



MINISTERSTWO ROZWOJU REGIONALNEGO

Department of Structural Policy Coordination

STRATEGIC REPORT 2012

Poland



54th COCOF Meeting, February 2013 r.



„Strategic Report 2012. Strat2012.pl” has been prepared to meet the requirement of the article 29 paragraph 2 of the Regulation, which stipulates that Member States shall provide by the end of 2009 and 2012 concise reports on the contribution of the operational programmes co-financed by the Funds towards implementing the objectives of cohesion policy

Structure indicated by the EC guidelines - Guidance Note on Indicative Contents and Structure:

- A. Socio-economic situation and development trends
- B. Achievements and development prospects under the National Strategic Reference Framework
- C. Challenges for the effective implementation of cohesion policy
- D. Examples of good practices
- E. Conclusions

Main indicators of the NSRF progress

Core indicators



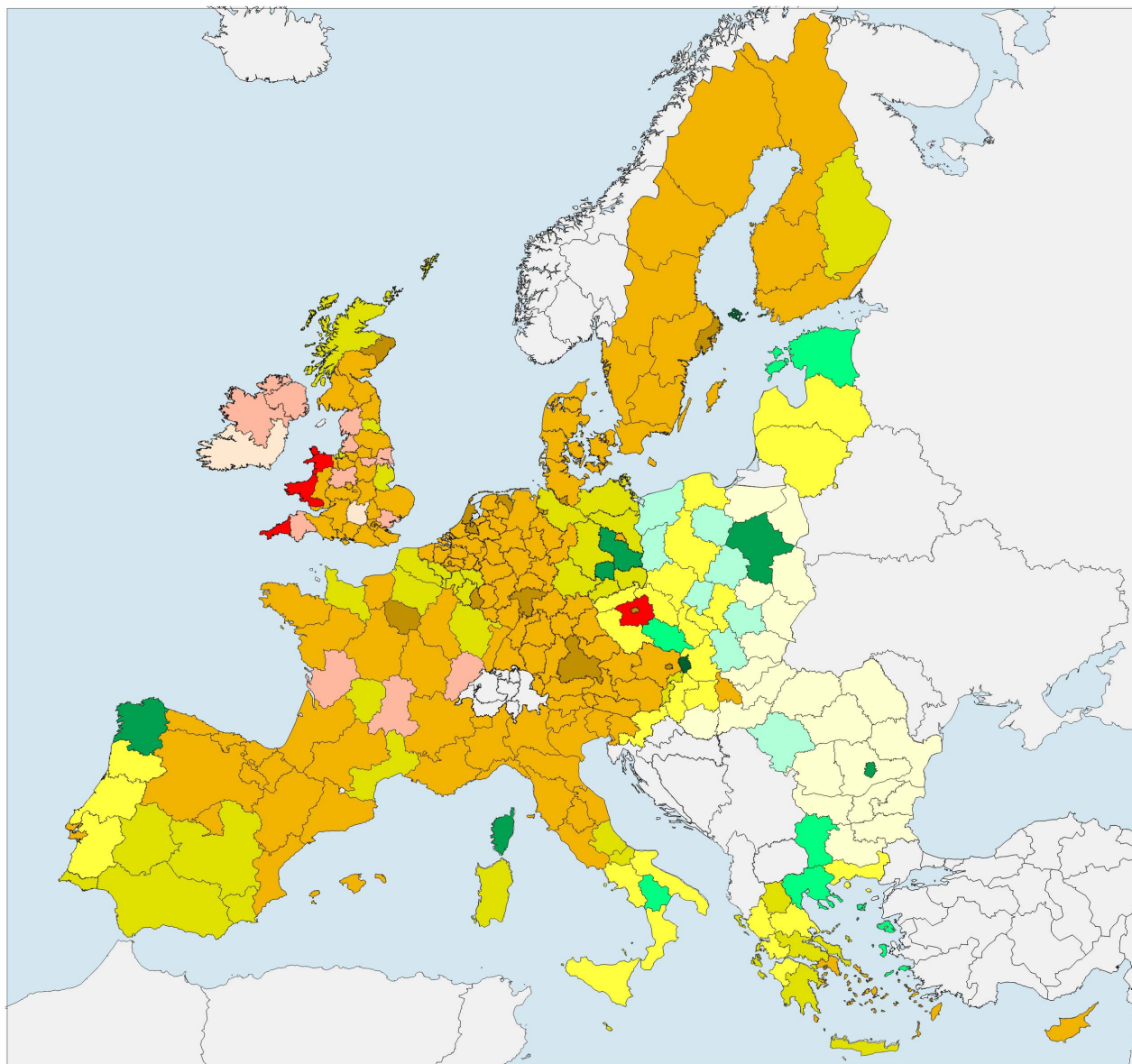
Results in the main areas of the economy

- Average annual economic growth of 4.3%, as against 0.5% in the EU-27 in the period 2007-2011;
- Development processes in regions:
 - Predominant part of economic activity concentrated in main agglomerations, notably in mazowieckie voivodeship (in 2009 GDP per capita amounting to 97% of the EU-27 average);
 - Five regions of Eastern Poland (podlaskie, warmińsko-mazurskie, lubelskie, podkarpackie i świętokrzyskie) among 20 poorest EU regions, with the GDP per capita between 41% and 47 % of the EU-27 average;
 - Indicator of differences in GDP per capita among voivodeships (NUTS-2) below the average value for the EU-27 (in 2009 20.7 in Poland and 27.2 in EU-27); but growing while in the EU it declines.
- Public investments rate in 2011 stood at a record high 5.8% of the GDP. The share of public sector's investments in total investments grew during the country's EU membership from about 32% to over 43%, mainly thanks to the EU funds.
- In 2009 Poland became subjected to the excessive deficit procedure:
 - Poland's authorities undertook the obligation to reduce the deficit to below 3% of GDP in 2012

In 2011, for the first time since 2007. Poland with the deficit of 5.1% of the GDP Poland was at 18 th position in Europe (slightly above the EU-27 average of 4.5% of the GDP)



Changes in the GDP per capita level in the period 2006-2009



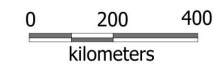
Changes in the GDP per capita (at PPS)
on the regional (NUTS-2) level

Indicator, EU-27=100

		2009				
		<50	50-75	75-90	90-150	>150
2006	<50	Light Yellow	Light Green	Blue		
	50-75	Dark Red	Yellow	Light Green		
	75-90		Red	Yellow	Green	
	90-150			Light Green	Orange	Dark Green
	>150				Light Orange	Dark Green

AT, HU, IT: 2007

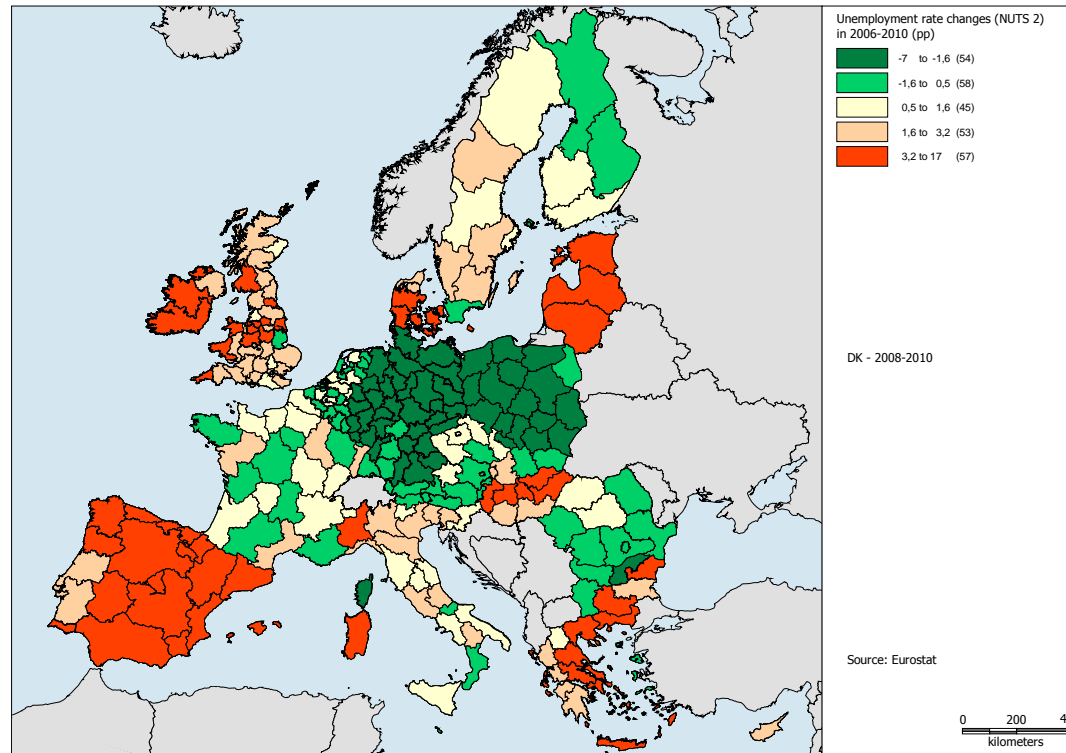
Source: Eurostat





Social cohesion and labour market

- Polish youth, still in the vanguard of the Europeans in terms of education, with participation rate of 70.8% of the population at the age bracket 15-24;
- In the years 2007-2010 Poland observed the highest growth in the employment rate in the EU-27, the employment rate increased by 4.8 PP and in 2011 reached.
- Declining unemployment, with the unemployment rate falling by 4.3 PP (to the annual average of 9,6% in 2010 r.), with the long-term unemployment declining by 25 PP (the largest decline in the EU-27).

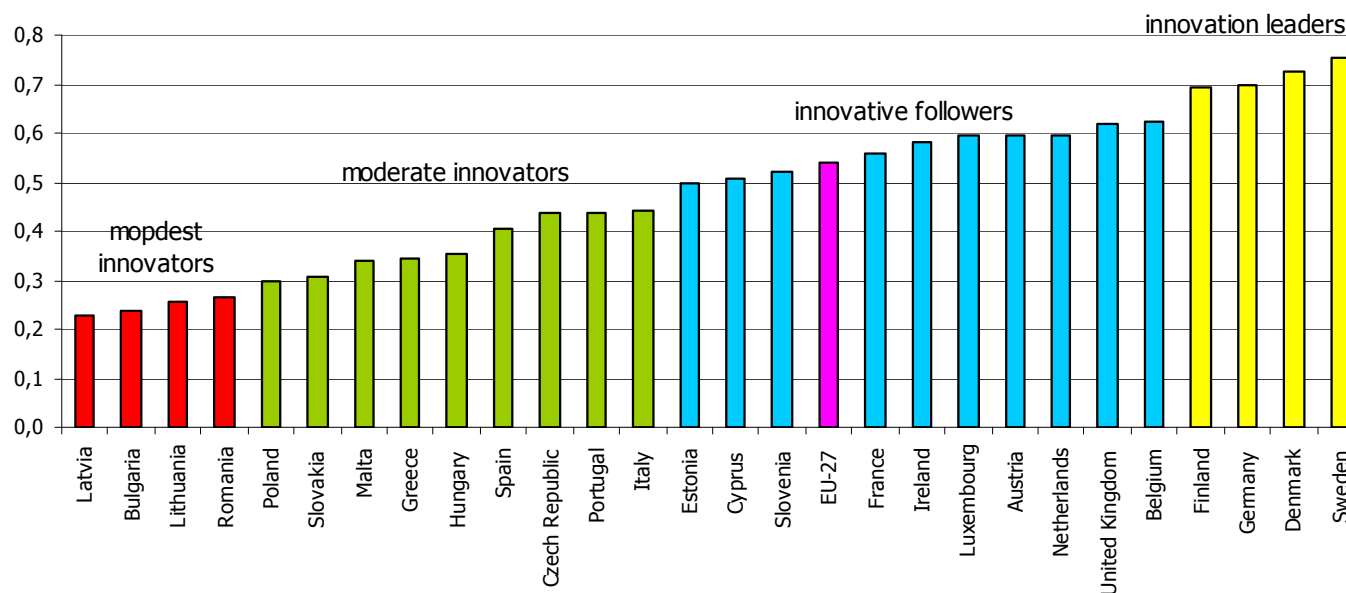




Territorial competitiveness of the Polish economy

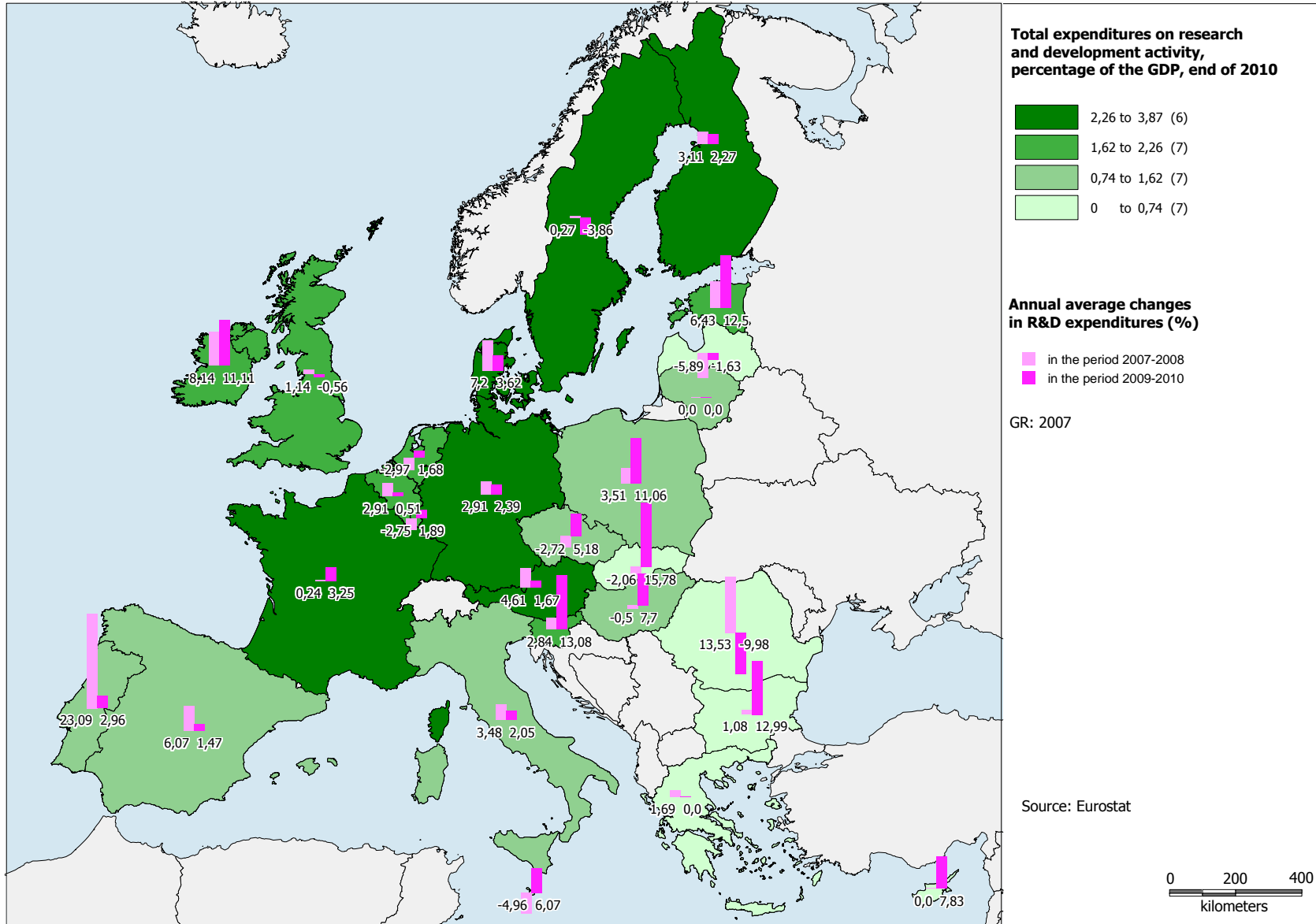
In 2010 labour productivity (measured by GDP per one employed, at PPS) – 66.8% of the EU average, growing in the period 2007-2010 by 5.7 PP;

- In the period 2007-2011 there was significant improvement in both the position of Poland in major rankings of economic competitiveness and in the conditions of business environment :
 - In the „Doing Business 2012” ranking by the World Bank Poland advanced from 75 to 62 place,
 - in the ranking of World Economic Forum it progressed from 48 to 41 place and in the ranking of the International Management Institute from 50 to 34 position;
- The indicator of e-administration’s development climbed to 79%;
- In the period 2007-2010 there was modest growth in expenditures on R&D activity, from 0.56% of the GDP in 2006 r. to 0.74% in 2010.





Changes in R&D expenditures

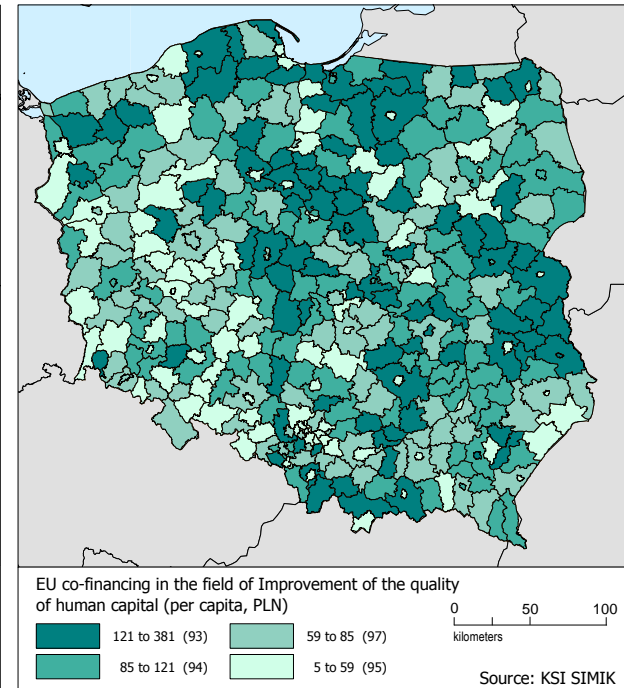
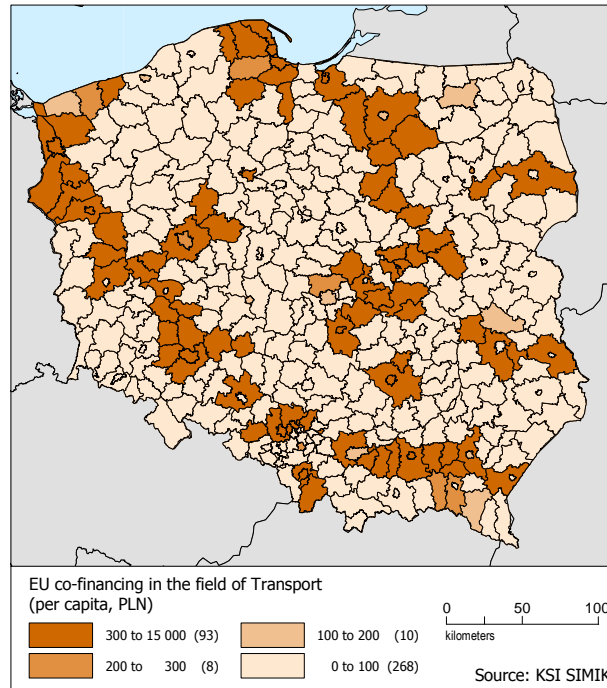
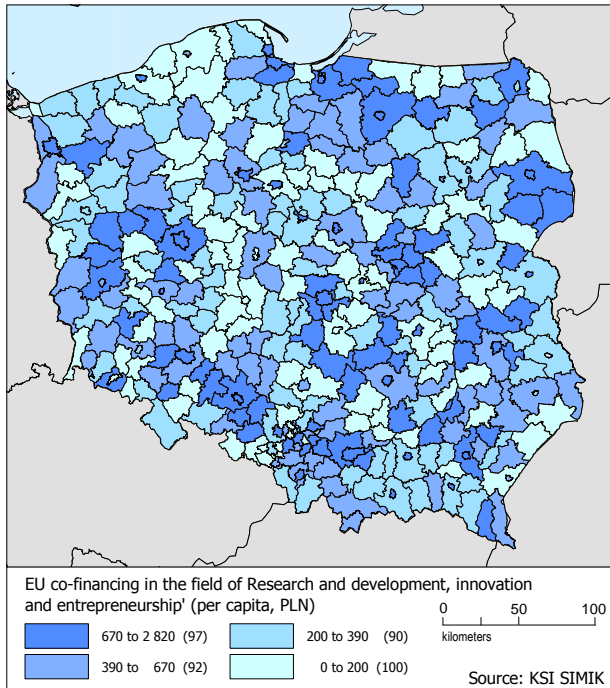




Implementation of the Lisbon Strategy

The main areas supported within the framework of the Lisbon Strategy were as follows:

- transport – 36% of all resources earmarked for pro-Lisbon categories,
- Research and technological development, innovations and entrepreneurship – 28% all resources earmarked for pro-Lisbon categories
- Information society and improvement of human capital – in each category 8% of all resources earmarked for pro-Lisbon categories.





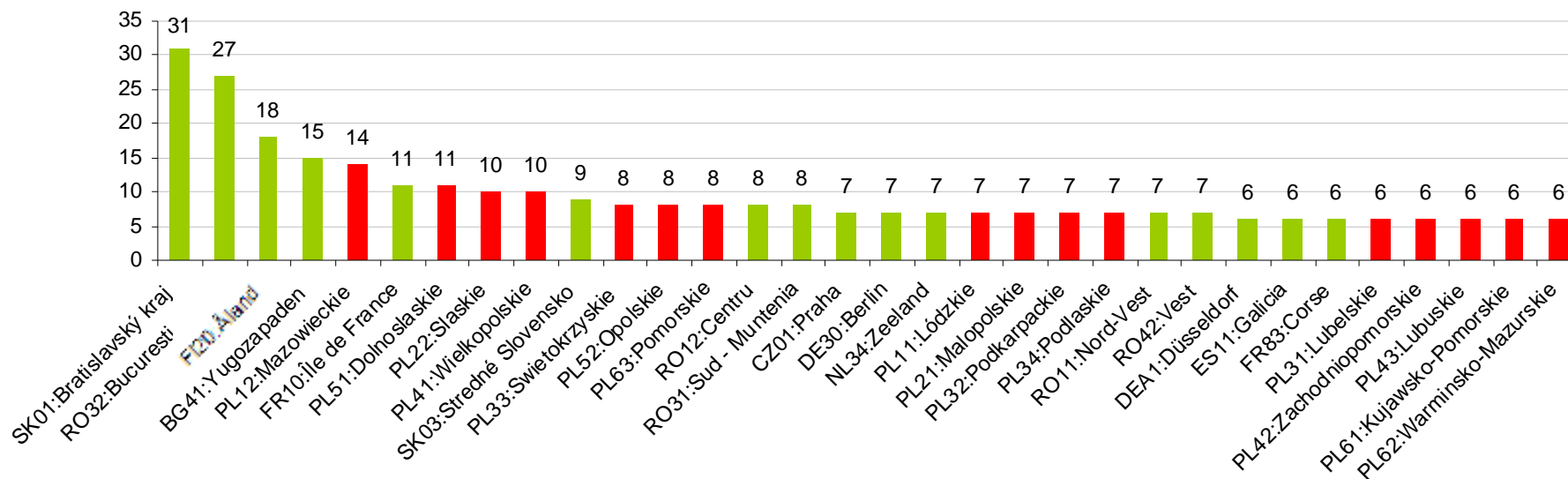
- **Improvement in the quality of public institutions' performance and expansion of partnership mechanism:**
 - **Effectiveness of the public administration** – in 2009 standing at 0.64; the target for the year 2013 of 0.9 is feasible;
 - Quality of legislation – in 2009 respective indicator reached 0.93, and the NSRF objective for 2013 (1.0) should be achieved;
 - Corruption Perception Index in 2010 reached 5.3 more than meeting the NSRF objective for 2013 (5.0);
 - Lengthiness of legal proceedings – 830 days, compared to the 2013 target of about 200 days.
- **Improvement of the quality of human capital and enhancement of social cohesion:**
 - Poland is among the countries with the lowest percentage of people, aged 25-64, with only the most basic level of education;
 - The percentage of population aged 15-64 with tertiary education amounted to 20.7% in 2011, above the target for 2013 set at 17%;
 - The share of population aged 25-64 in life-long education amounted to 4.5% in 2011 r. far below the target set for 2013 (10%);
 - In the academic year 2010/11 graduates in science accounted for 19.6% of the total number of students, as against the respective target for 2013 set at the level of 22%;
 - The risk of poverty was higher than the respective target for 2013 (14%), reaching 17.6% and continues to grow, touching mainly children and youth.



- **Development of the transport system in Poland:**
(the length of hard-surface roads expanded by over 7%);
 - Total length of motorways and expressroads (1107.9 km and 786.1 km respectively). The attainment of the NSRF objectives for 2013 (1754 km of motorways and 2555 km of expressways doesn't appear feasible;
 - The decline of the total exploited railway network in Poland has translated into reducing the communication accessibility of individual regions of the country and into reduced intra-regional transport accessibility;
- **Greenhouse gases emissions** (expressed as equivalent of carbon dioxide compared to the base year of 1988) –the attainment of the objective set for the year 2013 (emissions at the level of 89% of the base year) is not threatened;
- **Access to wastewater treatment plants** – 2013 objective (90% of urban population and 30% of rural population) appears attainable taking into account the respective figures for 2010 (88.6% and 28.8%)

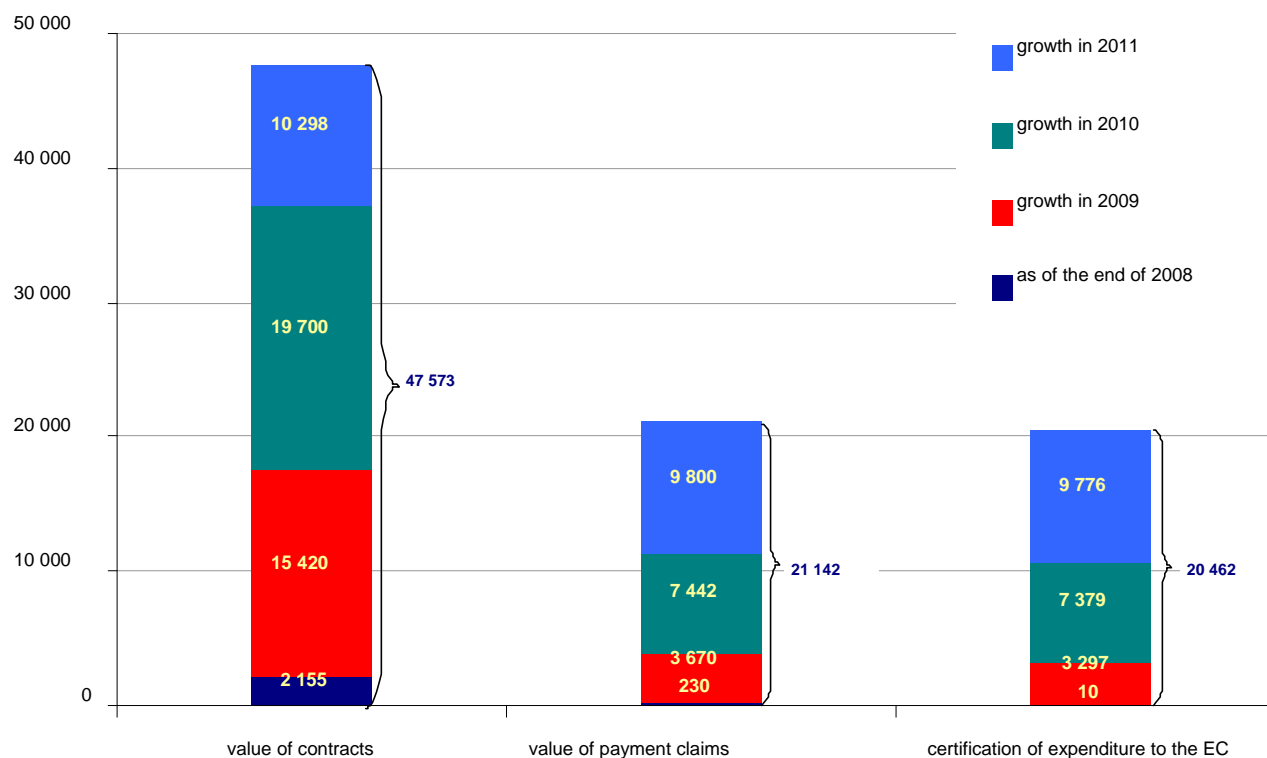


- **Low level of R&D expenditures, both public and of enterprise sector, compared to the GDP** – in 2010 they amounted to 0.74% of the GDP (in it expenditures of the enterprise sector spending 0.2% of the GDP), as against the EU-27 average of 2.0% of the GDP. The R&D expenditures would have been even lower without the EU funds which in the period 2009-2010 covered 35% of R&D expenditures and of innovative activities;
- Improvement in the competitiveness of Polish regions and counteracting their social, economic, and territorial marginalization – in terms of the rate of convergence towards the EU average, Polish regions were in the vanguard, catching up faster than numerous regions of other new member states;
- Balancing growth opportunities and supporting structural changes in rural areas:
 - Employment rate grew from nearly 48% in 2006 to 50% in 2010;
 - Unemployment rate fell from **13% to slightly over 9%**.





Progress in the implementation of the NSRF – growth in the value of co-financing agreements, in beneficiaries expenditures and in certification to the EC; amounts in millions of EUR

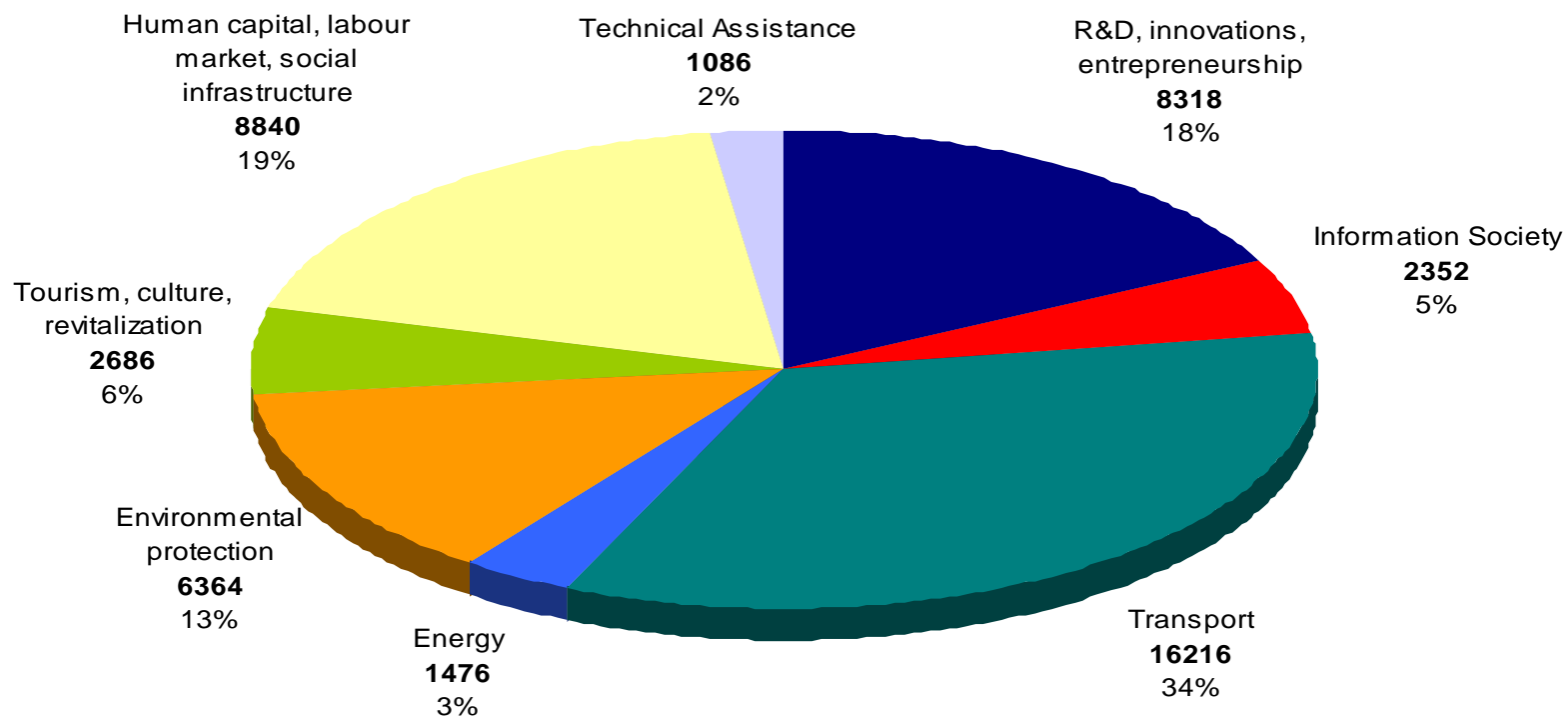




Main areas of support

The total EU co-financing, by major support areas in national and regional operational programmes

(Euro millions) – as of December 31, 2011r.





- In the years 2010-2011 the mid term review and actualization of operational programmes within the framework of the 2007-2013 financial perspective led to:
 - **Modification of the OP** Infrastructure and Environment, OP Innovative Economy, OP Human Capital, OP Development of Eastern Poland and of 16 ROPs
 - Distribution of funds from the **performance reserve** - 512 million euro for ROP, and 519 million euro for National OP, about 300 million euro on ESF, for the total of over 1.3 billion euro
 - The allocations for the individual operational programmes were increased by the technical amendments resources (over 632 million EUR, of which 210 million EUR was allocated to regional operational programmes);
 - Due to their significance for the country's development Key Projects received support from the OP Technical Assistance, under the initiative *project pipeline* (Action 3.2. Individual Key Projects)



- Impact of the economic slowdown on the labour market was the most profound in the case of indicators related to creation and retention of new jobs;
- The economic slowdown affected the implementation of infrastructural investments, including basic technical transport, energy, environmental and social infrastructure;
- Decline in real costs of implementation of projects co-financed from the EU funds, allowed to allocate additional resources for accepted projects and new projects;
- Implementation of mechanisms coherent with the EC initiatives, facilitating the implementation of programmes:
 - Supporting the investment impulse through accelerating implementation of European Funds available within the framework of the NSRF;
 - overview of timetable of application for co-financing towards its adjustment to beneficiaries' current needs;
 - increasing allocation for competitions, e.g. in the field of entrepreneurship support;
 - facilitating the process of projects' selection and introduction, use on a wider scale, of the system of prepayments for projects' financing;
 - optimal shortening of the time allotted for verification of payment applications.



Actual and expected impact of cohesion policy on the socio-economic situation of Poland and of its regions:

- Changes in the Gross Domestic Product,
- Growth in investment, higher than the value of the EU support, thanks to the EU funds role as inducement for investment activity,
- Growth in labour productivity,
- Improvement in the labour market situation, decline in unemployment rate,
- Slowing down the processes of internal diversification inside the country (funds allow to slow down the deepening of interregional disproportions in the level of development),
- Improving competitiveness of the weakest regions.



Recommendations for the implementation of the EU funds in Poland after 2013:

1. Support for increasing competitiveness of the economy,
2. Improvement of social and territorial cohesion,
3. Improving the effectiveness and efficiency of the state.

The reconstruction of the implementation system of the interventions financed from the EU funds should involve :

- Increasing the focus of funding on measures with greatest development and growth-related potential,
- Closely linking the objectives of the strategy related to the use of EU funds with the implementation of the National Development Strategy and EU 2020 Strategy;
- Increasing emphasis on the attainment of tangible effects;
- Introducing an integrated approach which facilitates carrying out joint economic, social and territorial/spatial interventions (involving all EU and national funds) with regard to the established trans-sectoral objectives and territories;
- Increasing the degree of coordination between EU funds;
- Reorganizing the multilayer governance system and partnership in carrying out development activities.



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Thank you for your attention

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