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PARP

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NARODOWA STRATEGIA SPÓJNOŚCI
dla rozwoju Polski

MINISTERSTWO INFRASTRUKTURY I ROZWOJU

UNIA EUROPEJSKA
EUROPEJSKI FUNDUSZ ROZWOJU REGIONALNEGO

The impact assessment of the implementation of Cohesion Policy on the development of selected macroeconomic indicators at the national and regional levels by quantitative economic model

dr Zbigniew Mogiła

Wroclaw Regional Development Agency

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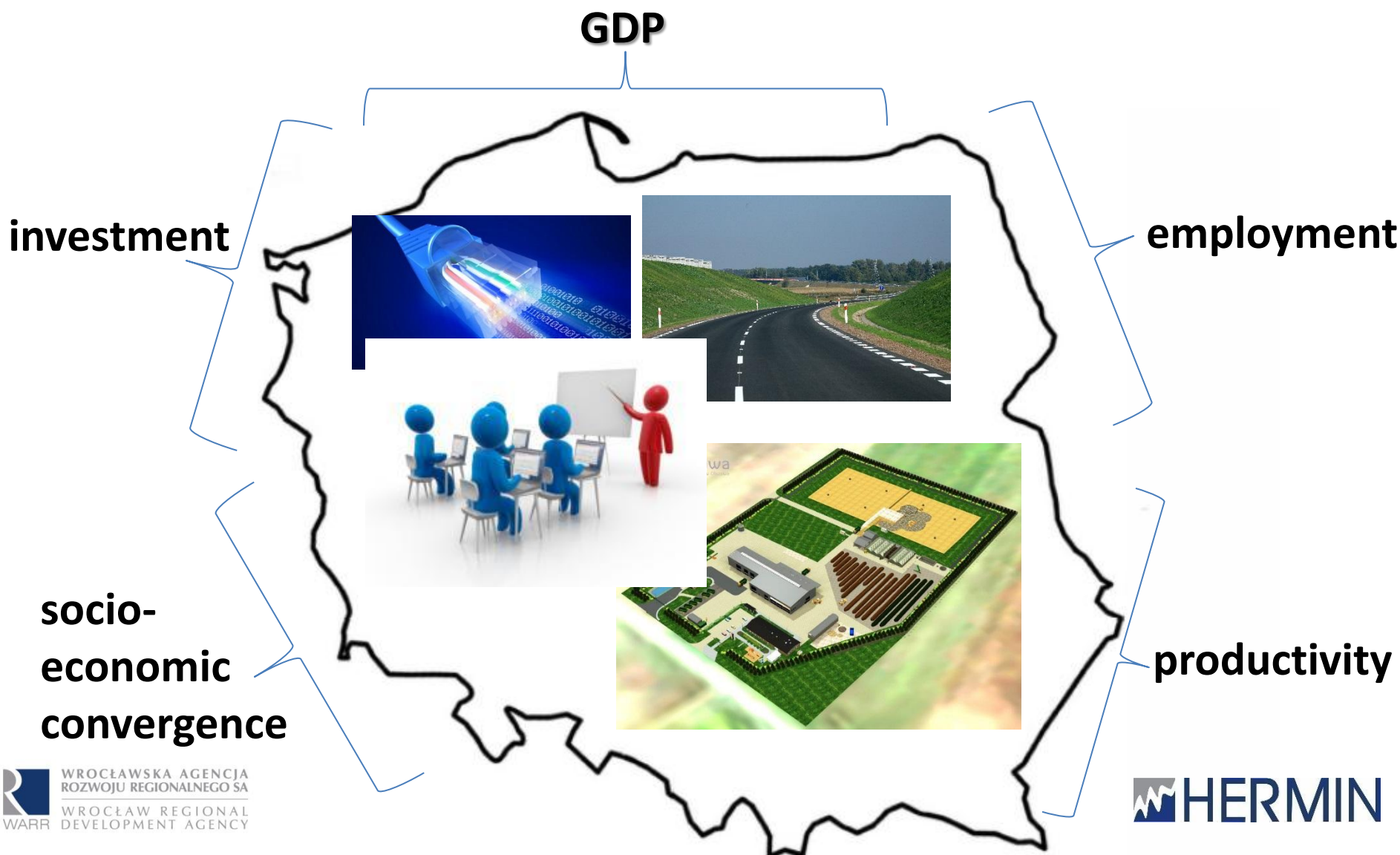
Outline

1. Motivation and approach
2. Methodology
3. Input – the EU funding
4. Output – simulation results
5. Conclusions

Motivation and approach



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AIM

Estimation of the Cohesion policy impacts (NDP 2004-2006 & NSRF 2007-2013) on selected macroeconomic indicators (e.g.):

Poland:

- GDP level (at constant prices)
- Employment
- Unemployment rate

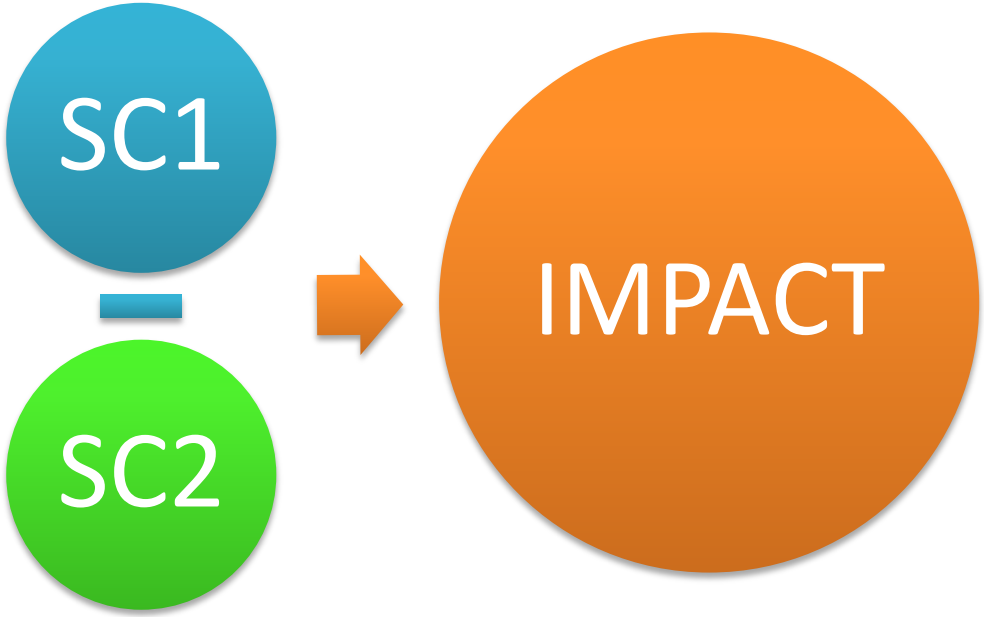
NUTS-2 regions:

- GDP level (at constant prices)
- GDP per capita (Poland=100)
- GDP per capita in PPS (EU28=100)

Time period: 2004-2020

Methodology (1)

How to estimate the Cohesion policy (CP) impacts?



- construction of two development scenarios:

  SC1 – scenario with EU funding;

  SC2 – hypothetical scenario without EU funding;

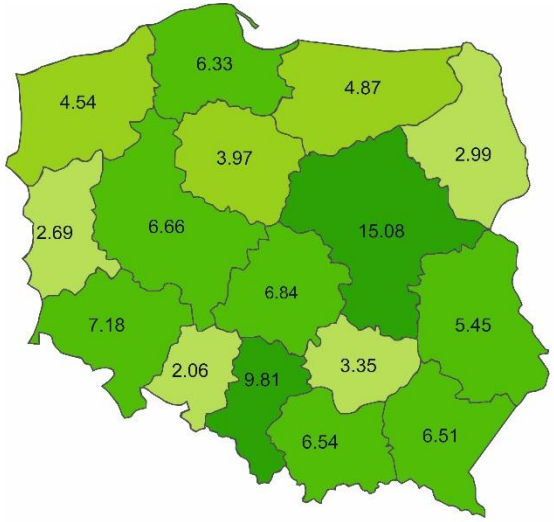
- **CP impact: (SC1) - (SC2)**

Methodology (2)

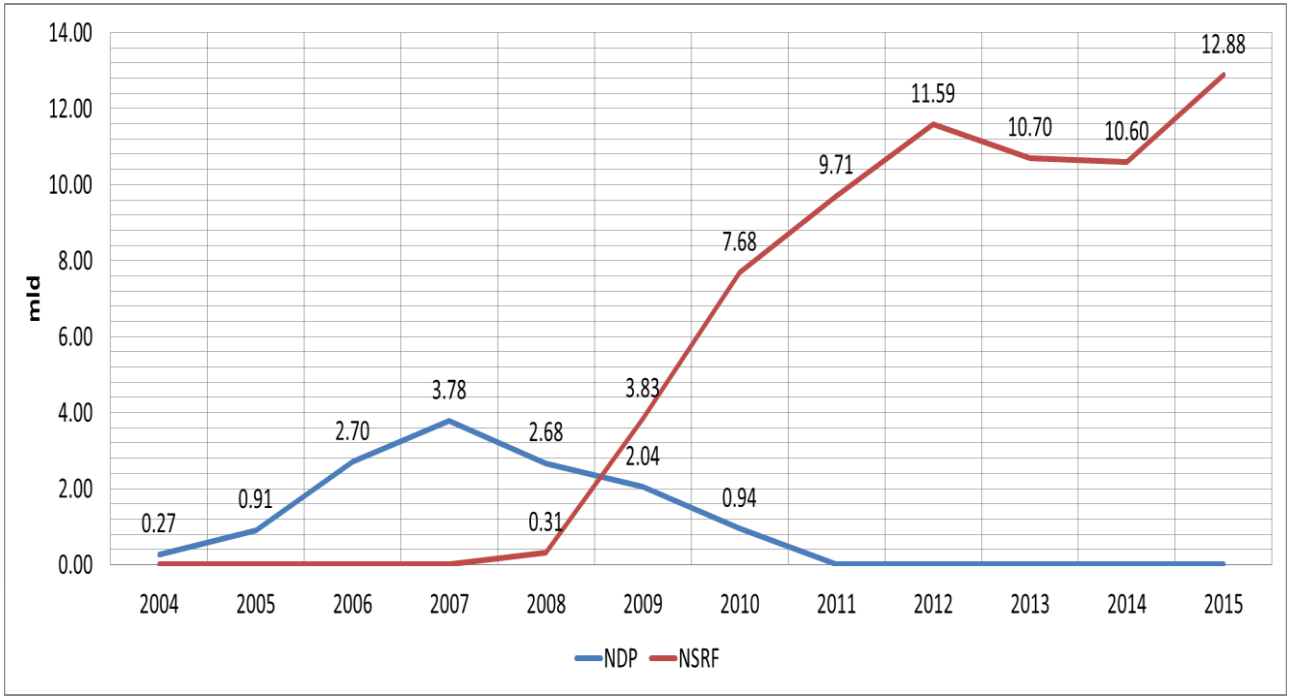
- Macroeconometric 5-sector model,
- Part of the EU Cohesion System of HERMIN Models (CSHM),
- Satisfying the EC requirements regarding impact analyses,
- WARR team has been operating HERMIN model for the Polish economy since 2002,
- In 2005 regional HERMIN models for 16 NUTS-2 Polish regions developed by WARR (under supervision of prof. J. Zaleski) & dr. J.Bradley,
- System of interrelated regional HERMIN models (16 Polish NUTS-2 regions),
- www.hermin.pl

The EU funding (1)

National Development Plan (NDP) 2004-2006 & National Strategic Reference Framework (NSRF) 2007-2013 (in mld euro)



Source: Ministry of Infrastructure and Regional Development



Total allocation (NDP&NSRF): 80.64 mld euro - EU financing; 14.2mld euro - national public co-financing

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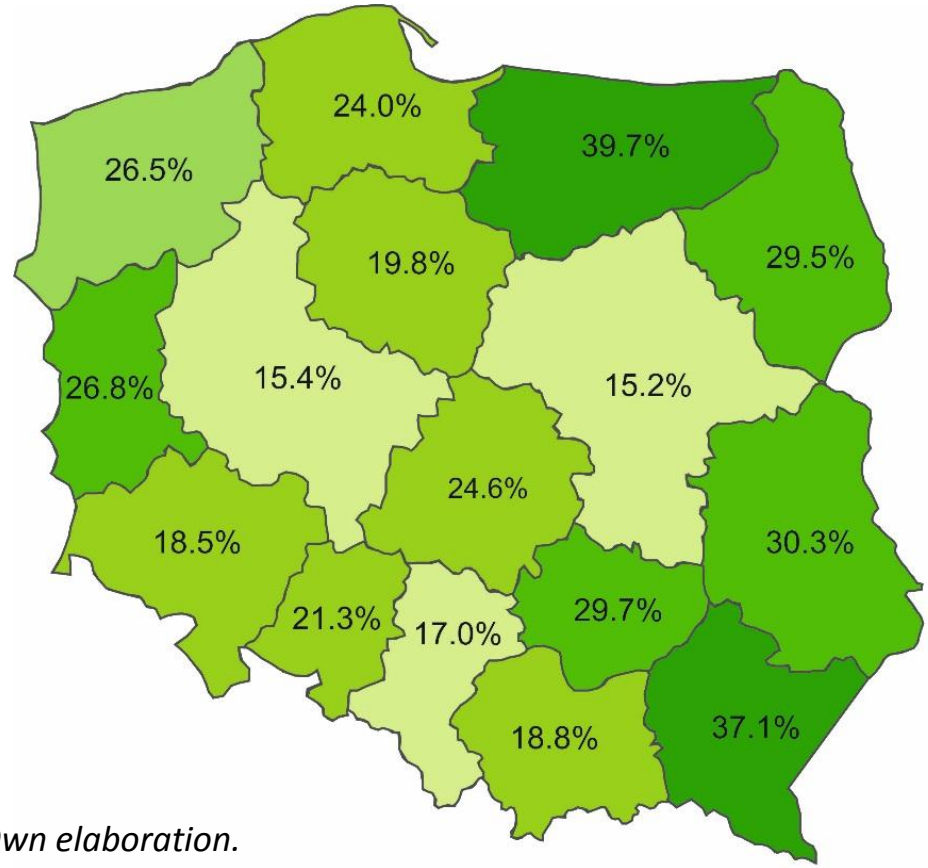
The EU funding (2)

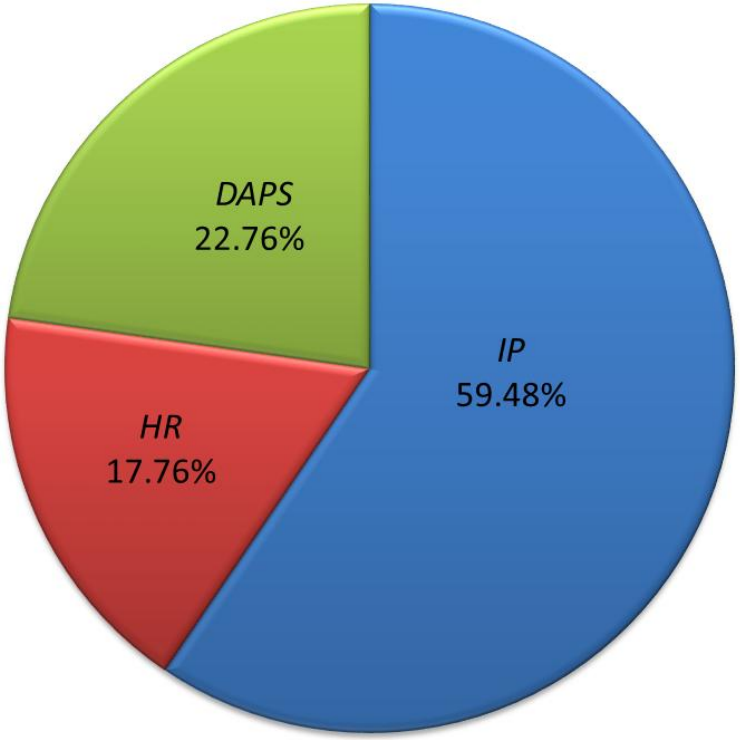
As a percentage of 2012 GDP



Source: Own elaboration.

The EU funding (3)

Economic structure



IP – Physical Infrastructure

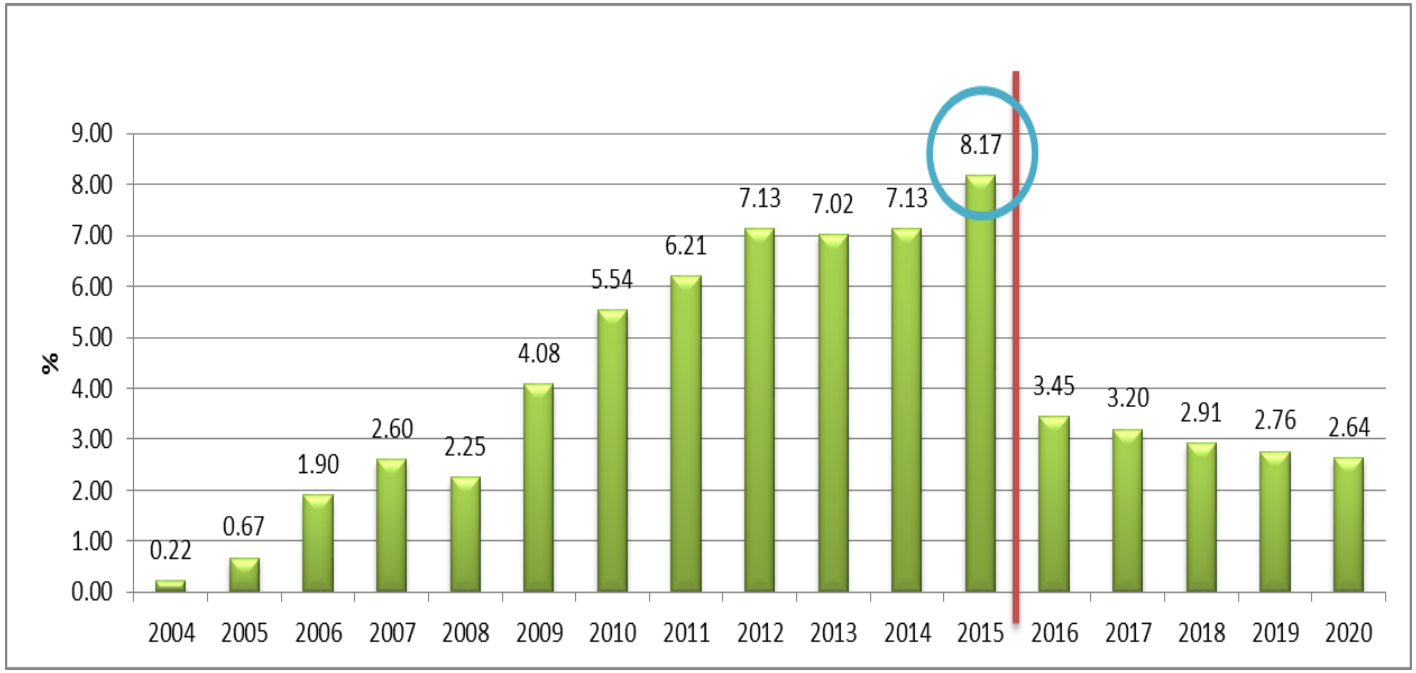
HR - Human Resources

DAPS – Direct Aid to the Productive Sectors

Source: Ministry of Infrastructure and Regional Development

Results (1)

CP impact on GDP level at constant prices (%)

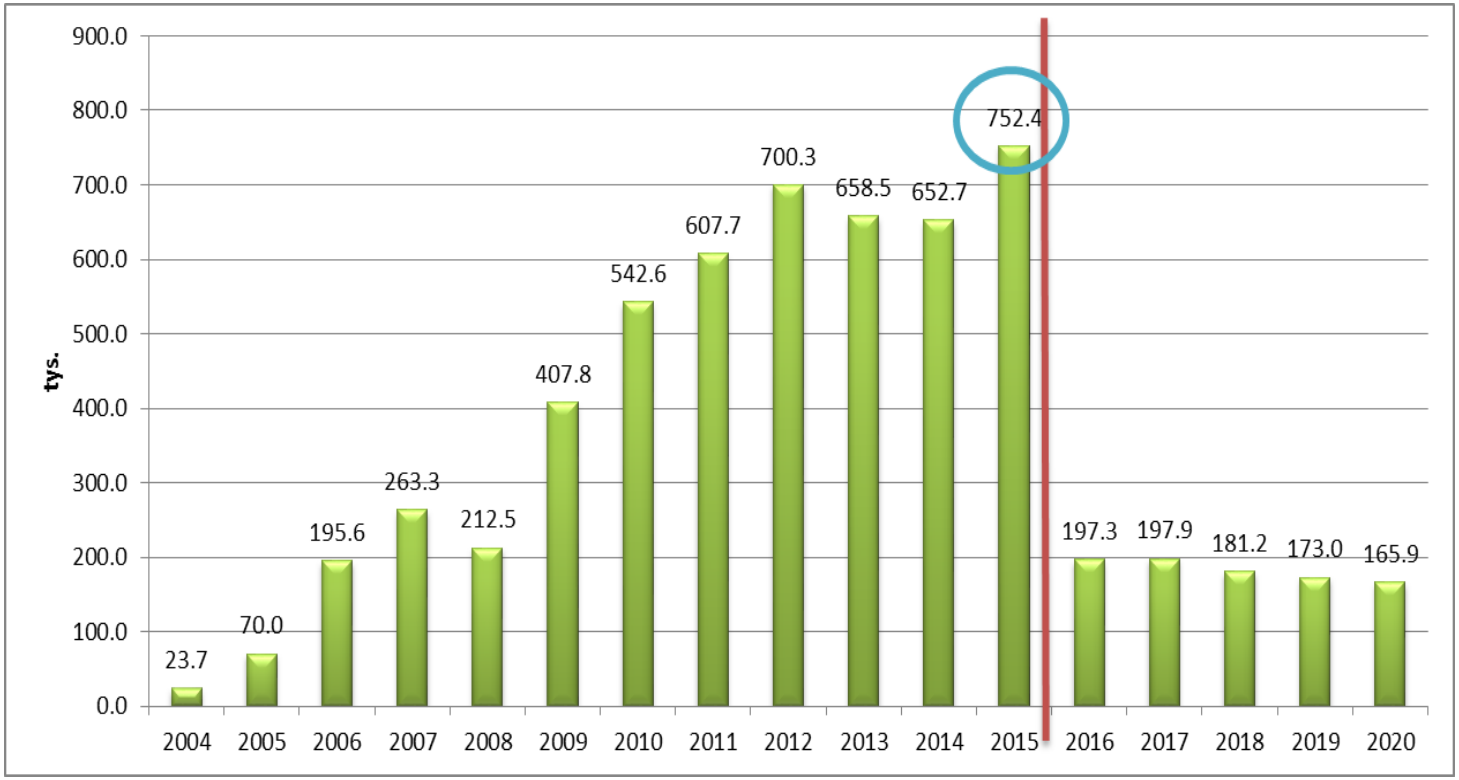


In 2015 GDP is expected to be 8.17 % above the non-cohesion scenario

Source: Own elaboration.

Results (2)

CP impact on employment (thous.)



In 2015 employment is expected to be 752.4 thous. above the non-cohesion scenario

Source: Own elaboration.

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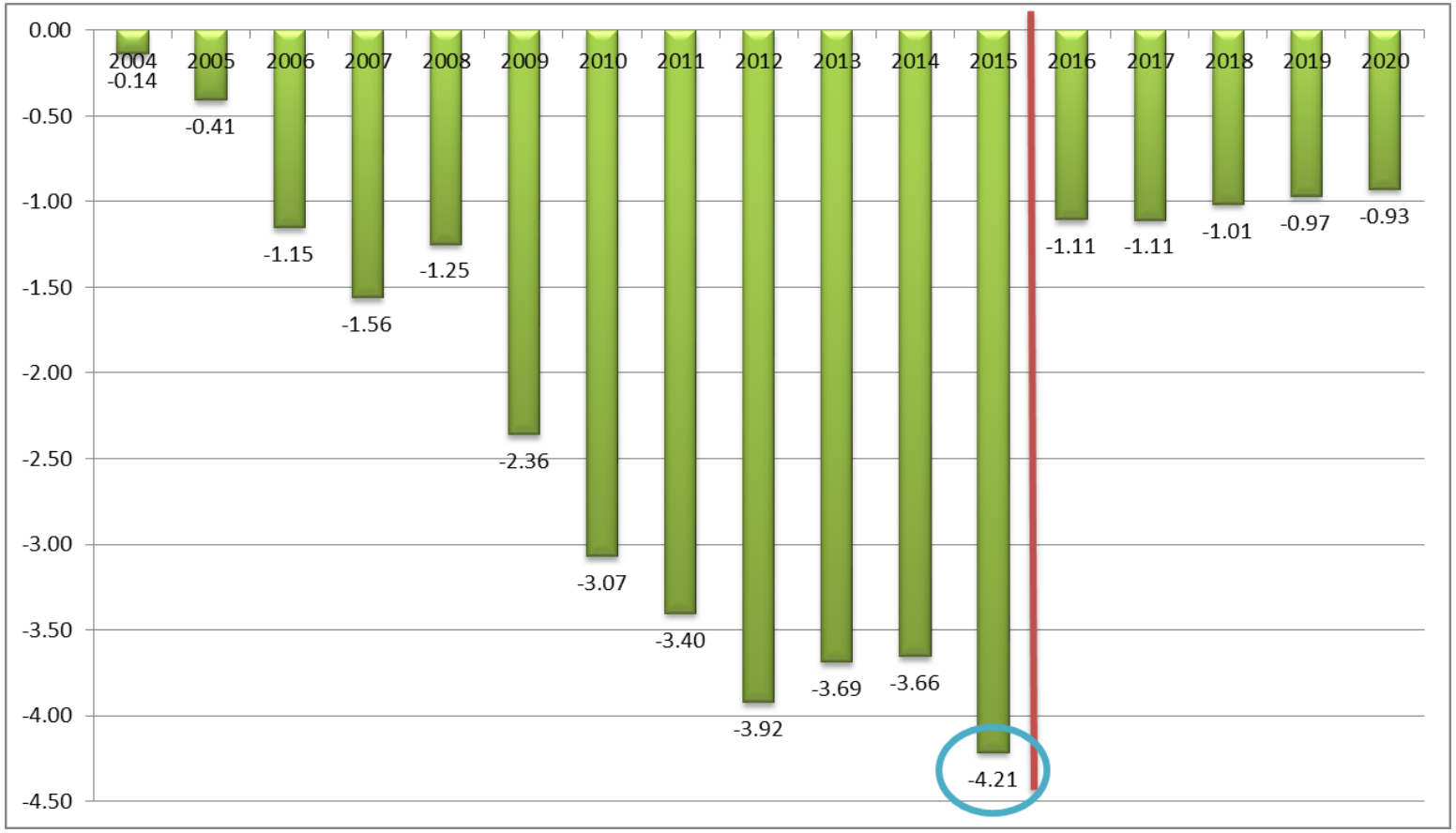
Results (3)

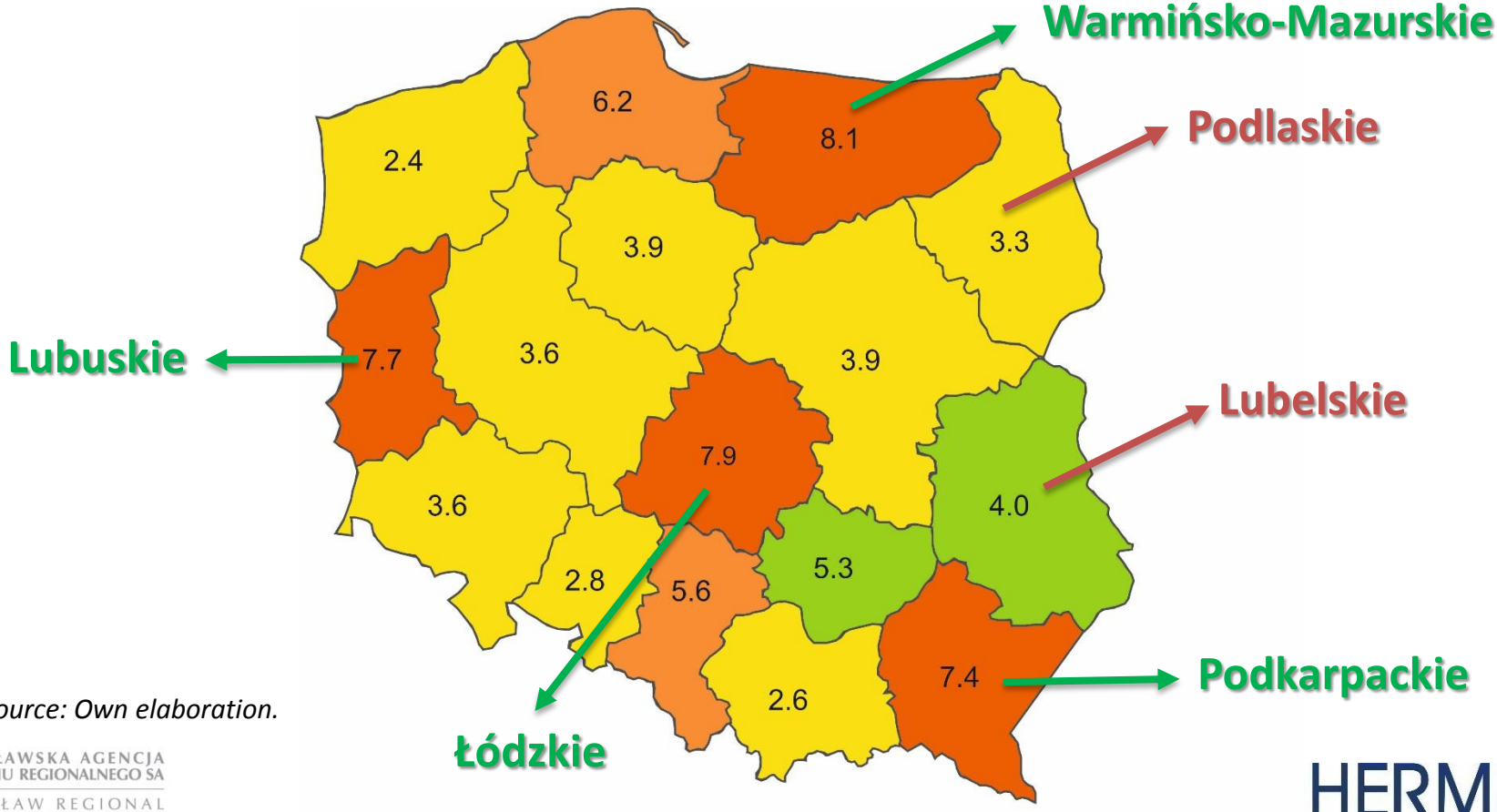
CP impact on unemployment rate (percentage points)



Source: Own elaboration.

Results (4)

CP impact on GDP level at constant prices in 2020 (%)



Source: Own elaboration.

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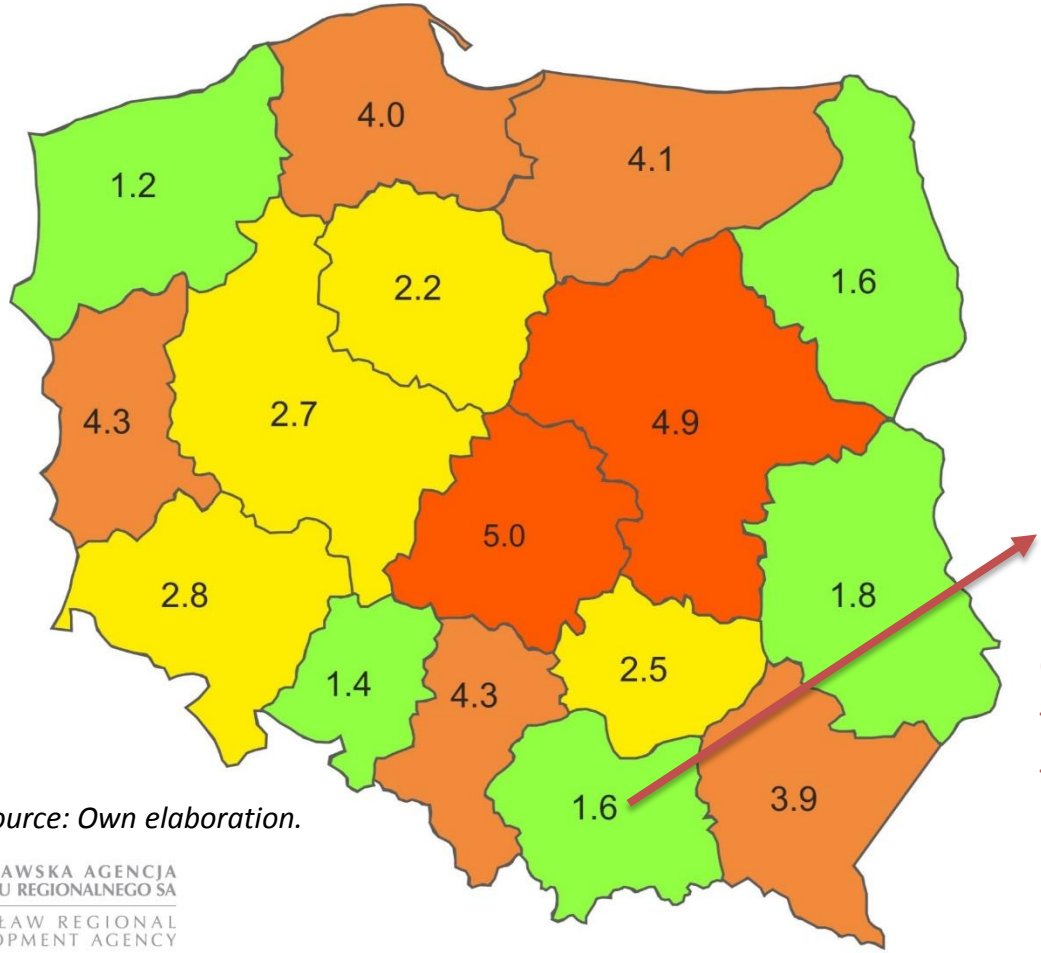
Results (5)

CP impact on regional GDP per capita in PPS (EU28=100) in 2020 (percentage points)



Małopolska

In 2020 GDP per capita (UE28=100) of Małopolskie is expected to be 1.6 pp. above the non-cohesion scenario

Source: Own elaboration.

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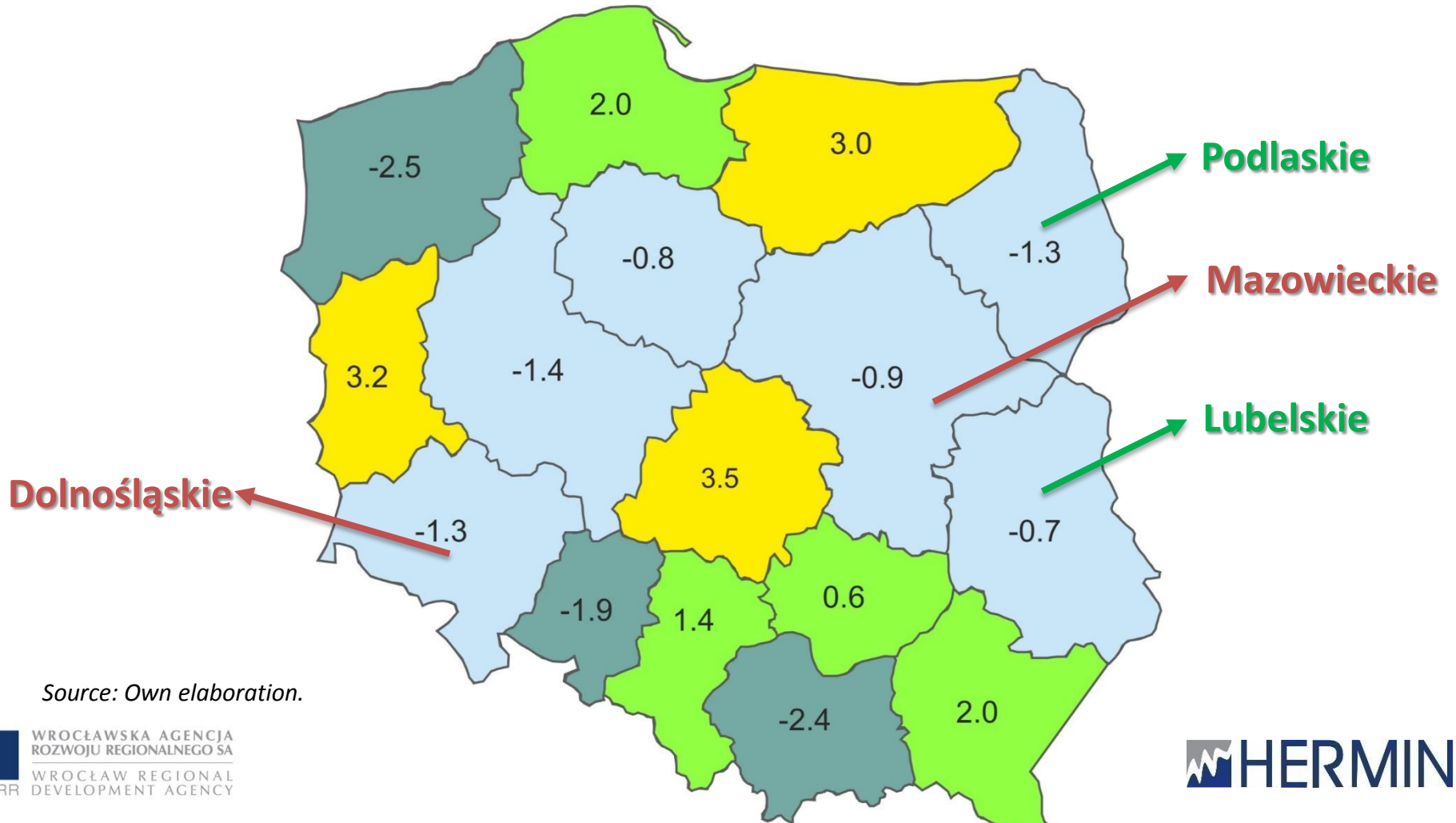
Results (6)

CP impact on regional GDP per capita (Poland=100) in 2020 (percentage points)



Source: Own elaboration.

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Conclusions and reflections(1)

- **Positive impacts of Cohesion policy (2004-2006 NDP & 2007-2013 NSRF) on socio-economic development of Poland and its regions,**
- **Cumulative impact (2004-2020) on GDP: (879.78 mld PLN and 57.4% of 2012 GDP),**
- **Bridging the gap between Polish NUTS-2 regions and the EU average,**
- **CP impact on internal convergence <u>of minor importance</u>,**

Conclusions and reflections(2)

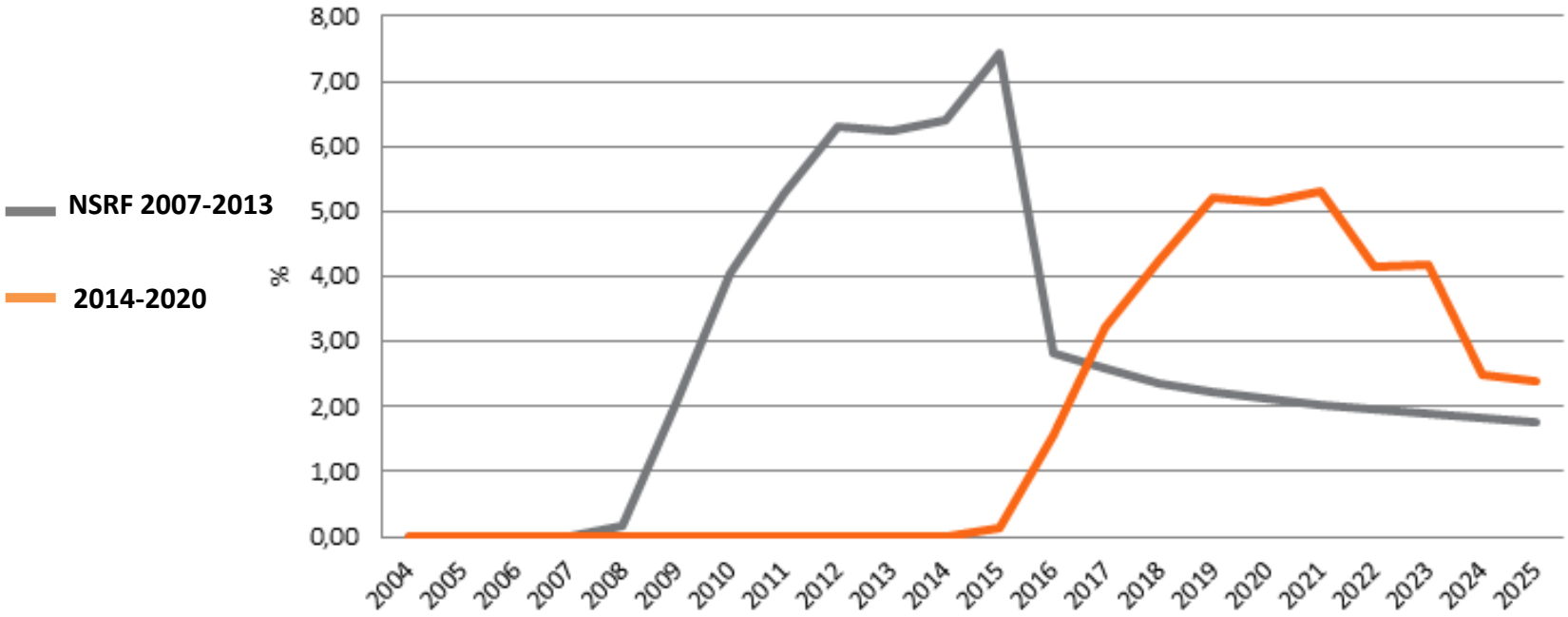
- **Cohesion policy a slim chance for qualitative (e.g. structural) changes rather than systematic method to achieve convergence,**
- **Growing importance of a place-based approach,**
- **Nominal allocation (EU financing): 2007-2013 NSRF 67.3 mld euro and 2014-2020 financial framework 82.5 mld euro,**
- **Real allocation (as % of GDP): NSRF 2007-2013 21.5%* & 2014-2020 financial framework: 20.0%****

*2007 GDP

**2014 GDP

Conclusions and reflections(3)

2007-2013 NSRF and 2014-2020 financial framework impacts on GDP level (%)



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Conclusions and reflections(4)

Bottom-up analysis

- ✓ microeconomic,
- ✓ project level,
- ✓ high disaggregation,
- ✓ detailed.

+

Macroeconomic (top-down) analysis

- ✓ spill-over effects,
- ✓ „big picture".

Comprehensive and robust evaluation work

Thank you for your attention!

Zbigniew Mogiła

zmg@warr.pl

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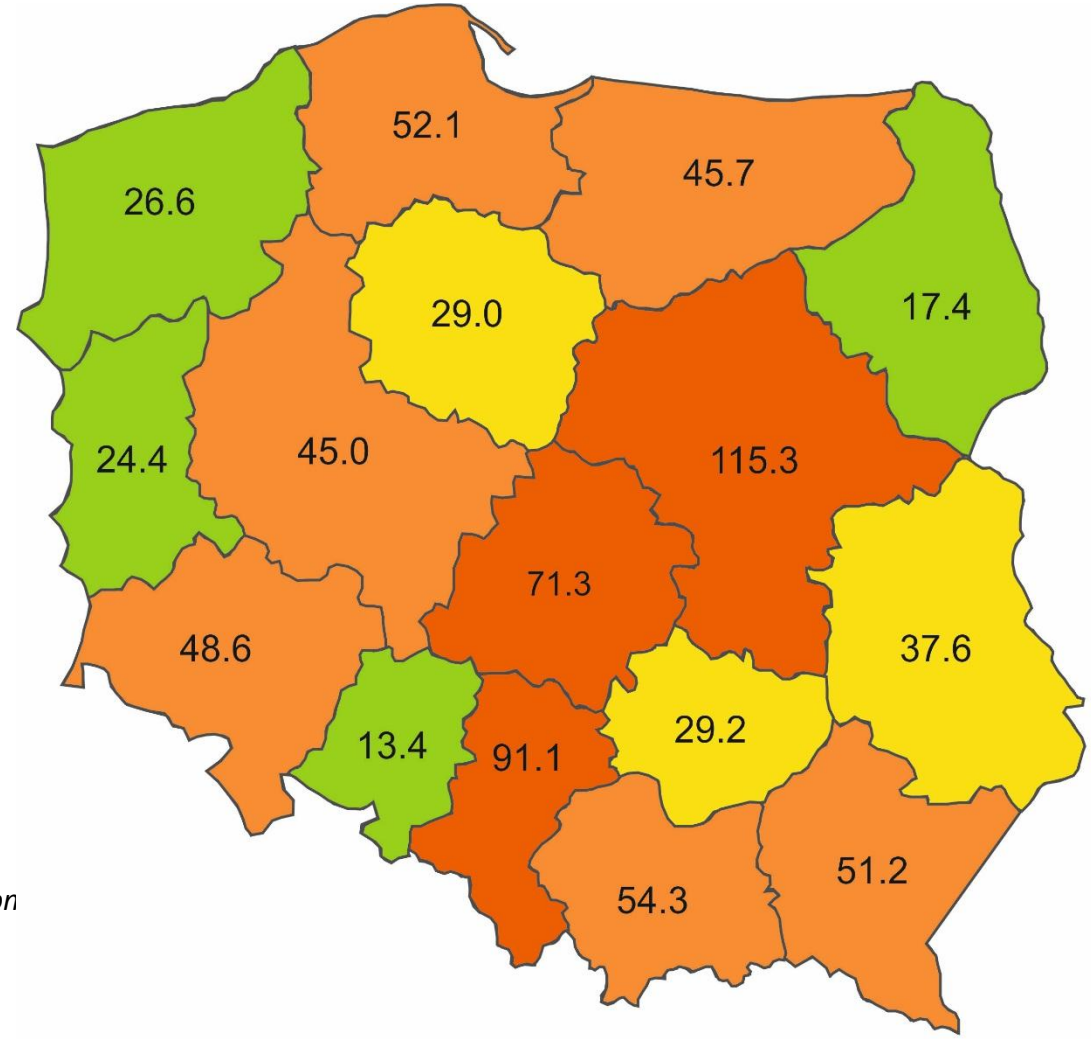
Results (8)

CP impact on employment in 2015 (thous.)



Source: Own elaboration

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