the main effects, value and share of EU funding allocated in Poland under Operational Programmes 2007–2013(2015) in the transport infrastructure projects total, by different categories of projects as well as by individual operational programmes. Under all Operational Programmes 2007–2013 beneficiaries in Poland signed 2774 contracts for transportation infrastructure projects of a total value of 167.2 billion PLN, of which 98.5 billion PLN had come from EU structural funds, as of 31 December, 2014. Although 2774 transportation infrastructure projects made up only 2.7% of all contracts, they enabled the absorption of nearly 35% of total EU funding allocated to Poland in 2007–2013 and made up a significant share of 33% of the total value of all projects carried out in Poland under the 2007–2013 OPs.

Key words: Operational Programmes 2007–2013, structural funds, transport infrastructure, Poland

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