

# What does the evaluation tell us about the Cohesion Policy?

Andrzej Regulski

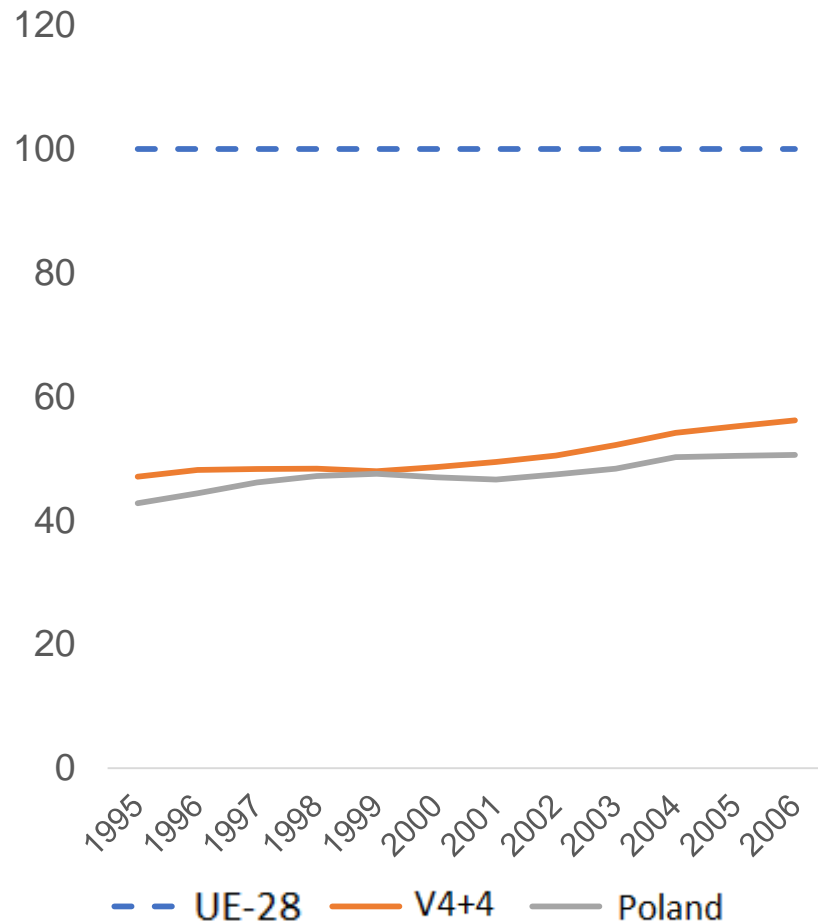
Wroclaw, 22 June 2017

imapp

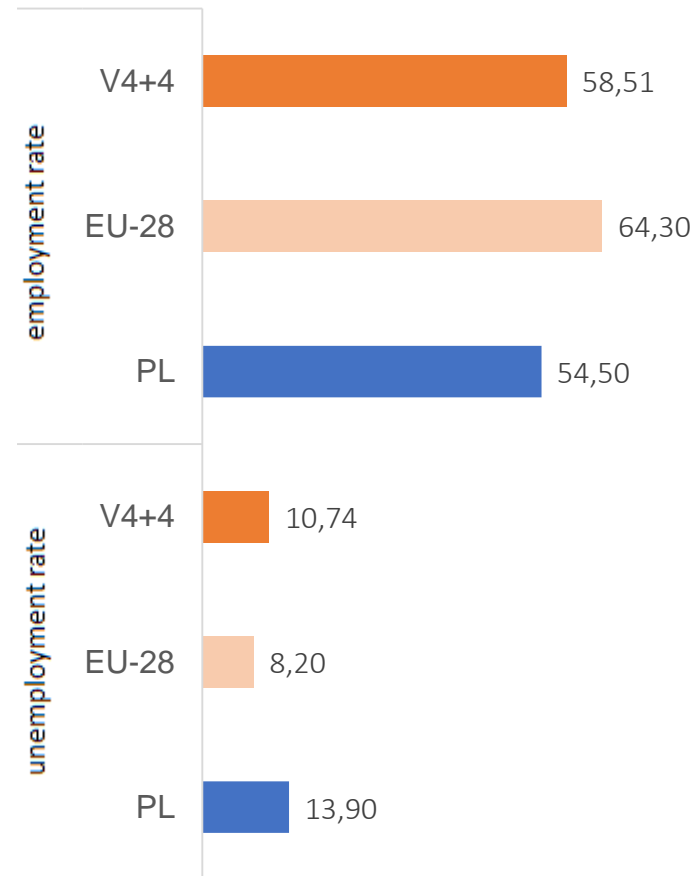
macroeconomic perspective  
and  
and territorial dimension

# Poland in the wake of implementation of NSRF 2007-2013 in app

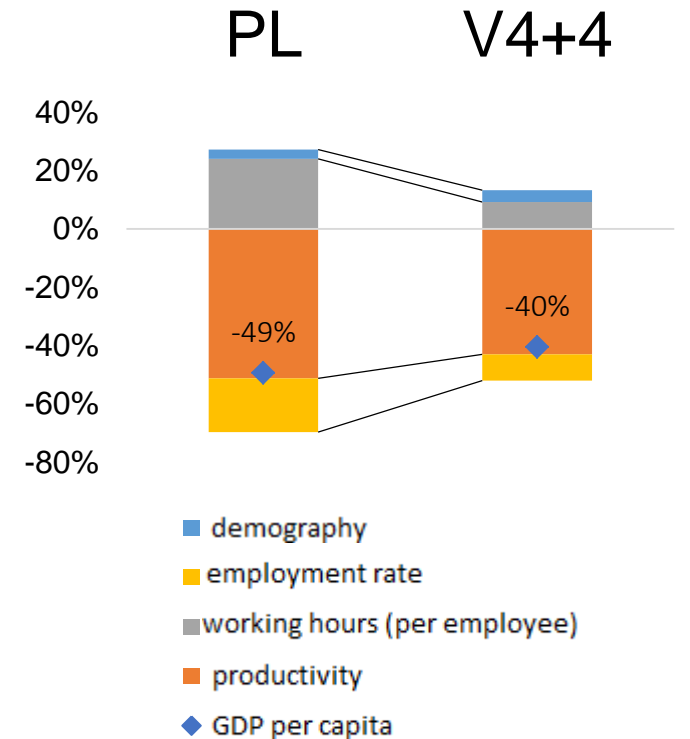
## convergence with the EU



## labour market

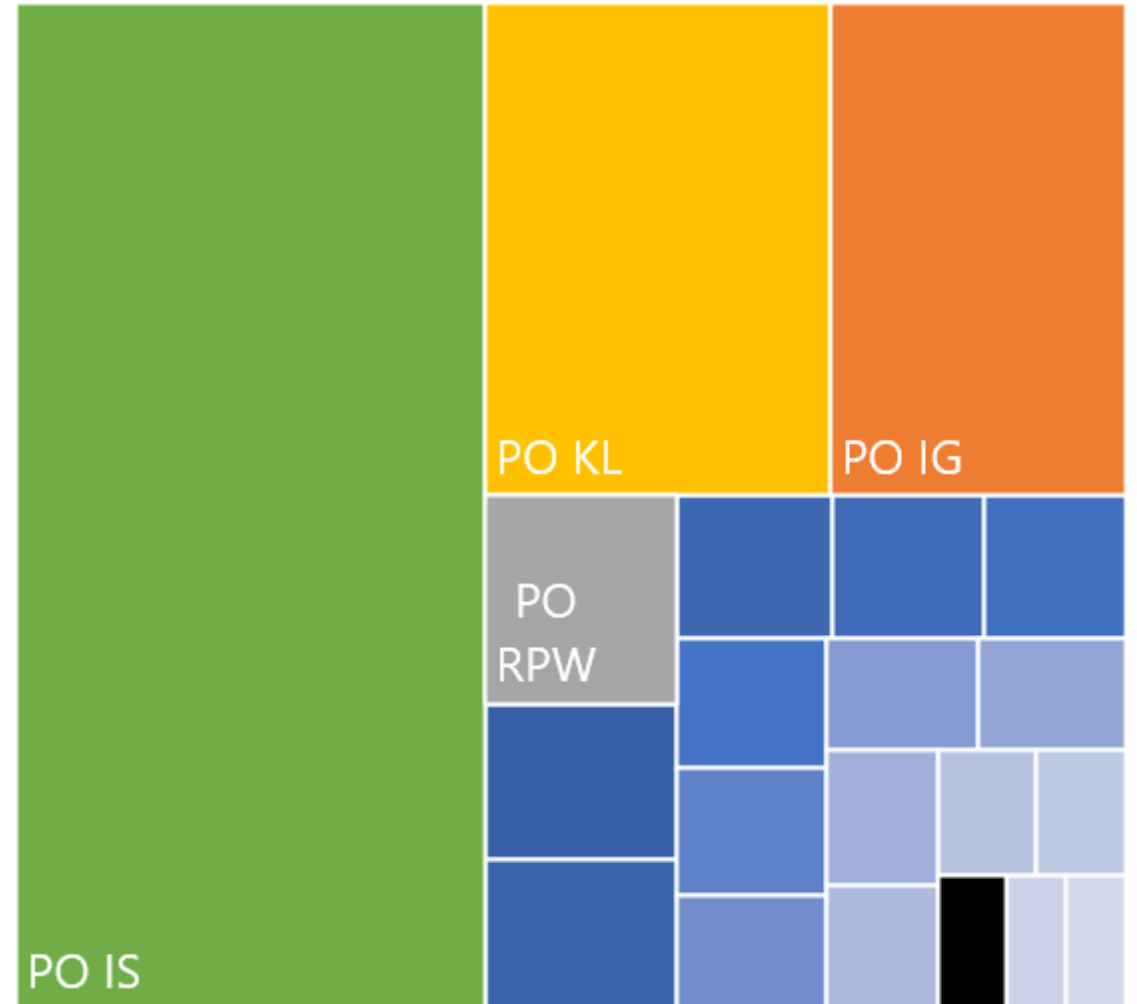


## GDP gap (in relation to EU-28)

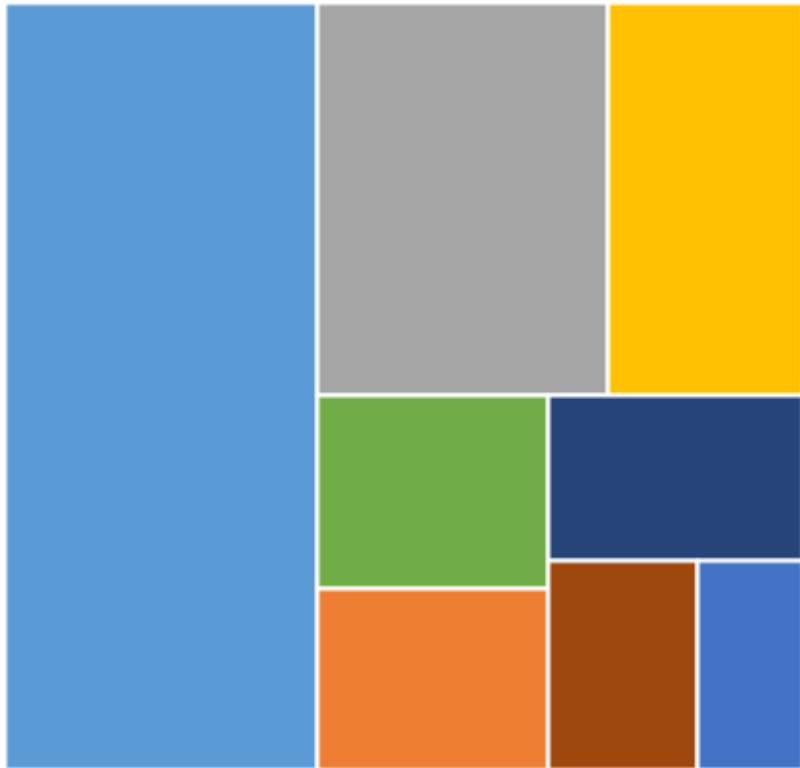




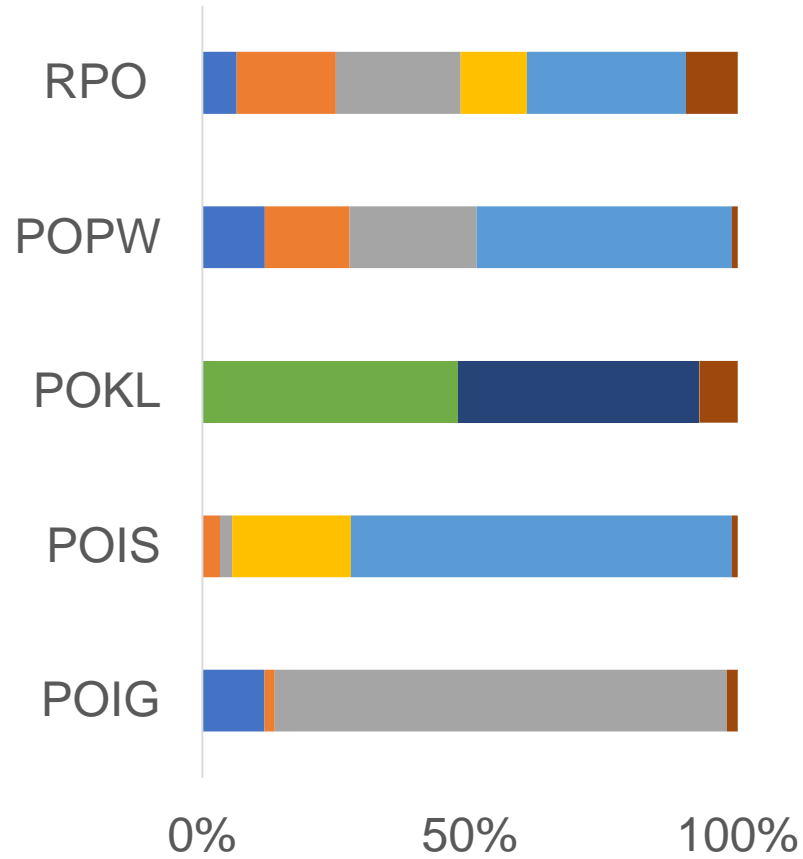
**NARODOWA  
STRATEGIA SPÓJNOŚCI**



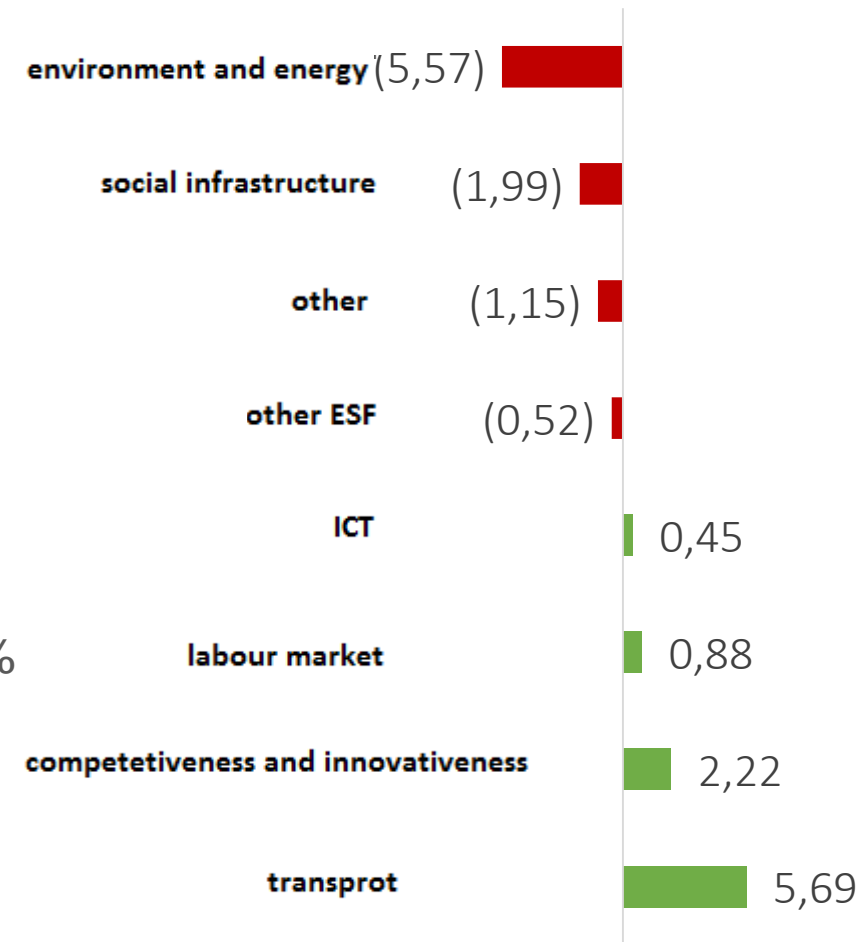
# NSRF 2007-2013



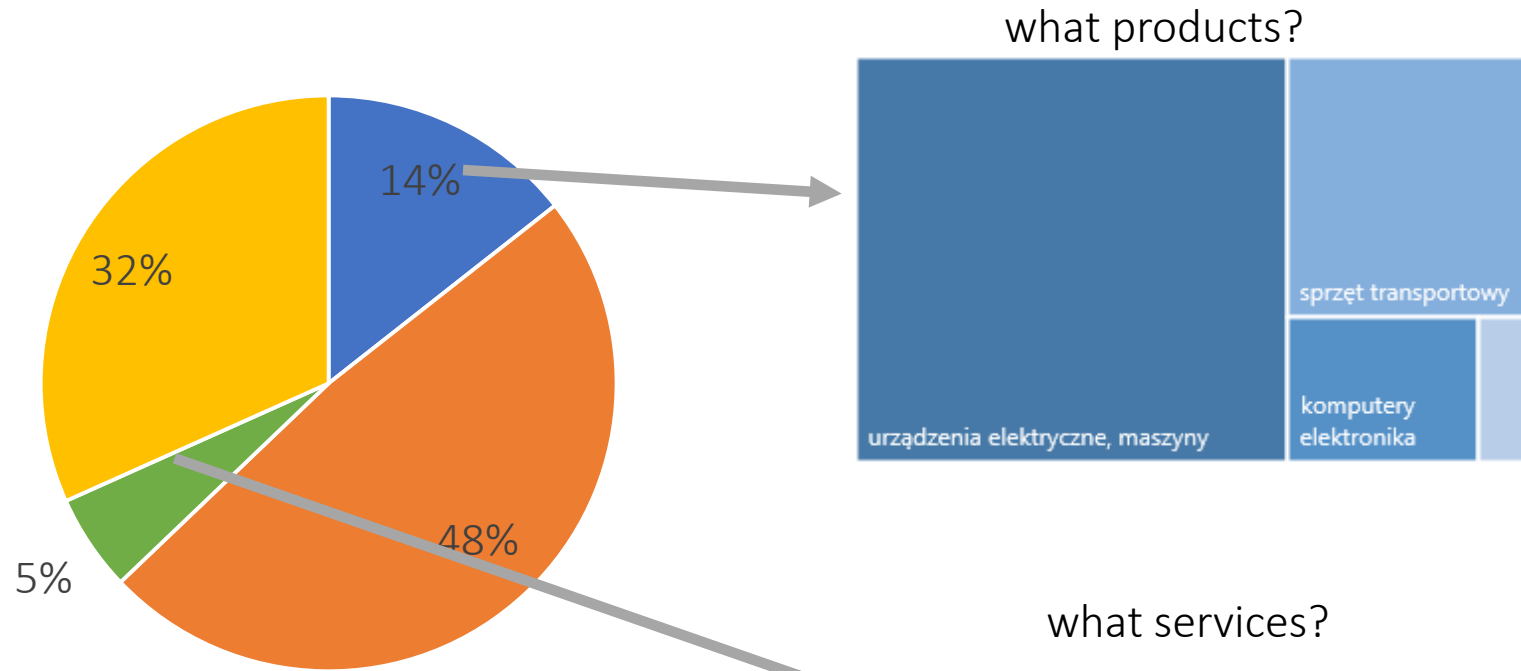
- ICT
- social infrastructure
- competetiveness and innovativeness
- environment and energy
- transprot
- labour market
- other ESF
- other



compared to other V4+4 countries

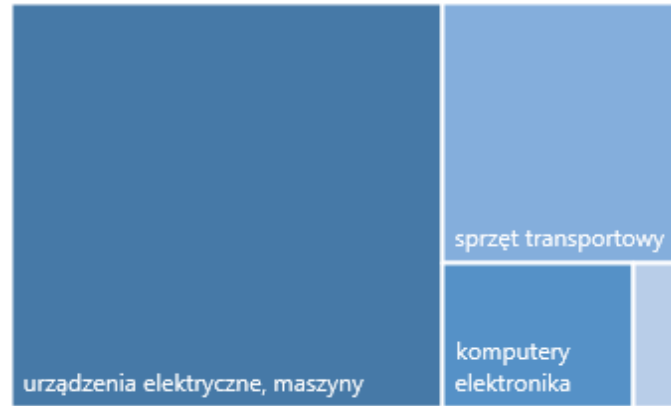


# NSRF 2007-2013: what have we spent so much money on? in app

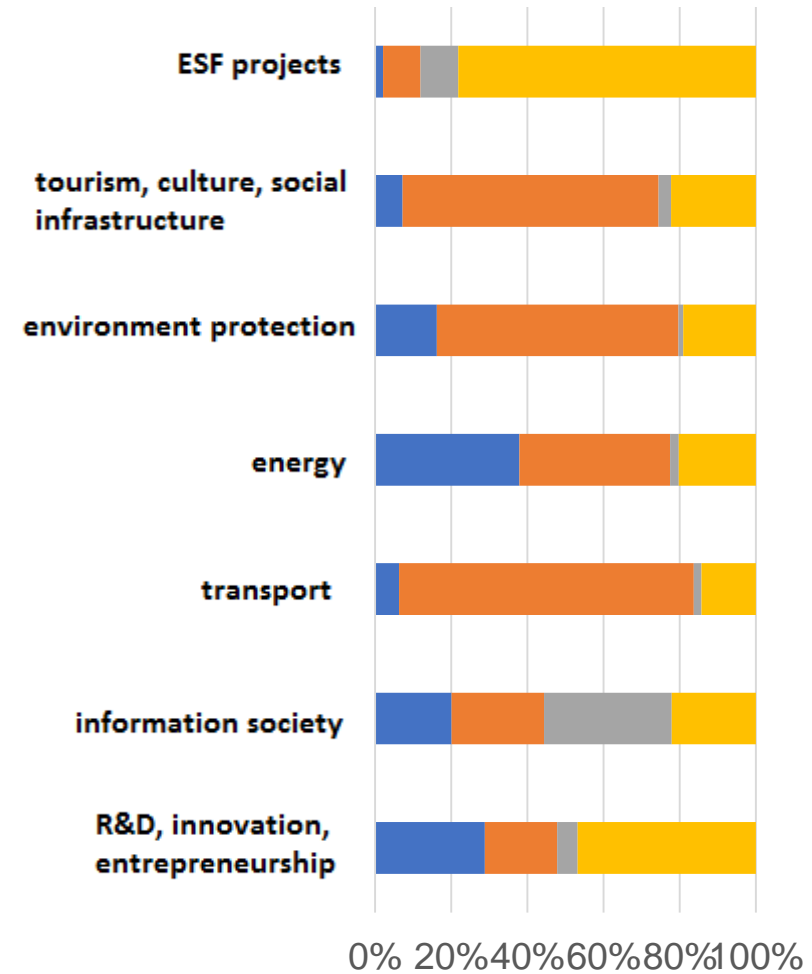
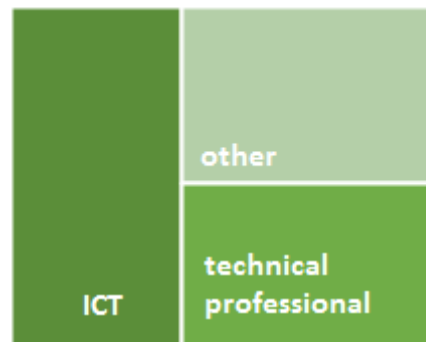


- product supply
- construction works
- external services
- product supply

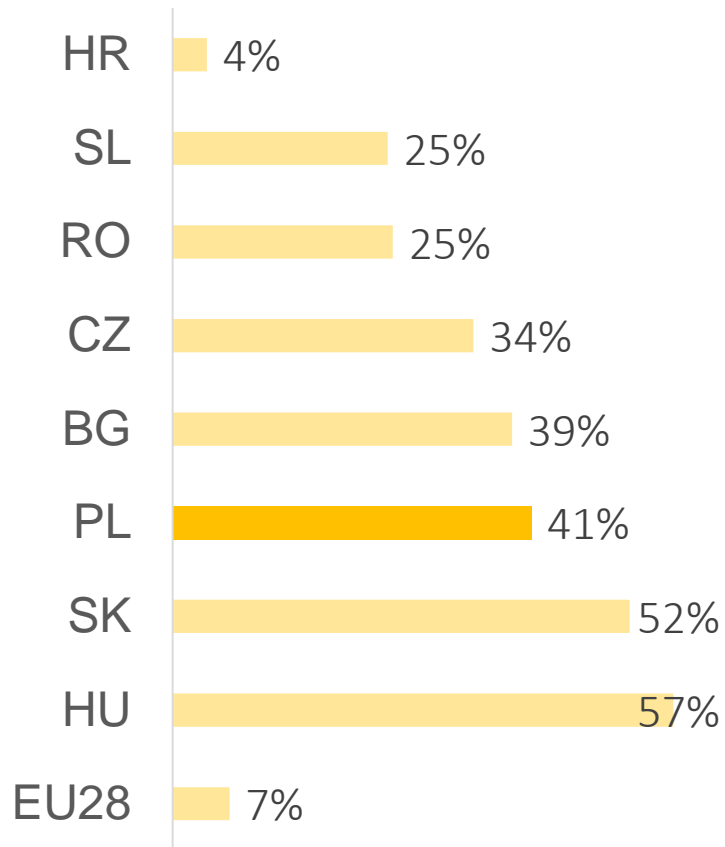
what products?



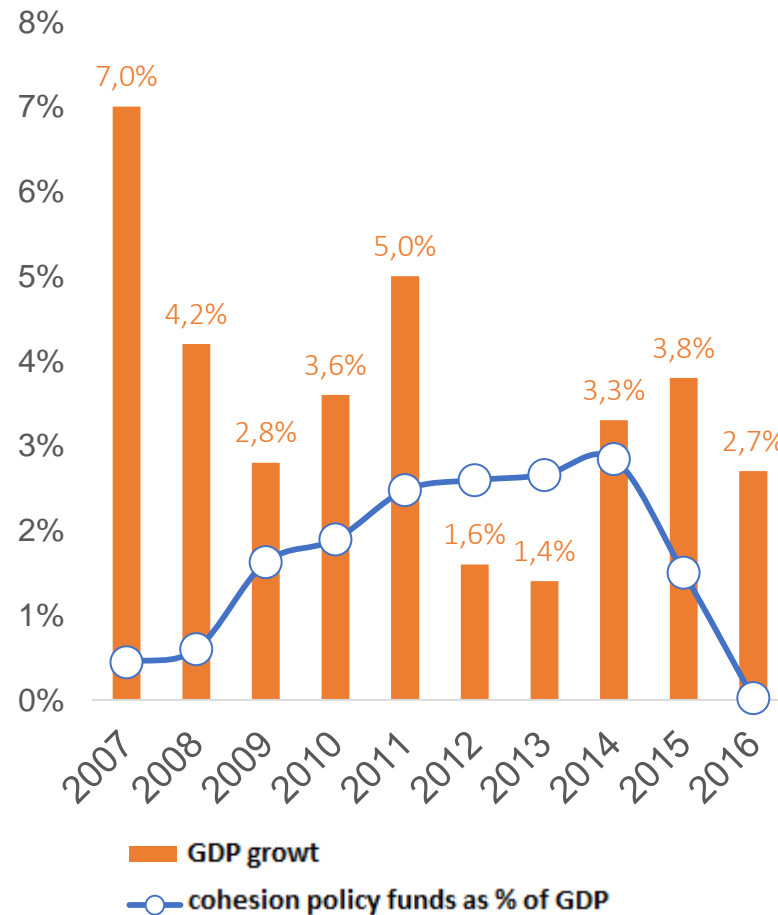
what services?



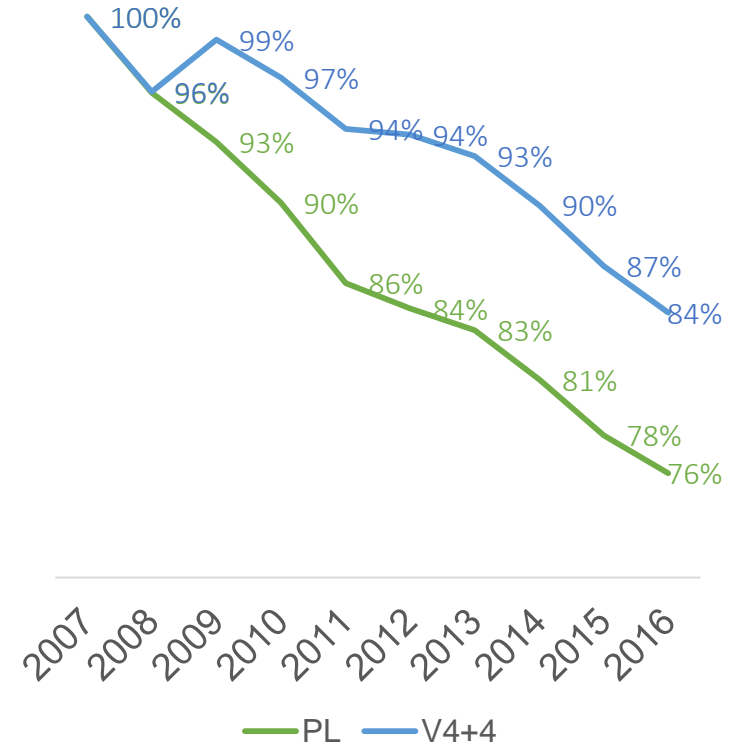
in relation to public sector investment expenditure



in relation to GDP

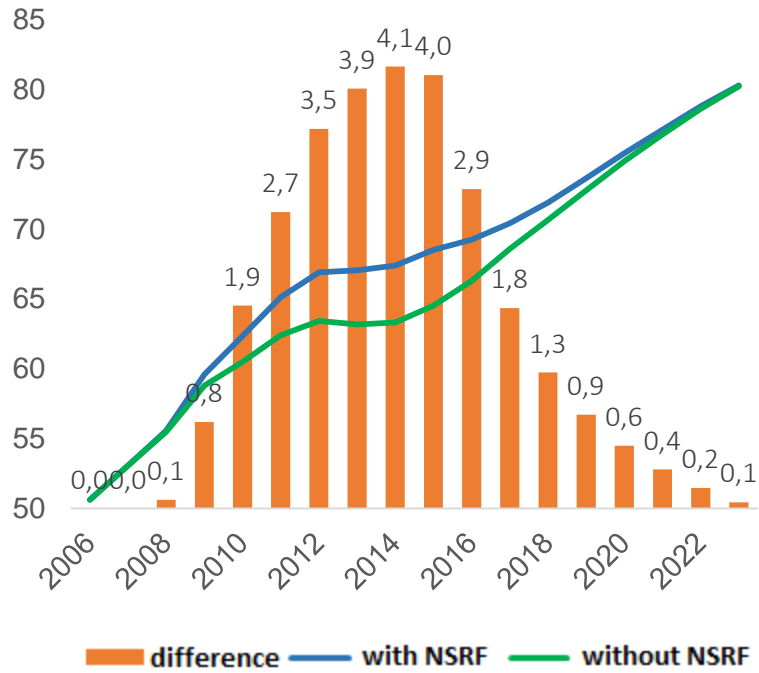


decreasing (macroeconomic) significance of 1 EUR

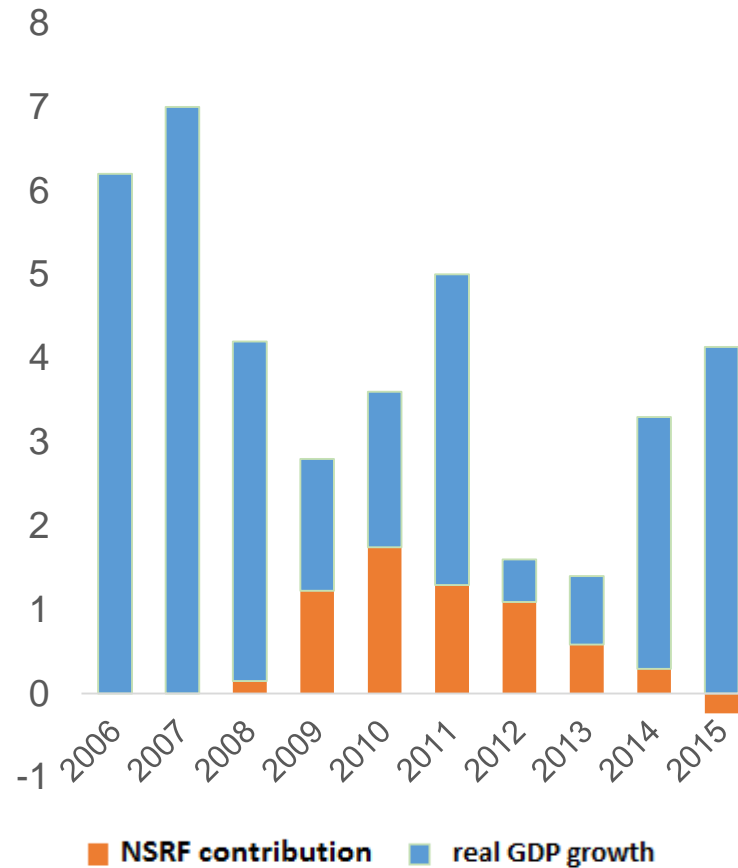


# the impact on economy GDP

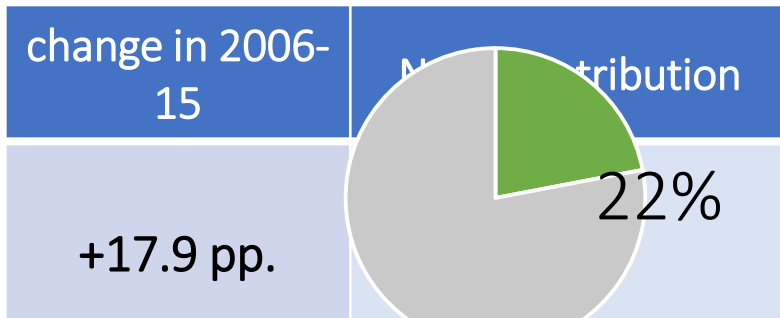
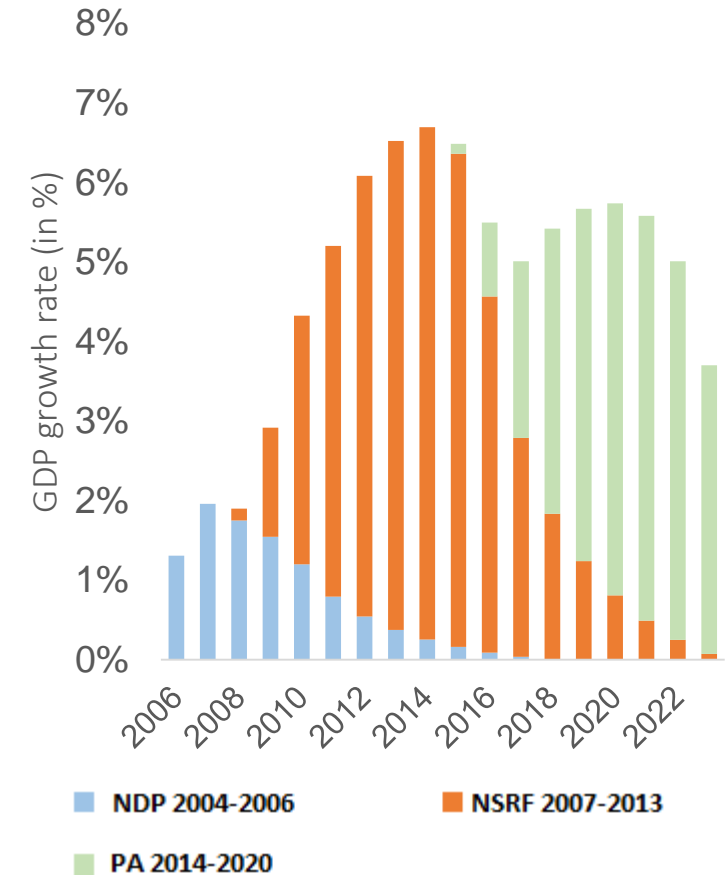
## convergence with the EU-28



## economic growth

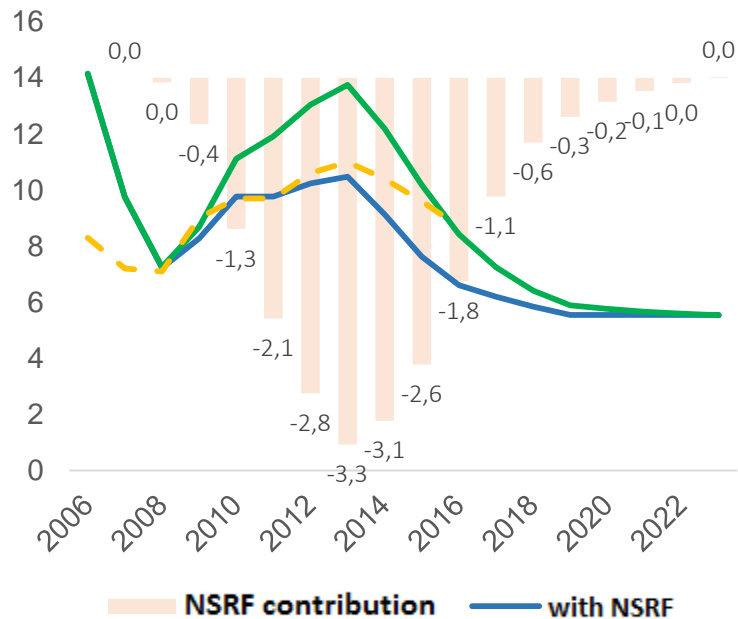


## subsequent financial perspectives

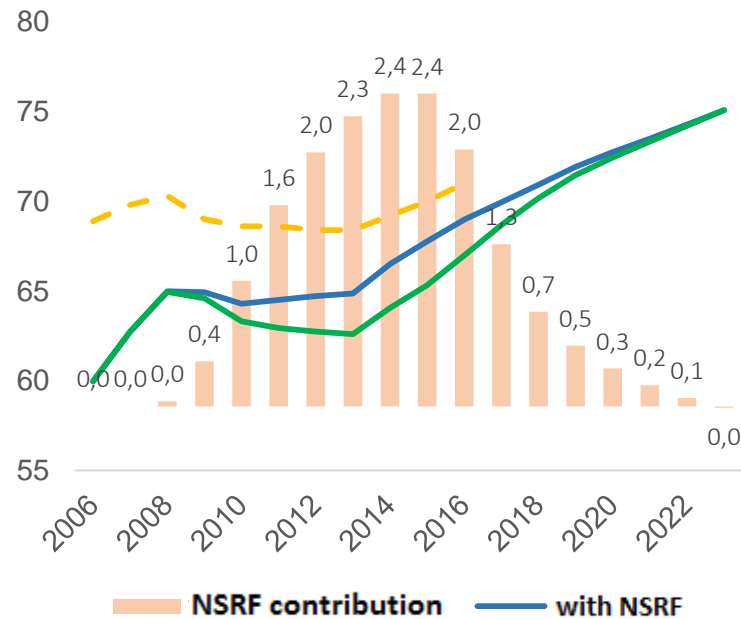




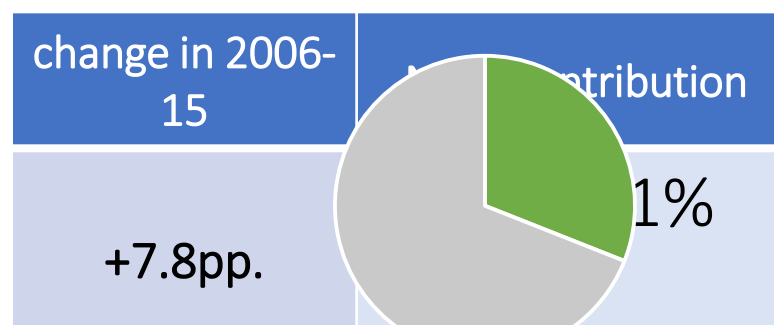
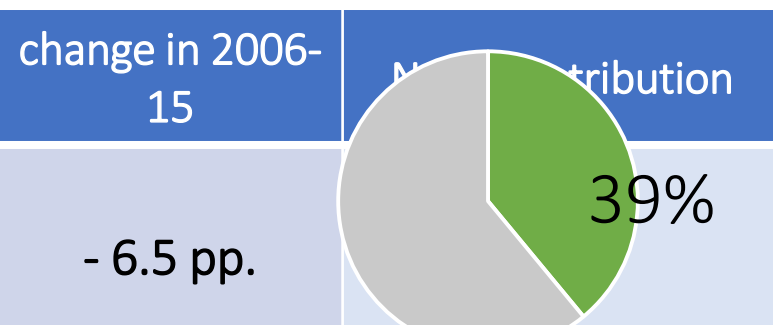
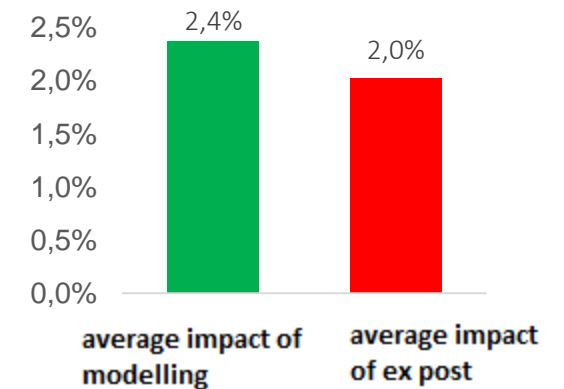
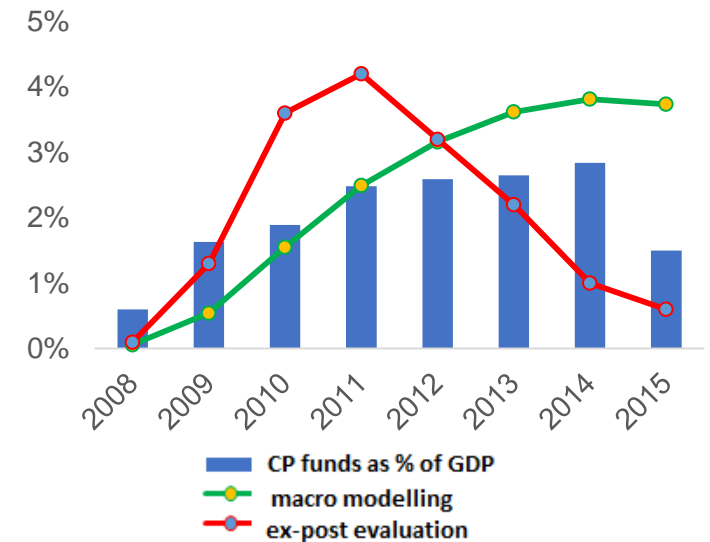
## unemployment rate



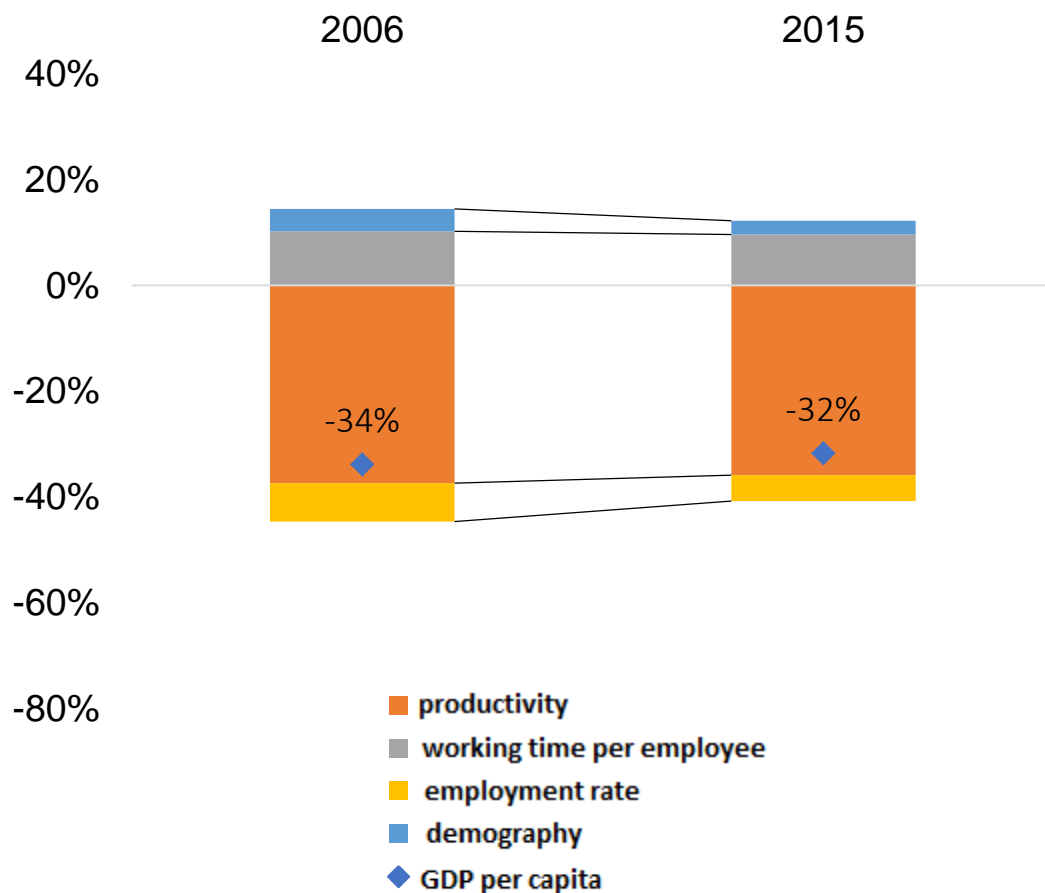
## employment rate



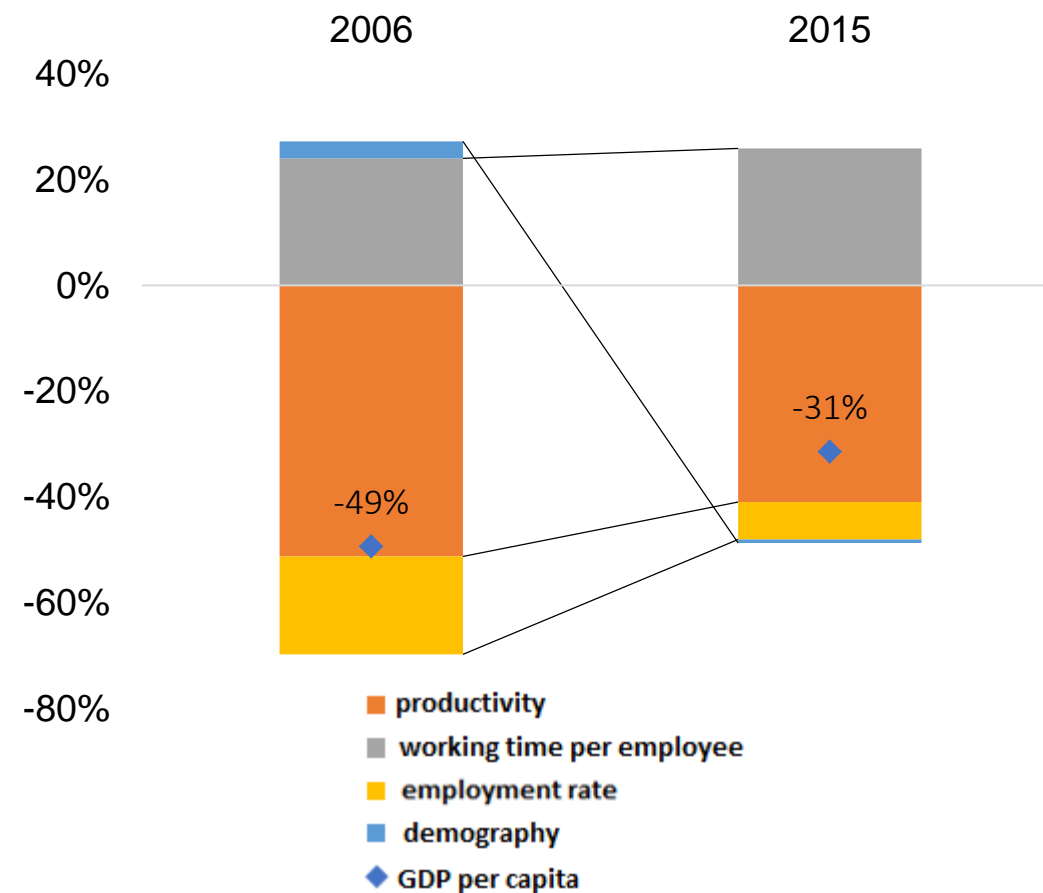
## impact on employment macroeconomic modelling vs. ex-post evaluation



## GDP gap of V4+4 countries collectively



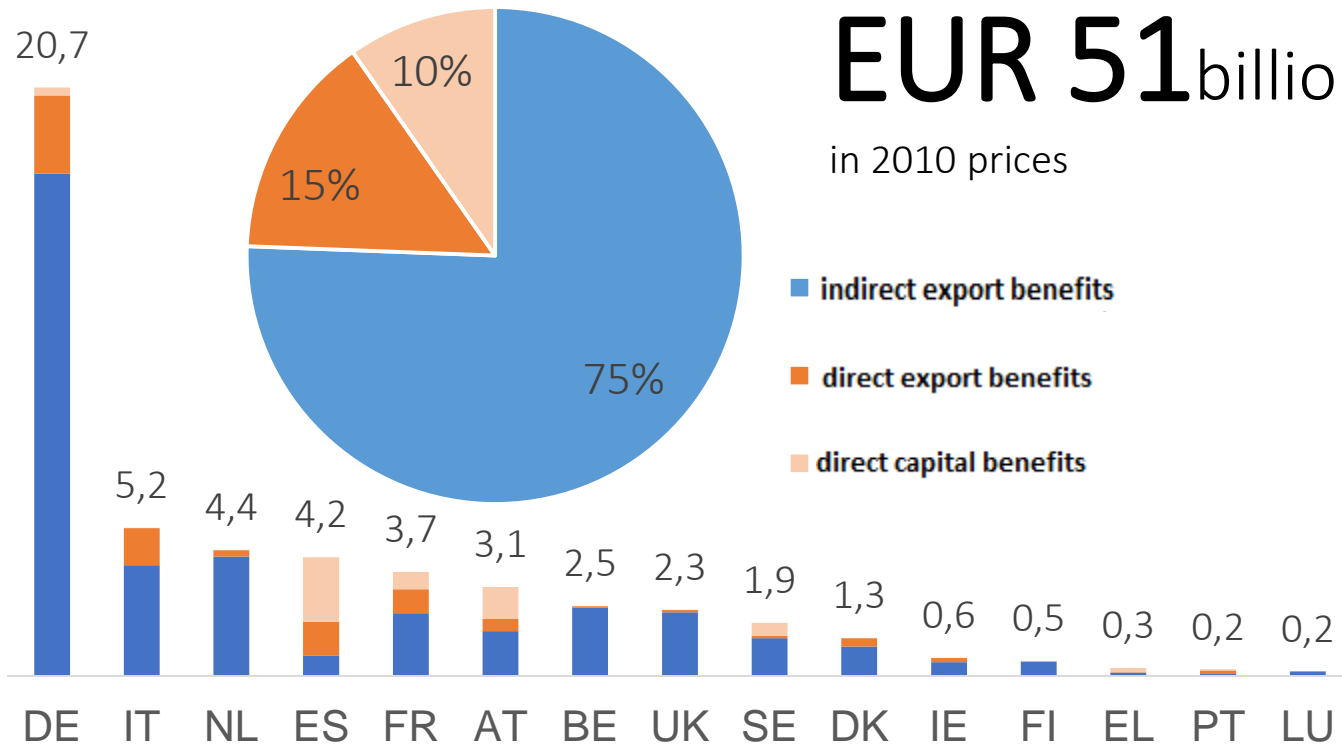
## Poland's GDP gap



# cohesion policy in Poland → profits of EU-15 countries **imapp**

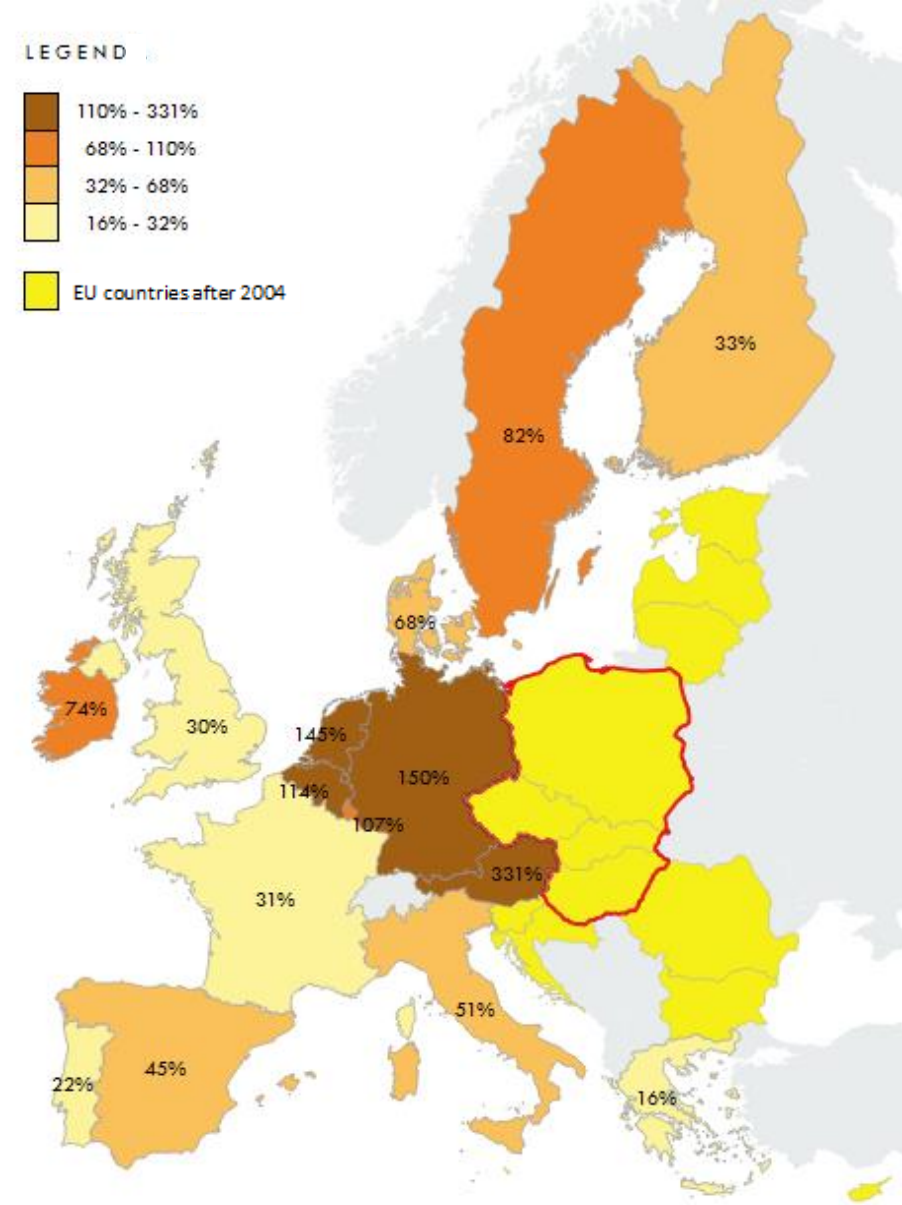
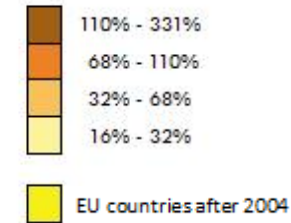
## EUR 51 billion

in 2010 prices

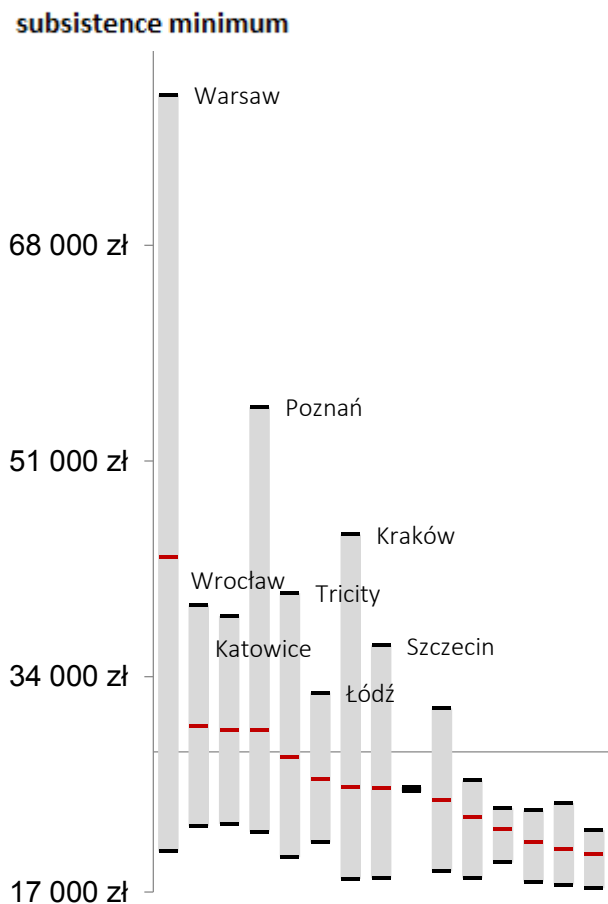


EU-15 countries transferred around EUR 120 billion for implementation of the Cohesion Policy in V4 countries. The total economic profit of EU-15 countries resulting from implementation of the Cohesion Policy in V4 amount to EUR 96.6 billion, which represents ca. 80% of contributions.

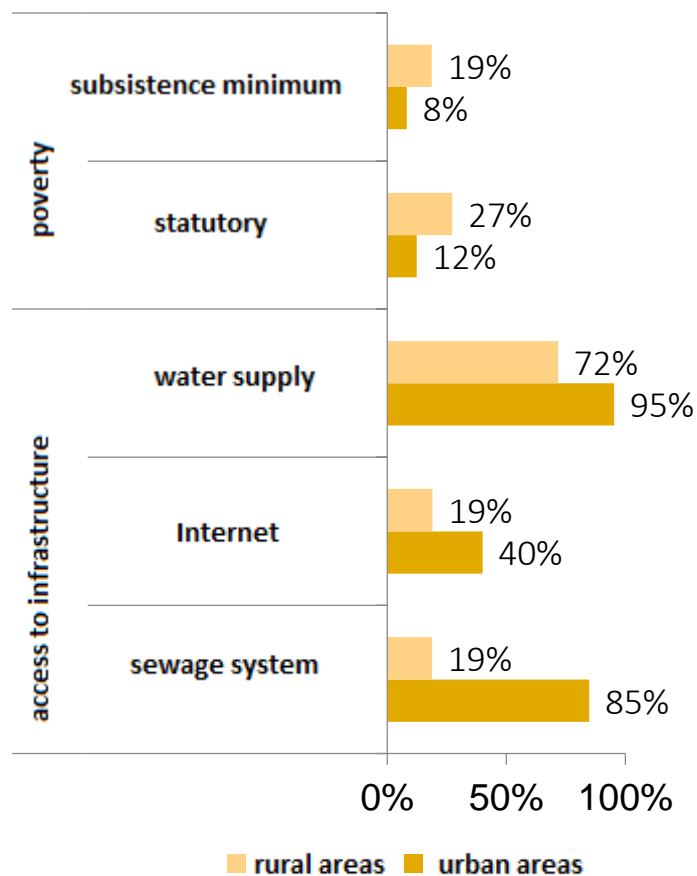
LEGEND



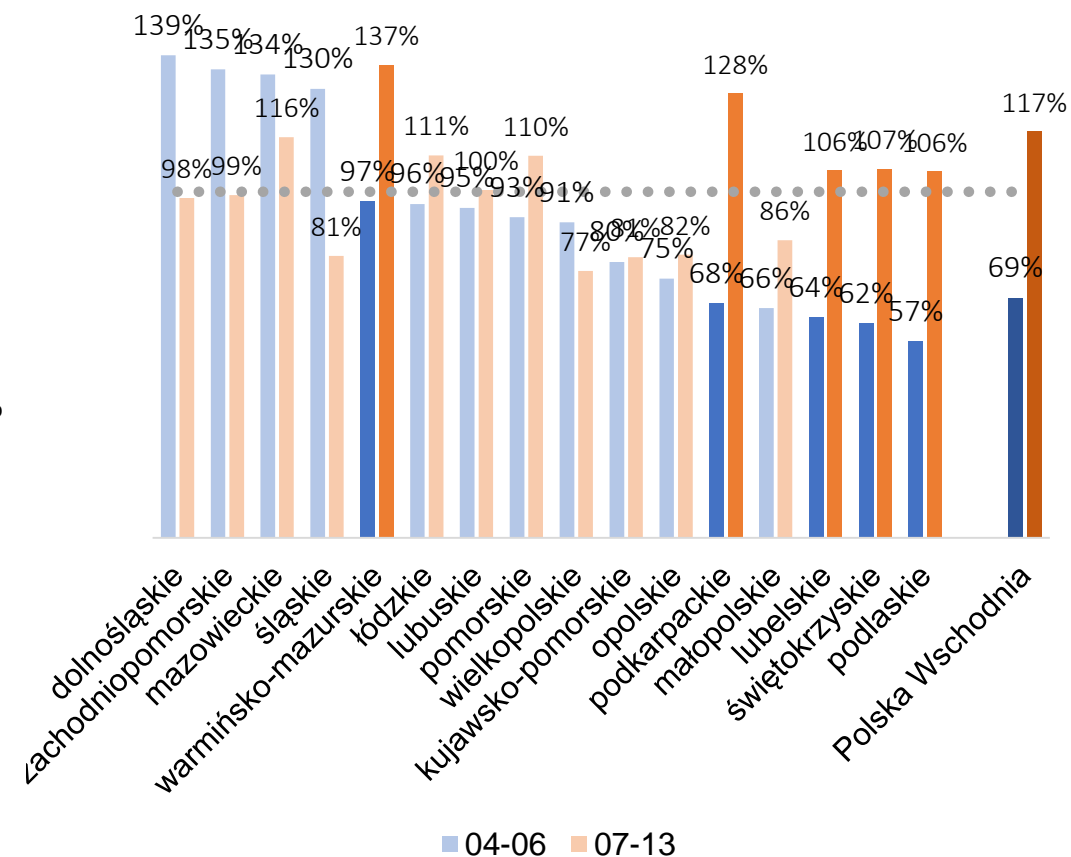
## intra- and interregional diversification of GDP



## living conditions of households

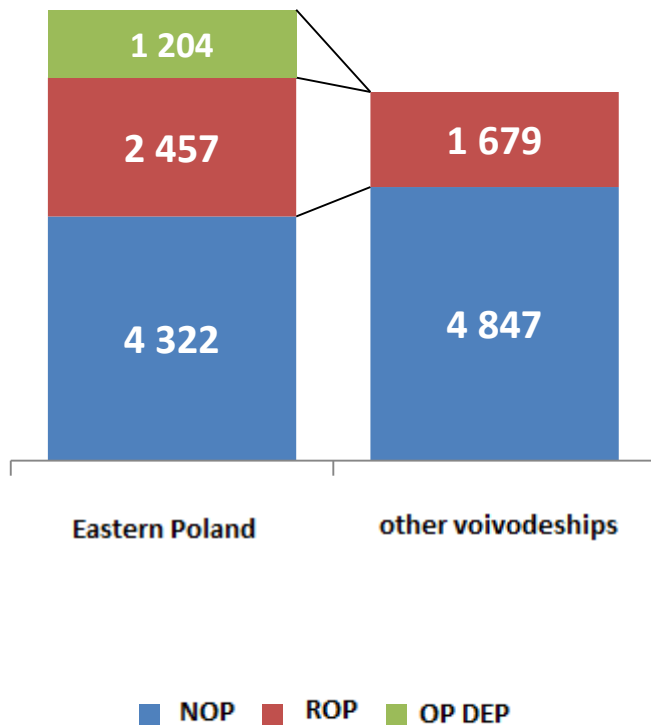


## use of EU funds 2004-2006

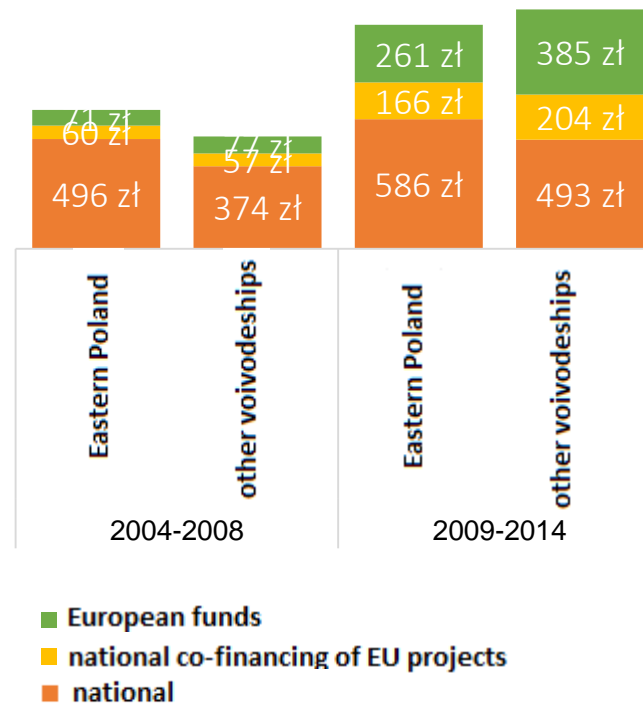


# territorial cross-section of intervention

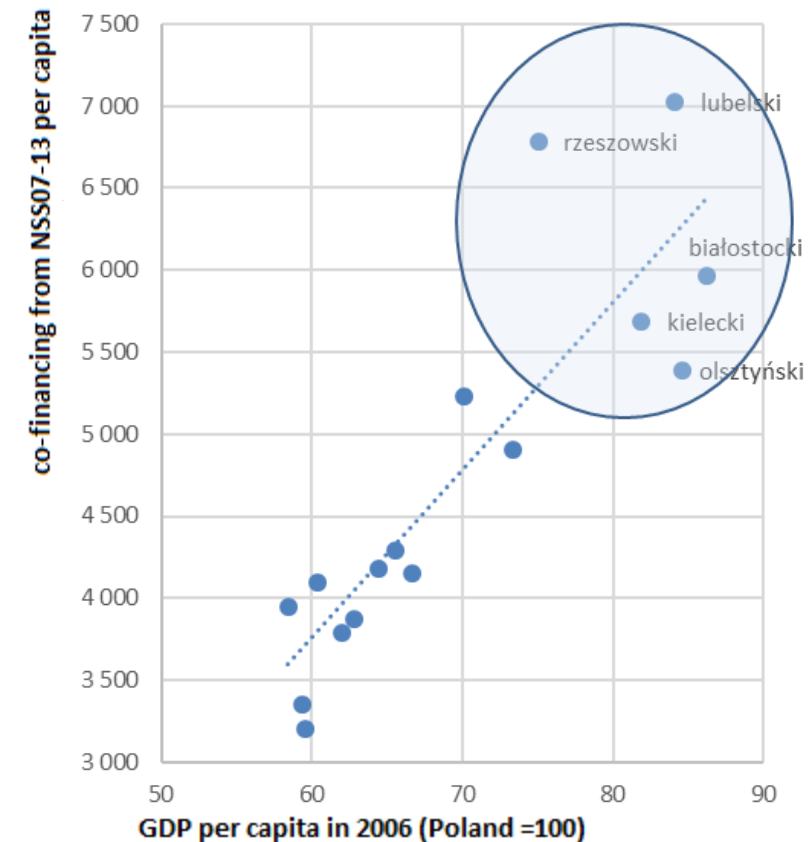
## compensatory impact of OP DEP



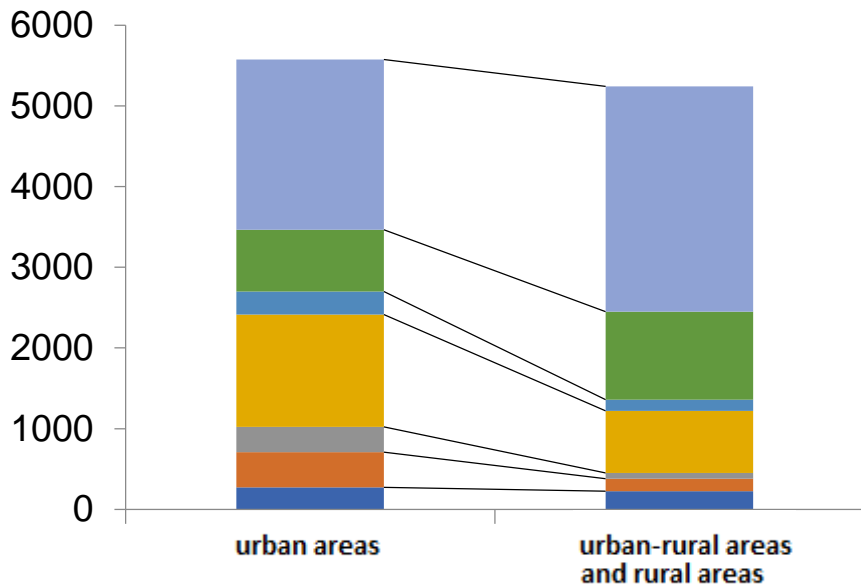
## additional investments in self-governments



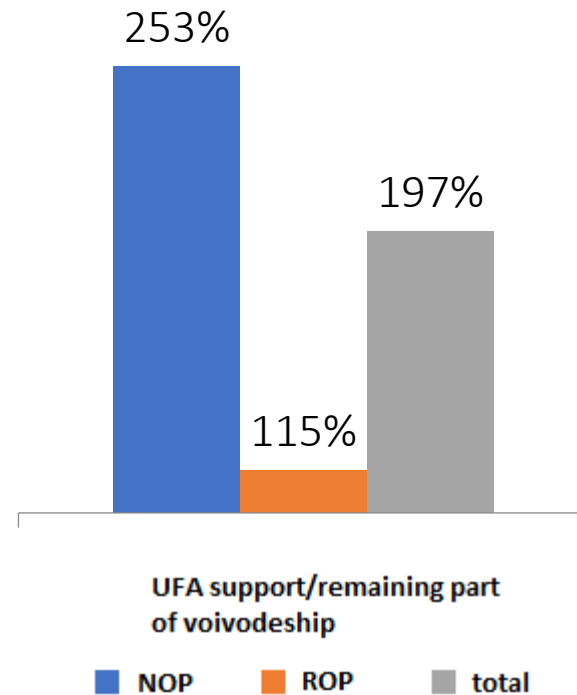
## concentration on voivodeship cities



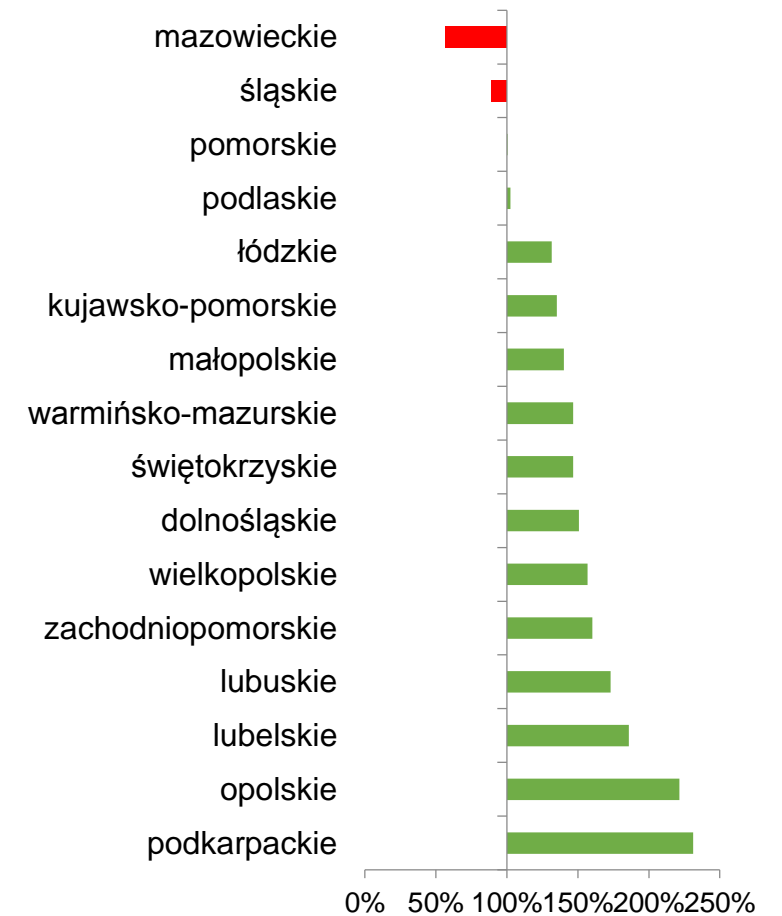
large i medium cities  
vs small cities i rural areas



support from UFA for the  
remaining part of the region  
(100%)



- but not all ROPs  
were the same!

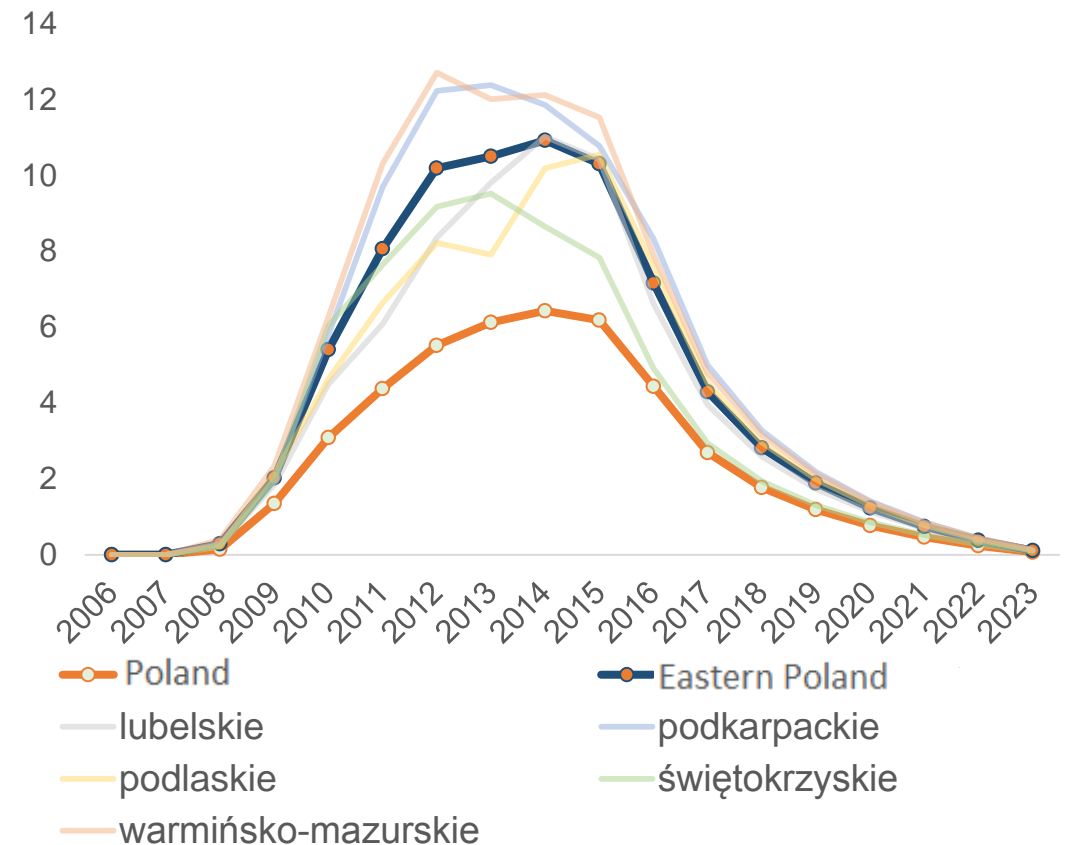


# effectiveness of intervention in the territorial cross-section in app

## impact at the local level (estimation through matching)

indicator	level	intervention	outcome
remuneration	poviat	CP +RDP/FISH	+
labour market	poviat	CP +RDP/FISH	no impact
investments in companies	poviat	CP (support for companies)	+

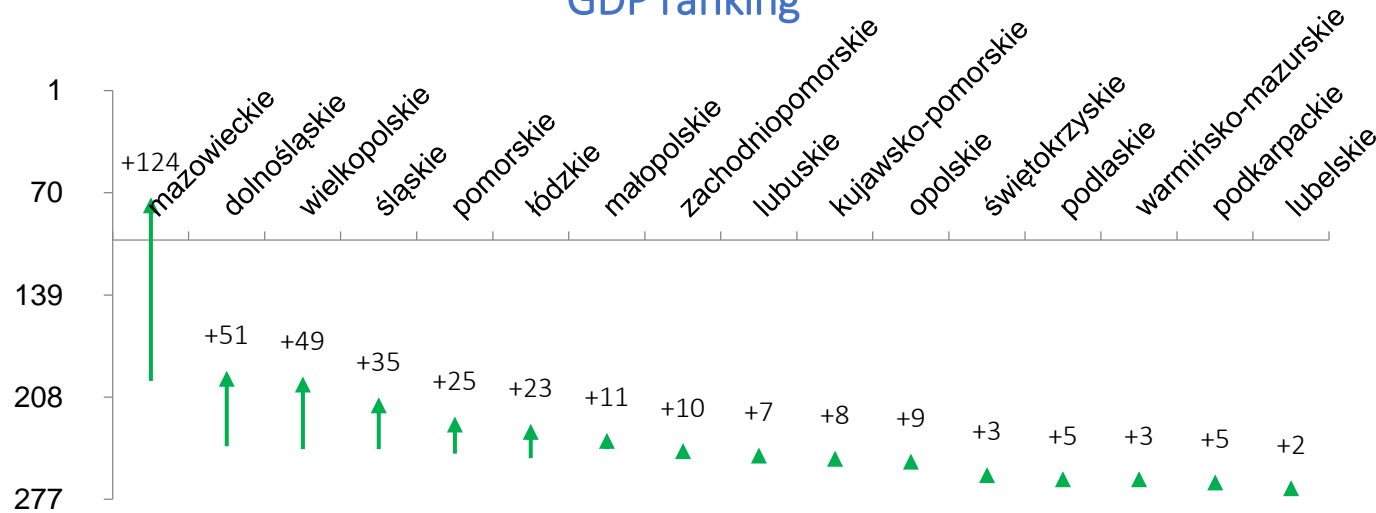
## impact of the cohesion policy on development of Eastern Poland voivodeships (EUImpactMOD – impact in %)



# effectiveness of intervention in the territorial cross-section in app

## rank of Polish regions

### GDP ranking

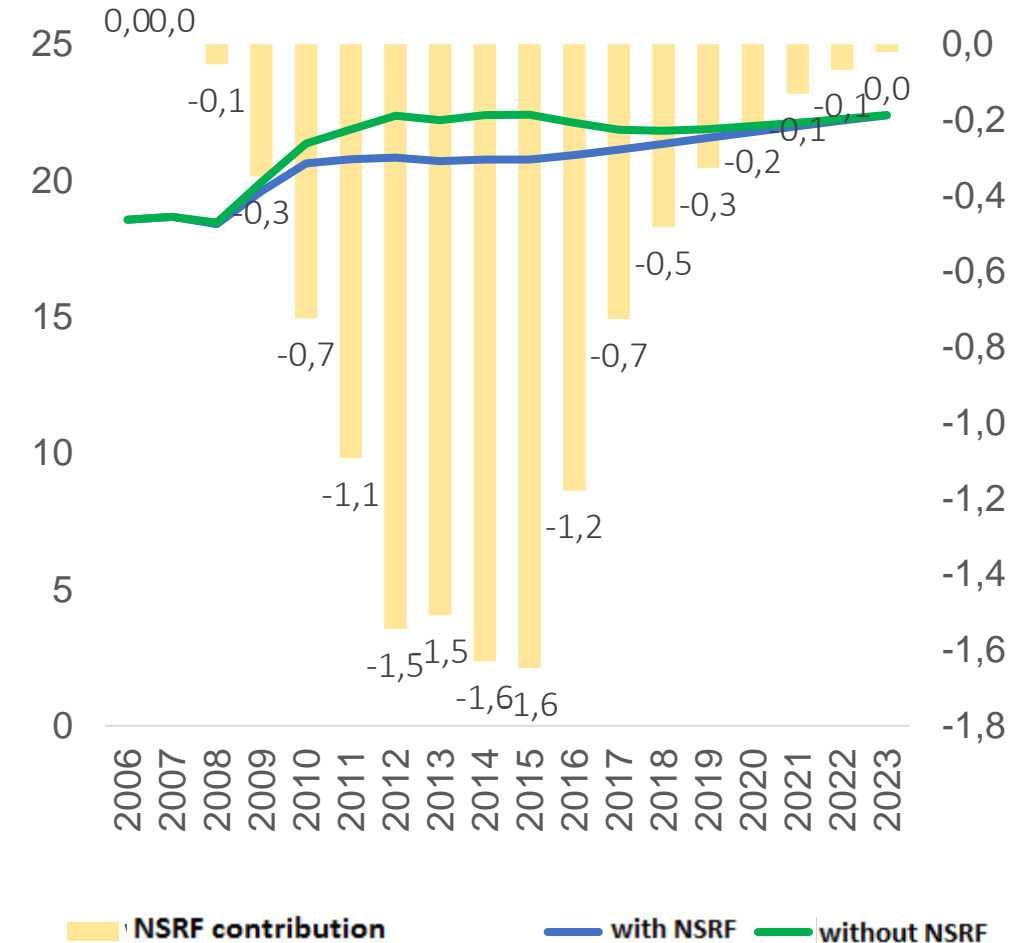


### Regional Innovation Scoreboard

RIS2016 in comparison to RSS 2008 voivodeships

moderate innovators	0	Mazowieckie, Dolnośląskie, Śląskie, Pomorskie, Łódzkie, Małopolskie, Podlaskie, Podkarpackie
	↗	Zachodniopomorskie
modest innovators	↘	Wielkopolskie, Lubelskie, Opolskie, Świętokrzyskie, Kujawsko-pomorskie

## CP vs. variability coefficient (NTS2)

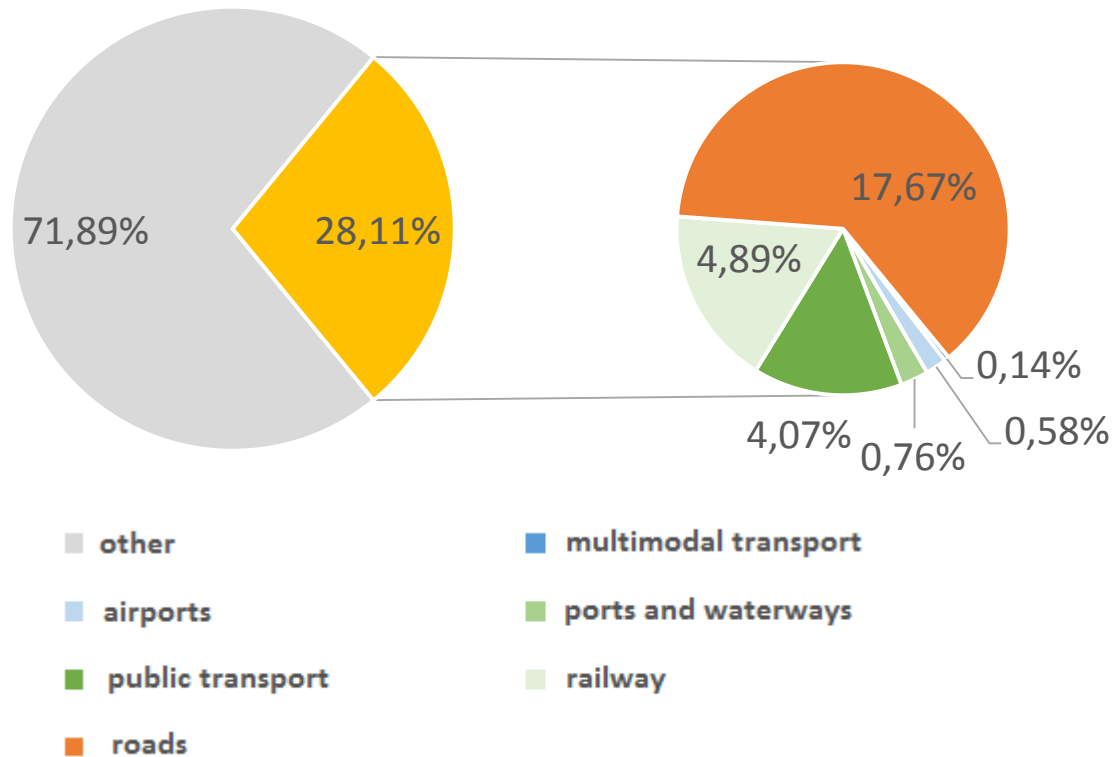




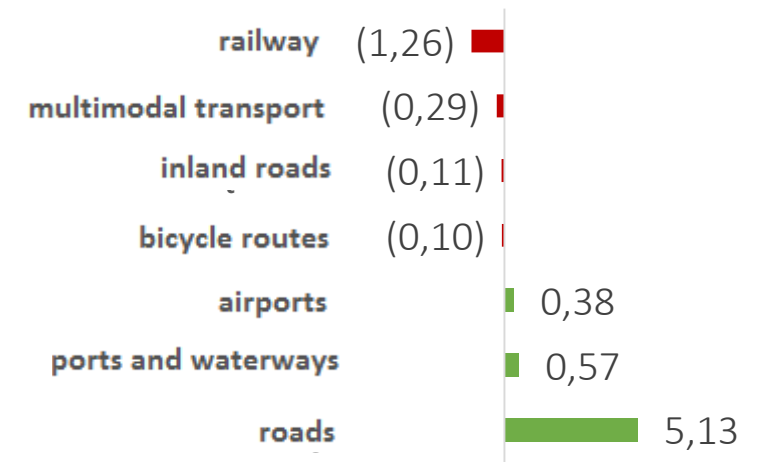
transport

# what do we know about the intervention

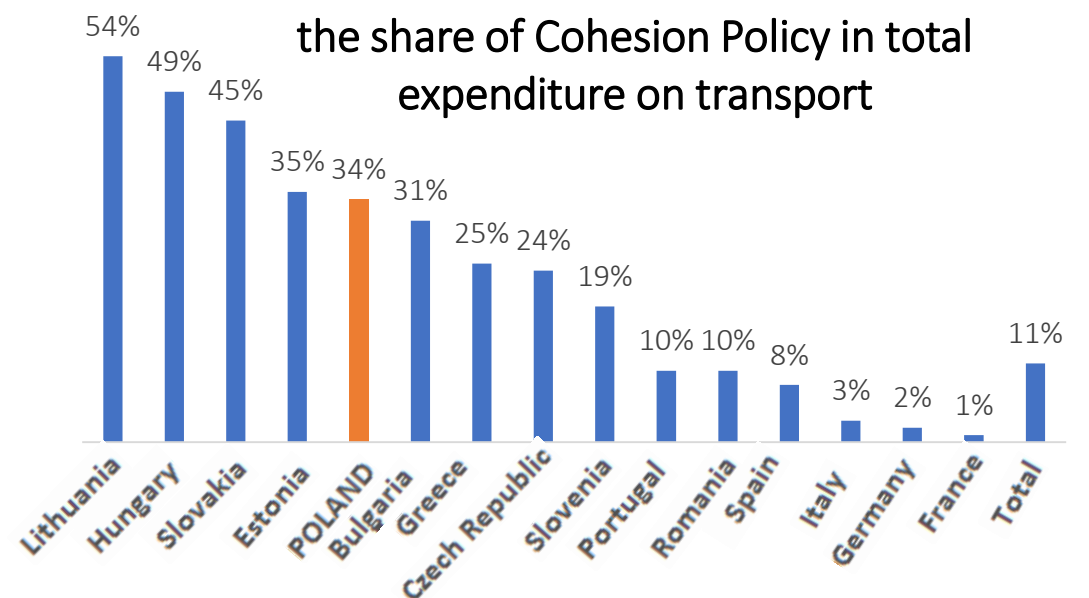
general structure



compared to other V4+4 countries



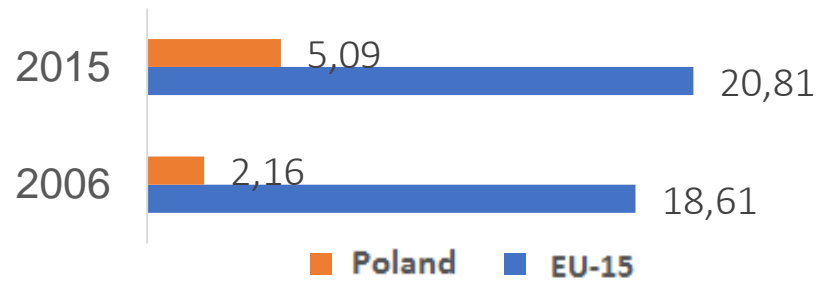
the share of Cohesion Policy in total expenditure on transport



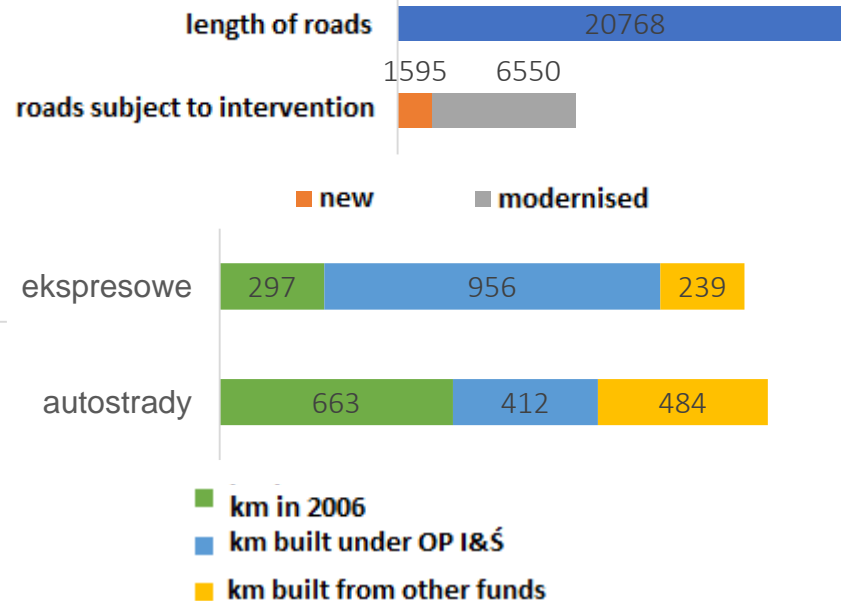
structure of expenditure under the cohesion policy



motorway network density



significance of the cohesion policy



selected conclusions from the evaluation

improvement of transport accessibility of most important centres

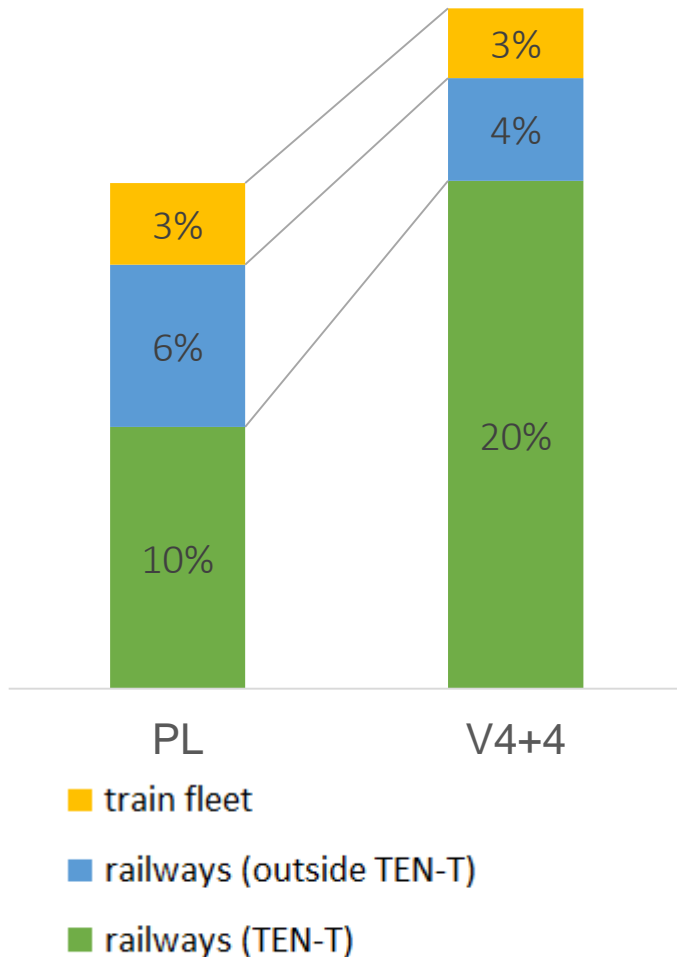
reduced travel time to economic development concentration centres

domination of road transport still greater than in other countries

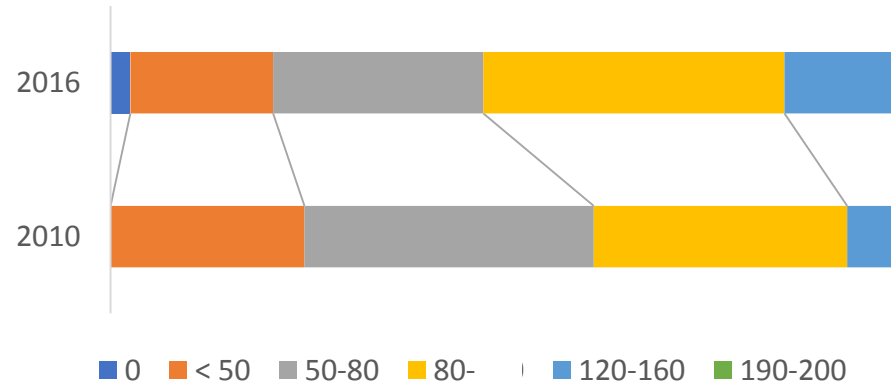
“consumption” nature of a part of investments, particularly in local roads

accident rate dropping, but pace unsatisfactory

structure of expenditure under the cohesion policy



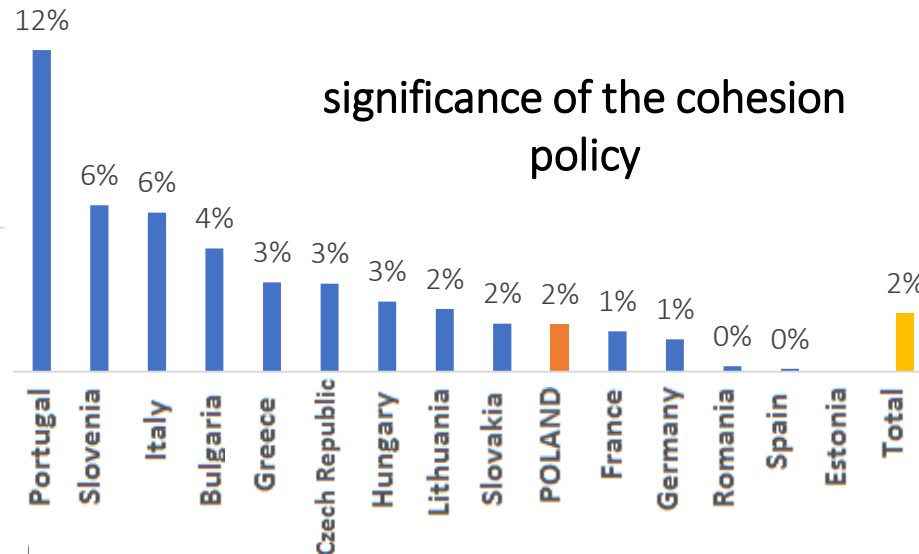
the structure of track length by speeds



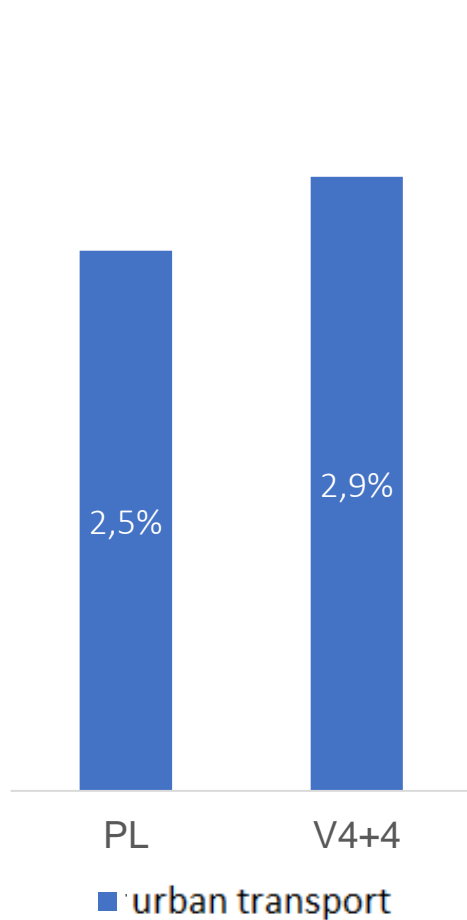
selected conclusions from the evaluation

deceleration of the drop in number of passengers	significant increase of speed on railway lines - time savings in transport
clear improvement of the quality of passenger infrastructure (condition and facilities of stations and stops)	mismatch of the throughput of the system with the needs, particularly in agglomerations
improved quality of rolling stock, but neglected transport offer, particularly in regional transport	unsolved problems of cargo transport - domination of bulk cargo

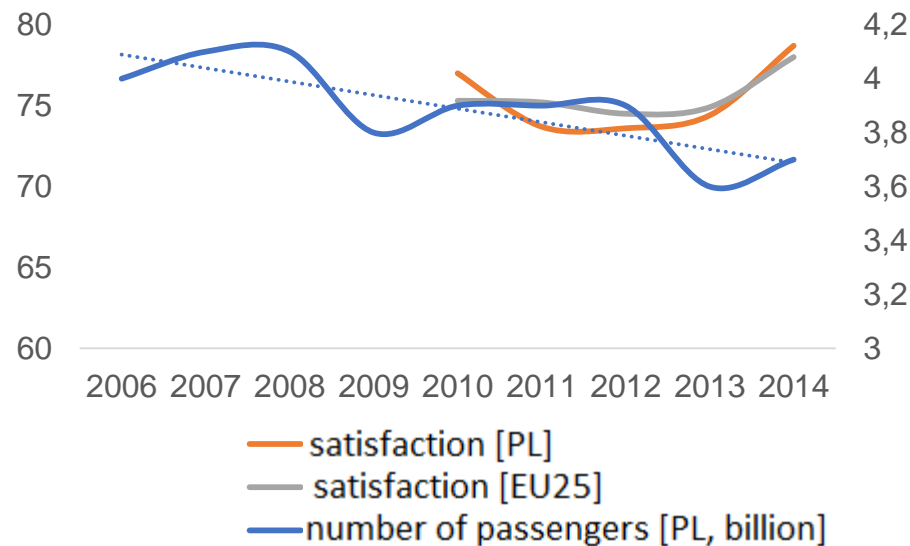
significance of the cohesion policy



structure of expenditure under the cohesion policy



passenger satisfaction vs. transport



over **700** new and modernised tramways

approximately

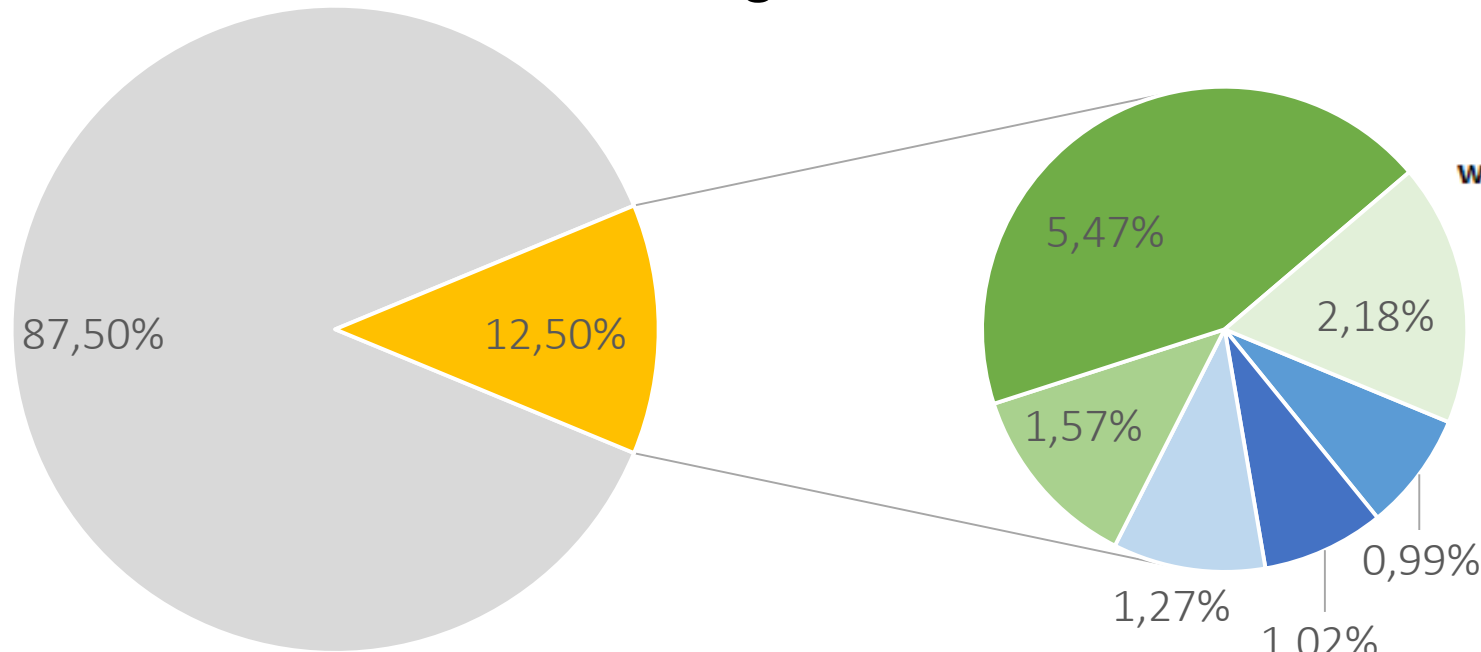
selected conclusions from the evaluation

- increased accessibility of urban transport thanks to investment in rolling stock
- modernisation of traffic management, ticket distribution and information systems
- number of passengers in urban transport continues to drop, with the exception of largest cities
- despite new rolling stock, decreasing transport activity
- support for road transport excessive under investment in urban transport

environment protection  
and energy sector

# what do we know about the intervention?

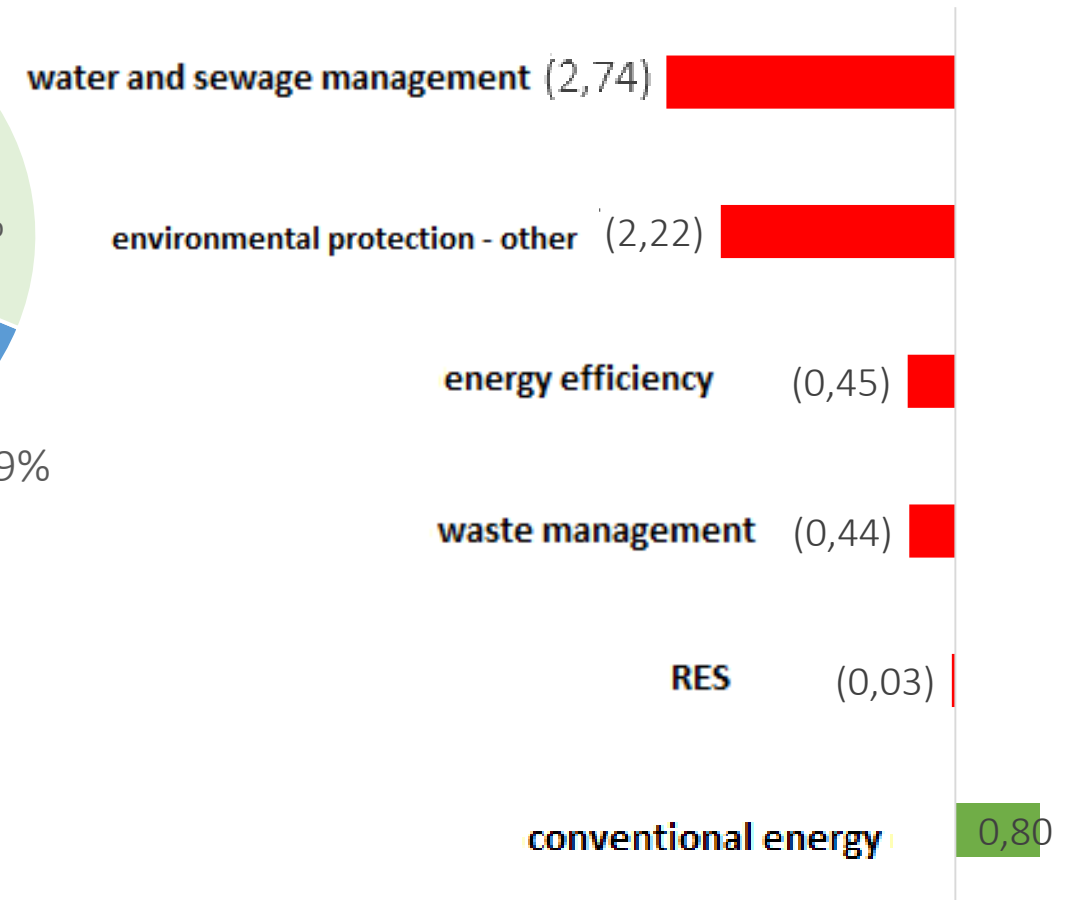
the share of total EU co-financing



- other
- RES
- energy efficiency and cogeneration
- conventional energy (infrastructure)
- waste management
- water and sewage management
- 

LOWISKA - Inne

differences in contribution in a breakdown by topics (difference in percentage points in comparison to V4+4 average)



## outcomes of support

24.6  
thousand  
km

the length of  
constructed or  
modernised  
sewage system

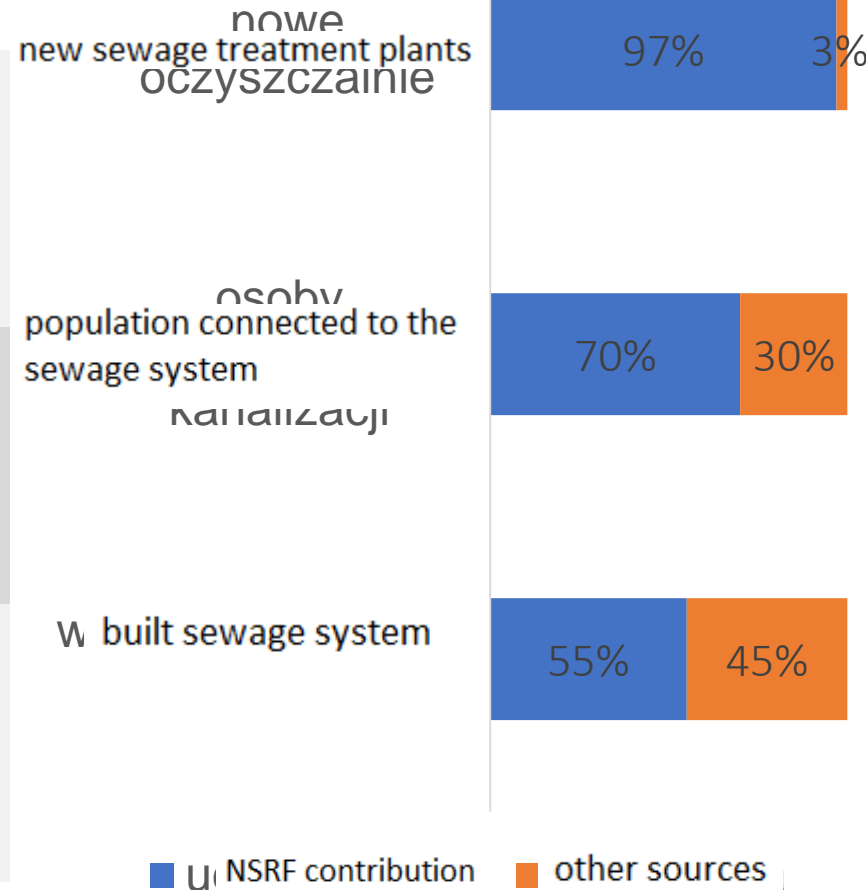
2.2  
million

persons  
connected to  
sewage system

413

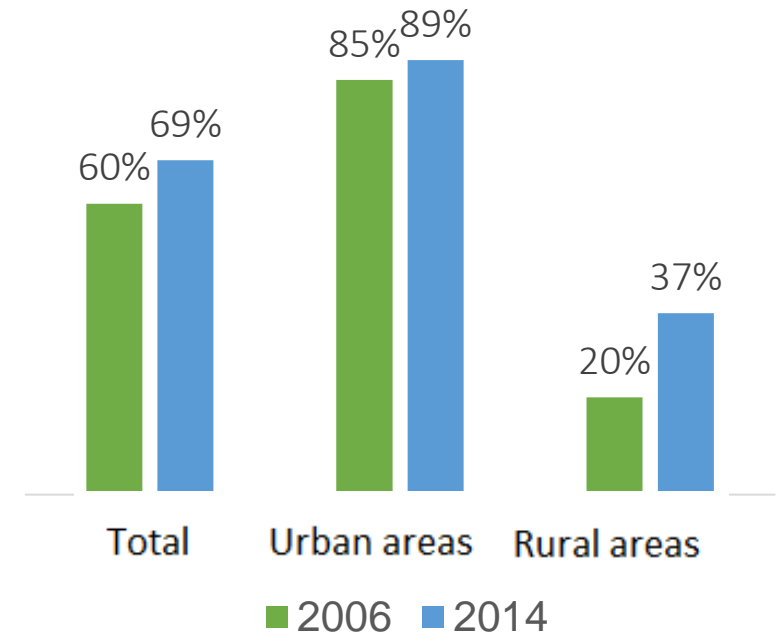
number of waste  
water treatment  
plants  
constructed

## the contribution of NSRF to investments in 2009-2014



## NSRF responsible for ca. 6 p.p. of the change in total

The share of the population  
connected to the sewage  
system

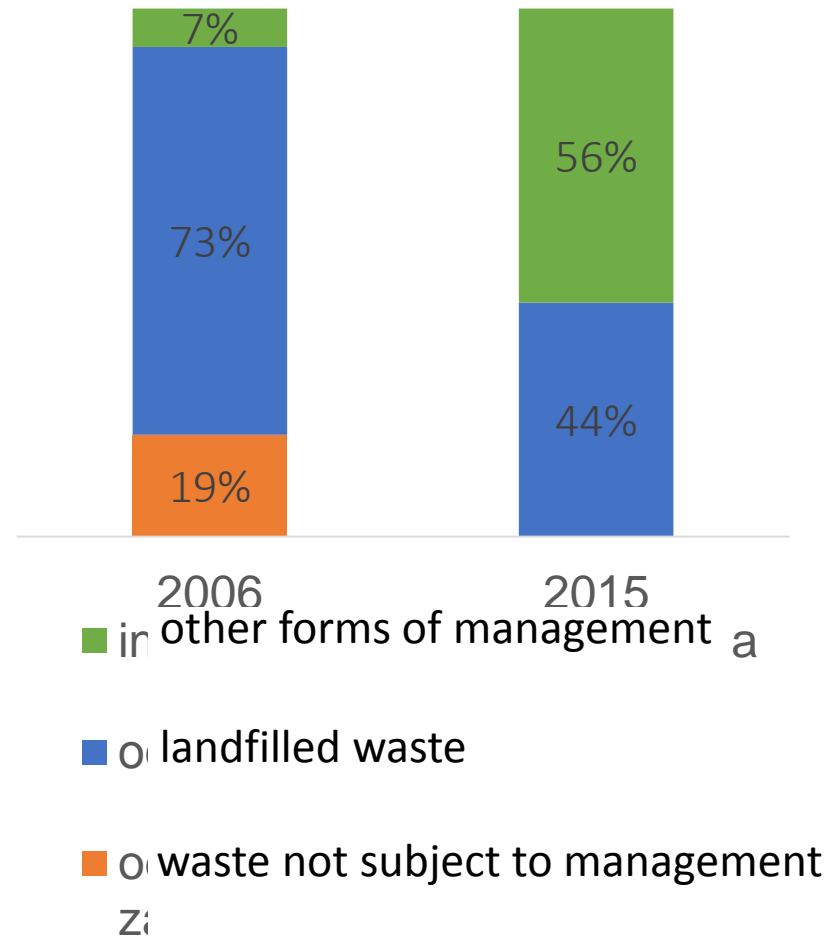




## outcomes of support

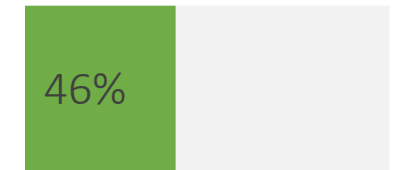
105	MBT
6	incineration plants
1115	municipalities covered by support
40%	RIPMWs covered by support

## forms of waste management

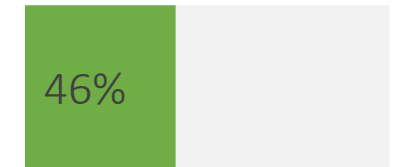


## NSRF outreach

population covered by supported installations



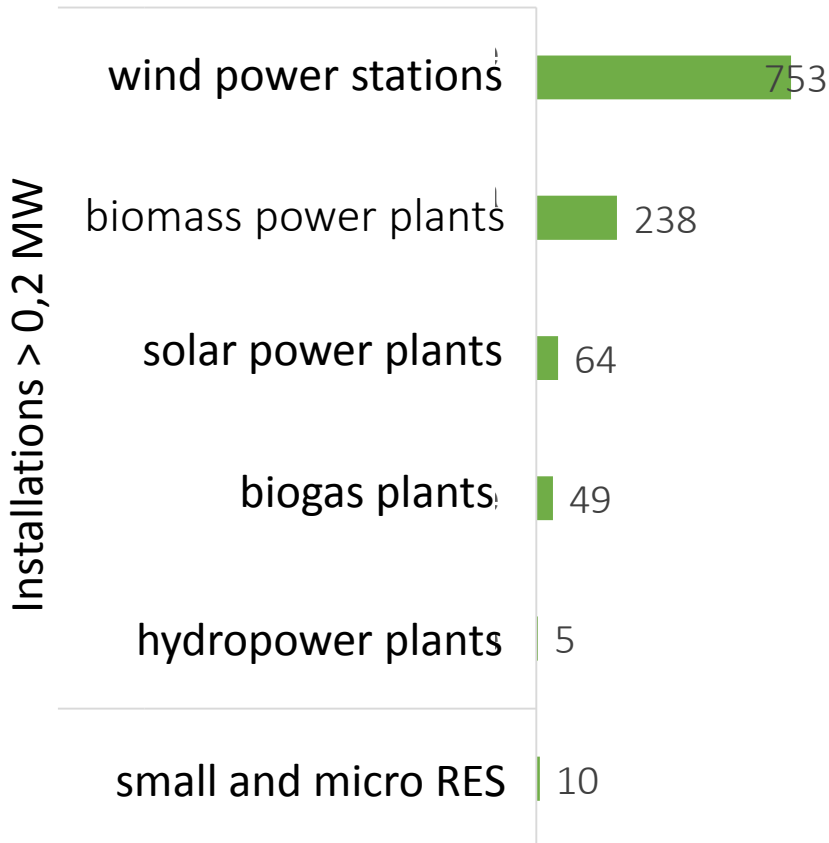
municipalities covered by NSRF support



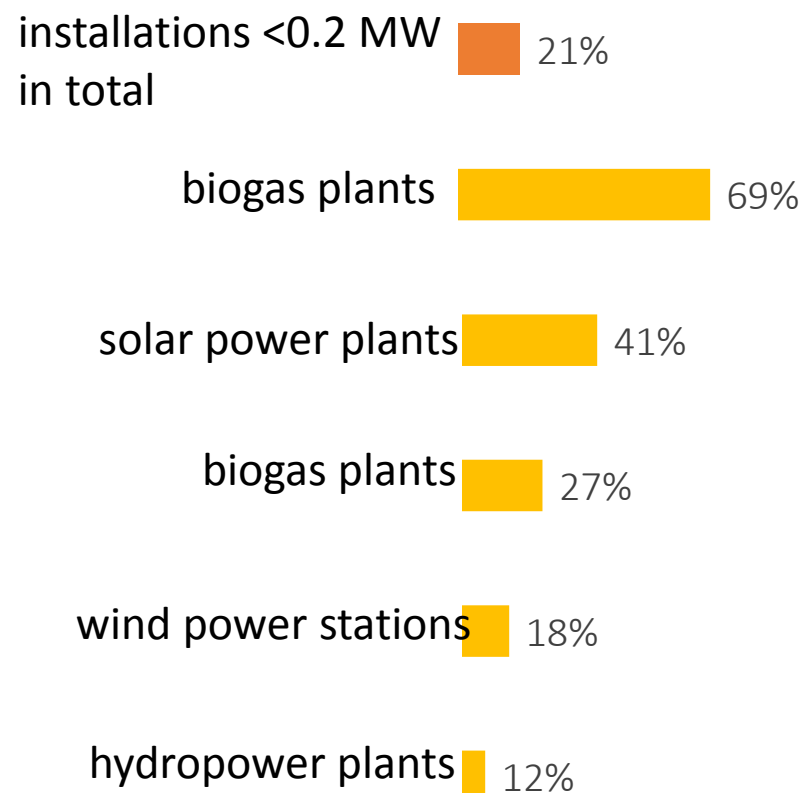
■ NSRF

# RES and energy efficiency

### installed electrical power under NSRF (MW)



### share of power installed under NSRF in the change in 2009-2015

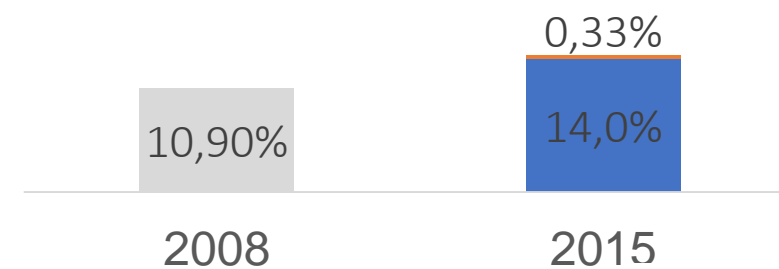


### contribution of NSRF (2009-2015)

the share of electrical energy from RES in the gross final consumption of electrical energy



the share of energy from RSE in final energy consumption in heating and cooling sectors

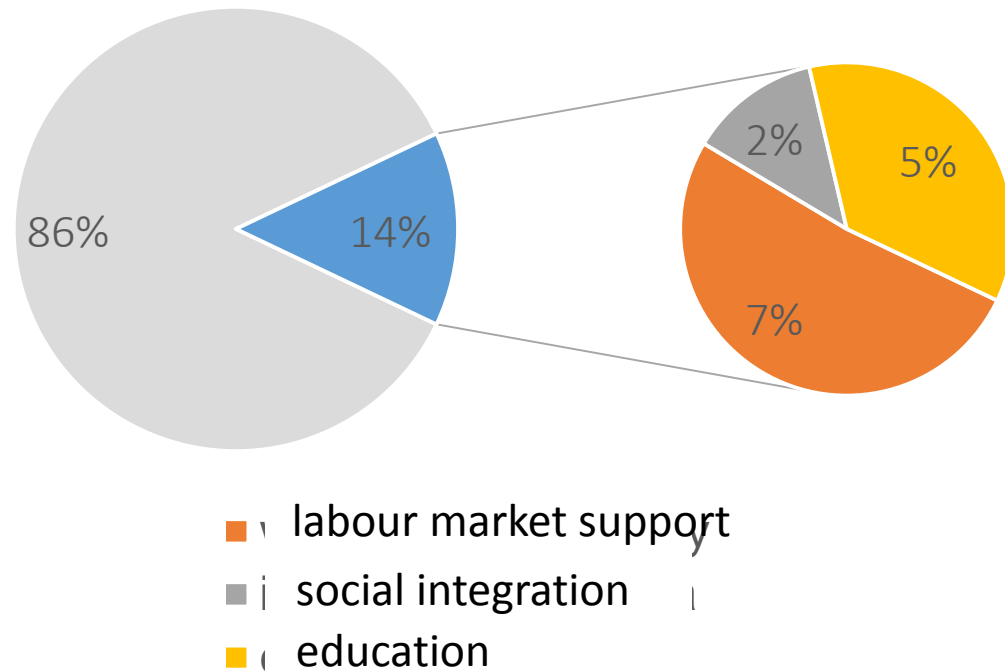


■ other investments ■ NSRF

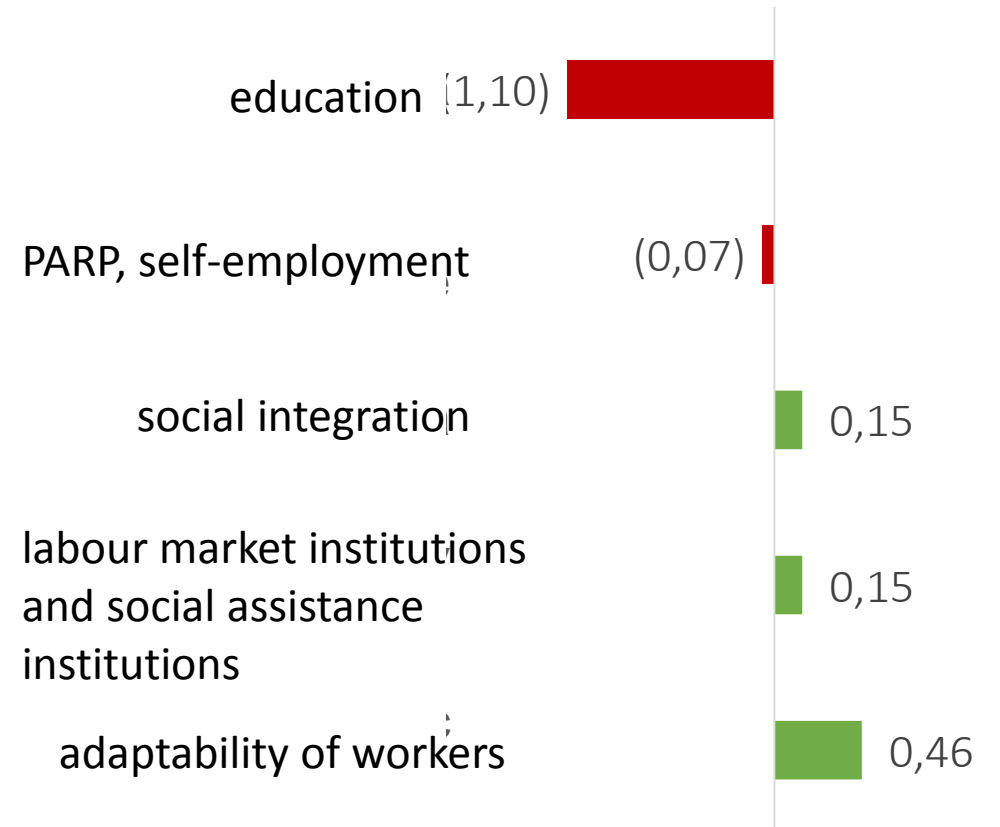
labour market

# what do we know about the intervention

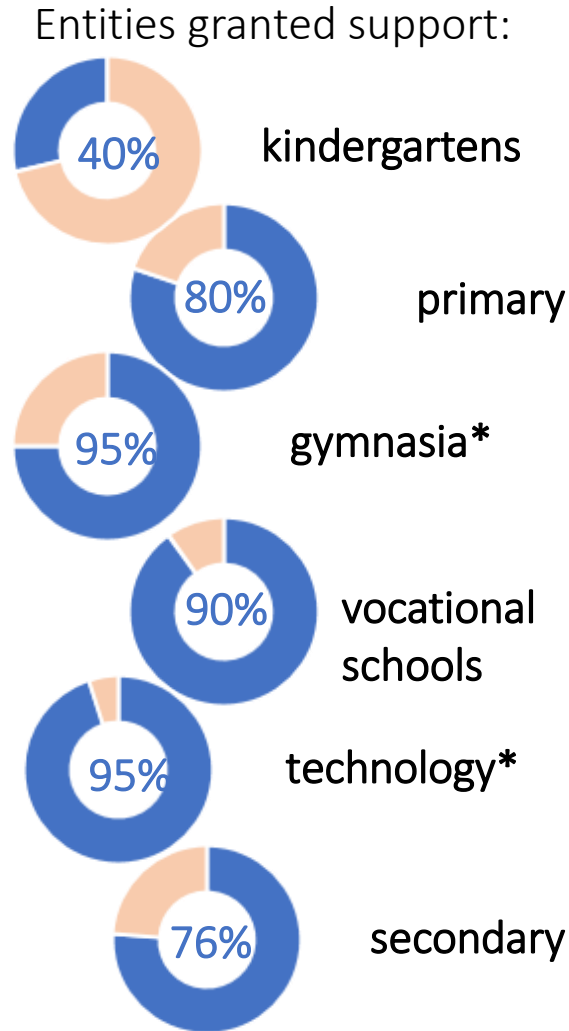
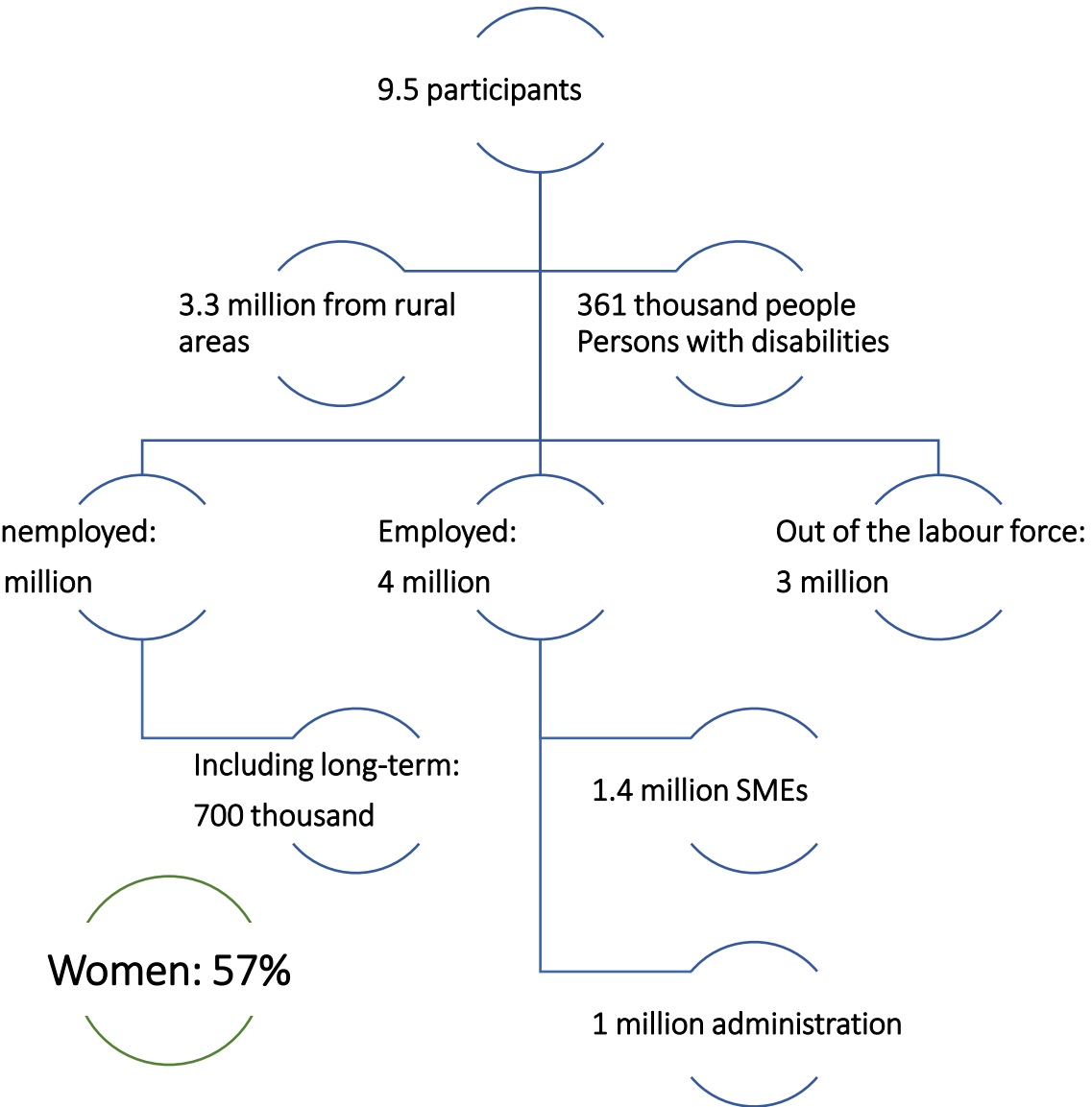
## European Social Fund



## compared to V4+4 countries

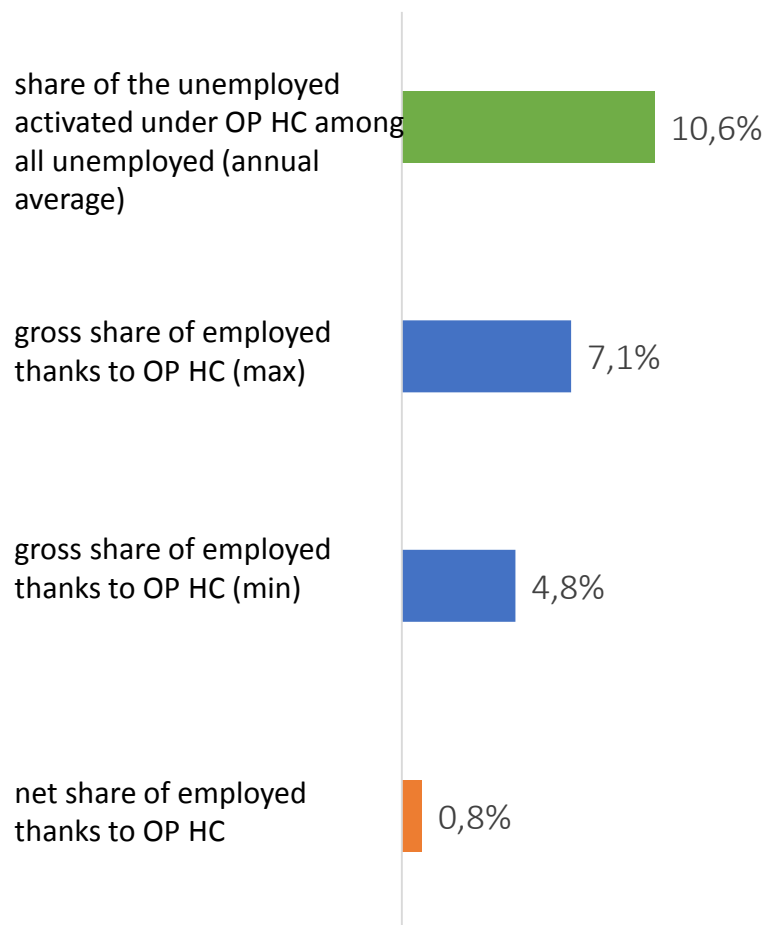


# ESF in numbers



\* The share (%) of SGU, where projects were implemented in a given type of school under HC OP

## impact of OP HC on unemployment



## outcomes

1.3 million	unemployed brought into the labour market in 2008-2015
26%	funds from Labour Fund on ALMP were from HC OP
45-67%	participants worked after 6 months
8 p.p	counter-factually estimated net effectiveness
20-42%	found potentially sustainable employment

high share of participants took up employment, but net results were relatively poor

the problem of “creaming” was significant, particularly after introduction of employment effectiveness requirement

the forms introducing into the labour market (internships, practices, subsidies) were more effective and better assessed by participants

low effectiveness of many trainings, job placement services and vocational counselling

low cost effectiveness of the support

relatively poor quality of employment taken up (type of contract, remuneration)

## outcomes

244  
thousand

subsidies and more than 3 thousand loans for establishing one's own business

79%

companies exist after 18 months

56%

companies exist after 30 months

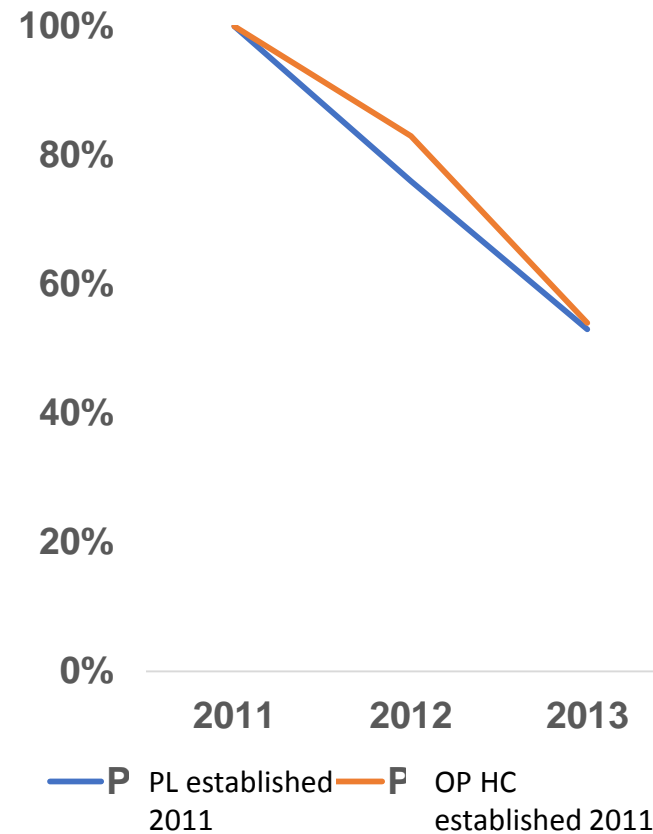
66%

companies would have not been established without the support granted

8.9%

of all companies established in 2008-2015 received a subsidy from HC OP

## survival rate



survival rate of companies established from HC OP at the level of all newly established companies

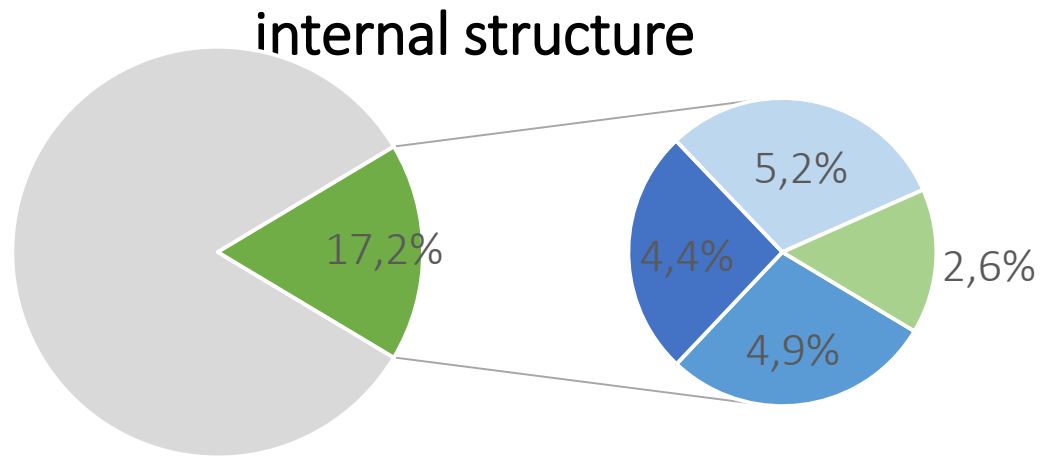
the highest survival rate of companies run by men, aged 25-49, best educated

increased risk of cessation of activities by long-term unemployed persons, aged 18-24 and 50+

innovation  
and competitiveness



# what do we know about the intervention?



- inf infrastructure and R&D
- ws indirect support, business environment, IIF
- be direct investment support (innovation)
- bedirect investment support (investments)

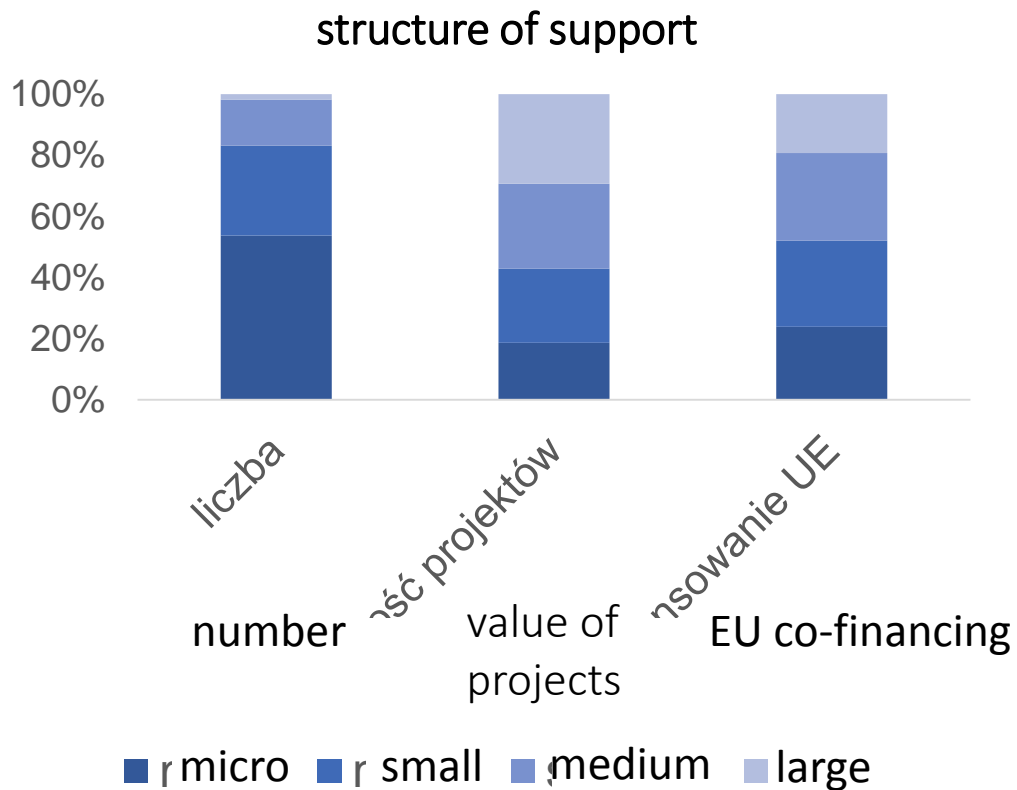
## compared to V4+4 countries



# direct investment support

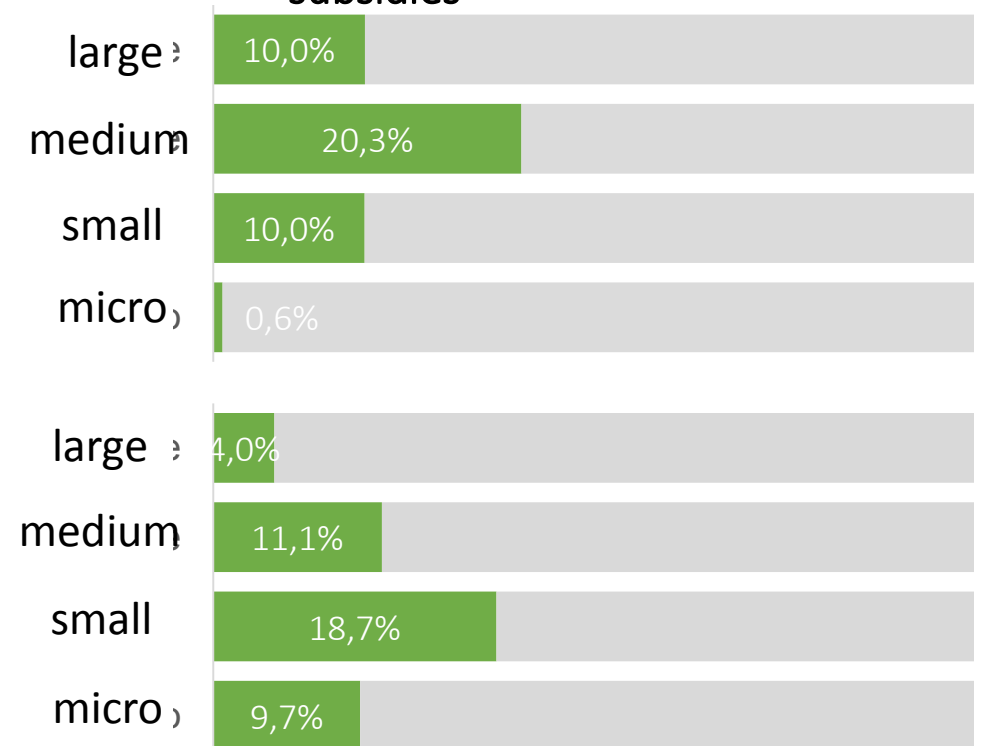


projects with the value of ca. **PLN 69** billion  
of which ca. **24** billion is EU co-financing  
significance of investment subsidies

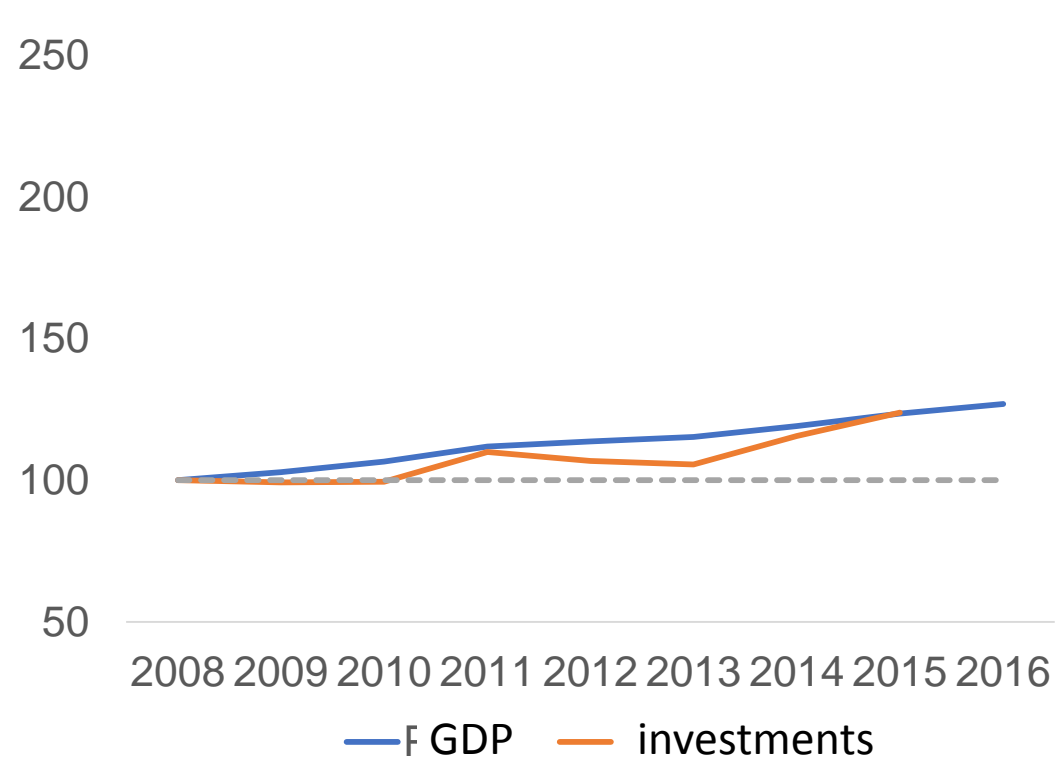


approximately  
**1.1%**  
of all companies  
(non-financial)

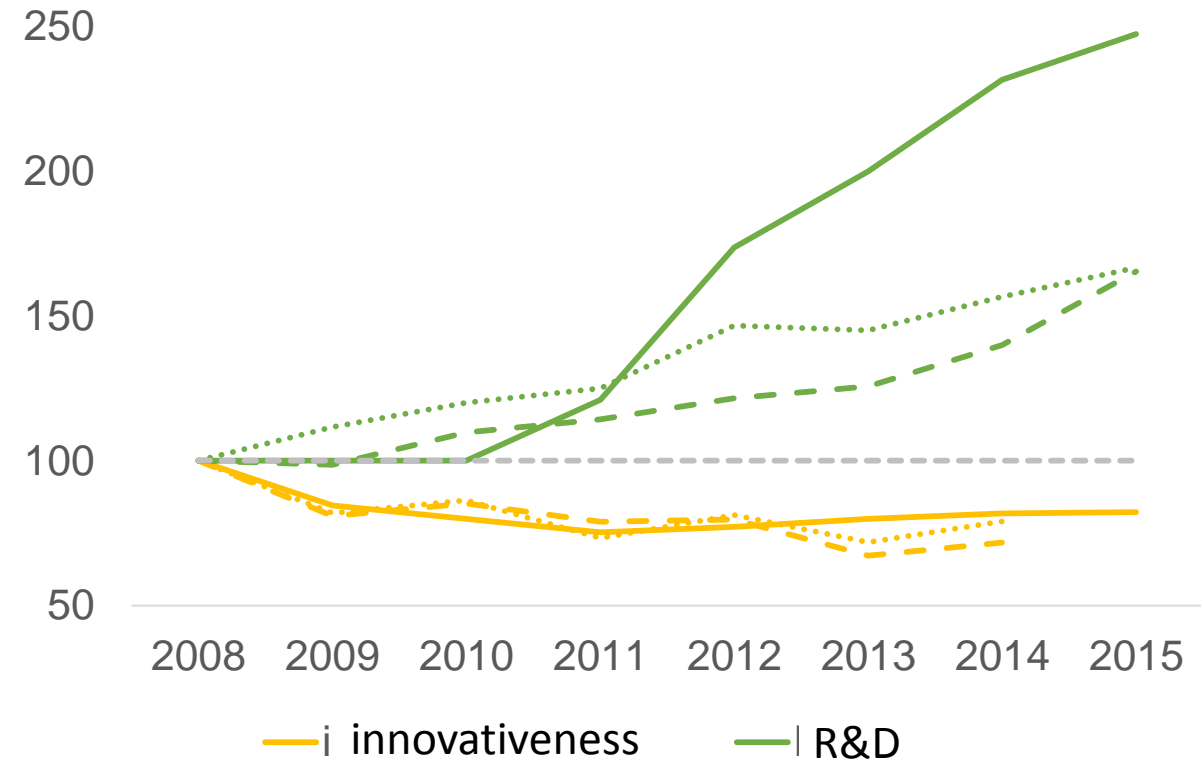
approximately  
**7.7%** of total  
investment  
expenditure  
(2008-2015)



## GDP and investments in Poland



## innovative and research and development activities of companies



# subsidies: micro outcomes vs. macro outcomes

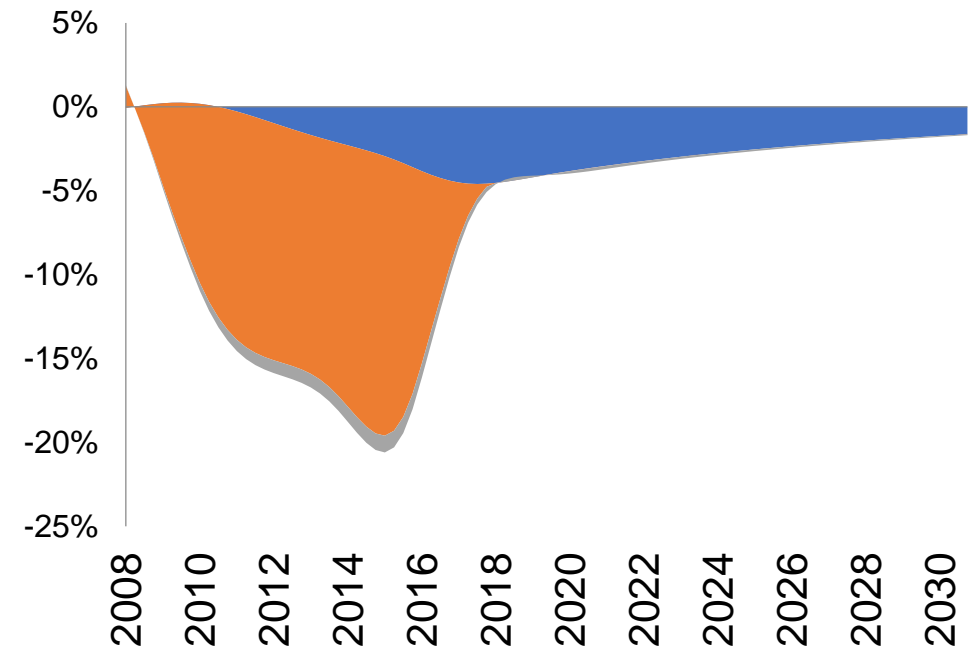
	variable	ROP	IE OP 4	large
scale of operations	employment	+		x
	the level of investment			
	value of fixed assets	+	+ <sup>#</sup>	
	revenue			
	export		+*	
surplus	net profit		+*	
	remuneration	+*	+ <sup>#</sup>	
innovativeness, productivity	innovativeness (0/1)	+	+	
	R&D expenditure		+	
	TFP	x	x	+

dead-weight effect

problem of the scale of innovativeness

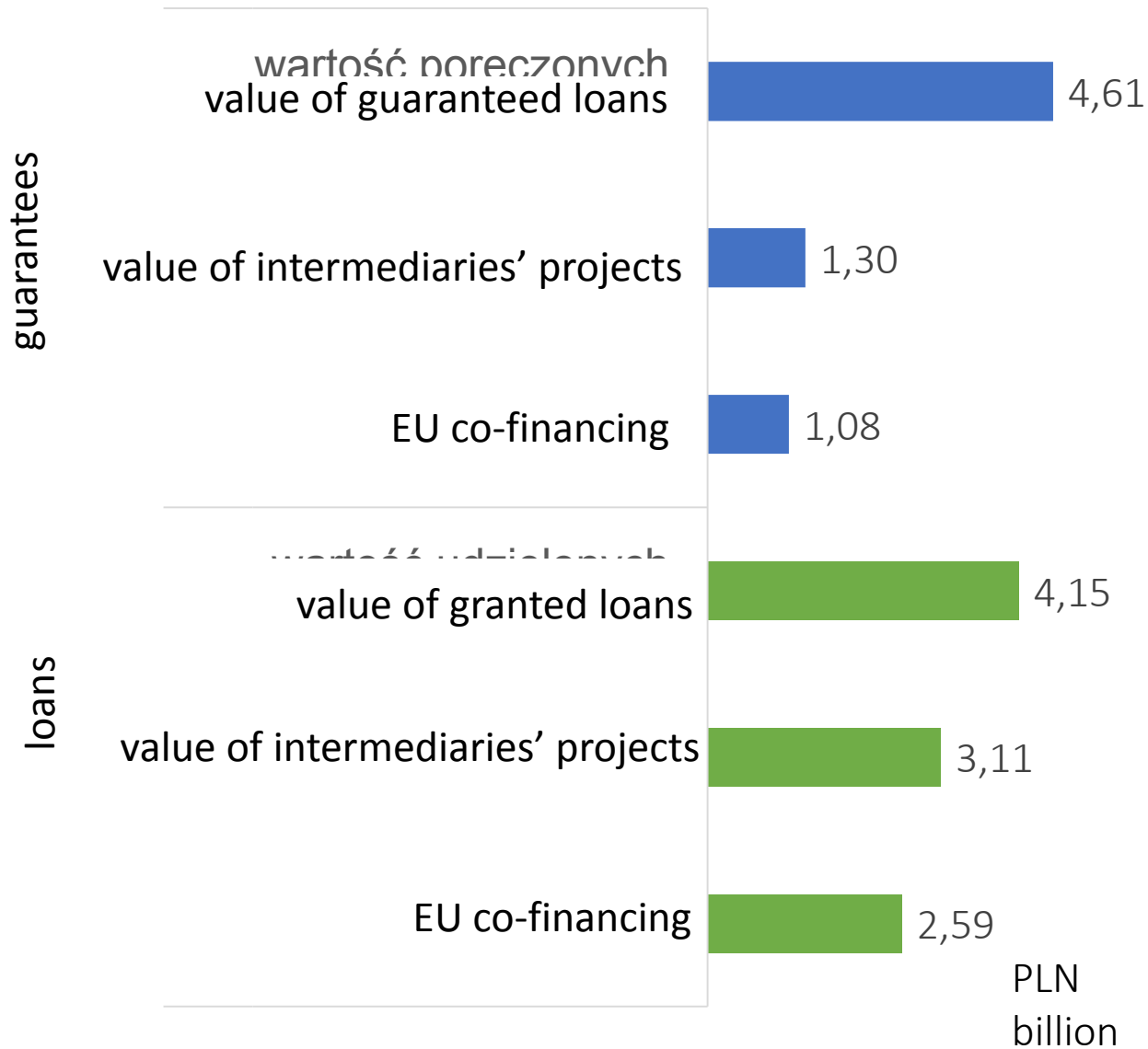
significance in the territorial cross-section

impact of the cohesion policy on expenditure on innovation (preliminary estimation)



- $\epsilon$  general equilibrium effect
- $\epsilon$  direct effect
- $\epsilon$  spillover effect

# financial instruments (regional programmes)

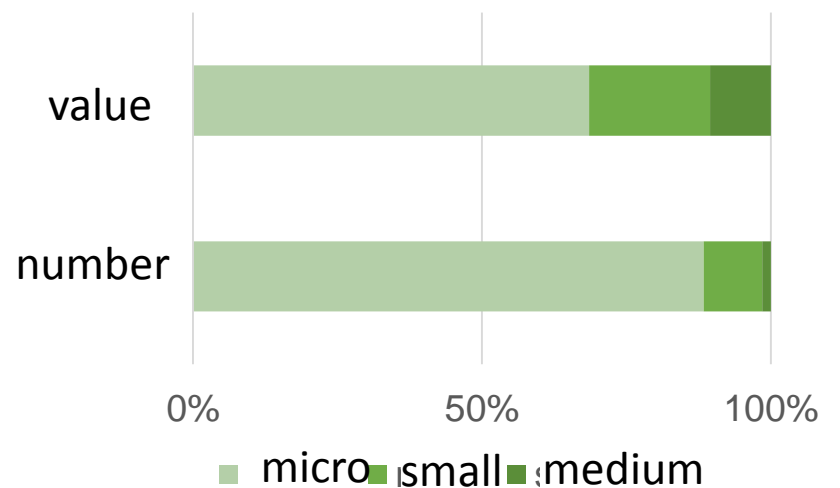
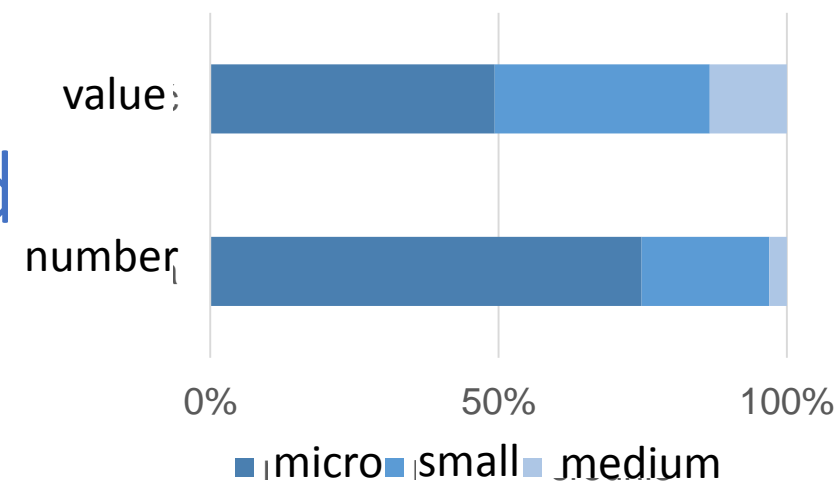


16.2  
thousand  
of final recipients

4.2x  
for EU funds

32.6  
thousand  
of final recipients

1.6x  
for EU funds



summary

## macroeconomic and territorial analyses

transport

environment  
protection and  
energy sector

labour market and  
human capital

innovation  
and  
competitiveness,  
including direct  
support for  
companies

other  
thematic  
evaluations

*List jest tak długi, ponieważ nie miałem czasu napisać krótszego.*

*I have only made this letter longer because I have not had the time to make it shorter.*

- Blaise Pascal, 1656



under development...

imapp



dziękuję!  
thank you!