

9<sup>th</sup>  
Evaluation  
Conference  
in Prague

# **Cohesion Policy:**

Common Path to Results and Impacts

**The Impact of the Cohesion Policy  
on the Social and Economic Development  
of Poland and of its Regions in the Period 2004-2021  
and Forecasted Impact in the Years 2022-2029**

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# The Research – Basic Info

Systematic monitoring  
of the Cohesion Policy's  
impact on the socio-  
economic development

Two scenarios: with the  
EU funds and without  
them

Historical periods since  
2004 and forecast up to  
2029

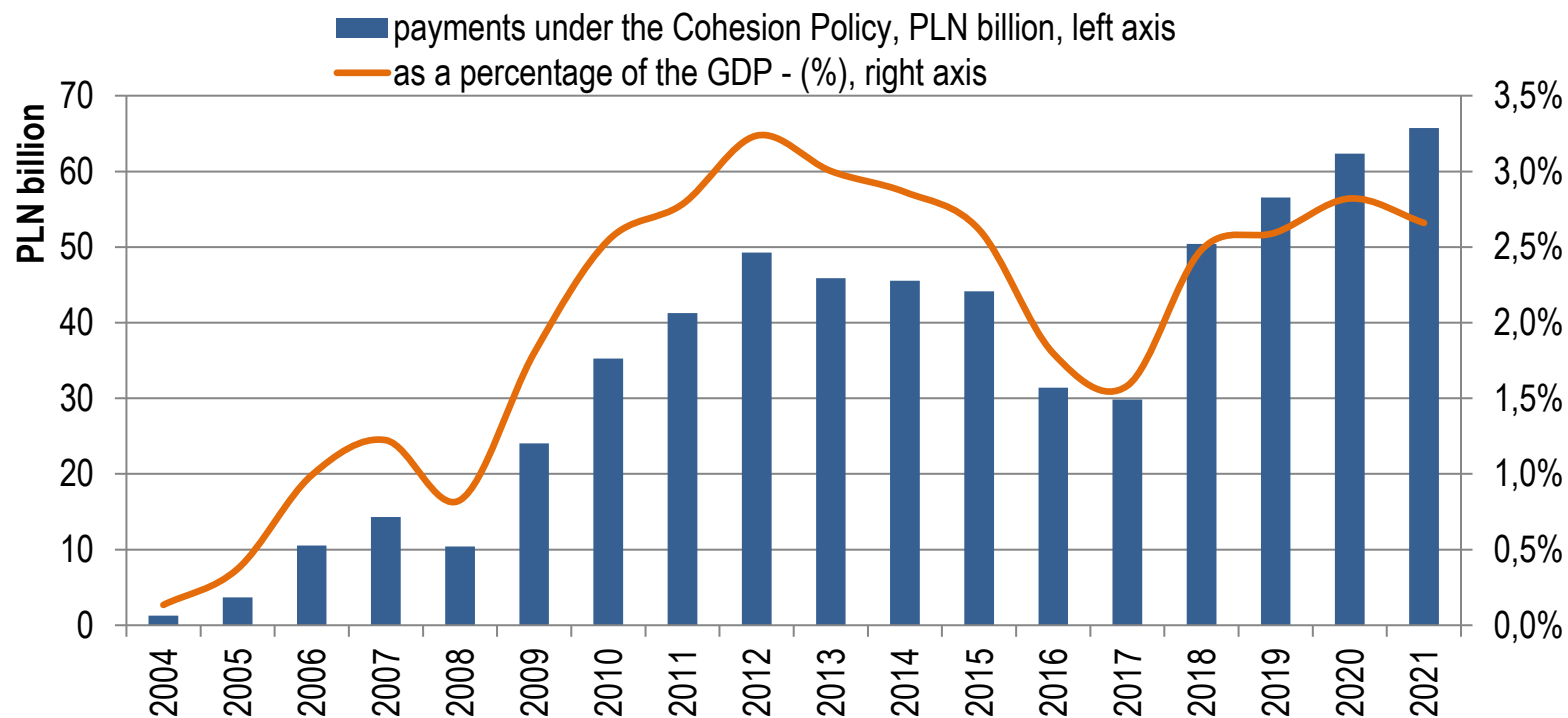
Impact estimated at the  
national and regional  
level

Prepared by the  
consortium of Ecorys  
and WISE Europa



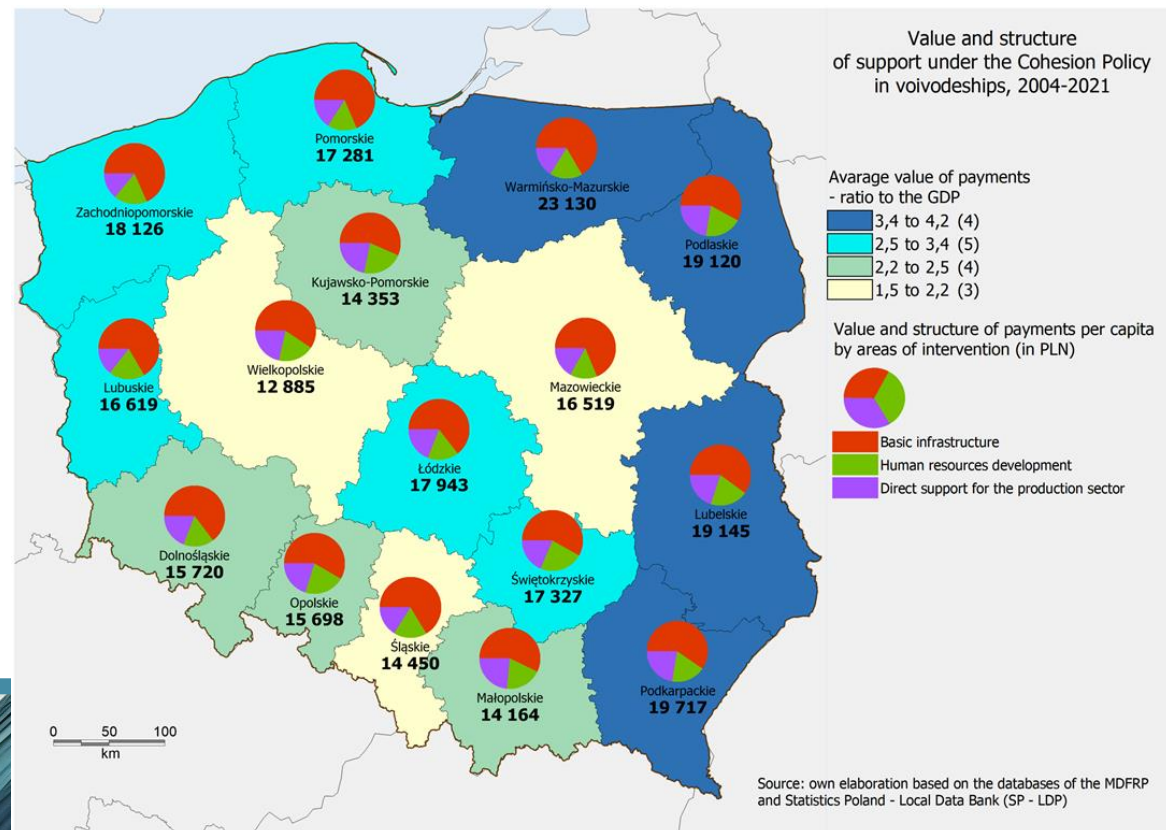
# The Cohesion Policy resources engaged in Poland, in the period 2004-2021

- Up to the end of 2021 approximately 621.9 PLN of the Cohesion Policy funds disbursed
- In the period covered by the research (2004-2021) the annual average ratio of the Cohesion Policy expenditures to the nominal GDP amounted to approximately 2.0%



# The Cohesion Policy resources in Poland (2004-2021)

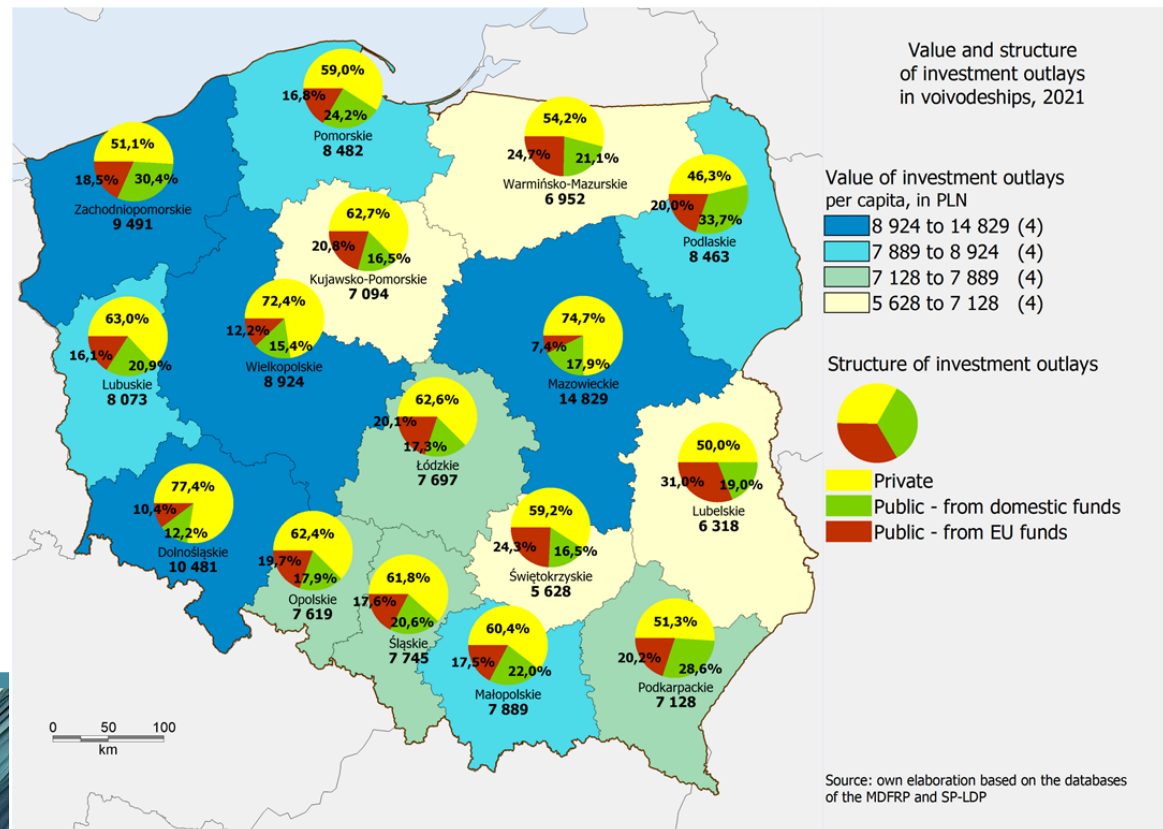
- In per capita terms the highest level of financing recorded in: Warmińsko-Mazurskie (PLN 23.1 thousand), Podkarpackie (PLN 19.7 thousand), Lubelskie and Podlaskie (PLN 19.1 thousand each) voivodeships.
- The lowest per capita amounts were recorded in: Wielkopolskie (PLN 12.9 thousand), Małopolskie (PLN 14.2 thousand), Kujawsko-Pomorskie (PLN 14.4 thousand) and Śląskie (PLN 14.5 thousand)
- The highest ratio of the Cohesion Policy resources to the regional GDP recorded in Warmińsko-Mazurskie (4.2%), Podkarpackie (3.7%), Podlaskie (3.5%) and Lubelskie(3.4%)





# Investment outlays by financing sources - in voivodeships (2021)

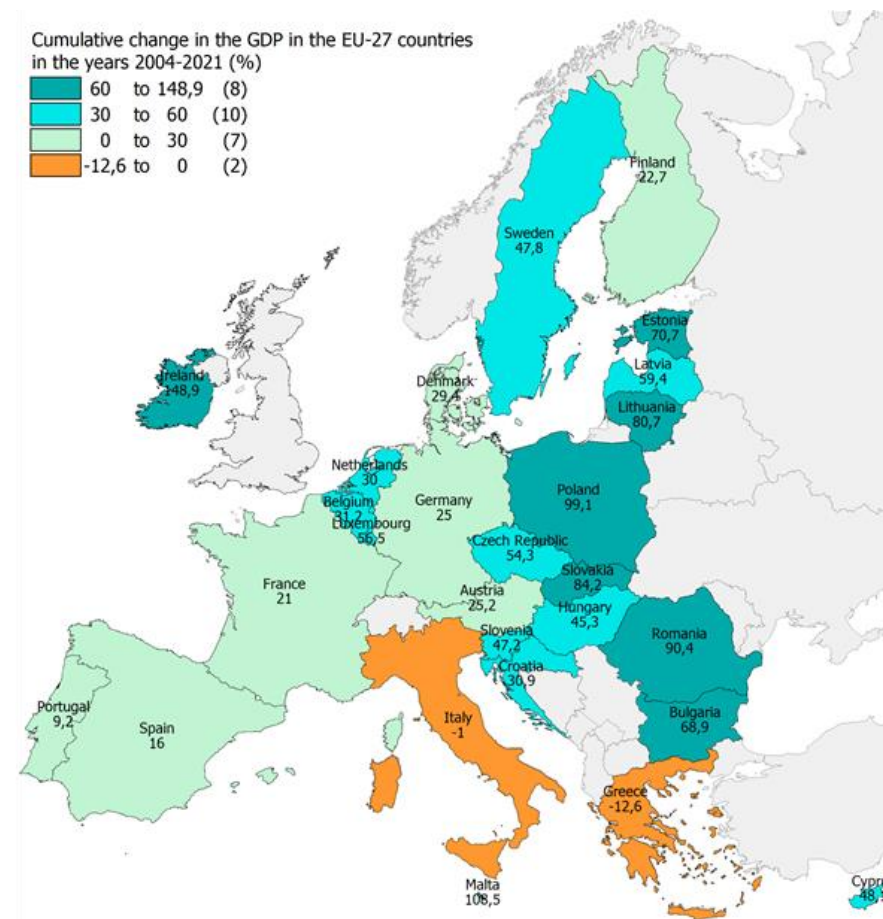
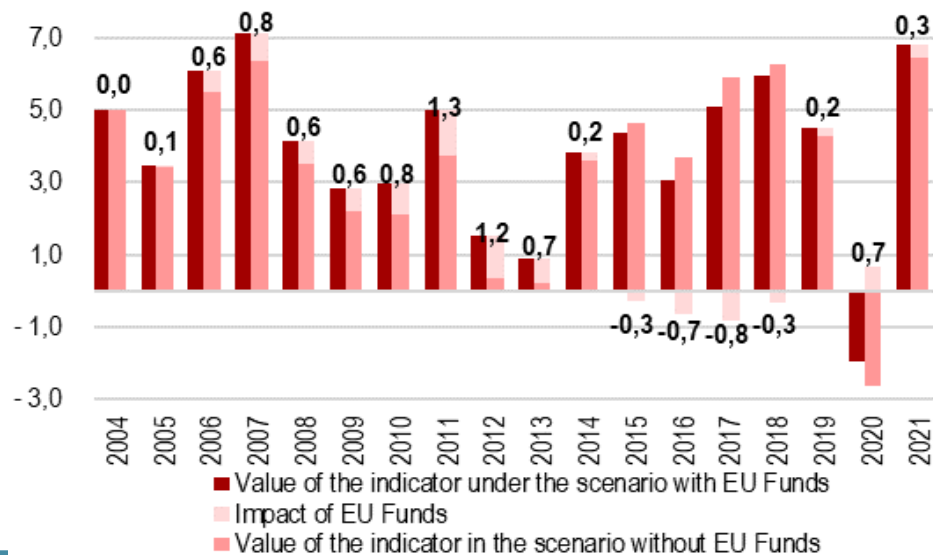
- In 2021 In almost all voivodeships public investments financed from domestic resources played a dominant role in the total public investments
- The exceptions - with the majority of public investments financed from the EU Funds – were: Kujawsko-Pomorskie, Łódzkie, Opolskie, Świętokrzyskie, Warmińsko-Mazurskie voivodeships
- The structure of support was similar in all regions - expenditures on basic infrastructure dominated, with their share ranging in the period 2004-2021 from 56.7% in Kujawsko-Pomorskie to 68.7% in Mazowieckie



# Impact of the Cohesion Policy on Poland's GDP growth, in the years 2004-2021

- Approximately 8.5% of the annual average GDP growth recorded in the analyzed period constituted an effect of the projects co-financed from the Cohesion Policy
- In the period 2004-2021 Poland posted the third highest – following Ireland and Malta - GDP growth figures among the EU Member States
- Between Poland's EU accession and the end of 2021 the Polish economy grew by cumulative 99.1% (in real terms) - while in the EU-27 the average cumulative growth amounted to 25.2%

**Impact (p.p.) of the Cohesion Policy on the GDP growth rate in Poland (2004-2021)**

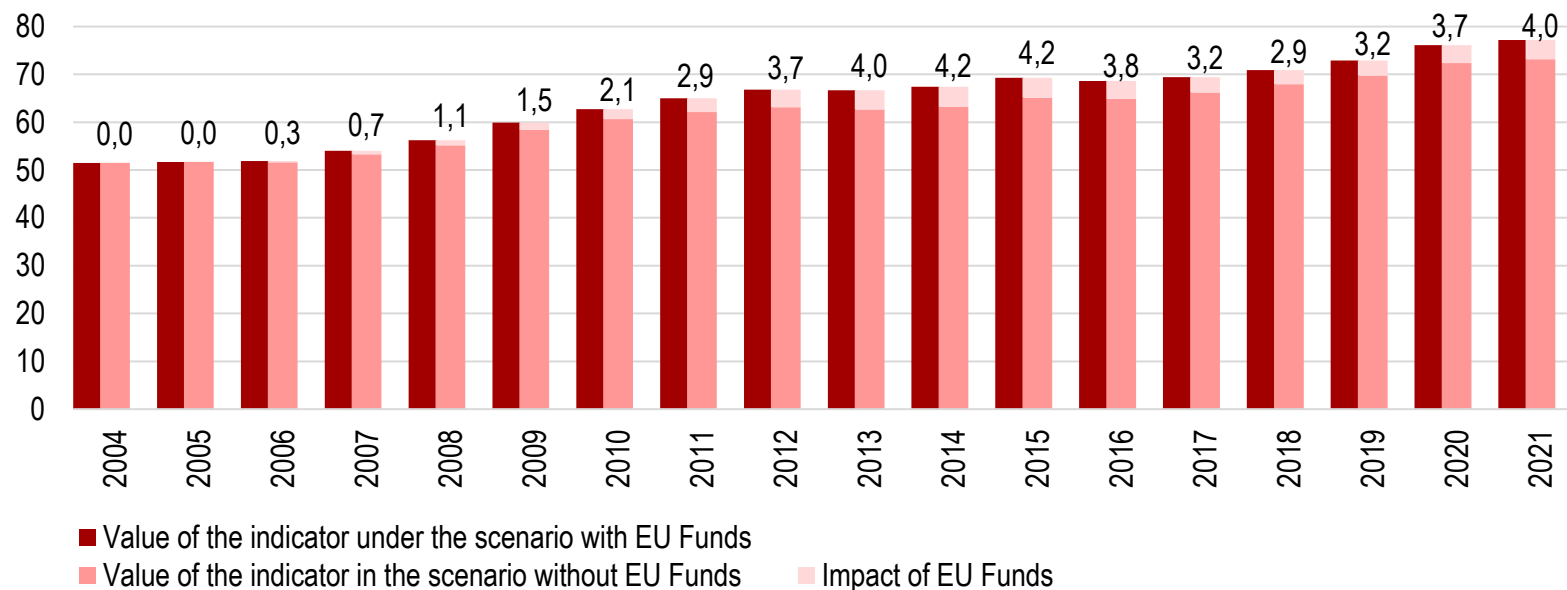


"negative" impact in individual years does not mean that the implementation of the CP adversely affects economic growth. It results from the comparison of the actual GDP growth rate recorded with the rate modelled under the counterfactual scenario (i.e. assuming no implementation of analyzed policy). Thanks to the Cohesion Policy intervention, the real value of GDP in individual years is higher than under the scenario which assumes absence of the analyzed policy. Therefore, GDP growth in a given year is calculated in relation to the higher real GDP in the previous year, which makes the specified growth rate more difficult to achieve than in the case of counterfactual.

# Impact of the Cohesion Policy on the GDP per capita (at PPS) in relation to the EU-27 average

- The ratio of Poland's GDP per capita (in PPS) to the EU-27 average has climbed from 51.5% in 2004 to 77.2% in 2021
- Thanks to the EU funds the respective indicator had increased by 4.0. pp. – without the said resourced Poland's GDP per capita would have amounted in 2021 to 73.2% of the EU average
- The gap between Poland and the EU-27 average in GDP per capita (at PPS) terms narrowed by about 25.7 pp., with about 15.6% of the observed convergence being attributed to the Cohesion Policy's implementation

**Impact (p.p.) of the Cohesion Policy on the value of GDP per capita (in PPS) in Poland in relation to the EU average, 2004-2021**





# Impact of the Cohesion Policy on the GDP per capita (in PPS) in relation to the EU average and on the GDP growth rate (2004-2021) - at the level of voivodeships

The Cohesion Policy allows to partially mitigate the proces of regional differentiation

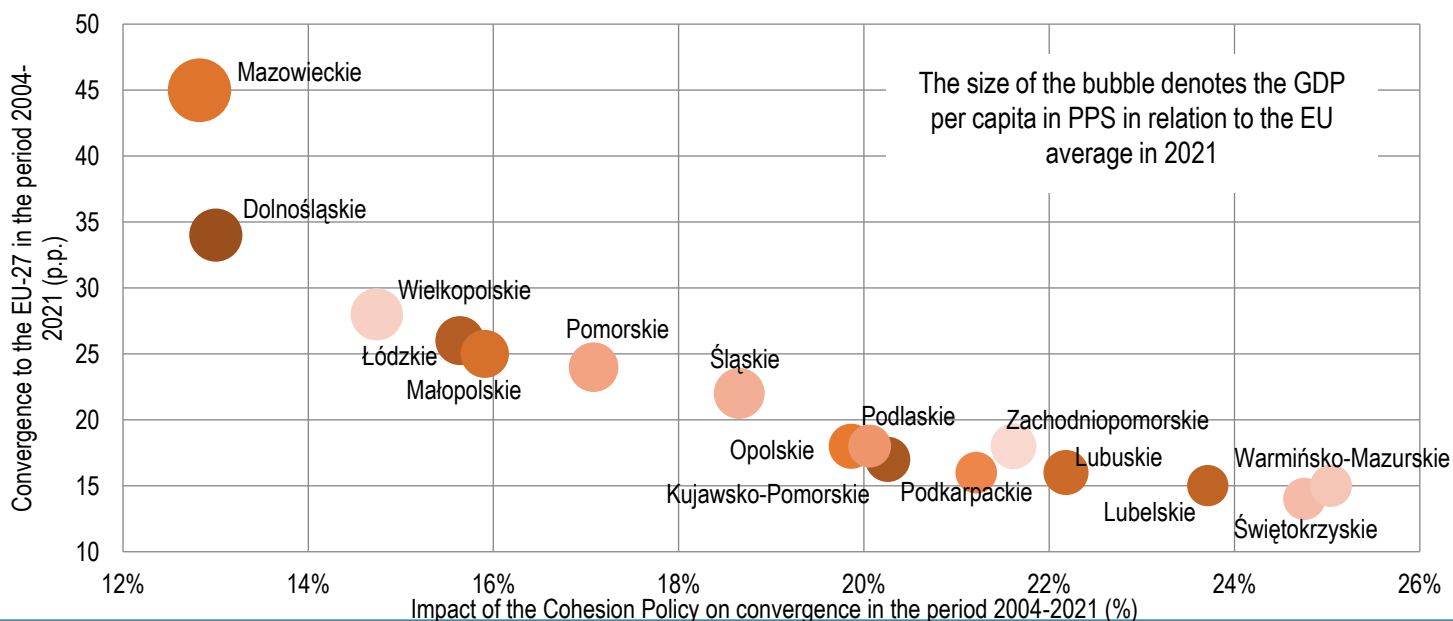
The CP impact on convergence is the strongest in the regions of Eastern Poland (with 20%-25% of their convergence stemming from the policy's implementation)

In the wealthiest regions the impact on convergence is lower (13% - 15%)

In 2021 the ratio of GDP per capita (in PPS) in Eastern Poland to the EU average ranged from 52% (Lubelskie) to 56% (Podlaskie)

The convergence towards the EU average was the fastest in Mazowieckie and Dolnośląskie

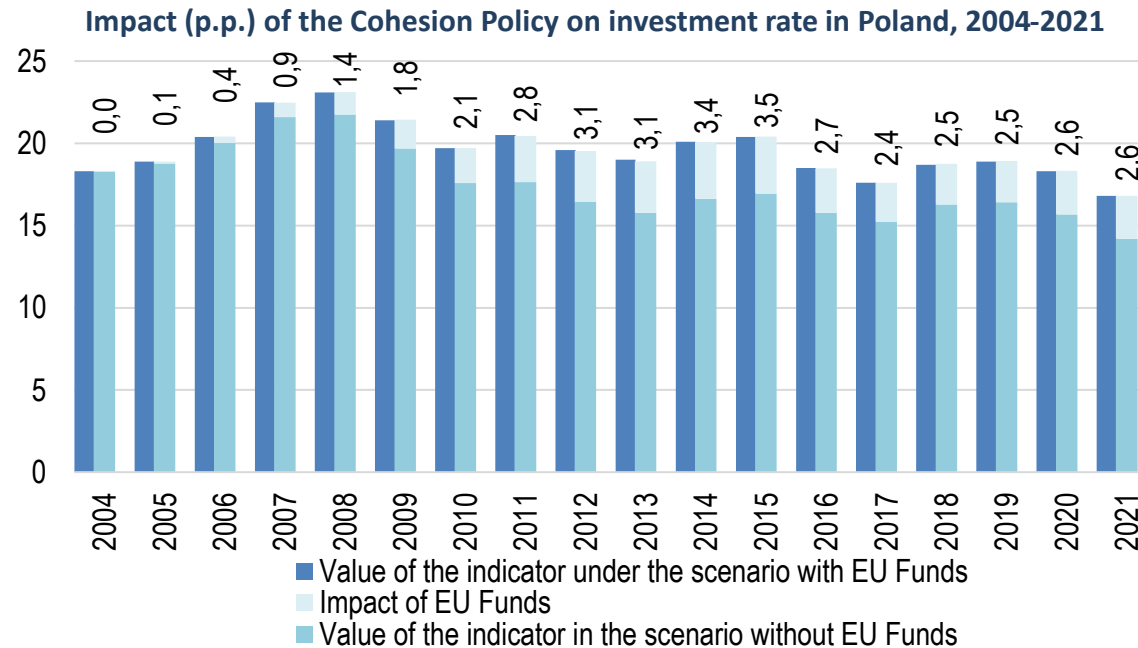
The impact of the CP on GDP growth rate ranged from 6% - 8% in more affluent regions to 10% - 12% in Eastern Poland





# Impact of the Cohesion Policy on investment rate (2004-2021)

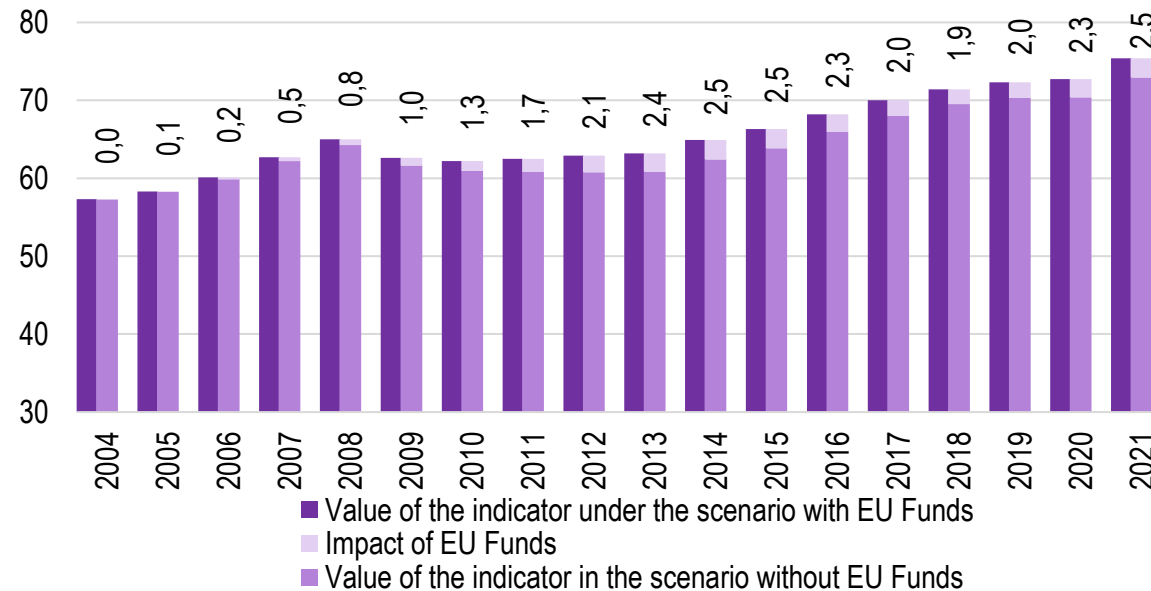
- In 2021 Gross fixed capital formation expenditures (in current prices) amounted to PLN 442.4 billion and were over two and half times higher than in the year of EU accession
- Annual average investment rate in the period 2004-2021 (19.6%) was lower than the respective EU average (21.4%)
- In 2021 investment rate in Poland (16.8%) was higher by about 2.6 p.p. thanks to the Cohesion Policy's implementation



# Impact of the Cohesion Policy on the employment rate (20-64 years)

- In 2021 the employment rate (people aged 20-64 years) amounted in Poland to 75.4%, being by 2.3 p.p. higher than the EU-27 average.
- In the period 2004 - 2021 Poland recorded one of the largest improvements in terms of this indicator in the EU (by 18.1 p.p.)
- Without the EU Funds the said indicator would have been lower by 2.5 p.p. (72.9%)
- Hence, about 14% of the indicator's improvement in the period 2004-2021 is attributed to the EU funds

Impact (p.p.) of the Cohesion Policy on the employment rate (people aged 20-64 years) in Poland, 2004-2021





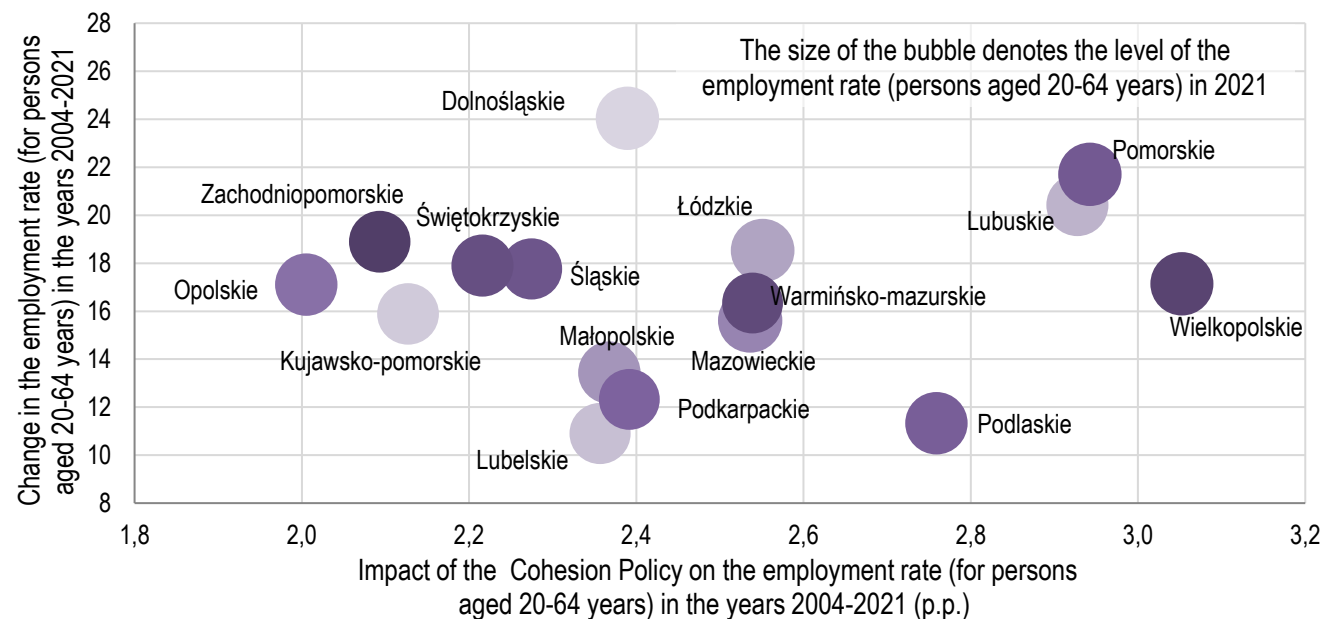
# Impact of the Cohesion Policy on the employment rate (people aged 20-64) in voivodeship, in the period 2004-2021

In 2021, the lowest employment rate recorded in the Warmińsko-Mazurskie voivodeship (67.6%), and highest one in Mazowieckie (78.4%).

During Poland's EU membership the fastest catching-up in terms of the said indicator was observed in Dolnośląskie (24.0 p.p.) and Pomorskie (21.9 pp.) while the slowest one in Lubelskie (10.9 p.p.) and Podlaskie (11.3 p.p.) voivodeships

The strongest impact of the Cohesion Policy evident in Wielkopolskie (3.1 p.p.), Lubuskie i Pomorskie (by 2.9 p.p.) voivodeships. However, in relative terms the strongest impact was visible in Podlaskie and Lubelskie with respectively (24,4%) and (21,6%) of the improvement stemming from the CP intervention

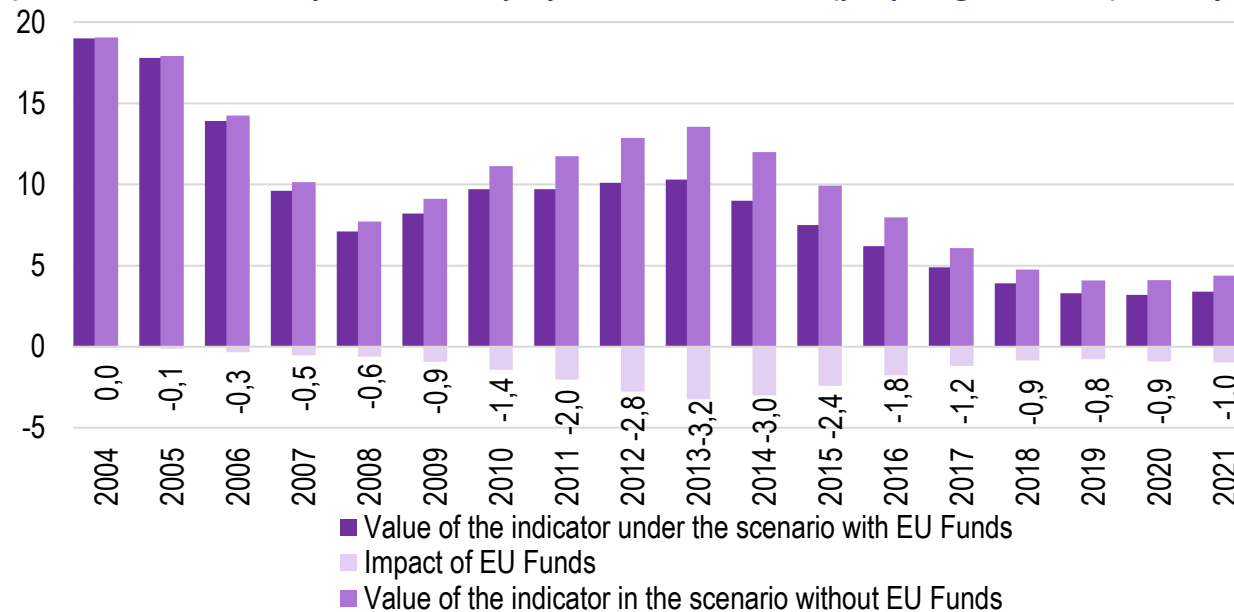
Impact of the Cohesion Policy on the employment rate (people aged 20-64 years) in voivodeships in 2021



# Impact of the Cohesion Policy on unemployment rate (2004-2021)

- Upon entry to the EU Poland posted the highest unemployment rate (persons aged 15+) in the European Union (19.0%). In the subsequent years the said indicator has declined to 3.4% in 2021 r., when it was over two times lower than the EU-27 average figure (7.1%) with the implementation of Cohesion Policy deducting 1.0 p.p. from the value of the indicator in Poland.
- In the period 2004-2021 the policy's implementation translated into an annual average reduction of the unemployment rate by 1.3 p.p.

Impact (p.p.) of the Cohesion Policy on the unemployment rate in Poland (people aged over 15) in the years 2004-2021





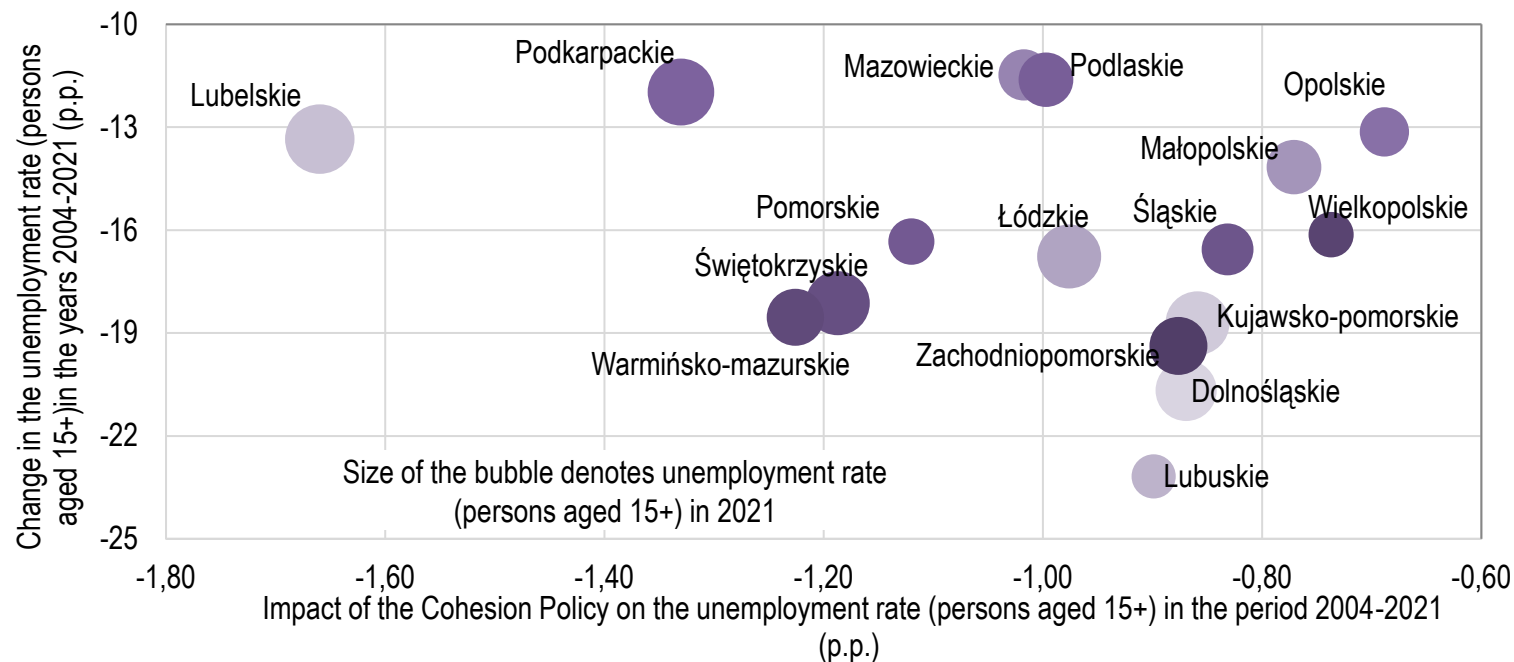
# Impact of the Cohesion Policy on the unemployment rate in voivodeships in the years 2004-2021

At the regional level the highest unemployment rate in 2021 was recorded in Lubelskie (5.2%) and in Podkarpackie (4.8%)

The strongest impact in 2021 observed in Lubelskie (1.7 p.p. reduction) and podkarpackie, (1.3 pp. reduction), while On average in the 2004-2021 period it was the strongest in Podkarpackie (2.3 p.p. reduction), Świętokrzyskie, Warmińsko-Mazurskie and Lubelskie (1.6 p.p. reduction)

The weakest impact on the analyzed indicator recorded in 2021 in Wielkopolskie and Opolskie (0.7 p.p. each)

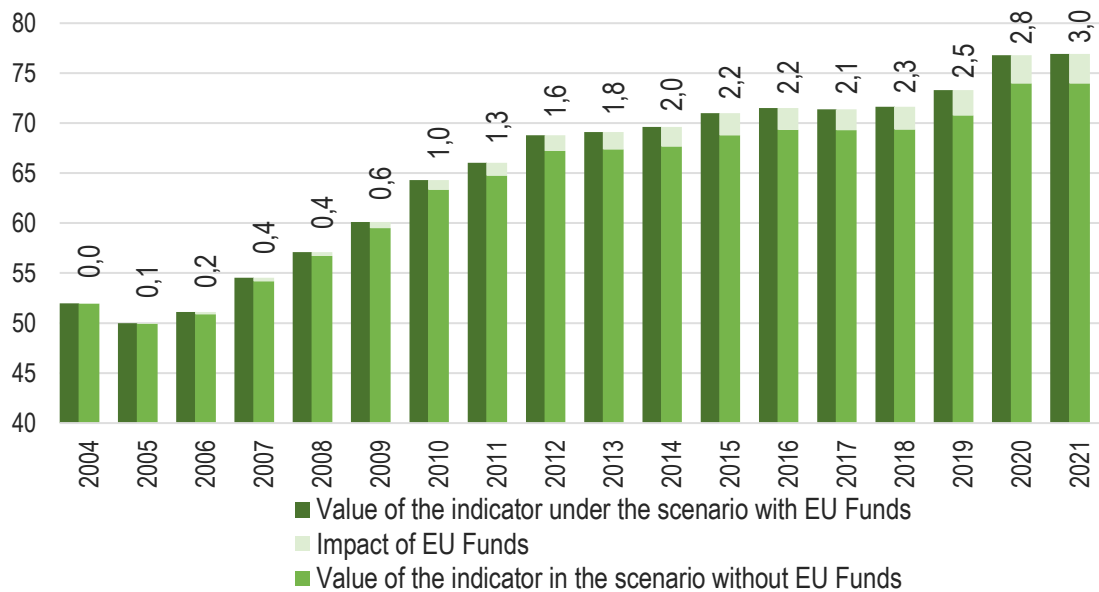
**Impact (p.p.) of the Cohesion Policy on the unemployment rate (persons aged 15+) in voivodeships 2021**



# Impact of the Cohesion Policy on the quality of life (2004-2021)

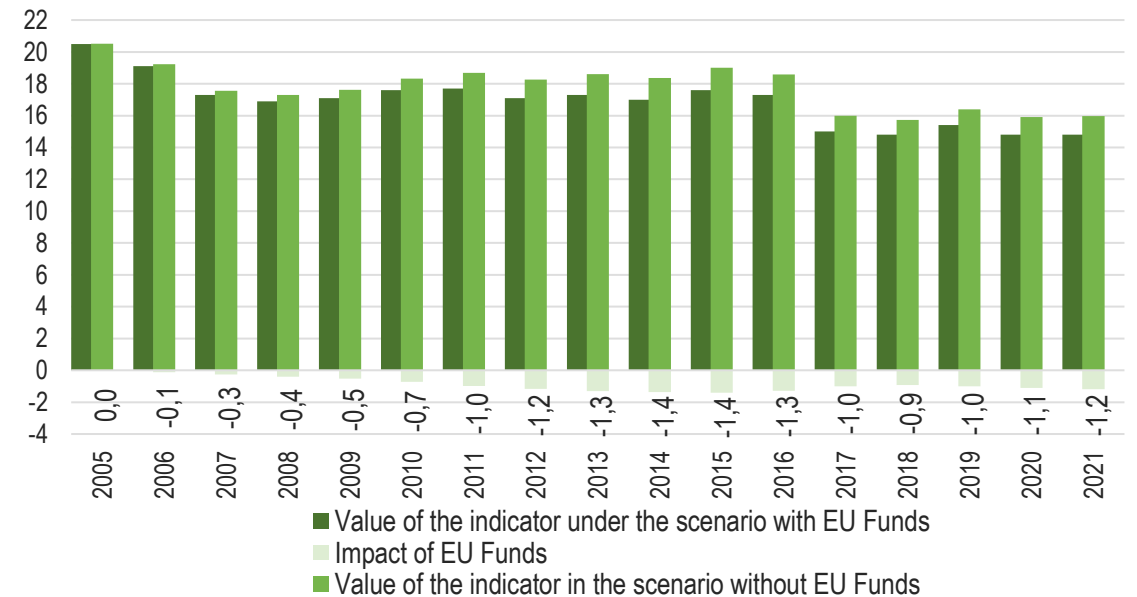
- One of the lowest gross per capita incomes in the EU - in 2021: 74% of the EU-27 average
- Since EU accession the ratio (to the EU-27 average) has increased by 21 p.p.
- In 2021 the analyzed ratio higher by 3.0 p.p. than under the counterfactual scenario

Impact (p.p.) of the Cohesion Policy on households' real adjusted disposable per capita income (in PPS) in relation to the EU-27 average 2004-2021



- The percentage of the population below the relative poverty (after the social transfers) threshold declined in Poland from 20.5% in 2005 to 14.8% in 2021.
- In 2021 the impact of the EU Funds amounted in to 1.2. p.p.

Impact (p.p.) of the Cohesion Policy on at-risk-of poverty rate (after social transfers), 2005-2021





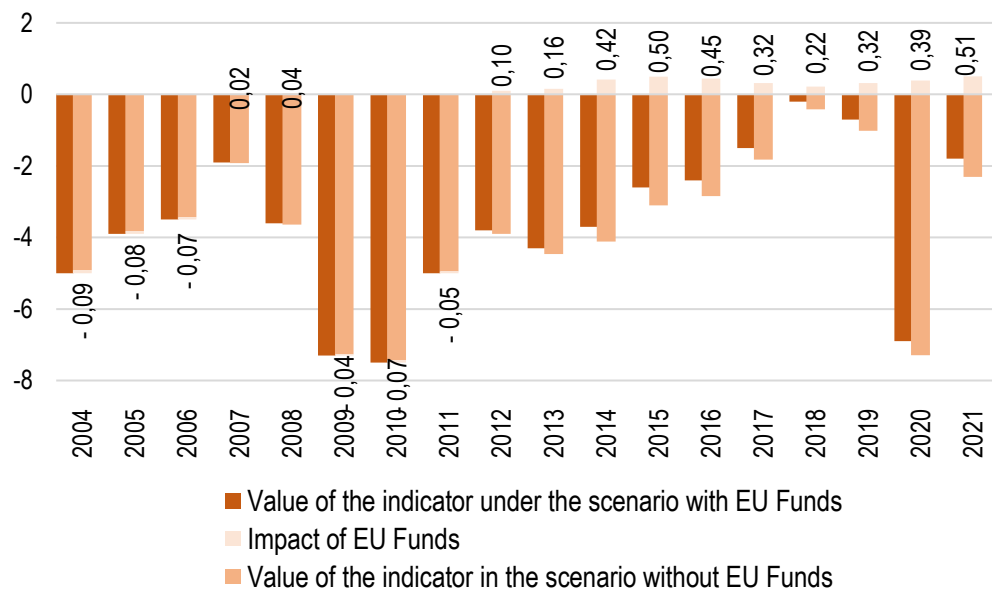
# Impact of the Cohesion Policy on the result and debt of the sector of government and self-government institutions (2004-2021)

In 2021 the CP impact amounted to 0.5 p.p., hence allowing to reduce the deficit to GDP ratio from hypothetical 2.3% to the actual 1.8%

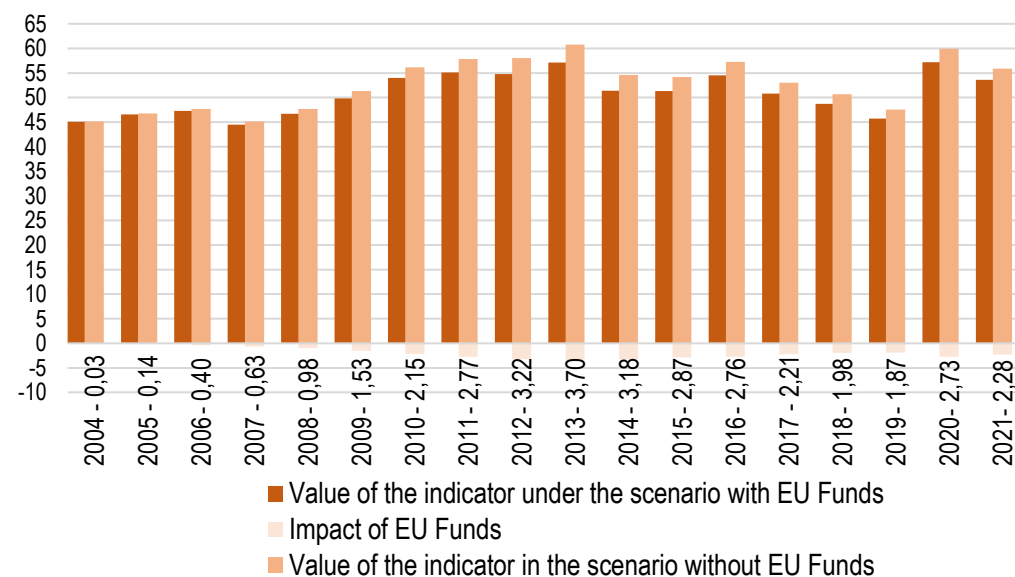
In 2021 the debt of the sector of government and self-government institutions amounted in Poland to 53.6% of the GDP

As of 2021 the CP allowed to reduce the debt-to-GDP ratio by 2.3 p.p. Without the Cohesion Policy intervention the analyzed ratio would have reached 55.9%

Impact (p.p.) of the Cohesion Policy on the result of the sector of government and self-government institutions (as % of the GDP) in Poland, 2004-2021 (p.p.)



Impact (p.p.) of the Cohesion Policy on the debt of the sector of government and self-government institutions (as % of the GDP) in Poland, 2004-2021 (p.p.)



# Impact of the Cohesion Policy on the foreign trade 2004-2021

- The average annual growth rate of exports of goods and services amounted in the years 2005-2021 to 9.5%, while in case of imports to 8.5%
- In the years 2005-2021, the average annual impact of the implementation of the Cohesion Policy on the average annual growth rates amounted to respectively 0.3 p.p. (exports) and to 0.4 p.p. (imports)





# Projected inflow of the EU funds and forecasted impact (in the years 2022-2029)

- The inflow of EU funds corresponding to 2.6% of the GDP per year in the years 2021-2022.
- In 2023-2025 these funds may correspond to 2.2% - 2.4% of the GDP, and in 2026-2029 from 1.8% to 1.4% (2029).
- The ratio of Poland's GDP per capita (in PPS) to the EU-27 average level – projected to exceed 80% in 2023 (80.2%), to approach 85% in 2026 and to exceeded the 85% threshold in 2027 (86.2%). In 2029 predicted to increase to 89.2% of the EU average.
- The impact of EU funds on the convergence process will gradually weaken - from 4.6 p.p. forecasted for 2022 to 3.1 p.p. in 2029.
- Impact of the EU funds on labor market will be significant in the years 2022-2029, though expected to weaken gradually, with the apogee observed in 2022 (employment rate of people aged 20-64 higher by 2.7 p.p. than in the scenario without EU funds), subsequently within the range of 2.6 p.p. - 1.7 p.p. (2029).
- Throughout the forecast horizon, the unemployment rate (of people aged 15+) should remain at the level of around 3.3%, (one observed since 2019), with the impact of the EU funds projected to gradually weaken - from -1.0 p.p. to -0.6 p.p. in 2029.





# Thank You for Attention

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