



**IMPACT OF THE EUROPEAN UNION FUNDS
ON THE SOCIAL AND ECONOMIC
DEVELOPMENT OF POLAND
2004-2006 AND 2007-2013**

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COHESION POLICY - CHALLENGES FOR POLAND

- EUROPEAN COHESION POLICY AS A MECHANISM FOR MODERNISATION OF THE COUNTRY AND REDUCTION OF THE DEVELOPMENT GAP BETWEEN POLAND AND THE EU
- IMPLEMENTATION OF THE STRATEGY, PROGRAMMES AND PROJECTS SHOULD RESULT IN:
 - ECONOMIC GROWTH,
 - CREATION OF STEADY JOBS,
 - STRUCTURAL TRANSFORMATION AND MODERNISATION OF THE COUNTRY
- ASSURING GREATER SOCIAL COHESION AND PREVENTING FURTHER DISPARITIES BETWEEN REGIONS IN POLAND



COHESION POLICY - CHALLENGES FOR POLAND

- **POLAND AS THE BIGGEST RECIPIENT OF THE STRUCTURAL ASSISTANCE 2007-2013 – 59,6 BLN EURO. ABSORPTION OF THE EU FUNDS WILL HAVE A PROFOUND IMPACT ON THE SHAPE OF THE ENTIRE EU COHESION POLICY.**
- **THE NEED OF THE COMMON AGRICULTURAL POLICY AND LISBON STRATEGY INTEGRATION INTO THE EU COHESION POLICY.**
- **OPTIMAL IMPLEMENTATION OF THE NATIONAL VISION OF DEVELOPMENT – NATIONAL DEVELOPMENT STRATEGY 2007-2015 (GROWTH-EMPLOYMENT-COHESION)**



POLAND AS A BENEFICIARY OF THE COHESION POLICY 2004-2006.

12, 8 BLN EURO – EUROPEAN FUNDS FOR POLAND 2004 – 2006

INCLUDING:

**4,2 BLN EURO – COHESION FUND (BIG INVESTMENTS:
TRANSPORT, ENVIRONMENT)**

**8,6 BLN EURO – 7 OPERATIONAL PROGRAMS: SOP HRD, SOP ICE,
IROP, OP TA, SOP AGRICULTURE, SOP FISHERIES, SPO
TRANSPORT AND 2 COMMUNITY INITIATIVES:
EQUAL, INTERREG III**

USE OF EU FUNDS IN POLAND 2004 – 2006^{*)}

- **OVER 60 THOUSAND PROJECTS IMPLEMENTED WITH THE FINANCIAL PARTICIPATION OF THE EU FUNDS, INCLUDING 124 LARGE PROJECTS (COHESION FUND)**
- **THE VALUE OF CONTRACTS SIGNED WITH THE BENEFICIARIES - 26 BILLION PLN (ALMOST $\frac{3}{4}$ OF THE ALLOCATION FOR POLAND IN YEARS 2004-2006)**
- **THE VALUE OF PAYMENTS FOR BENEFICIARIES AMOUNTS TO ALMOST 6 BILLION PLN (16,9% OF THE ALLOCATION FOR POLAND IN YEARS 2004-2006). EXPENDITURES OF THE COHESION FUND BENEFICIARIES AMOUNT TO OVER 1,35 BILLION EURO**

***) As of the end of July 2006 .**

Use of the EU funds by areas of support and categories of beneficiaries in Poland (2004-2006)

Areas of support:

Railway and road infrastructure	40%
Environmental Infrastructure	30%
Information Society, R&D	7%
Human Resources	7%
Social Infrastructure	4%
Agriculture and Fisheries	4%
Direct Support for Enterprises	3%
Others	5%

Categories of recipients:

Local government entities	48%
State administration and agencies	35%
Enterprises	6%
Educational institutions, R&D units	2%
Farmers	3%
NGOs	2%
Healthcare institutions	1%
Training organisations	1%
Others	2%

*Based on the 42 thousand projects for which the contracts have been concluded as of the end of 2005 .

INITIAL IMPACT OF THE COHESION POLICY IN POLAND

Macroeconomic effects

It is estimated that in 2005 structural funds have contributed to both: increase in nominal GDP by 0.86 percentage point and to reduction in the unemployment rate by approx. 0.5 percentage point.

In 2006 their impact on nominal GDP may amount to 2,8 percentage points with simultaneous reduction in the unemployment rate by 1.5 percentage point.

Reduction in development distance between Poland and the EU.

Between 1997 and 2005 Poland reduced the said distance – defined as the GDP per capita at PPP - by about 6 percentage points.

The convergence has accelerated following Poland's accession to the EU: In the period 2004-2005 the development distance was reduced by 2,8 percentage points (the same as in years 1997-2003)

However, other EU new member states have been even more effective in this respect (e.g 11 percentage points in Hungary and 9 percentage points in Slovakia)

Good governance and social effects:

- Strengthening of modern public administration model
- Improvements in public finances
- Better standards connected with public resources management
- Strengthening of the civil society principles
- Greater awareness of the necessity of activities aiming at development
- Creating of the positive image of the EU

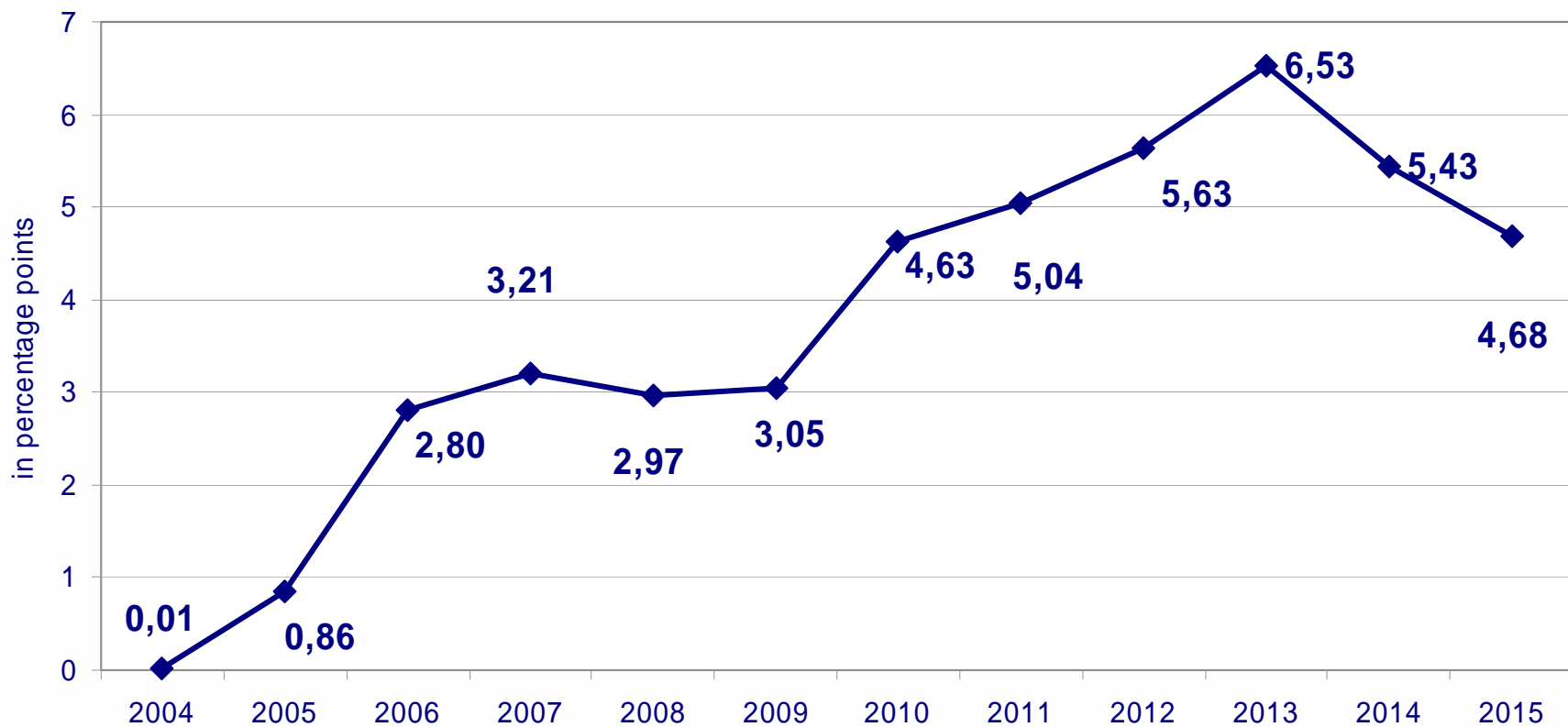
Impact of the EU funds on basic macroeconomic categories - forecast

- EFFECTIVE ABSORPTION OF THE EU FUNDS IN THE 2004 -2006 AND 2007-2015 PERIOD MAY RESULT IN THE ACCELERATION IN THE AVERAGE RATE OF GDP GROWTH IN YEARS 2006-2015 BY 0,67 PERCENTAGE POINTS YEARLY.
- GOALS SET OUT IN THE FORECAST ARE POSSIBILE TO ACHIEVE SINCE THE FAVOURABLE STRUCTURE AND SPATIAL DISPERSION OF PROJECTS IN THE LIGHT OF MAIN OBJECTIVE OF THE NATIONAL DEVELOPMENT PLAN 2004-2006 - (IMPROVEMENT OF COMPETITIVENESS OF POLAND).
- THE INCREASE IN A NUMBER OF PROJECTS IMPLEMENTED BY ENTERPRISES IN RELATION TO THE TOTAL NUMBER OF PROJECTS AS WELL AS THE ACCELERATION IN DELIVERY OF MAJOR INFRASTRUCTURE PROJECTS IS THE CRUCIAL CONDITION FOR ENHANCEMENT OF STRUCTURAL CHANGES.

Impact of investments co-financed by EU funds on Polish economy

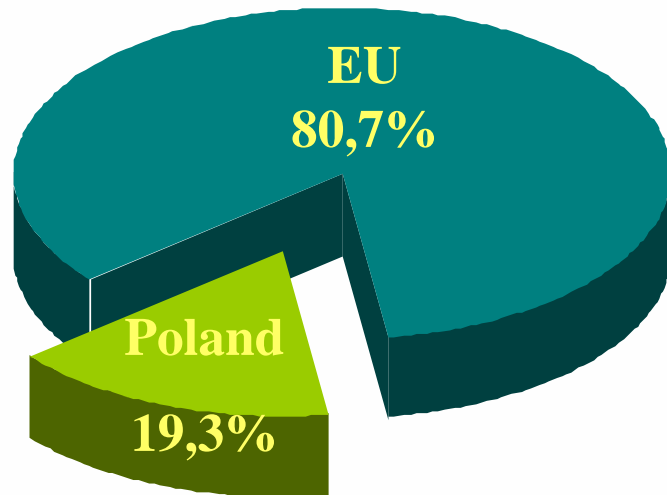
Forecast 2006-2015

Impact of EU co-funded investment on nominal GDP, %



POLAND AS A BENEFICIARY OF THE EU COHESION POLICY 2007-2013

2007-2013



European Union – 307,6 bln EUR
Poland – 59,6 bln EUR

RESOURCES :

IN THE PERIOD 2007-2013 POLAND WILL HAVE ACCESS TO ABOUT 1/5 OF THE ENTIRE COHESION POLICY BUDGET

CHALLENGES:

THE MOST EFFECTIVE IMPLEMENTATION OF ACTIONS AIMING AT DEVELOPMENT IN ACCORDANCE WITH:

- DIRECTIONS OF THE EU COHESION POLICY
- GOALS AND PRIORITIES OF THE NATIONAL DEVELOPMENT STRATEGY 2007-2015
- GOALS OF THE LISBON STRATEGY

EU funds for Poland, bln €

Structural Funds	59,5
<u>Additional resources:</u>	
European Agricultural Fund for Rural Development	11,8
European Fund for Fisheries	0,7
TOTAL EU CONTRIBUTION	72,0
Co-financing (national contribution):	
Public resources	9,8
Private sector contribution	5,3
TOTAL	87,1



OBJECTIVES OF THE COHESION POLICY IN POLAND SUPPORTING THE ECONOMIC GROWTH AND EMPLOYMENT

- **IMPROVEMENT OF THE QUALITY OF PUBLIC INSTITUTIONS FUNCTIONING AND DEVELOPMENT OF PARTNERSHIP**
- **IMPROVEMENT OF THE HUMAN RESOURCES QUALITY AND ENHANCEMENT OF THE SOCIAL COHESION**
- **DEVELOPMENT AND MODERNIZATION OF TECHNICAL AND SOCIAL INFRASTRUCTURE WHICH HAS THE FUNDAMENTAL IMPORTANCE FOR GROWTH OF THE COMPETITIVENESS OF POLAND AND ITS REGIONS**
- **IMPROVEMENT OF THE COMPETITIVENESS AND INNOVATIVENESS OF POLISH ENTERPRISES, INCLUDING IN PARTICULAR THE SERVICE SECTOR AND THE HIGH ADDED-VALUE MANUFACTURING INDUSTRY**
- **INCREASE IN THE COMPETITIVENESS OF POLISH REGIONS AND PREVENTING THEIR SOCIAL, ECONOMIC AND TERRITORIAL MARGINALIZATION**
- **EQUAL OPPORTUNITIES AND SUPPORT OF STRUCTURAL CHANGES IN RURAL AREAS**



**THANK YOU FOR YOUR
ATTENTION**