

REGIONAL OPERATIONAL PROGRAMS 2014–2020 AS A FINANCIAL INSTRUMENT SUPPORTING LOW-CARBON ECONOMY IN POLAND ON THE EXAMPLE OF THE WEST POMERANIAN VOIVODESHIP

BARTOSZ PILECKI

University of Szczecin, POLAND
e-mail: bartosz.pilecki@wzieu.pl

RECEIVED 3 May 2018
ACCEPTED 8 September 2018
JEL CLASSIFICATION O13, O20, Q59, R10

KEYWORDS low-carbon economy, EU funds, sustainable development, regional policy

ABSTRACT The article consists of three parts preceded by an introduction and ending with conclusions. The first part presents a synthetic presentation of the structure of the EU regional policy financing system and a list of EU funds and links with EU programs. The second part concerns the low-emission economy and its special role in the concept of sustainable socio-economic development. The third part is the analysis of the financing structure of investments in the field of low-emission economy in regional operational programs in Poland, with particular reference to the West Pomeranian Voivodeship. It contained the structure of financing of low-emission economy within the framework of Regional Operational Programs in all voivodships of Poland. Further analyzes were carried out in relation to the Regional Operational Program for the West Pomeranian Voivodeship for 2014–2020. The whole is summarized in conclusions – which is the fifth part of the article.
The aim of the publication is to analyze the structure of financial support from the European Regional Development Fund (ERDF) under the regional operational programs 2014–2020 (ROPs 2014–2020) in the aspect of low-emission economy. The author's remark was addressed on the priority of the Low-Emission Economy with particular emphasis on the West Pomeranian Voivodeship.

Introduction

The issue of regional development is currently one of the most important research areas, combining many scientific fields. In addition to such areas as geography, political science, sociology or economics, this concept is also associated with finances. Regional operational programs in recent years have become one of the most

important instruments for financing infrastructural investments, contributing to the implementation of regional development policy objectives.

A low-carbon economy is characterized by economic growth while reducing greenhouse gas emissions, mainly due to the reduction of the use of fossil fuels. The low-emission economy is based primarily on energy efficiency, the use of renewable energy sources and the use of innovative technologies that reduce emissions.

The combination of these issues has a particular impact on the economy of the entire country. It should take into account the provision of economic, social and environmental benefits. What in turn, by increasing the competitiveness of regions, increases competitiveness on the EU market and allows for feeding the Community budget.

Regional operational programs in the system of financing the regional policy of the European Union

The essence of regional policy is the equalization of economic differences between EU regions and in effect also between member countries. The assumption is that, the financial contributions from the EU budget go to the less economically and socially developed regions. At the same time, this is not about slowing down the dynamics of development of richer regions, but about accelerating it in relation to less developed regions. Expenditure on Community regional policy is implemented primarily from structural funds and the Cohesion Fund. Integration processes take place not only at the interregional level but also at the level of EU Member States (Drożdż, Jaworski, 2016, p. 45).

In the 2014–2020 financial perspective, Poland is the largest beneficiary of funds – in total, EUR 104,921,390,185 was allocated to Poland, which is over 16% of the total amounting to EUR 645,495,799,335 for 29 countries (European Commission Portal).

Table 1. Value and structure of the available allocation for Poland under the EU funds 2014–2020

| Fund | Budget | |
|--|-----------------|--------|
| | € | % |
| European Regional Development Fund (ERDF) | 47,506,283,280 | 45.28 |
| Cohesion Fund (CF) | 27,303,516,527 | 26.02 |
| European Social Fund (ESF) | 15,203,795,654 | 14.49 |
| European Agricultural Fund for Rural Development (EAFRD) | 13,612,211,430 | 12.97 |
| European Maritime and Fisheries Fund (EMFF) | 710,509,513 | 0.68 |
| Youth Employment Initiative (YEI) | 585,073,781 | 0.56 |
| Total | 104,921,390,185 | 100.00 |

Source: own study based on data from the European Commission Portal.

As the data presented in Table 1 shows, the largest pool comes from ERDF, it accounts for almost half of the allocation. Poland, also in the case of ERDF, is the largest beneficiary – from the available allocation dedicated to member countries. Amounting to EUR 279,776,401,248, there is 47,506,283,280 € for Poland, which is 17% (European Commission Portal). The allocation of financial resources from the ERDF takes place within thematic objectives also known as priority themes (Regulation (EU) No 1301/2013):

1. Strengthening research, technological development and innovation.
2. Increasing the accessibility, use and quality of ICT.

3. Strengthening the competitiveness of SMEs.
4. Supporting the transition to a low-carbon economy in all sectors.
5. Promoting adaptation to climate change, risk prevention and management.
6. Preservation and protection of the environment and promotion of effective resource management.
7. Promotion of sustainable transport and removing bandwidth shortages in the operation of the most important network infrastructure.
8. Promoting a high-quality employment and supporting employee mobility.
9. Promoting social inclusion, combating poverty and any discrimination.
10. Investing in education, training and vocational training for the acquisition of skills and lifelong learning through the development of education and training infrastructure.
11. Strengthening by strengthening institutional capacity and efficiency of public administration and the efficiency of public services related to the implementation of ERDF, and supporting projects under the ESF to strengthen institutional capacity and efficiency of public administration.

The distribution of funds from the ERDF takes place through operational programs. Table 2 presents individual EU programs together with the value and structure of financing – available for Poland in the 2014–2020.

Table 2. Value and structure of the available allocation for Poland under the EU programs 2014–2020

| Program | Fund | Budget | |
|-------------------------------------|----------|-----------------|--------|
| | | € | % |
| Regional (ROP) | ERDF/ESF | 36,946,428,487 | 36.02 |
| Infrastructure and Environment | ERDF/CF | 32,266,939,058 | 31.46 |
| National Rural Development – Poland | EAFRD | 13,612,211,430 | 13.27 |
| Smart growth | ERDF | 10,189,869,702 | 9.93 |
| Knowledge Education Growth | ESF/YEI | 5,451,980,109 | 5.32 |
| Digital Poland | ERDF | 2,566,836,160 | 2.50 |
| Technical Assistance | CF | 823,674,547 | 0.80 |
| Maritime and Fisheries – Poland | EMFF | 710,509,513 | 0.69 |
| Total | | 102,568,449,006 | 100.00 |

Source: own study based on data from the European Commission Portal.

As it results from the data presented in Table 2, the largest pool is assigned to regional operational programs, it constitutes over 36% of the available allocation. The main beneficiaries of ROPs 2014–2020 undertakings are mainly local self-government units and private entrepreneurs.

Low-carbon economy and regional development experience

Activities undertaken by regional and local authorities focus on creating conditions for sustainable socio-economic development. Forcing development strategies based on the cost criterion, however, does not create a stable basis for regional and local development. Such strategies do not work in the long run and significantly limit the dynamics of development of territorial systems. The implementation of a low-emission economy in all sectors is the basis for building sustainable development and energy governance (Pająk, 2013, p. 42).

In the perspective of financing 2014–2020, countries belonging to the EU for the first time were obliged to allocate part of the funds received from ERDF to implement projects related to low-emission economy. These activities are included in investment priorities within the fourth priority theme (Regulation (EU) No 1301/2013). Supporting the transition to a low-carbon economy in all sectors by:

1. Supporting the production and distribution of energy from renewable sources.
2. Promoting energy efficiency and the use of renewable energy sources in enterprises.
3. Supporting energy efficiency, intelligent energy management and the use of renewable energy sources in public infrastructure, including public buildings, and in the housing sector
4. Development and implementation of intelligent distribution systems operating at low and medium voltage levels.
5. Promoting low-carbon strategies for all types of territories, in particular for urban areas, including supporting sustainable multimodal urban mobility and adaptation measures with mitigation impact on climate change.
6. Promoting researches and innovations in low-carbon technologies and the introduction of these technologies.
7. Promoting the use of high-efficiency cogeneration of heat and electricity based on the demand for useful heat.

In addition, it is also visible to promote the introduction of low-carbon economic strategies in cities that include references to ecological forms of mobility and smart energy networks. The possibility of financing projects related to sustainable transport and mobility as well as intelligent systems of distribution, storage and transmission of energy implemented under the seventh theme of the priority is a confirmation of this direction of conducting EU regional policy (European Commission Portal).

Analysis of the structure of financing investments in the field of low-emission economy in regional operational programs in Poland, with particular emphasis on the West Pomeranian Voivodeship

The presented analysis allows to determine the diversity of financial support for activities related to low-carbon economy provided by voivodship self-governments by means of regional operational programs for 2014–2020. Another goal is to determine the structure of financing of investment priorities in this area in the West Pomeranian Voivodeship. Differences between the allocation values dedicated to voivodships under ROP's result from the application of the allocation of funds algorithm, taking into account three variables: population, GDP per capita and the level of unemployment. A key factor in the growth of RES is the scale of subsidies (Drożdż, 2013, p. 194).

Therefore, when analyzing the financing of investments related to the low-emission economy implemented under ROP 2014–2020 in individual voivodships, the share of financing of these investments in relation to the funds allocated for co-financing of projects in total should be taken into account, which was presented in Table 3.

As results from the data presented in Table 3, the co-financing structure of projects implemented under ROP 2014–2020 in the topic of the Low-carbon Economy priority, in relation to the value of co-financing of projects in individual voivodships, was on average diversified and ranged from 11.91% (Lubuskie Voivodeship) to 22.92% (Śląskie Voivodeship) – with a value determined for the whole country of 15.94%. The difference between the highest and the lowest value is 11 percentage points. These discrepancies result from socio-economic conditions specific to specific regions or adopted development strategies.

Table 3. Share of the available allocation in the topic of Low-carbon Economy priority in Poland within individual ROP 2014–2020

| Regional Operational Programme of Voivodeship | Budget of RPO (€) | Budget of Low Carbon Economy program (€) | Share of Low-carbon Economy in total budget in individual RPO's (%) |
|---|-------------------|--|---|
| Lower Silesia | 2,650,054,815 | 461,584,763 | 17.42 |
| Kuyavia-Pomerania | 2,239,459,167 | 332,030,086 | 14.83 |
| Lublin Province | 2,624,656,683 | 482,125,012 | 18.37 |
| Lubuskie Province | 1,066,976,116 | 127,065,012 | 11.91 |
| Lodzkie | 2,654,175,435 | 374,876,986 | 14.12 |
| Lesser Poland | 3,386,136,444 | 475,618,244 | 14.05 |
| Masovia | 2,612,300,177 | 405,448,942 | 15.52 |
| Opole Province | 1,111,726,819 | 145,294,118 | 13.07 |
| Subcarpathia | 2,487,345,607 | 349,714,403 | 14.06 |
| Podlasie Province | 1,424,173,482 | 212,388,236 | 14.91 |
| Pomerania | 2,193,896,122 | 370,553,798 | 16.89 |
| Silesia | 4,090,514,281 | 937,384,653 | 22.92 |
| Swietokrzyskie Province | 1,605,345,410 | 226,495,037 | 14.11 |
| Warmia-Masuria | 2,033,261,294 | 315,047,357 | 15.49 |
| Greater Poland | 2,882,595,789 | 415,853,150 | 14.43 |
| West Pomerania | 1,883,810,846 | 256,131,078 | 13.60 |
| Total | 36,946,428,487 | 5,887,610,875 | 15.94 |

Source: own study based on data from the European Commission Portal.

In the West Pomeranian Voivodeship, selected investment priorities are financed under the ROP 2014–2020 from ERDF. Table 4 presents the value and structure of the commitment for the implementation of the fourth subject of the ROP 2014–2020 priority, broken down into investment priorities including the sources of financing.

Table 4. Value, structure and sources of financing of the fourth theme of the priority in ROP WZ 2014–2020 “Supporting the transition to a low-carbon economy in all sectors”, broken down by investment priorities

| PI | ERDF (€) | National public contribution – budgets of JST (€) | Private contribution (€) | Total | |
|-------|-------------|---|--------------------------|-------------|--------|
| | | | | € | % |
| 4a | 67,135,000 | 352,941 | 11,494,412 | 78,982,353 | 30.84 |
| 4c | 40,576,416 | 4,410,625 | 2,749,919 | 47,736,960 | 18.64 |
| 4e | 100,000,000 | 17,647,059 | 0 | 117,647,059 | 45.93 |
| 4g | 10,000,000 | 0 | 1,764,706 | 11,764,706 | 4.59 |
| 4 | 217,711,416 | 22,410,625 | 16,009,037 | 256,131,078 | 100.00 |
| 4 (%) | 85.00 | 8.75 | 6.25 | 100.00 | X |

Source: own elaboration based on the indicative financial plan (eligible expenditure in EUR), annex to the Szczegółowy Opis Osi Priorytetowych Regionalnego Programu Operacyjnego Województwa Zachodniopomorskiego 2014–2020.

Referring to the data contained in Table 4, commitments for ROP WF 2014–2020 are spread between funds from ERDF – 85% and national public contribution and private contributions. The share of financing between the public contribution and the private contribution is comparable and amounts to 8.75% and 6.25% respectively.

The national public contribution includes funds from the state budget and local government budgets. However, in the case of the fourth priority theme, financing from the state budget does not occur.

Conclusions

The low-emission economy contributes to sustainable development, affecting not only the economic sphere, but also social and environmental. The socio-economic development of regions affects their competitiveness. Increasing competitiveness on the EU market, however, supports the supply of the Community budget. Despite the existence of ROPs in Poland, separated for each province, each of them is adapted to the socio-economic conditions of a specific region – the region. Therefore, the financing structure of individual support areas under ROP 2014–2020 differs from the structure of aggregate values for the whole country. Discrepancies in the financing prove a real decentralization of the process of creating regional policy, which better contributes to the identification and satisfaction of the needs of inhabitants of specific regions. Regional operational programs are therefore not only an instrument supporting the low-carbon economy but also a manifestation of the EU's intraregional policy.

References

- Drożdż, W. (2013). *Infrastruktura transportu przesyłowego jako element polityki bezpieczeństwa energetycznego Unii Europejskiej i Polski*. Szczecin: Polskie Towarzystwo Ekonomiczne.
- Drożdż, W., Jaworski, J. (2016). Korytarze przesyłowe w elektroenergetyce jako czynnik wzmacniania bezpieczeństwa energetycznego makroregionu na przykładzie Polski Zachodniej. In: K. Pająk (ed.), *Gospodarka niskoemisyjna i jej wpływ na rozwój województwa wielkopolskiego*. Warszawa: Państwowe Wydawnictwo Naukowe.
- Pająk, K. (2013). Bezpieczeństwo energetyczne w jednostkach samorządu terytorialnego. In: K. Pająk, A. Ziomek, S. Zwierzchlewski (eds.), *Ekonomia i zarządzanie energią a rozwój gospodarczy*. Toruń: Wydawnictwo Adam Marszałek.
- Portal of the European Commission (2018). Retrieved from: <https://cohesiondata.ec.europa.eu/overview#> (12.02.2018).
- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and specific provisions for the "Investments for growth and employment" and on the repeal of Regulation (EC) No 1080/2006, art. 5.
- Szczegółowy Opis Osi Priorytetowych Regionalnego Programu Operacyjnego Województwa Zachodniopomorskiego 2014–2020.

Cite this article as: Pilecki, B. (2018). Regional operational programs 2014–2020 as a financial instrument supporting low-carbon economy in Poland on the example of the West Pomeranian Voivodeship. *European Journal of Service Management*, 3 (27/1), 211–216. DOI: 10.18276/ejsm.2018.27/1-26.