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Article

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The Effectiveness of Implementing European Union Structural Funds in the 2014–2020 Programming Period. A Comparative Analysis of Poland and Italy

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Abstract

The aim of the European Union's cohesion policy is to reduce development inequalities between the regions of the Member States and to increase economic, social, and territorial cohesion. Expenditures on it account for one-third of the European Union (EU) budget. Therefore, the appropriate and effective use of the structural funds plays a very important role.

The purpose of the paper is to show the effectiveness of using the EU's structural funds in two of the largest beneficiary countries in the programming period 2014–2020. The first part of the paper presents the efficiency and effectiveness of using EU structural funds and the barriers related to their implementation, as well as the main characteristics of the 2014–2020 programming period. The second part contains a statistical analysis of the effectiveness of implementing the cohesion policy in Poland and Italy, comparing the amounts of planned and spent funds in the analyzed period. The main method is the statistical analysis, which includes a summary of the amount of allocated funds and their use, as well as a calculation of the percentage of structural funds used. The theoretical part shows potential problems related to the implementation, while the statistical part shows the scale of the problem and the areas with the greatest problems with implementation in both countries. The analysis takes into account thematic objectives, as well as national and regional operational programs.

Keywords: European Union, cohesion policy, structural funds, effectiveness

JEL: F15, F36, R11



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Introduction

Structural funds are the main instruments of the European Union's (EU) cohesion policy. The aim of this policy is to reduce development disparities between regions and member states and increase competitiveness and employment in all regions. The reason for introducing this policy stemmed from the creation of the common market, as well as the pursuit of faster integration of new members of the EU. This policy area currently accounts for around one-third of the EU's budget. The funds are made available when the multiannual programming period starts.

Poland and Italy are among the largest beneficiaries of the EU's cohesion policy. This is due to several elements – a relatively large number of inhabitants in both countries, a low level of GDP per capita in many regions of these countries, and numerous structural problems. Apart from the size of structural funds, Poland and Italy are linked by large regional inequalities. In the research inspired by Kukliński, it was noted that income spreads in these countries are the result of both historical processes and globalization (Kukliński, Malak-Pętlicka, and Żuber 2010).

The following study aims to show the effectiveness of implementing the structural funds in the 2014–2020 programming period in both countries and to show regional differences in the absorption of these funds. The method of statistical analysis will be used to achieve the goal. It includes a summary of the amount of allocated funds and their use, as well as a calculation of the percentage of structural funds used broken down into individual thematic areas and operational programs in both countries. This simple analysis will be used to assess the effectiveness of the implemented cohesion policy.

Absorption of the European Union structural funds and its determinants

Absorption capability is seen as the capacity of a given region (member state) to spend the funds allocated to it effectively and efficiently. The absorption of funds by a Member state takes place when it receives a payment from the EU budget as part of co-financing eligible projects. In general, it depends on the conditions under which EU funds were made available – the level of socio-economic and institutional development and the ability to effectively obtain and use the funds granted. This capacity can be analyzed in various dimensions: macroeconomic (expressed in terms of GDP), financial (as the capacity to co-finance programs and projects supported by the EU), and administrative capacity (Incaltarau, Pascariu, and Surubarau 2020, pp. 947–949). For administrative capacity, absorption capacity is determined by the administrative staff's knowledge and skills, the efficiency of managing and paying agencies, the level

of decentralization, transparency and adherence to procedures, the availability of national funds, and the effectiveness of control and monitoring.

Numerous barriers appear when implementing the structural funds, which may adversely affect the absorption capacity of a region or a Member State:

1. Financial barriers – related to the need to co-finance projects and to allocate part of the local or central budget for this purpose.
2. Economic (market) barriers – related to the possibility of obtaining certain goods and services necessary to implement the project.
3. Institutional barriers – related to the operation of state administration, a lack of sufficient knowledge in planning and managing European projects, and a shortage of staff involved in implementing structural funds.
4. Legal barriers – related to legal regulations that hinder the efficient and effective implementation of EU projects.
5. Barriers related to the beneficiaries of structural funds (Godek 2008).

When allocating funds, the European Commission requires an evaluation of the use of support granted and its effectiveness. The effectiveness of the aid granted is treated as a criterion for evaluating the programs by comparing the expenditure incurred for their implementation with the effects of these programs. One of the methods that influence the effectiveness of structural funds is constant monitoring. In addition, at various stages, program evaluation is carried out to compare the expenditure with actual achievements. The first is carried out before formulating the Common Strategy Framework (*ex-ante* evaluation). It mainly relates to the intervention logic, and it assesses the relevance, coherence, and anticipated effectiveness and efficiency of public intervention. The evaluation is then carried out while the program is being implemented (a mid-term or ongoing evaluation). It indicates the first effects of the implemented activities and whether they are consistent with the *ex-ante* evaluation and the legitimacy of the selected goals. After the end of the program, an *ex-post* evaluation is carried out by the European Commission together with the Member State and the managing authority. Its task is to justify the use of resources, assess the effects, and draw conclusions that can be generalized for other activities.

There are still discrepancies in the literature as to the scope of the concepts of efficiency and effectiveness. In economics, efficiency usually measures whether economic activities, programs, or organizations achieve their maximum effect in relation to the expenditure incurred. Effectiveness, on the other hand, is the extent to which previously defined objectives or targets have been achieved (Tracz-Krupa 2015, p. 330).

In 2015, the European Commission launched an initiative called “The EU Budget Focused on Results”. It was aimed at changing the spending culture and making the re-

sults a priority for the EU budget, paying attention to the results of the funds, their effectiveness and efficiency, as well as their absorption and compliance with financial rules. These activities were based on the concept of “performance budgeting”. This method considers what can be achieved with the available funds, tries to measure the results of spending, links the results to budget decisions and systematically uses performance information (European Parliament 2018). This approach implies a shift in the budgeting focus from inputs (including personnel and resources) to results (outputs and achievements). While the traditional approach to budgeting is based on the control of inputs and changes in different categories of expenditure, performance budgeting is away to allocate resources where goals can be best achieved.

However, performance budgeting remains controversial. On the one hand, this approach has helped local authorities to increase budget transparency and improved the behavior of the state administration (Downes, Moretti, and Nicol 2017, pp. 1–60). On the other hand, it has been criticized for its effectiveness and risks. Critics have noted that performance budgeting loses its transformative potential once it is supported by supranational regulators and promoted at the national level. It may thus lose its primary goal of engaging the local community, becoming a set of spending proposals (Sgueo 2016).

It is too early to judge how performance budgeting will affect the absorptive capacity of regions and Member States. For actions to be consistently focused on achieving concrete results, it is essential that Member States avoid the absorption of significant funds taking place at the end of the programming period, as rushing to absorption may lead to insufficient attention to their cost-effectiveness. For the 2007–2013 and 2014–2020 programming periods, the late adoption of the legislative framework – six months and two weeks before the start of the programming periods, respectively – translated into the late adoption of the operational programs. For both programming periods, most of the operational programs were adopted only after the first year of these periods. This had an impact on the pace and degree of utilization of the allocated funds.

Main characteristics of the 2014–2020 programming period

The EU’s cohesion policy is aimed at reducing development inequalities between the regions of the Member States and increasing economic, social, and territorial cohesion. Furthermore, it draws attention to the lagging behind of the least-favored regions or islands, rural areas, areas undergoing industrial change, and regions suffering from severe and permanent natural or demographic handicaps.

For the 2014–2020 programming period, there is a new legislative framework for five funds under the EU’s cohesion policy, common agriculture policy, and common fish-

eries policy: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). These regulations were related to the “Europe 2020” strategy. They were aimed at initiating smart, sustainable and inclusive growth in the EU, improving coordination, ensuring the coherent use of the European Structural and Investment Funds and simplifying access to funds as much as possible for entities that may benefit from them.

The objectives and financial instruments of the new programming cycle were defined in Council Regulation (EU) No. 1303/2013 of 17 December 2013 (CPR) and in regulations specific to individual funds. There are two key objectives for the cohesion policy:

1. Investment for economic growth and employment.
2. European Territorial Cooperation.

In order to align ESI Funds as closely as possible with the Europe 2020 strategy, 11 thematic objectives have been set out in the CPR. They identify sectors and areas of intervention where support from the European Structural and Investment Funds can bring the greatest added value. Moreover, the EU institutions encourage the Member States to ensure synergy and coordination of all available instruments at European, national, regional and local levels.

The division of Community funds between individual Member States was included in the Commission Implementing Decision of April 3, 2014. In order to create the financial framework for the funds, the overall resources allocated to the Investment for growth and jobs goal and the European territorial cooperation goal have been allocated. Under the first of these goals, a total expenditure of EUR 317 billion was foreseen, of which EUR 71.9 billion was to be allocated to Poland; Italy was to be the second largest beneficiary, with EUR 29.6 billion. Under the second objective, a total expenditure of EUR 8,865 billion was planned, of which Italy was to receive EUR 993 million, and Poland EUR 612 million. In addition, EUR 4.1 billion was earmarked for expenditure under the Youth Employment Initiative. Italy was to be the second largest beneficiary after Spain, with EUR 863 million. Poland was awarded EUR 252 million, putting it in fourth place. In addition, an expenditure of EUR 63.3 billion was planned under the Cohesion Fund, intended for countries where the Gross Community Product did not exceed 90% of GDP. Poland was again the largest beneficiary with EUR 23.2 billion, while Italy was not eligible.

Regulation (EU) 2017/2305 of the European Parliament and of the Council of 12 December 2017 modified the previous Regulation No. 1303/2013 in the amount of funds allocated to the cohesion policy under its two objectives. The available funds were set at EUR 329.9 billion in 2011 prices, of which 325.9 billion was allocated to the Structural Funds (ERDF, ESF, and CF)

A huge share of the resources – EUR317 billion – was allocated to the Investment for growth and jobs goal, which will benefit three categories of regions:

- less developed regions, where GDP per capita is lower than 75% of the Community average (these include Polish regions, except for the Mazowieckie Voivodeship, and Italian regions of Basilicata, Campania, Calabria, Sicilia and Puglia);
- regions in transition, where GDP per capita is between 75 and 90% of the EU average (in Poland, there are none; in Italy: Abruzzo, Molise and Sardinia);
- more developed regions, whose GDP per capita exceeds 90% of the EU average (in Poland: Mazowieckie Voivodeship; in Italy: the Center North regions).

The EU has nine regions that are very distant from the European continent, but which are an integral part of the EU. They include five French overseas departments (Martinique, Guadelupe, Reunion, Guyana, and Mayotte), Dutch overseas territory (Sint Maarten), Portugal's two autonomous regions (Madeira and the Azores) and Spain's Canary Islands. Some funding has also been earmarked for sparsely populated regions in northern Finland and Sweden.

The remainder of the Cohesion Policy funds was allocated for transnational, interregional and cross-border cooperation (€8.9 billion) as well as the Youth Employment Initiative (€4 billion).

Table 1 below presents a breakdown of resources allocated to the structural funds among the Member States, expressed in current prices, in accordance with the Commission Implementing Decision (EU) 2016/1941, which amended the European Commission Regulation of April 3, 2014 (2014/190/EU).

Table 1. Distribution of cohesion policy funds among the Member States in EUR millions in current prices, in accordance with the Commission Implementing Decision 2016/1941

Country	CF	LDR	TR	MDR	PSPD	TC	Total
Austria	-	-	72.3	906.0	-	257.3	1,235.6
Belgium	-	-	1,039.7	949.6	-	263.1	2,252.4
Bulgaria	2,278.3	5,089.3	-	-	-	165.6	7,533.2
Croatia	2,509.8	5,837.5	-	-	-	146.1	8,493.4
Cyprus	294.9	-	-	432.3	-	32.8	760.0
Czechia	6,143.9	14,824.0	-	546.7	-	339.6	21,854.2
Denmark	-	-	87.3	332.3	-	140.1	559.7
Estonia	1,061.5	2,437.7	-	-	-	55.4	3,554.6
Finland	-	-	-	1,004.9	305.3	161.4	1,471.6

Country	CF	LDR	TR	MDR	PSPD	TC	Total
France	–	3,434.3	4,253.3	6,322.0	443.3	1,115.0	15,567.9
Germany	–	–	9,771.5	8,498.0	–	965.4	19,234.9
Greece	3,265.7	7,345.7	2,922.1	2,511.0	–	231.7	16,276.2
Hungary	6,025.4	15,005.2	–	463.7	–	361.8	21,856.1
Ireland	–	–	–	955.3	–	168.8	1,124.1
Italy	–	23,382.8	1,506.2	7,874.9	–	1,136.7	33,900.7
Latvia	1,349.4	3,039.8	–	–	–	93.6	4,482.8
Lithuania	2,048.9	4,628.7	–	–	–	113.8	6,791.4
Luxembourg	–	–	–	39.6	–	20.2	59.8
Malta	217.7	–	490.2	–	–	17.0	724.9
Netherlands	–	–	–	1,020.6	–	389.7	1,410.3
Poland	23,208.0	49,628.7	–	3,777.3	–	700.5	77,314.5
Portugal	2,861.7	16,642.2	324.6	1,237.5	115.7	128.5	21,310.2
Romania	6,935.0	14,607.1	–	693.0	–	452.7	22,887.8
Slovakia	4,168.3	9,130.3	–	328.7	–	223.4	13,850.7
Slovenia	914.0	1,296.1	–	848.6	–	62.9	3,121.6
Spain		2,155.6	14,927.9	11,562.6	484.1	643.0	29,773.2
Sweden	–	–	–	1,491.9	206.9	342.3	2,041.1
UK	–	2,641.0	2,590.6	5,594.6	–	865.6	11,691.8

Note: CF – Cohesion Fund, LDR – Less Developed Regions, TR – Transition Regions, MDR – More Developed Regions, PSPD – Peripheral or Sparsely Populated Regions, TC – Territorial Cooperation.

Source: own elaboration based on Commission Implementing Decision 2016.

Table 1 shows that Poland was by far the most important beneficiary of the cohesion policy in the programming period 2014–2020. The overall size of the allocated funds was more than double that of second-placed Italy. The structure of the allocated funds was different in both countries. Poland received much support from the Cohesion Fund, which Italy did not. In both countries, the largest part of the funds was allocated to less developed regions – in Italy, 69% of the total; in Poland, 64.2%. On the other hand, Italy received greater support for more developed regions and for territorial cooperation.

The programming rules for the 2014–2020 period were set out in Regulation (EU) No. 1303/2013 of the European Parliament (European Parliament 2013) and of the Council of 17 December 2013. This extensive document stipulated, inter alia:

- Creating a common strategic framework for all EU funds related both to cohesion policy (ERDF, ESF, CF) and agriculture and fisheries (EAFRD, EMFF). This should

facilitate sectoral and territorial coordination of the EU's intervention with other relevant policies and instruments.

- Member States focus their support on interventions with the greatest added value in relation to the EU strategy for smart, sustainable, and inclusive growth, taking into account the most important territorial challenges.
- The objectives of the cohesion policy should be achieved within the framework of sustainable development and EU support for the preservation, protection, and improvement of the quality of the environment. To this end, Member States should provide information on supporting the climate change target in line with the ambitious target of allocating at least 20% of the EU budget to these objectives.
- Financial instruments should be used to meet specific market needs in a cost-effective manner and in line with the objectives of the programs, and they should not crowd out private financing.
- Program modification requests by Member States are adequately substantiated and, in particular, indicate the expected impact of program changes on the implementation of the EU's Europe 2020 strategy.
- To help focus on results and the achievement of the objectives of the EU's Europe 2020 strategy, a performance reserve of 6% of the total allocation for the Investment for growth and jobs goal and the EAFRD has been established for each Member State.

An important change was the introduction of the n+3 rule instead of the n+2 rule in force in the 2007–2013 programming period. This rule specifies an additional period to implement and settle projects and programs co-financed by European funds. In practice, this means that the funds allocated under the 2014–2020 financial perspective can actually be used until 2023 (European Commission 2015). If a Member State fails to use all the funds allocated to the current financial perspective by that time, it will have to return the unused surplus to the EU budget.

The European Commission constantly monitors the spending of resources from the structural funds. Taking into account the funds from the European Structural and Investment Fund and their use in individual countries, the implementation rate was as follows at the end of December 2021.

Table 2 shows that Poland and Italy are not leaders in terms of the pace of implementing structural and investment funds. While Poland's results can be considered average, Italy's achievements are among the weakest. It means that implementation problems also occurred in the previous programming periods (Lewandowski 2013, pp. 222–226).

Table 2. Financial implementation of ESIF 2014–2020 based on the link between planned and spent funds in EU countries. Period covered until 31.12.2021

Country	Implementation rate (in %)	Country	Implementation rate (in %)
Portugal	74	Poland	64
Lithuania	74	Malta	64
Hungary	73	France	64
Slovenia	69	Greece	63
Czechia	68	Austria	61
Ireland	68	Netherlands	60
Finland	68	Croatia	59
Luxembourg	66	Romania	54
Estonia	66	Belgium	53
Sweden	65	Slovakia	52
Germany	65	Denmark	51
Latvia	65	Bulgaria	51
Cyprus	65	Italy	49
UK	65	Spain	43

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. 2014–2020 ESIF Overview*.

The implementation of the cohesion policy in Italy in the programming period 2014–2020

Each EU Member State is obliged to prepare a partnership agreement, which creates a strategic framework for national programming and, thus, the use of structural funds in the period 2014–2020. The funds included in this agreement should be used within operational programs prepared by each Member State, or the institution designated for this. Each program defines its priorities, specific objectives, financial subsidies from the EU, and the corresponding national funding.

The European Commission adopted a partnership agreement with Italy on October 29, 2014, under the Implementing Decision. Later, the values of the allocated Community funds were modified, increasing the pool available for Italy.

The legal bases that define the objectives and policy instruments for the programming period were defined in the 1303/2013 Regulation. It provides that Member States and regions are increasingly faced with the challenges of the impact of globalization, envi-

ronmental and energy problems, aging and demographic change, and technological transformation. Due to the nature of such challenges, the multi-sectoral and multi-dimensional solutions supported by the ESI Funds should be integrated.

Table 3. Financial implementation of ESIF Funds in Italy by thematic objective in EUR millions in current prices. Period covered until 31.12.2021

	Theme	Planned	Spent	Implementation rate
1	Competitiveness of SMEs	20,987	11,283	54
2	Environment Protection & Resource Efficiency	9,003	4,765	53
3	Low Carbon Economy	4,768	2,293	48
4	Sustainable and Quality Employment	7,439	5,326	62
5	Social Inclusion	7,595	3,977	52
6	Educational and Vocational Training	6,639	4,552	69
7	Research and Innovation	6,224	3,691	59
8	Climate Change Adaptation and Risk Prevention	6,098	3,369	55
9	Technical Assistance	2,980	1,202	40
10	Network Infrastructures in Transport and Energy	2,703	2,360	87
11	Information and Communication Technology	2,389	1,319	55
12	Efficient Public Administration	1,038	4,86	47

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014-2020 data by country.*

Table 3 shows that the highest percentage of implementation (87%) was recorded in the area of the transport and energy infrastructure, as well as in areas related to the labor market. Traditionally, the poorest results relate to administrative activities (40 and 47%), although poor results were also recorded for environmental activities (environmental protection and low-carbon economy).

The next three tables show the use of EU funds, taking into account individual operational programs. During the analyzed programming period, Italy presented a very large number of operational programs – both national and regional.

The following table refers to the use of structural funds in national operational programs.

Table 4. Implementation of EU structural funds by national operational programs in EUR millions (current prices). Period covered until 31.12.2021

National Operational Program		Planned	Decided	Spent
1	Education	3777	3334	1710 (45%)
2	Youth Employment	2830	2429	1625 (57%)
3	Systems for Active Employment Policies	1806	1515	870 (48%)
4	Italy – Rural Network	130	122	63 (48%)
5	Legality	693	710	316 (46%)
6	Research and Innovation	2375	1654	612 (26%)
7	Infrastructures and Networks	1890	1558	1139 (60%)
8	SME Initiative	323	323	205 (63%)
9	Governance and Institutional Capacity	2091	1231	513 (25%)
10	Social Inclusion	1269	1149	546 (43%)
11	Italy – National Rural Development	2860	1881	1296 (45%)
12	Maritime and Fisheries	979	802	460 (47%)
13	Metropolitan Cities	1992	987	506 (25%)
14	Culture	491	483	224 (46%)
15	Enterprises and Competitiveness	4964	5200	2757 (56%)

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

When analyzing individual national operational programs, it is worth paying attention to the large discrepancy in the implementation of the EU funds. The best results were recorded for the operational program SME Initiative (63%) and Youth Employment (57%). The worst results were noted in Governance and Institutional Capacity and Metropolitan Cities (both 25%).

In the 2014–2020 financial perspective, a significant number of regional operational programs were planned for Italy. Three separate operational programs were prepared for each region for projects financed by ERDF, ESF and EAFRD. This analysis takes into account the resources financed from the first two funds, broken down into the Center-North and Mezzogiorno regions¹.

¹ Mezzogiorno (Italian South) denotes the area comprising the following regions in the South of Italy: Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily.

Table 5. Implementation of EU Structural Funds in Italian Mezzogiorno regions in current prices (in EUR millions). Period covered until 31.12.2021

Regional Operational Program	Planned	Decided	Spent
Abruzzo ESF	139	137	74 (54%)
Abruzzo ERDF	276	249	128 (46%)
Basilicata ESF	290	200	136 (47%)
Basilicata ERDF	551	871	397 (72%)
Calabria ESF / ERDF	2261	2238	1098 (49%)
Campania ESF	837	751	516 (62%)
Campania ERDF	4114	4477	1989 (48%)
Molise ESF / ERDF	129	125	74 (58%)
Puglia ESF / ERDF	4451	5424	3862 (87%)
Sardegna ERDF	930	987	569 (61%)
Sardegna ESF	445	339	234 (53%)
Sicilia ESF	820	887	454 (55%)
Sicilia ERDF	4273	4654	2507 (59%)

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

Table 5 shows that the pace of structural fund absorption in the Mezzogiorno regions is highly diversified. Very good results were recorded for the Puglia ESF/ERDF and Basilicata ERDF programs, but there are also programs where the absorption rate did not exceed 50%. Out of the EUR 19,516 million planned for the Mezzogiorno regions, EUR 12,038 million was spent by the end of 2021, which amounts to 62% of the planned expenditure. These results raise concerns as to whether these funds will be spent by the end of the programming period.

Table 6. Implementation of EU Structural funds in Italian Centre–North regions in EUR millions (current prices). Period covered by 31.12.2021

Regional Operational Program	Planned	Decided	Spent
Bolzano ESF	128	134	90 (70%)
Bolzano ERDF	145	169	89 (62%)
Emilia-Romagna ESF	786	963	702 (89%)
Emilia-Romagna ERDF	482	520	337 (70%)
Friuli-Venezia Giulia ESF	276	280	182 (66%)
Friuli-Venezia Giulia ERDF	231	308	185 (80%)

Regional Operational Program	Planned	Decided	Spent
Lazio ESF	903	1170	825 (91%)
Lazio ERDF	969	1155	745 (77%)
Liguria ESF	355	325	211 (60%)
Liguria ERDF	393	321	208 (53%)
Lombardia ESF	970	882	731 (75%)
Lombardia ERDF	970	903	567 (58%)
Marche ESF	288	244	167 (59%)
Marche ERDF	585	520	244 (42%)
Piemonte ESF	872	951	844 (97%)
Piemonte ERDF	966	865	474 (49%)
Toscana ESF	746	737	572 (77%)
Toscana ERDF	779	1028	579 (74%)
Trento ESF	126	115	96 (76%)
Trento ERDF	92	81	71 (77%)
Umbria ESF	238	188	128 (54%)
Umbria ERDF	412	338	202 (49%)
Valle d'Aosta ESF	53	51	38 (73%)
Valle d'Aosta ERDF	64	75	65 (101%)
Veneto ESF	764	973	615 (80%)
Veneto ERDF	600	566	365 (61%)

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

The situation is more comfortable for the northern and central regions of Italy (Table 6). The overall amount allocated to the Center–North regions was lower than in the South – EUR 13,193 million, and the volume of payments made by the end of 2021 was EUR 9.33 million, which is 71% of the planned expenditure. There is also a wide variation in the pace of implementation of measures, but the overall advancement of implementation was much greater than in the South. Many regions contracted projects with higher than planned value, and in the case of the Valle d'Aosta ERDF program, the payments exceeded the planned amount. In two cases – Umbria ERDF and Piemonte ERDF – less than half of the planned funds were spent.

The implementation of the cohesion policy in Poland in the programming period 2014–2020

The basis for the cohesion policy in Poland is the Partnership Agreement concluded with the European Commission on May 21, 2014. According to this agreement, the cohesion policy in Poland should be implemented within 22 operational programs, which means that the number did not change compared to the previous programming period, 2007–2013. A larger share of allocation was managed by regions (ca 55% of ERDF and 66% of ESF compared to 25% of ERDF in 2007–2013).

Poland should allocate the largest amounts to transport infrastructure (road and rail), but the greatest increase in expenditure was registered in the area of innovation and support for entrepreneurs. In the 2014–2020 period, investments in environmental protection and energy were financed, as well as projects in the fields of culture, education, employment, and counteracting social exclusion. Under the cohesion policy for 2014–2020 at least 50% of funds were allocated to supporting the implementation of thematic objectives that condition smart economic growth, i.e. activities related to strengthening research, technological development and innovation, and increasing the degree of use and quality of information and communication technologies, strengthening the competitiveness of SMEs, or supporting the transition to a low-carbon economy, where entrepreneurs were the main beneficiaries (Oleksiuk 2018).

When analyzing the implementation of programs in the 2014–2020 programming period, a relatively high average (64%) was achieved thanks to the investments in transport and energy infrastructure and multi-topic programs, which accounted for the largest part of the funds. In both cases, 70% of the planned payments were made. However, the advancement of the use of funds for Climate Change Adaptation and Risk Prevention was very poor, where only 10% of planned payments were made.

The subject of the next analysis will be national programs implemented in Poland during the analyzed period.

Table 7. Implementation of structural funds in Poland by theme – total cost of selection and spending (in EUR millions) as % of planned. Period covered until 31.12.2021

	Theme	Planned	Spent	Utilization rate (%)
1	Competitiveness of SMEs	13,691	7,974	58
2	Environment Protection & Resource Efficiency	7,268	4,315	59
3	Low Carbon Economy	8,486	5,612	66

	Theme	Planned	Spent	Utilization rate (%)
4	Sustainable and Quality Employment	6,263	4,252	68
5	Social Inclusion	7,946	4,593	58
6	Educational and Vocational Training	2,614	1,750	67
7	Research and Innovation	8,331	4,664	56
8	Climate Change Adaptation and Risk Prevention	294	28	10
9	Technical Assistance	3,563	2,108	59
10	Network Infrastructures in Transport and Energy	26,204	18,398	70
11	Information and Communication Technology	3,487	2,066	59
12	Multiple Thematic Objectives	21,419	14,924	70

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

Table 8. Implementation of structural funds in Poland by national operational program – total cost of selection and spending (in EUR millions) as % of planned. Period covered until 31.12.2021

National Operational Program	Planned	Decided	Spent
Development of Eastern Poland	2,353	2,356	1,622 (69%)
Knowledge Education Growth	5,534	5,528	3471 (63%)
Digital Poland	2,788	2,746	1,510 (54%)
Infrastructure and Environment	32,944	31,079	22,341 (68%)
Smart Growth	10,508	15,579	6,959 (66%)
Technical Assistance	827	774	621 (75%)

Source: own elaboration based on European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

Table 8 shows that for the largest operational programs, the absorption of funds was relatively high – 68% for Infrastructure and Environment and 66% for Smart Growth, respectively, although slightly lower than in the smallest Technical Assistance program, where as much as 75% of funds were spent. In the case of national operational programs, a total of EUR 36.5 million was spent by the end of 2021, which amounts to 66% of the planned expenditures.

Table 9. Implementation of EU structural funds in Poland by regional operational program – total cost of selection and spending (in EUR millions) as % of planned. Period covered by 31.12.2021

Regional Operational Program	Planned	Decided	Spent
Dolnośląskie Voivodeship	2681	2598	1932 (72%)
Kujawsko-Pomorskie Voivodeship	2254	2314	1359 (60%)
Lubelskie Voivodeship	2625	2719	2070 (79%)
Lubuskie Voivodeship	1079	1051	716 (66%)
Łódzkie Voivodeship	2654	2618	1680 (63%)
Małopolskie Voivodeship	3386	3503	2436 (72%)
Mazowieckie Voivodeship	2640	2603	1872 (71%)
Opolskie Voivodeship	1124	1212	915 (81%)
Podkarpackie Voivodeship	2512	2446	1882 (75%)
Podlaskie Voivodeship	1439	1512	1061 (74%)
Pomorskie Voivodeship	2194	2367	1495 (68%)
Świętokrzyskie Voivodeship	1605	1616	1079 (68%)
Warmińsko-Mazurskie Voivodeship	2033	1993	1382 (68%)
Wielkopolskie Voivodeship	2911	2967	2106 (72%)
Zachodniopomorskie Voivodeship	1895	1969	1331 (70%)

Source: own elaboration based on data from European Commission (n.d.), *Cohesion Open Data Platform. Explore 2014–2020 data by country.*

Table 9 shows that the absorption of EU funds from regional operational programs was slightly higher than from national programs. The progress of individual voivodeships varied from 81% for the Opolskie Voivodeship and only 60% for Kujawsko-Pomorskie. In Poland, it cannot be argued that the absorption of EU funds is worse in the less prosperous regions of Eastern Poland (Podlaskie, Świętokrzyskie, Lubelskie and Podkarpackie Voivodeships).

Conclusions

The added value of this article was the determination of the degree of utilization of structural funds in the two largest beneficiary countries of the cohesion policy funds and demonstrating that it is not the mere allocation of funds but their effective implementation that determines the effectiveness of this policy. The theoretical part showed potential problems related to implementation, while the statistical part showed the scale of the problem and the areas in which there are the greatest problems with implemen-

tation in both countries. The analysis showed that Poland and Italy differ significantly in terms of the expenditure structure and pace of absorption of funds.

Taking into account the allocation of funds in Poland, expenditure on road and energy infrastructure played a dominant role in the 2014–2020 period. This was because Poland is also the largest beneficiary of the Cohesion Fund, from which this type of expenditure is financed, and because 15 out of 16 Polish voivodeships are classified as less developed regions. Italy, which did not use this fund, had much more modest expenditures for this purpose. However, expenditures on financing the development of small and medium-sized enterprises, as well as environmental protection, prevailed. They were used in the poorer Mezzogiorno regions and the richer regions of the Center–North.

Although Italy has extensive experience using funds for its cohesion policy, it still has problems with absorption. This is due to the inefficiency of the local administration, mainly in the Mezzogiorno area. This situation is not new, however. In previous programming periods, the country also faced absorption problems. The positive trend is that the resources in the Mezzogiorno regions are being used better than in previous periods. Although the distance to the regions of the Center-North is smaller, it is still noticeable.

Compared to Italy, Poland uses the structural funds more efficiently, at both the national and regional levels. Moreover, in Poland, there is no trend that the regions of Eastern Poland achieve weaker results with the implementation of structural funds. (e.g., the Lubelskie and Podkarpackie voivodeships were even at the top of the ranking).

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Skuteczność wykorzystania funduszy strukturalnych Unii Europejskiej w okresie programowania 2014–2020

Analiza porównawcza Polski i Włoch

Polityka spójności Unii Europejskiej ma na celu zmniejszenie nierówności rozwojowych między regionami państw członkowskich oraz zwiększenie spójności gospodarczej, społecznej i terytorialnej. Wydatki na nią stanowią około jednej trzeciej budżetu Unii Europejskiej, dlatego bardzo ważną rolę odgrywa skuteczne wykorzystanie funduszy strukturalnych.

Celem artykułu jest porównanie efektywności wykorzystania funduszy strukturalnych wśród dwóch krajów, które są największymi beneficjentami polityki spójności w okresie programowania 2014–2020. W pierwszej części artykułu omówiono kwestię efektywności i skuteczności wykorzystania funduszy strukturalnych UE oraz bariery związane z ich wdrażaniem, a także główne cechy okresu programowania 2014–2020. W drugiej części przeprowadzono analizę statystyczną skuteczności realizacji polityki spójności w Polsce i we Włoszech porównując wielkość wydanych i planowanych środków w analizowanym okresie. Główną metodą jest analiza statystyczna obejmująca obliczenie odsetka wykorzystanych funduszy w stosunku do przyznanych środków. W analizie tej uwzględniono cele tematyczne polityki spójności, a także krajowe i regionalne programy operacyjne.

Słowa kluczowe: Unia Europejska, polityka spójności, fundusze strukturalne, skuteczność