

Programming of the 2014–2020 financial perspective

- Partnership Agreement

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Introduction

The *Partnership Agreement (PA)* is a document defining the strategy of interventions of European funds within the framework of three EU policies: the cohesion policy, the Common Agricultural Policy (CAP) and Common Fisheries Policy (CFP) in Poland in the years 2014–2020. The instruments for implementing the PA are national operational programmes (NOP) and regional operational programmes (ROP). These documents together with the PA form a consistent system of strategic documents and programming documents for the new financial perspective. On the one hand, the PA defines the strategic context in the thematic and territorial dimension, and on the other hand it defines the expected results and applicable financial and implementation framework. The PA provides a reference point for the purpose of detailing the contents of operational programmes. The operational programmes define specific areas of support and instruments for implementation while respecting the PA provisions. The PA negotiated with the European Commission (Commission) and the operational programmes form the basis for implementation of the new financial perspective in Poland.

Poland considers the European funds for the period 2014–2020 as the main, but not the only source of financing for investments which ensure dynamic and sustainable development. The logic of programming is therefore based on connecting the European expectations as regards focusing on the objectives of the *Europe 2020 strategy for smart, sustainable and inclusive growth* (hereinafter *Europe 2020 strategy*) with the national objectives indicated in the *National Development Strategy 2020 – Active Society, Competitive Economy, Efficient State (NDS 2020)* adopted by the Council of Ministers on 25 September 2012, and operationalised in the integrated strategies. It requires putting the development of Poland in a perspective wider than just in the context of using the EU funds.

First, the PA highlights the key development challenges of the country formulated on the basis of an analysis of the development needs and territorial potentials. Integrating them with national commitments to participate in reaching the objectives of *Europe 2020 strategy* is a starting point for defining an investment strategy for EU funds in particular areas.

The European funds will implement, to a different degree and to a different extent, all three objectives of the NDS 2020 adopted by the Polish government, i.e. they will contribute to enhancing competitiveness, improving social and territorial cohesion and improving the efficiency of administration. The PA objectives are thus identical with the NDS 2020 objectives and at the same time they remain synergic with the *Europe 2020 strategy*. Funding from the European funds will focus on areas important for the development of the country, indicated in the *Country Specific Recommendation* from July 2013 and the National Reform Programme (NRP).

This assumption, apart from the analysis of needs and lessons learned, constitutes one of the bases for selection of the areas indicated in the NDS 2020, in which the intervention under the European funds will take place. The diagnostic part extended in the PA, both from the thematic and territorial perspective, indicates reasons for the decisions taken.

In order to accommodate the Commission's expectations indicated in the *Position Paper (EC PP)*¹, four funding priorities have been established as regards the PA objectives: entrepreneurship and innovation-friendly business environment, social cohesion and labour market participation, network infrastructure for growth and jobs, and environment and effective resource management. They will be implemented under relevant thematic objectives (TO) indicated in the EU draft regulations.

Poland will implement all 11 thematic objectives. A description of interventions under thematic objectives follows a result-based logic developed in the process of an ex ante evaluation of the document. A detailed intervention objective and expected first order and lower order results corresponding to the challenges identified in the diagnostic part are defined under each thematic objective. These provisions will be specified at the NOP and ROP level.

The PA emphasises the importance of adjusting the intervention to the potentials and needs of given territories. Following the *National Strategy of Regional Development 2010–2020: Regions, Cities, Rural Areas (NSRD)*, it identifies areas of state strategic intervention in which integrated interventions under relevant policies and funds will be undertaken. The territorial aspect is reflected in the NOP and ROPs. Poland will use the territorial instruments proposed by the Commission. The PA delineates their implementation framework while the target mechanisms will be developed at the national level.

The PA assumes a significant increase in funds to be managed by the voivodeships. It means a greater responsibility for implementation of the PA objectives than so far and forces to develop mechanisms ensuring relevant coordination of the interventions. The PA presents an outline of the coordination system and also provides general assumptions regarding the division of interventions between the national and regional levels based, in particular, on the principle of subsidiarity. Implementation of dual-fund programmes (European Social Fund – ESF and European Regional Development Fund – ERDF) by the voivodeship authorities, first allowed for in the programming period 2014–2020, serves to ensure coordination between the cohesion policy funds at the regional level.

¹ Position of the Commission Services on the development of Partnership Agreement and programmes in POLAND for the period 2014–2020.

When preparing the PA, social consensus on the strategy for using the European funds in the period 2014–2020 was sought to be as far-reaching as possible. Both the Assumptions for the PA and the draft document prepared on their basis were developed in cooperation with the major stakeholders – ministries and regions. Opinions of social and economic partners as well as analyses prepared for the programming process were also taken into account. It allows to count for significant identification of the stakeholders with the solutions proposed in the document, which will constitute an important factor affecting the process of implementing the new perspective.

In light of ongoing work on the EU Regulation regarding the European Maritime and Fisheries Fund (EMFF), the strategic documents prepared for 2014–2020, i.e. the PA and the programmes for implementing it, may be complimented in such a way as to reflect the provisions in that respect adopted at the EU level.

1 SOLUTIONS ENSURING CONSISTENCY WITH THE EUROPE 2020 STRATEGY

1.1 Solutions ensuring link with the implementation of Europe 2020 strategy objectives

1.1.1 National Development Strategy 2020 as a response to Europe 2020 strategy

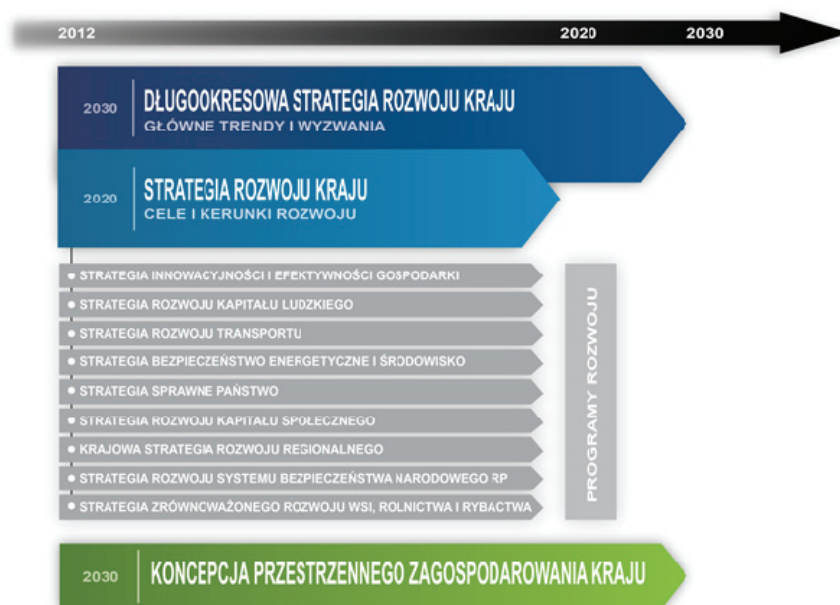
In recent years, Poland has created a complex country development management system. The system comprises of strategic documents which provide the basis for the development policy in Poland:

- Long-term national development strategy – *Long-Term National Development Strategy. Poland 2030. Third Wave of Modernity* (LTNDS)², which defines major trends and challenges as well as the concept of the country development in the long-term;
- Medium-term development strategy – NDS 2020³, which is the most important document setting out strategic objectives for the country development until 2020, and key in determining the development activities, including those that can potentially be funded under the future EU financial perspective 2014-2020;
- Nine integrated, cross-sector strategies which are aimed at achieving the identified development objectives: *Strategy for Innovation and Efficiency of the Economy – Dynamic Poland 2020* (SIEE), *Human Capital Development Strategy* (HCDS), *Transport Development Strategy until 2020 (with a prospect until 2030)* (TDS), *Strategy for Energy Security and Environment* (ESE), *Efficient State Strategy* (ESS), *Social Capital Development Strategy* (SCDS), *National Strategy of Regional Development* (NSRD), *Strategy for Development of the National Security System* (NSS), *Strategy for Sustainable Development of Rural Areas, Agriculture and Fisheries* (SDRAAF).

The LTNDS, the NDS 2020 and nine integrated strategies are linked by a coherent hierarchy of objectives and directions of intervention. The narrow, sectoral approach in the integrated strategies has been abandoned for the benefit of area integration and permeability of different phenomena and processes. The NSRD (adopted by the Council of Ministers on 13 July 2010) plays an important role in the system showing the scope of the territorial impact of the interventions implemented under individual public policies, and therefore also under other integrated strategies, on the country development. It presents the key regional development challenges and outlines the development objectives in various areas, taking into account their functions, existing potentials and barriers. Cross-regional strategies also serve as an additional element to support the territorial dimension.

The National Spatial Development Concept (NSDC), which was adopted by the Council of Ministers on 13 December 2011, constitutes a spatial framework for the development policy in Poland, including implementation of individual development strategies. It is the main strategic document for the creation of spatial order in Poland, which also addresses issues related to development, in which space is treated as a reference plane for development activities. The following diagram shows the links between national strategic documents.

Diagram 1: System of national strategic documents.



² Adopted by the Council of Ministers on 5 February 2013.

³ Adopted by the Council of Ministers on 25 September 2012.

DŁUGOOKRESOWA STRATEGIA ROZWOJU KRAJU GŁÓWNE TRENDY I WYZWANIA	LONG-TERM NATIONAL DEVELOPMENT STRATEGY MAJOR TRENDS AND CHALLENGES
STRATEGIA ROZWOJU KRAJU CELE I KIERUNKI ROZWOJU	NATIONAL DEVELOPMENT STRATEGY OBJECTIVES AND DIRECTIONS OF DEVELOPMENT
STRATEGIA INNOWACYJNOŚCI I EFEKTYWNOŚCI GOSPODARKI	STRATEGY FOR INNOVATION AND EFFICIENCY OF THE ECONOMY
STRATEGIA ROZWOJU KAPITAŁU LUDZKIEGO	HUMAN CAPITAL DEVELOPMENT STRATEGY
STRATEGIA ROZWOJU TRANSPORTU	TRANSPORT DEVELOPMENT STRATEGY
STRATEGIA BEZPIECZEŃSTWO ENERGETYCZNE I ŚRODOWISKO	STRATEGY FOR ENERGY SECURITY AND ENVIRONMENT
STRATEGIA SPRAWNE PAŃSTWO	EFFICIENT STATE STRATEGY
KRAJOWA STRATEGIA ROZWOJU REGIONALNEGO	NATIONAL STRATEGY OF REGIONAL DEVELOPMENT
STRATEGIA ROZWOJU SYSTEMU BEZPIECZEŃSTWA RP	STRATEGY FOR DEVELOPMENT OF THE NATIONAL SECURITY SYSTEM
STRATEGIA ZRÓWNOWAŻONEGO ROZWOJU WSI, ROLNICTWA I RYBACTWA	STRATEGY FOR SUSTAINABLE DEVELOPMENT OF RURAL AREAS, AGRICULTURE AND FISHERIES
PROGRAMY ROZWOJU	DEVELOPMENT PROGRAMMES
KONCEPCJA PRZESTRZENNEGO ZAGOSPODAROWANIA KRAJU	NATIONAL SPATIAL DEVELOPMENT CONCEPT

Work on the national strategic documents coincided with elaboration of the development objectives for the European Union in its primary document – *Europe 2020 strategy*, in particular with drafting the *National Reform Programme for the implementation of Europe 2020 strategy* (NRP) and its subsequent updates. Thus, the development objectives and priorities indicated in the national documents are to a large extent in line with and are consistent with the European objectives: employment objective – mainly actions are envisaged in the HCDS, innovation objective – mainly actions envisaged in SIEE, energy and climate objective – mainly actions envisaged in HCDS and *Strategy for Innovation and Efficiency of the Economy*, poverty reduction objective – mainly actions envisaged in HCDS. Additionally, other integrated strategies and implementation documents for these strategies will contribute to achieving the *Europe 2020 strategy* objectives.

The NRP determines how the actions set out in the above-mentioned strategic documents are to be implemented so that they are in line with the priorities under common actions in the whole EU. The Commission annually analyses progress in the NRP implementation and formulates recommendations (Country Specific Recommendations – CSR) which, after being adopted by the Council of the European Union, constitute the basis for preparing NRP updates for the subsequent year.

The annual update of the NRP, provided under the so called European Semester makes it possible to flexibly respond to the changing conditions of the implementation of the priorities set out in the NDS 2020.

The NDS is closely linked with the PA. Poland's commitments adopted in the NDS and the CSR formulated after its analysis constitute one of the key elements taken into account when formulating directions of actions under individual thematic objectives of the ESIF.

1.1.2 Ongoing monitoring of implementation of the Europe 2020 strategy objectives

The Europe 2020 strategy objectives were set out at the European Union level as Community objectives and disaggregated at the Member State level. All public policies, especially those implemented using the European Structural and Investment Funds (ESIF), should contribute to achieving these objectives. In accordance with the logic adopted in the legislative package for ESIF 2014–2020, all thematic objective indicated in Article 9 of the Framework Regulation contribute to implementation of Europe 2020 strategy which means a 100% earmarking of funds to its implementation.

Therefore, implementation of the PA will contribute to bringing Poland closer to the national objectives set out at the Europe 2020 strategy level, described in detail in the diagnosis, however, this influence is not predominant as shown by the estimations confirmed under the ex ante evaluation.

Progress in reaching the target levels of the Europe 2020 strategy will be monitored at the national and regional level. To this end Central Statistical Office (CSO) created STRATEG – a strategic monitoring system which gathers monitoring indicators from all national and regional strategies and operational programmes, with data derived from Eurostat, Central Statistical Office and other sources since 2003.

A common problem in monitoring the Europe 2020 strategy objectives – faced by the majority of the Member States – is lack of certain indicators in a regional cross-section. Therefore, the national strategic development objectives resulting from the Europe 2020 strategy in regional sections will be monitored mainly in relation to: **labour market and social inclusion as well as investment in research and development.**

Implementation of the objectives will depend on many factors, both internal and external, therefore the assessment of the impact of the PA and the national and regional programmes on the Europe 2020 strategy objectives will be performed under interim evaluations.

1.1.3 Link between national development objectives and the Europe 2020 strategy objectives

Poland managed to achieve a far-reaching compliance between objectives defined at the level of the Europe 2020 strategy and objectives indicated in the NDS 2020 and integrated strategies related with it, which was possible mainly due to synchronisation of timing of strategic works at the national and EU level.

The NDS 2020 together with the related nine integrated strategies are a reference point for implementation of the development objectives of the country in the context of use of both national and EU funds. The national development objective indicated in the NDS 2020 is to strengthen and make use of the economic, social and institutional capacities in order to ensure rapid sustainable development of the country, and to improve the quality of life. This strategic objective will be achieved in the following areas:

- Competitive economy;
- Social and territorial cohesion;
- Effective and efficient state.

Five NDS 2020 objectives resulting directly from the *Europe 2020 strategy* refer to: increasing employment, stimulating innovation (measured by the overall increase in R&D expenditure and increase in the share of enterprises expenditure), reducing the greenhouse gas emissions and increasing the share of renewable energy in the final energy consumption, raising the educational level and supporting social inclusion. The other NDS 2020 objectives resulting from the national situation will also contribute to implementation of the Europe 2020 strategy.

These objectives and areas are also linked with the EU Strategy for the Baltic Sea Region (EUSBSR).

Taking into account the above-mentioned development objectives of the country, resources from the European Structural and Investment Funds (ESIF) within the framework of the PA focus on the following financial priorities:

- Entrepreneurship and innovation-friendly business environment;
- Social cohesion and labour market participation;
- Network infrastructure for growth and jobs;
- Environment and effective resource management.

These areas are in line with the funding priorities indicated for Poland by the Commission in its Position Paper. The success in implementing the NDS objectives will be measured with a set of indicators, which in certain areas serve also as monitoring indicators under the Europa 2020 strategy for Poland, which is illustrated in the table below. Other indicators related to the Europa 2020 strategy are presented in Table 3.

Table 1: Baseline and target of primary development indicators

Indicator	Unit of measure	Base value	Source of data	Measurement interval	Intermediate value ⁴ (2020)	Target value ⁵ (2023)
Investment rate	%	18.43 (2013)	CSO	annual	20.08	20.15
GDP per capita at PPS	UE-28=100	66.80 (2012)	Eurostat	annual	77.07	78.65
Employment rate of people aged 20–64	%	64.90 (2013)	GUS	annual	71.00	71.59
GDP per employee at PPP	UE-28=100	73.50 (2012)	Eurostat	annual	81.32	83.04
General government balance in relation to GDP	%	-3.90 (2012)	CSO	annual	- 0.90	- 0.90

⁴ The approach to estimating intermediate and target values of the macroeconomic indicators was presented in the report under the ex ante evaluation.

⁵ As above.

General government debt in relation to GDP	%	57.00 (2013)	CSO	annual	45.30	45.09
Human development index (HDI)	synthetic measure	0.82 (2012)	UNDP	annual	0.83	0.83
Resource productivity	EUR/kg	0.40 (2011)	Eurostat	annual	0.54	0.60
The percentage of 30–34 year-olds with a university diploma	%	40.50 (2013)	CSO	annual	45.68	47.90
Young people who are not in education	%	5.60 (2013)	CSO	annual	4.50	4.28

The indicator marked blue is a monitoring indicator for the Europe 2020 strategy for Poland.

Mechanisms will be put in place to link the regional operational programmes with the national Europe 2020 strategy objectives by:

1. Presenting the gap between the individual regions and the national Europe 2020 strategy objectives in terms of employment and reducing poverty;
2. Prioritisation of actions under the regional operational programmes that will contribute the most to filling the gaps identified and choosing allocations adequate for them within the programme;
3. At the national and regional level, monitoring the reduction of the identified gaps and adjusting the allocations to the actions depending on the results of the above monitoring actions.

Efficient use of the ESIF funds is one of the key conditions for reaching the development objectives of the country, for which the European funds will constitute an important, but not the only source of financing in 2014–2020. It is estimated that between 2014 and 2020 ca. 1/3 of the development expenditure of the country will be financed from the EU funds.

Diagram 2: Relations and links between national and EU documents.



POZIOM UNIJNY	EU LEVEL
STRATEGIA UE "EUROPA 2020"	EUROPE 2020 STRATEGY
EUROPEJSKI SEMESTER	EUROPEAN SEMESTER
ZALECENIA DLA POSZCZEGÓLNYCH KRAJÓW (CSR)	COUNTRY SPECIFIC RECOMMENDATIONS (CSR)
WSPÓLNE RAMY STRATEGICZNE	COMMON STRATEGIC FRAMEWORK
WIELOLETNIE RAMY FINANSOWE	MULTIANNUAL FINANCIAL FRAMEWORK
POLITYKA SPÓJNOŚCI (EFRR, EFS, FS)	COHESION POLICY (ERDF, ESF, CF)
WPR	CAP
WPRYB	CFP
POZIOM KRAJOWY	NATIONAL LEVEL
KRAJOWY PROGRAM REFORM	NATIONAL REFORM PROGRAMME
UMOWA PARTNERSTWA	PARTNERSHIP AGREEMENT
ŚSKR 2020	MEDIUM-TERM DEVELOPMENT STRATEGY
9 STRATEGII ZINTEGROWANYCH	NINE INTEGRATED STRATEGIES
DŁUGOOKRESOWE DOKUMENTY STRATEGICZNE (DSRK, KPZK)	LONG-TERM STRATEGIC DOCUMENTS (LTNDS, NSDC)

1.1.4 Role of the Partnership Agreement in the implementation of the NRP and Country Specific Recommendations

Poland's commitments adopted in the NRP as well as the CSR were taken into consideration when deciding on the direction of actions under particular ESIF thematic objectives. Due to such an approach interventions financed from the EU funds reinforce efforts of the Member State aimed at introducing the necessary reforms and fulfilling the Recommendations.

Selected interventions of the European Social Fund (under TO 8, TO 9, TO 10, TO 11 respectively) contribute to the implementation of:

- Recommendation No. 3 – by reducing youth unemployment, propagating lifelong learning, improving the quality of teaching, promoting and improving the quality of initial vocational training in terms of further improving its relevance to labour market needs. Moreover, actions such as e.g. increasing adaptability and competences of the employees will contribute to reducing the scale of the problem of the so called workers in poverty;
- Recommendation No. 4 – by integrating disadvantaged groups into the labour market, including women (by ensuring i.a. better access to childcare and pre-school education), elderly people (by supporting adaptability of the employees and healthy ageing), farmers and their family members (by supporting professional reorientation of farmers).

In the context of the Council Recommendation No. 4, interventions taken under the Rural Development Programme (RDP) as regards increasing professional mobility of farmers using an instrument of a premium for setting up non-agricultural activity and support for undertaking activities in the field of processing and marketing of agricultural products by farmers are also important. Moreover, under LEADER programme support will be provided for diversification of economic activity in rural areas as regards small projects aimed at food production and trainings will be conducted on diversification of farming activities into non-agricultural activities. It will contribute to improving intersectoral mobility of farmers consisting in facilitation of flow of labour resources from agriculture to other sectors of national economy. However, in this area the social security system plays only a supporting role.⁶

- Recommendation No. 7 – by improving the access and the efficiency of the justice system in civil law and commercial cases and by better regulation;
- Recommendation No. 2 – by actions to improve budgetary coordination mechanisms among different levels of government.

ERDF and CF interventions (under TO 1, TO 2, TO 3, TO 4, TO 6, TO 7 respectively) contribute to the implementation of:

- Recommendation No. 5 – by concentrating funds on actions regarding the transfer of results of R&D and innovation to the economy and adjustment of forms of support: grant, repayable and mixed support to the identified market needs;
- Recommendation No. 6 – by ensuring access to broadband networks, improving waste and water management, increasing investments in the rail sector, investing in the energy sector – improving electricity and natural gas transmission and distribution infrastructures as well as improving energy and natural gas storage solutions.

Moreover, meeting the ex ante condition in relation to TO 9 by establishing a framework for investment in the health protection sector (Policy paper on health protection for 2014–2020. National strategic framework) will contribute to implementing Recommendation No. 1 as regards increasing the cost effectiveness and efficiency of spending in the health care sector.

Links between the PA objectives, areas identified in the Commission's Position Paper and the Country Specific Recommendations of 2013 are presented in Table 2.

⁶ The government work plan envisages a reform of the farmers' social security system and defines objectives of this reform. The objectives also include issues that will have a direct impact on increasing mobility of the persons covered with the system. Work on the assumptions to the reform of the farmers' social security system, the essence of which will consist in rationalisation of budget expenditure on that system, is ongoing. Achieving that objective requires, however, a prior introduction in Poland of an obligation of common accounting in farms and covering farmers with the common tax system.

Table 2: Links between the PA objectives, areas identified in the Commission's Position Paper and Country Specific Recommendations of 2013.

Main objectives of the PA	PA			Europe 2020 strategy		CSR	Commission's Position Paper	
	Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities	Flagship initiative		Funding priorities	Directions of actions
ENHANCING COMPETITIVENESS OF THE ECONOMY	Entrepreneurship and innovation-friendly business environment	Improving the quality and internationalisation of scientific research, and increasing the degree of commercialization thereof	Improving research and innovation infrastructure in the research and enterprise sector	Smart growth	Innovation Union	<p>Council Recommendation No. 5 for 2013–2014: Take additional measures to ensure an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives and by better targeting existing instruments to the different stages of the innovation cycle.</p>	<p>Innovation-friendly business environment</p>	Strengthening private R&I investments
			Development of personnel in the R&D sector					Enhancing R&I infrastructure to develop R&I excellence
			Internationalisation of Polish science, including creation of international research agendas in Poland					
			Transfer of knowledge and innovation to the economy					
			Fostering the innovation-friendly environment for innovative businesses					
	Modern network infrastructure	Increasing the use of ICT in the economy and the society	Increasing the scale of operations of enterprises	<p>Council Recommendation No. 6 for 2013–2014: (...) Accelerate efforts to increase broadband coverage. (...)</p>	<p>Modern network infrastructure for growth and jobs</p>	<p>Building effective business support environment supporting innovation, entrepreneurship and internationalisation</p> <p>Increasing productivity through entrepreneurship and innovation</p> <p>Fostering structural changes in the economy</p> <p>Developing ICT products and services, e-commerce and enhancing demand for ICT</p>	<p>Extending broadband deployment and the roll-out of high-speed networks</p>	
			Increasing productivity of enterprises					
			Diversification of activity and new business models					
			Increasing the use of ICT in SMEs					
			Ensuring access to broadband networks					

Main objectives of the PA	PA		Europe 2020 strategy		CSR	Commission's Position Paper	
	Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities		Flagship initiative	Funding priorities
		Better competences of personnel in the economy	Improving the quality of education		<p>Council Recommendation No. 3 for 2013–2014: Strengthen efforts to reduce youth unemployment, for example through a Youth Guarantee, increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching. Adopt the proposed lifelong learning strategy. (...)</p>	Increasing labour market participation through improved employment, social inclusion and education policies	Improving the quality, efficiency and openness of tertiary and equivalent education
			Strengthening the link between the education system and skills of graduates and the labour market needs				Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
			Better access to high quality education services for groups with special needs				Developing open and easily available on-line learning resources, open on-line educational practices and the use of open networks
			Increasing employability of economically inactive job-seekers				Developing skills required by sectors of the economy, such as: silver economy, personal services and health and social services; low-carbon and climate-resilient
		More efficient use of resources on the labour market	Professional reorientation of farmers and their family members	Smart growth Inclusive growth			Promoting equal access to good-quality early-childhood, primary and secondary education
			Agenda for new skills and jobs		<p>Council Recommendation No. 3 for 2013–2014: Strengthen efforts to reduce youth unemployment (...) Combat in-work poverty and labour market segmentation (...).</p> <p>Council Recommendation No. 4 for 2013–2014: Continue efforts to increase female labour market participation, in particular by investing in affordable quality childcare and pre-school education, and by ensuring stable funding and qualified staff. With a view</p>		Active and healthy ageing
							Sustainable integration of young people not in employment, education or training into the labour market
							Equality between men and women and reconciliation between work and private life
							Job creation in particular in areas offering new sources of growth (green economy, silver economy, ICT, personal services and health and social services)
							Economic diversification in rural, fisheries and coastal areas

Main objectives of the PA	PA			Europe 2020 strategy		Commission's Position Paper		
	Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities	Flagship initiative	CSR	Funding priorities	Directions of actions
			<p>Improving adaptability of economically active persons and employers, especially in the SME sector</p> <p>Improving the health of the workforce</p>			<p>to improving sectoral labour mobility, take permanent steps to reform the KRUS. (...) Underpin the general pension reform with measures promoting the employability of older workers to raise exit ages from the labour market.</p> <p>Council Recommendation No 1 for 2013–2014: (...) reassesses expenditure policies improving the targeting of social policies and increasing the cost effectiveness and efficiency of spending in the healthcare sector. (...)</p>		<p>Employment opportunities for workers affected by negative implications of restructuring</p> <p>Adaptation of existing jobs, skills and qualifications to requirements of a low-carbon and climate-resilient economy</p>
	Environment and resource management		Improving the energy efficiency of the economy			<p>Council Recommendation No. 6 for 2013–2014: Renew and extend energy generation capacity and improve efficiency in the whole energy chain. Speed up and extend the development of the electricity grid, including cross-border interconnections, and eliminate obstacles in electricity cross-border exchange. (...)</p>	<p>Environment-friendly and resource-efficient economy</p>	<p>Promoting energy efficiency</p> <p>Supporting and facilitating investment in RES</p> <p>Reduction of greenhouse gas emissions in the agricultural and forestry sectors</p>
	Modern network infrastructure	Decarbonisation of the economy	<p>Increasing the share of RES</p> <p>Reduction of emissions from transport in urban agglomerations</p>				<p>Modern network infrastructure for growth and jobs</p>	<p>Developing and modernisation of energy distribution systems</p> <p>Developing environment-friendly transport systems and promoting sustainable urban mobility</p>
	Environment and effective resource management	Improving adaptation to climate change and development of risk management systems	<p>Reducing the sensitivity of areas and sectors vulnerable to climate change</p> <p>Development of risk management systems</p>				<p>Environment-friendly and resource-efficient economy</p>	<p>Adaptation to climate change in the field of water management and flood prevention</p> <p>Adaptation to climate change in other areas (forest management, land use,</p>

Main objectives of the PA		PA		Europe 2020 strategy		Commission's Position Paper	
Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities	Flagship initiative	CSR	Funding priorities	Directions of actions
	Enhancing effective use of natural and cultural resources, and conservation thereof	Maintaining efficient use of resources	Sustainable growth	A resource-efficient Europe	Council Recommendation No. 6 for 2013–2014: (...) Improve waste and water management.		management of coastal zones)
		Reduction of pressure on the environment					Addressing significant needs in the water and waste sectors to fulfil requirements of EU legislation
							Protection of biodiversity, soil protection and promoting ecosystem services and green infrastructures
	Improving the quality and functioning of the transport system and improving national transport accessibility from the European perspective	Increasing national transport accessibility from the European perspective			Council Recommendation No. 6 for 2013–2014: (...) Strengthen the role and resources of the railway market regulator and ensure effective implementation of railway investment projects without further delay. (...)	Modern network infrastructure for growth and jobs	Improvement of the urban environment, including regeneration of brownfield sites and reduction of air pollution
		Increasing the level of security of the transport system					Developing comprehensive, high quality and interoperable railway systems
		Developing alternative forms of transport					Enhancing competitiveness of the economy through investing in the road TEN-T and connecting secondary and tertiary nodes to TEN-T infrastructure
	Increasing stability of electricity and natural gas supply	Improving the transmission and distribution infrastructures of electricity and natural gas (including construction and extension of LNG terminal)			Council Recommendation No. 6 for 2013–2014: Renew and extend energy generation capacity (...).		Developing environment-friendly transport systems and promoting sustainable urban mobility
		Improving the capacity to store electricity and natural gas					
		Active social inclusion					
TERRITORIAL AND SOCIAL COHESION	Increasing employability of poor and socially excluded persons or persons at risk of poverty and social exclusion	Active social inclusion	Inclusive growth	European platform against poverty	Council Recommendation No. 3 for 2013–2014: (...) Combat in-work poverty (...).	participation through improved employment, social inclusion and education	Active inclusion
		Integration of services provided by various public services					Promoting social innovations
		Supporting social economy and					

PA			Europe 2020 strategy		Commission's Position Paper																			
Main objectives of the PA	Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities	Flagship initiative	CSR																		
INCREASING EFFECTIVENESS AND EFFICIENCY OF THE STATE	Entrepreneurship and innovation-friendly business environment	Improving administrative and legal conditions for development of the economy	jobs in social enterprises	Sustainable growth	European Digital Agenda	<p>Council Recommendation No. 2 for 2013–2014: (...) Take measures to strengthen annual and medium-term budgetary coordination mechanisms</p>	<p>Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance</p>																	
			Increasing access to affordable public services					<p>Council Recommendation No. 6 for 2013–2014: (...) Strengthen the role and resources of the railway market regulator and ensure effective implementation of railway investment projects without further delay. (...)</p>	<p>Modern network infrastructure for growth and jobs</p>	<p>Enhancing competitiveness of the economy through investing in the road TEN-T and connecting secondary and tertiary nodes to TEN-T infrastructure</p>														
			Increasing the share of support in the form of non-stationary services					A resource-efficient Europe			<p>Council Recommendation No. 7 for 2013–2014: (...) Take further steps to improve the business environment by simplifying contract enforcement and requirements for construction permits and by reducing tax compliance costs. (...)</p>	<p>Innovation-friendly business environment</p>												
			Comprehensive regeneration										<p>Improving intraregional transport accessibility</p>	<p>Physical and economic regeneration of deprived urban and rural communities (including CLLD)</p>										
			Increasing development opportunities and increasing social cohesion in peripheral areas												<p>Improving the quality of transport system</p>	<p>Enhancing competitiveness of the economy through investing in the road TEN-T and connecting secondary and tertiary nodes to TEN-T infrastructure</p>								
			Inclusion of communities living in peripheral and degraded areas														<p>Developing alternative forms of transport</p>	<p>Physical and economic regeneration of deprived urban and rural communities (including CLLD)</p>						
			Mitigating the risk of social exclusion caused by disproportions in access to public services																<p>Improving the quality of regulations (legislation)</p>	<p>Enhancing competitiveness of the economy through investing in the road TEN-T and connecting secondary and tertiary nodes to TEN-T infrastructure</p>				
			Improving the quality and functioning of the transport system and improving national transport accessibility from the national perspective																		<p>Improving the quality of services in public administration</p>	<p>Physical and economic regeneration of deprived urban and rural communities (including CLLD)</p>		
			Improving administrative and legal conditions for development of the economy																				<p>Improving efficiency of the justice system</p>	<p>Physical and economic regeneration of deprived urban and rural communities (including CLLD)</p>
			Improving administrative and legal conditions for development of the economy																					
Improving administrative and legal conditions for development of the economy	<p>Improving the quality of strategic management and financial governance</p>	<p>Physical and economic regeneration of deprived urban and rural communities (including CLLD)</p>																						

PA				Europe 2020 strategy		Commission's Position Paper		
Main objectives of the PA	Priority areas of support	Specific objectives of the PA	Directions of actions	Priorities	Flagship initiative	CSR	Funding priorities	Directions of actions
		Increasing the use of ICT in the economy and the society	Strengthening the use of ICT in the public services			among different levels of government.		Strengthening ICT applications for e-government (including e-procurement), e-learning, e-culture, e-inclusion and e-health

1.2 Basic national development needs – territorial diversification - key barriers in the context of Europe 2020 strategy

The main objectives of the Partnership Agreement, i.e. enhancing competitiveness of the economy, improving social and territorial cohesion and increasing effectiveness and efficiency of state administration, as well as specific objectives and directions of actions described further in the document were laid down based on the analysis of barriers and potentials at both the national level (NDS 2020) and the European level (Country Specific Recommendations and the Position Paper of the European Commission).

The diagnosis refers to the current situation in a given area, identifying basic problems, the resolution of which will be the subject of intervention under the European funds.

Since the ESI Funds interventions are focused on the objectives of Europe 2020 strategy, the distance to achieving the objectives of Europe 2020 strategy at the national level and, where possible, also at the regional level (at NUTS2 level) was adopted as the starting point for the analysis of needs and potentials for which the EU support was programmed in the years 2014–2020.

The achievement of objectives assumed in the Partnership Agreement and in the programmes is largely determined by **macroeconomic conditions**. In the face of uncertainty about the future external factors such as the future of the Euro zone, change of the world geo-economic structure, growing competition for the access to natural resources and the obligation of greater consideration regarding impact of the economic decisions on the environment, as well as due to the need to undertake structural reforms within the country, such as the public finance sector reforms aimed at greater focus on development-oriented actions, further reduction of the gap between Poland and highly developed countries in respect of development requires undertaking development policy which will stimulate economic growth based on improved innovation and competitiveness of the national and regional economies. However, this depends, *inter alia*, on development of key network infrastructure (transport, broadband networks, energy system), improvement of economy competitiveness factors other than price competitiveness (which is decreasing), enhancement of productivity and ensuring effective management of natural resources, as well as increasing the quality of human and social capital.

Maintaining the fast pace of convergence requires, however, both keeping a fast pace of economic growth in the situation of the lately observed economic slowdown and counteracting the risk of so-called “middle income trap” in Poland.

In the 2007–2012 period the average rate of GDP growth amounted to 4.0% (compared to the EU average of 0.4%), which accelerated convergence with the EU countries in respect of GDP per capita: in 2012 it accounted for 66% of the EU average (increase by 14 percentage points compared to 2006).

1.2.1 Analysis of needs in the context of achieving national and regional development objectives

The diagnosis has been compiled mainly based on in-depth analysis of ongoing socio-economic changes in sectoral and territorial terms conducted by the minister responsible for regional development and the minister responsible for agriculture, rural development and fisheries, a vast number of evaluations and analyses prepared by other ministries, central and local government institutions, and research centres. The diagnosis also builds on analytic work performed at the stage of drawing up of individual national development strategies. The diagnosis of barriers in individual areas, common for NDS 2020 and Europe 2020 strategy, is a starting point for defining specific objectives of the Partnership Agreement, while the analysis of previous experience provides the guidelines on necessary directions of interventions and the method for their implementation.

The first part of the diagnosis formulates three main development problems of the country and their constituent specific problems relating to individual branches or sectors of the economy. Interventions of ESIF under individual thematic objectives listed in the framework regulation will contribute to enhancing the competitiveness of the economy, improving social and territorial cohesion and increasing efficiency and effectiveness of the state which constitute the development objectives of the country listed in NDS 2020.

The second part of the diagnosis relating to territorial dimension presents the needs and potentials of the areas of strategic interventions (ASI) identified at the national level.

At the same time, operational programmes, taking into account in particular the conclusions from analyses and evaluations, including those referring to specific socio-economic indicators in the given areas, programme intervention in a way ensuring its optimal adjustment to specific needs and potentials.

- **Thematic diagnosis**

PROBLEM: LOW COMPETITIVENESS OF THE ECONOMY
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- **Low level of research and development expenditure and low research applicability – diagnosis for TO 1**

Despite significant investments in infrastructure of the research and development sector and systemic actions aimed at increasing the effectiveness of the sector, the ratio of R&D expenditure to GDP is still relatively low (0.76% in 2011 compared to 2.03% on average in the EU), although it must be emphasized that in 2012 the ratio grew to 0.9% of GDP. In this context it should be stressed that Poland has adopted the R&D expenditure level amounting to 1.7% GDP as a national objective of the *Europe 2020 strategy* (compared to the EU average of 3%). The low level of research and development investments of the enterprise sector, which in 2012 increased to 0.33%, is particularly disadvantageous for the economy (0.23% in 2011, compared to the EU average of 1.26%). A considerable diversity between the EU NUTS 2 regions is observed, with a characteristic feature being their high concentration in metropolitan areas and capitals. Poland is no exception in this regard, with 34% of total expenditure incurred in the Mazowieckie Voivodeship and further 30% in another three voivodeships (Małopolskie, Wielkopolskie and Śląskie) which means that the remaining 12 voivodeships accounted for one third of expenditure. The R&D expenditure exceeded the national average⁷ in only three voivodeships: Mazowieckie (1.37% of GDP), Małopolskie (1.06% of GDP) and Podkarpackie (0.95% of GDP). In the seventh progress report on cohesion, the European Commission emphasized that in numerous regions of Romania, Bulgaria, Greece and Poland the R&D expenditure did not exceed 0.5% of their GDP. In Poland they included 6 voivodeships: Lubuskie – 0.17%, Kujawsko-Pomorskie – 0.27%, Zachodniopomorskie – 0.34%, Świętokrzyskie – 0.38%, Podlaskie – 0.41% and Warmińsko-Mazurskie – 0.48%. This is a group of regions with the largest distance to the assumed national objective. The indicator grew most dynamically in the Podkarpackie Voivodeship (from 0.3% in 2005 to 0.95% of GDP in 2011, i.e. by 0.56 percentage points), in Świętokrzyskie and Warmińsko-Mazurskie Voivodeships – by 0.3 percentage points and in Lubelskie and Pomorskie Voivodeships – by over 0.2 percentage points. Most of those regions belong to the least economically developed voivodeships of Eastern Poland and the success in promoting investments in R&D may be largely attributed to the impact of interventions co-financed from the EU funds. As regards investments in R&D in the enterprise sector, the situation varied from voivodeship to voivodeship, with the Podkarpackie Voivodeship being the leader with its share exceeding 72%, followed by Dolnośląskie and Śląskie Voivodeships with approximately 45%. In numerous regions, the indicator did not exceed 20% which means that the involvement of enterprises in financing of R&D was insignificant.

Low investment capital for research and development translates into unsatisfactory effects in the area of science and technology and, consequently, low innovation of the economy. Poland does not take full advantage of the opportunities for creating valuable and stable jobs. A small percentage of SMEs introduce internal innovation or cooperate with other enterprises and develop cross-border and international cooperation, which is stressed, inter alia, in the EU Strategy for the Baltic Sea Region (EUSBSR).

The analysis of the data referring to the number of companies involved in R&D reveals that the smaller the company the less frequent its involvement in research and development activity. In terms of size of enterprises, the percentage of entities that implemented innovation was the highest among large companies (56.2% in industry and 44.7% in services). Medium-sized companies accounted for 29.4% and 20.9%, respectively, and small enterprises for 9.6% and 9.5%.

Poland struggles with issues of weak links between the scientific circles and enterprises, and with serious underfinancing of research and innovation in the private sector. The existing incentives are insufficient to ensure efficient support through financing from public funds (also through public-private cooperation). In 2012, expenditure on innovation in the group of industrial enterprises amounted to PLN 21.5 billion, of which 17% were allocated for research and development, while in the services sector to PLN 15.1 billion, including 40% for R&D. Over a half (53%) of large enterprises incurred expenditure on innovation in the industry and over 40% in the sector of services. In medium-sized companies, the figures stood at 23.5% and 17.7%, respectively, and in small companies at 6.7% and 7.2%. The analysis of the structure of expenditure on innovation in terms of the number of employed persons shows that the expenditure was the highest in large enterprises from both the industry and the services sector. The expenditure of entities of this size accounted for 70.7% of total expenditure on innovation incurred by industrial enterprises and for 73.8% of expenditure incurred by the entities from the sector of services.

The position of Poland in the Innovation Union Scoreboard proves that the challenges in the area of innovation are still significant. In 2014, Poland was ranked 25th – the last in the group of the so-called “moderate innovators.” The summary innovation index for Poland in 2013 amounted to 50.5% of the average index for the EU Member States. The

⁷In 2011, the national average amounted to 0.76% of GDP.

gap between Poland and the European innovation leaders, as well as the average EU innovation level is still significant, both in respect of summary innovation index and the majority of its components. The need for intensified efforts in this area is further proved by the lower position of Poland in international rankings. The issues of particular concern include a low level of indices related to creative activities (patent applications, registration of trademarks or business and organisational models), low quality and low level of the research sector internationalisation (international standard publications, non-EU PhD students) and low quality of the business environment. The low innovation level of Poland is also confirmed by the evaluation of the Polish regions innovation – according to the report of the Regional Innovation Scoreboard 2014, 11 voivodeships were classified as “modest innovators,” while only five voivodeships were classified into the group of “moderate innovators” (Mazowieckie, Małopolskie, Podkarpackie, Śląskie, Dolnośląskie). In 2012, 1,848 patents for inventions were granted in Poland, i.e. over three times more than in 2003, while the number of utility model protection rights granted amounted to 514 and was lower by approx. 23%. The area concerned is characterised by high (though decreasing in the recent years) regional concentration. Approximately slightly more than one in five patents is granted in the Mazowieckie Voivodeship (compared to over 23% in 2003), while five leading voivodeships (apart from Mazowieckie, also Śląskie, Dolnośląskie, Łódzkie and Małopolskie) accounted for almost two thirds of all patents granted in 2012 (compared to almost 70% in 2003). Despite an improvement in terms of patents granted, the situation in this area is unfavourable compared to other EU countries and average values for the EU. According to the Eurostat data, in 2011 the number of patent applications per 1 million inhabitants, submitted to the European Patent Office, amounted to 9.85 and was over 10-fold lower than the average for the EU27 (107.45), over 27-fold lower than in Germany and almost 20-fold lower than in the Netherlands or Austria.

It should be noted that the Polish patent system is fully harmonised with the standards in force in the European Union and those adopted in international conventions and treaties. Amendments resulting from the evolution of the EU law and international law, as well as provisions enabling and promoting the submission of applications electronically, are introduced to the national law on an ongoing basis. Further changes are planned to facilitate and popularise electronic submission of applications and contacts with the Patent Office regarding already submitted applications by electronic means. The problem of low interest of entrepreneurs in obtaining patents is not due to public administration, but results from low awareness of entrepreneurs in this regard.

Human resources in enterprises, research sector and public authorities are not sufficiently prepared to implement innovative projects and not sufficiently aware of the importance of innovation-promoting attitudes; while the role of human capital is still insufficiently used (building the capacity of labour resources to undertake innovative activity). In this context, attention should be paid to a relatively low percentage of women participating in R&D activity (40% in 2011) and percentage of women with academic degrees (women account for 22% of persons holding the title of the professor and 31% of associate professors). According to the studies by the European Research Area, the main reasons for low participation of women (and thus the loss of intellectual capital) include i.a. problems with reconciling work and private life and frequent non-adjustment of the rules of operation of universities or research institutions to the needs of their employees.

○ ***Insufficient use of opportunities resulting from using information and communication technologies in the economy – diagnosis for TO 2***

Despite an increasing importance of the sector of information and communication technologies (ICT) in the Polish economy, the broadband Internet penetration rate is considerably below the EU average. The report by the Office of Electronic Communications (UKE), presenting the inventory of telecommunications infrastructure coverage of Poland in 2012, shows that there are still areas which are still “blank spots.” The inventory clearly shows that the activity of operators still concentrates in large agglomerations, mainly in voivodeship cities. The concentration around the largest agglomerations results in investments in networks and nodes being “sucked out” by the largest agglomerations and their surroundings. Therefore, digitally excluded areas are most often rural gminas, with low population density and low incomes, where the number of strong economic operators is low.

The available Internet speed is low, in particular in rural areas, where according to the European Commission only approx. 37.7% of households had access to fixed-line broadband internet (xDSL, TVK, FTTP, WiMax) at the end of 2012, with only 0.7% having access to NGA networks. As regards the development of new-generation network based on optical fibre infrastructure, it is estimated that over 0.4 million households are within the coverage of optical fibre networks (FTTH, FTTB), while the OECD data show that in July 2013 the share of optical fibre connections (FTTH, FTTB) amounted to only 3.35% of the total number of active connections.

According to the inventory of the Office of Electronic Communications in 2013, approximately 8% of towns/villages in Poland (mainly those with the population below 100) were “completely blank spots” out of reach of any network at the end of 2012.

At the same time, the share of towns/villages where telecommunications operators do not provide connections to optical fibre networks fluctuates between approx. 62% (Małopolskie Voivodeship) to approx. 92% (Łódzkie Voivodeship) in individual voivodeships. The situation in towns/villages with the population below 500 is particularly difficult, since approx. 90% of them are not connected to optical fibre networks.

The analysis of investment needs after the completion of investments under the current financial perspective shows that under the most effective model of technology mix (described in the National Broadband Plan) and the use of the existing resources, the investment costs will exceed PLN 17.2 billion (PLN 42 billion for FTTH). In rural gminas, the network (without mobile phone operators) covers 85% of buildings, with less than 20% covered by technologies enabling ultrafast signal transmission (FTTx, Ethernet, CATV and a part of the copper network close to the optical access point). In the least profitable areas (2.61% of the population), the cost of connecting one subscribed exceed PLN 10,000 (with the maximum PLN 3,200 accepted by the market).

o **Low competitiveness of Polish enterprises – diagnosis for TO 3**

The sector of small and medium-sized enterprises (SME) plays a key role in entrepreneurship development in Poland, generating almost half of GDP. In 2011, the number of active non-financial enterprises in Poland amounted to 1,784,600, of which 99.8% were SMEs (employing almost 60.5% of persons employed in non-financial enterprises). Microenterprises, with up to nine employees, accounted for 95.9% of non-financial enterprises (employing 38.9% of all persons working in non-financial enterprises). The barriers to the development of the SME sector include mainly the issues related to the quality of regulatory environment (which is related to bureaucratic barriers), more difficult (than for large enterprises) access to qualified human resources, as well as financial factors, such as difficulties in obtaining external financing and high cost of such financing (combined with the fact that some entrepreneurs do not notice the possibility to develop their companies faster thanks to “financial leverage”).

Other factors include insufficient adjustment of services offered by business environment institutions (BEI) to development needs of enterprises and the lack of comprehensive support from public institutions. This results, inter alia, from limited cooperation and exchange of information between the institutions at the central and regional level, as well as from insufficient cooperation of BEI with their environment, including entrepreneurs. Factors reducing the accessibility of services provided by BEI include the fact that BEI are located mainly in larger towns/cities. Furthermore, it should be stressed that BEI in majority cooperated with “traditional” enterprises which are less oriented at technological modernisation than enterprises operating in cutting edge sectors. However, even in the case of the most innovation-oriented enterprises, the prevailing tendency to imitate foreign solutions limits their interest in cooperation with national research units.

SMEs are less innovative than large enterprises. The share of industrial enterprises and enterprises from the innovative services sector in the years 2010–2012 in the total number of those enterprises amounted to 16.5% and 12.4%, respectively (compared to the years 2009–2011, it increased by 0.4 percentage points and 0.8 percentage points).⁸ Entities employing 250 and more persons implemented the largest number of product or process innovations (56.2% of industrial enterprises and 44.7% of enterprise from the services sector), while the percentage of companies with 50–249 employees that implemented innovations amounted to 29.4% in industry and 20.9% in services. Innovations were least often introduced by entities employing 10–49 persons: 9.6% of enterprises in industry and 9.5% in services.

It should also be emphasized that although the access to computers and Internet is a standard for Polish enterprises (in 2012 the share of enterprises with access to computers amounted to 94.7% and of enterprises with access to Internet to 93.2%), only 19.3% of Polish enterprise used computer networks to submit orders. The percentage of such companies was relatively high in Mazowieckie (24.5%), Dolnośląskie (21.5%), Pomorskie (20.8%) and Zachodniopomorskie Voivodeships (20.1%), and lower than average in nine voivodeships (including all voivodeships of Eastern Poland, except for Podlaskie).

One of the conditions for support of new investments in Poland is to create attractive locations for entrepreneurship development, in particular in the sectors enhancing competitiveness of the economy of both the country and its regions. Undertakings in brownfield sites are particularly important, since the reuse of such land for economic purposes will contribute to economic revival and development of local SMEs.

The agricultural and fisheries sectors struggle with significant structural challenges (including hidden unemployment, low labour productivity, low specialisation) and insufficient market focus. Polish agricultural farms in the overwhelming majority conduct extensive production, which, on the one hand, is conducive to achieving the objective of sustainable development, while, on the other hand, it reduces the profitability of agricultural production. The share of agriculture in the GDP of Poland is considerably higher than the EU average, and the agri-food sector (accounting for almost 8% of gross added value, almost 20% of economically active population and 12% of exports) is an important part of the state economic potential. The major barriers to the development of agriculture include large

⁸ “Innovative activity of enterprises in the years 2010-2012”, Central Statistical Office, Warsaw 2013.

fragmentation of agricultural holdings and excessively slow process of structural transformations, low professional qualifications of farmers and ageing of the rural population. Therefore, a competitive and multifunctional agriculture is a precondition for ensuring food safety of the country. It should also be stressed that development of agri-food sector requires agricultural production to be compliant with the requirements of environmental protection and landscape preservation, while agricultural holdings and SMEs in rural areas must make efforts aimed at diversifying the pursued activity, increase its innovation level, added value, productivity and internationalisation, as well as specialisation. Appropriate institutional environment facilitating diversification of activity and enabling professional reintegration of farmers supports the process of structural transformations in rural areas.

Despite the actions regarding the fisheries sector, the persisting challenge for the next years is to diversify the local economy in areas dependent on fisheries and aquaculture, create new jobs in those areas and to increase sustainability and competitiveness of fisheries and aquaculture. This is related in particular with significant restructuring (scrapping) of sea fishing fleet (approximately 60% of it since 2004). The consequences are felt not only by vessel owners and their employees, but also by entire local communities. In the areas where fishing was an important element of the economy and tradition, support is necessary for transfer from the fishing profession to other sectors of the economy. The above situation results in shifting of the labour market expectations towards aquaculture which is very well developed in Poland and has a positive impact on the environment due to traditional methods of fish breeding. However, due to relatively homogenous production (mainly carp and trout), the actions undertaken should enable diversification of production into other species of fish. At the same time, further support must be provided for the pursued activities and for fish farms to preserve the developed economic heritage, as well as natural and cultural heritage. Another strength of the Polish fisheries sector is modern infrastructure of plants processing sea fish for the Polish market and for export. On the other hand, the number of production plant which can process the products of inland and pelagic fishing is insufficient. The role of inland fishing is significant due to implementation of public law tasks concerning the preservation of the balance of environmental resources, including the maintenance of public water bodies.

○ **High resource intensity and emissions level of the Polish economy – diagnosis for TO 4**

The aim of the EU is to provide equal and common access to energy coming increasingly from low-carbon sources to the public and to create a stable framework for energy investments. In the climate and energy package, the EU set forth the targets for 2020 known as 3x20, i.e. a 20% reduction in EU greenhouse gas emissions from 1990 levels, a 20% reduction of energy consumption and raising the share of EU gross final energy consumption produced from renewable resources to 20% (in the case of Poland to 15% and in all types of transport to at least 10% of final energy consumption in transport).

Pursuant to recommendation 6 from the Commission Staff Working Document *Assessment of the 2013 national reform programme and convergence programme for POLAND* Accompanying the document Recommendation for a Council Recommendation on Poland's 2013 national reform programme and delivering a Council Opinion on Poland's 2013 convergence programme for 2012–2016 (SWD(2013)371 final) concerning, *inter alia*, intensification of efforts to improve incentives for investment in electricity generation capacity and energy efficiency in the whole energy chain, the Commission states that there was some progress, mainly as regards investments in energy efficiency of public buildings using support from ERDF. However, in the view of the large needs for energy efficiency improvements in all sectors of economy, it may be necessary to consider a major increasing of energy efficiency allocations under the in the future financial framework 2014–2020 for EU Cohesion Policy Funds.

In the *Council Recommendation on Poland's 2013 national reform programme and delivering a Council Opinion on Poland's 2013 convergence programme for 2012–2016* (SWD(2013)371 final), the Commission also states that significant savings could be achieved as a result of improvement of energy efficiency in all sectors of the Polish economy, in particular through better insulation of buildings. Therefore, apart from support for actions aimed at increasing energy efficiency in buildings, Poland also plans to support other actions to improve energy efficiency in other sectors of the economy, including enterprises.

Over the last 10 years, Poland has made a huge progress in terms of energy efficiency. Energy intensity of Gross Domestic Product decreased by almost one third. In addition, the consumption of primary energy in Poland compared to its population is almost 40% lower than in the countries of the "old EU15." This demonstrates the huge potential in terms of energy savings in Poland which is characteristic for dynamically developing economies.

In this context, it should also be stressed that there is also a significant potential to increase energy efficiency in the industry. The main reasons of the current high energy intensity of industry in Poland include, *inter alia*:

- Thermodynamic imperfections of production processes;
- Inappropriate use of production and operational equipment;
- Excessive energy intensity of production processes;

- Excessive share of energy intensive products in production and export;
- Insufficient use of recycled materials;
- Insufficient efficiency of power receiving devices;
- Insufficient use of waste energy.

The obtained final energy savings, referred to in the *National Energy Efficiency Action Plan for Poland 2014*, confirm this claim. By 2012, Poland had reduce the final energy consumption by 9% compared to the average consumption for the years 2001–2005. The total savings of final energy, i.e. 53,558 GWh, resulted from 13,864 GWh of savings in housing, 25,198 GWh in industry and 14,501 GWh in transport. Further energy savings in the above sectors may be expected also in the coming years.

Therefore, Poland plans to support actions which may contribute to creating a production system taking into account the principles of sustainable use of resources in enterprises. In view of the above, support is to be provided in particular for modernisation and extension of production lines to increase their energy efficiency, energy renovation of buildings of enterprises, use of energy-efficient technologies in enterprises, building, extension and modernisation of RES installations, change of the generation system or use of fuels and energy, use of energy-efficient (electricity, heat, cold, water) energy production and consumption technologies, including energy renovation of buildings, introduction of energy management systems and performance of (industrial) energy audits. In addition, energy will be recovered in the industry which will ensure improvement of energy efficiency of technological systems, savings of heat, and will contribute considerably to reducing CO₂ emissions into the atmosphere.

Pursuant to the publication of the Central Statistical Office (GUS), entitled “Energy efficiency in the years 2001–2011,” households have the highest 30% share in national final energy consumption (data for 2011). The energy is used mainly for heating (approx. 70%) and for obtaining domestic hot water (approx. 14%).

Such high final energy consumption in households is often related to high losses due to low heat insulation of external walls, inappropriate ventilation, dampness in rooms, inefficient systems of heating and preparing domestic hot water, resulting in large heat losses, also during transmission.

Table 3 presents the age structure of housing resources in Poland, along with estimates of their unit demand for primary and final energy.

Table 3: Age structure of housing resources in Poland and indicators of their unit demand for energy. EP⁹

No	Construction date	Buildings		Apartments		EP	EK
	years	thousand	%	million	%	kWh/(m ² year)	kWh/(m ² year)
1	before 1918	404.7	7.3	1.18	9.1	> 350	> 300
2	1918–1944	803.9	14.5	1.45	11.2	300–350	260–300
3	1945–1970	1363.9	24.6	3.11	24.0	250–300	220–260
4	1971–1978	659.8	11.9	2.07	16.0	210–250	190–220
5	1979–1988	754.0	13.6	2.15	16.6	160–210	140–190
6	1989–2002	670.9	12.1	1.52	11.7	140–180	125–160
7	2003–2007	321.6	5.8	0.60	4.6	100–150	90–120
8	2008–2011	205.1	3.7	0.41	3.2	-----	-----
9	building in progress	27.7	0.5	0.04	0.3	-----	-----
10	unknown	332.7	6.0	0.43	3.3	-----	-----
	Total	5,544.3	100.0	12.96	100.0	-----	-----

Pursuant to the applicable regulations on energy savings and thermal insulation included in the Ordinance of the Minister of Infrastructure of 12 April 2002 on technical requirements to be met by buildings and their location (Dz. U. No 75, item 690, as amended), a newly erected multi-family housing buildings should have the EP indicator equal or lower than 105 kWh/(m²year) and should meet the requirements concerning the maximum acceptable heat transfer for external walls and those concerning technical equipment. In the case of an existing building that is renovated only the requirements for maximum heat transfer indicator for external walls and for technical equipment must be met.

The requirements laid down in the abovementioned Ordinance were specified for all types of buildings, including single-family buildings, apartment blocks, public utility buildings, pursuant to Article 4 of the Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 *on the energy performance of buildings* (recast) (OJ L 153, 18.6.2010, p. 13). The requirements present the so-called “access path” to meet the requirements for 2021, when newly erected buildings should have almost zero energy consumption (the requirement will be introduced two years earlier with regard to buildings owned and occupied by public authorities).

The analysis of the above shows that energy performance of the majority of the existing housing resources in Poland is unsatisfactory in view of applicable requirements. Approximately 22% of housing resources have a three times lower and 36% two times lower value of EP. Heat retention of walls in buildings erected before 1982 is five times lower than the current requirements and thus in 50% of housing resources (assuming that they were not subject to energy renovation).

The publication entitled “Information on housing. Results of monitoring for 2012” drafted by the Institute of Urban Development shows that comprehensive renovations are carried out in only a very small percentage of housing resources and concern less than 1% of all multi-family buildings in Poland.

Average expenditure on technical maintenance of the highest standard cooperative resources cover only 50% of the existing needs. This means that the so-called “renovation gap” (i.e. unsatisfied renovation needs) of approximately 50% occurred in those resources in 2012. The situation was much worse in municipal and private multi-family tenement housing resources. The renovation gap in municipal resources has been recorded for many years and decreasing expenditure and privatisation (sale of the best apartments) increase the gap to as much as almost 70%.

For many years, the situation in terms of technical maintenance has been the most difficult in private tenement buildings. According to the above document, despite the increasing expenditure on technical maintenance in subsequent years, the needs for renovation in private tenement buildings were met on average in only 25%. This means that the renovation gap in this type of resources amounts to around 75%, although it must be emphasized that, contrary to other forms of ownership, it is stable.

⁹ An indicator denoting annual demand for non-renewable primary energy per unit of space in rooms with regulated air temperature, expressed in kWh/(m²year); EK – an indicator denoting annual demand for final energy per unit of space in rooms with regulated air temperature, expressed in kWh/(m²year). Source: Occupied buildings. National Census of Population and Housing 2011, GUS 2013; Joint publication edited by Stanisław Mańkowski and Edward Szczechowiak “Opracowanie optymalnych energetycznie typowych rozwiązań strukturalno-materiałowych i instalacyjnych budynków” [Development of optimal typical structural, material and installation solutions for buildings in terms of energy]. Vol. I, Part A *Uwarunkowania przekształceń w budownictwie. Zadanie badawcze nr 2 wykonane w ramach Strategicznego Projektu Badawczego pt. “Zintegrowany system zmniejszenia eksploatacyjnej energochłonności budynków” na zamówienie Narodowego Centrum Badań i Rozwoju [Determinants of transformations in the construction sector. Research task 2 performed under the Strategic Research Project entitled “Integrated system for reducing operational energy intensity of buildings”, commissioned by the National Centre for Research and Development].*

Improving energy efficiency is the most cost-effective way to reduce energy intensity (emissions level) of the Polish economy. In the case of Poland, the largest potential to improve energy efficiency exists with regard to buildings (public utility, industrial, multi-family housing) and heat sector.

The most efficient actions to improve energy efficiency include extensive energy renovation of buildings (based on the system of energy monitoring and management). In order to initiate the changes, funds should also be allocated for establishing a national advisory support system for the public sector, the housing sector and entrepreneurs in the area of energy efficiency and RES.

Pursuant to the Directive 2012/27/EU, 3% of the total floor area of buildings owned and occupied by central government institutions should be renovated each year. It should be stressed that buildings occupied by public authorities should serve as examples in terms of energy efficiency in the construction sector. On 31 December 2013, *Information for the European Commission on the alternative approach adopted to implement Article 5(1)–(5) of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/129/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC* was submitted to the European Commission. According to the *Information*, at the end of 2014, 172 buildings with a useful floor area in excess of 500 m² owned and occupied by central government do not meet the minimum energy performance requirements set in application of Article 4 of Directive 2010/31/EC for 2014 and should be renovated. Thanks to the adopted alternative approach to implement Article 5(1)–(5) of Directive 2012/27/EU, energy savings for the abovementioned buildings at the end of 2014 will amount to 70,738.45 GWh/year.

As regards heating, it concerns modernisation of low-efficiency sources of heat into new high efficiency heat sources, including with RES, as well as extension and further modernisation of heat and cold transfer grid. The most desirable actions in the sector of urban heat networks will include the development of cogeneration, modernisation of heat transfer systems and construction of cold transfer systems. Promotion of high-efficiency cogeneration is a priority for the European Union and entails potential benefits related to primary energy savings. The reasons for insufficient development of cogeneration include economic (financial), environmental, infrastructural, legal, administrative and social barriers. In Poland, there is huge potential for development of cogeneration due to common district heating systems. Therefore, a financial mechanism is necessary to support high-efficiency cogeneration and to encourage investors making new investments.

Promotion of high-efficiency combined heat and power production based on useful heat demand is a priority for the European Union and entails potential benefits related to primary energy savings. Thanks to a well-developed network of district heating systems, Poland is particularly predisposed to development of cogeneration. This would allow to significantly reduce carbon dioxide emissions and improve energy security of the country. Large sources producing heat for heating systems are usually equipped with high-efficiency devices reducing the emission of combustion product into the atmosphere. Emission of pollutants from small, local, dispersed sources using up worse quality fuels is higher than emission from point sources.

In addition, support may also be provided for installations recovering waste heat, in line with the definition in the Directive 2012/27/EU, pursuant to which new electricity generation installations and existing installations which are substantially refurbished or whose permit or licence is updated should be equipped with high-efficiency cogeneration units to recover waste heat stemming from the production of electricity.

Furthermore, apart from increasing the heat production in cogeneration, heat may also be generated for the purposes of district cooling using the cooling absorption equipment. This is an excellent opportunity for heating companies to increase heat production and sales.

A significant potential to increase energy efficiency exists also in the industry. Due to the fact that energy consumption in each enterprise generates a substantial part of operating costs, it should be reduced through its more rational use and reduction of losses, by means of modernisation and introduction of new energy-efficient materials, devices and installation systems. At the same time, environmental protection requirements steadily increase which also entails the need to reduce energy consumption, since each transformation of energy raw materials into useful energy involved emission of CO₂ and other pollutants into the environment. Improvement of energy efficiency in enterprises becomes a necessity, but also demonstrates their responsible approach to environmental protection. In the industry sector, demand for heat may be significantly reduced. The energy efficiency of industry at the national level is measured using the P14 indicator, calculated in line with the method recommended by the European Commission.¹⁰ The indicator measures the energy consumption of individual industrial sub-sectors per unit of production (in kilograms of oil equivalent).

¹⁰ In line with the method published by the European Commission in a document entitled *Recommendations on measurement and verification methods in the framework of Directive 2006/32/EC on energy end-use efficiency and energy services*. The year 2007 is recommended as the base year by the European Commission.

In order to initiate changes in enterprises, support should also be targeted at the needs of individual sectors by means of (industrial) energy audits of large and medium-sized enterprises and the national advisory support system for entrepreneurs (large enterprises and SME) with regard to energy efficiency and RES.

Pursuant to the document entitled "Analysis of economic assessment of the need to introduce smart metering of power consumption in Poland," in order to pursue climate policy and increase the effectiveness of energy consumption, tools, such as smart metering devices along with auxiliary services, will have to be applied to enable power consumers to use the power in an informed way. Providing the customers with the possibility to monitor their energy consumption and issuing bills based on actual energy consumption are conducive to informed, rational and efficient use of energy resources of the state. An additional factor of particular importance in Poland, which justifies the use of smart systems, is the reduction of the risk of the lack of balance in the national power system.

Due to the deficiency or poor condition of transmission and distribution grid and production capacity, smart technologies for energy infrastructure become particularly importance. Smart grids significantly improve the management of dispersed energy and its use. At the same time, implementation of smart solutions entails the construction of new power grids or their refurbishment.

The commitments of Poland constitute a great challenge for the Polish energy sector which is based largely on coal. In 2012, coal accounted for 50.6% of power production, lignite for 33.5%, natural gas for 3.3%, renewable energy sources (RES) (biomass, biogas, water, wind) for 10.8% and other sources for approximately 2.3%. In view of coal resources in Poland and energy security issues, it is challenge to develop technologies allowing to increase their efficiency, while reducing the related emissions to the minimum. The share of energy from renewable sources in the gross final energy consumption in 2010 amounted to 10.8%, while pursuant to the climate and energy package it is to reach 15% in 2020.

Due to geological conditions and climate of Poland, energy from renewable sources in 2011 was generated from solid biomass (85.5%), biofuels (5.5%), wind power (3.5%), hydropower (2.6%), biogas (1.8%), geothermal energy (0.2%), municipal biodegradable waste (0.4%) and solar energy (0.1%). The biggest share of RES in electric energy production is recorded in Warmińsko-Mazurskie (70.5%) and Kujawsko-Pomorskie (60.5%) Voivodeships, and the smallest share in Lubelskie (0.9%) and Łódzkie (1.8%) Voivodeships.

Wind power has the largest potential from among other renewable energy sources, in particular in Zachodniopomorskie, Pomorskie, Wielkopolskie, Kujawsko-Pomorskie and Podlaskie Voivodeships. Small wind power plants may also be developed, with the main role in this regard played by the voivodeships will a lower potential in terms of construction of large wind farms (i.e. Małopolskie, Mazowieckie, Podkarpackie or Lubelskie). The use of market potential of solar thermal energy requires the installation of approximately 14.7 million square meters of solar panels by 2020. Such potential is the largest in Mazowieckie, Śląskie, Małopolskie and Wielkopolskie Voivodeships (it is the smallest in Lubuskie, Opolskie, Świętokrzyskie and Podlaskie Voivodeships), although regional differences are not very significant. The potential for production of solid biomass in multiannual plantations is insufficiently exploited. In 2009, the area of such plantations amounted to only 10,000 ha (and covered mainly rapeseed crops for biodiesel, whose market potential until 2020 is very limited by the policy of support for biofuels in the EU). Lubelskie, Mazowieckie and Podkarpackie Voivodeship have the largest potential in this regard (while Opolskie and Lubuskie Voivodeships the smallest). As regards total technical potential of using agricultural biogas, the following voivodeships are the leaders: Mazowieckie and Wielkopolskie, as well as Warmińsko-Mazurskie, Podlaskie and Kujawsko-Pomorskie.

It should also be noted that pursuant to the *Energy Policy of Poland until 2030* and the National Renewable Energy Action Plan, the development of renewable energy sector takes place also in the sub-sector of transport biofuels which largely determines not only the achievement of the general target of 15% of energy from RES in 2020, but also the accomplishment of the only EU target for a sub-sector, i.e. 10% of fuels from RES in the national transport fuel market in 2020. Therefore, the EU funds will be used to support the development of this market, thus contributing to achieving the above targets, i.e. to increasing the share to the required level in 2020 through new investments in biocomponent and biofuel generation.

Since renewable energy sector is the fastest developing sector in the global energy market, it becomes and important element of the equipment manufacturing industry and provision of green technologies. Actions for RES development will contribute to stimulating the development of the potential of the Polish industry manufacturing equipment for the renewable energy sector. Those actions will allow to achieve the planned RES targets, resulting in sustainable development of RES without negative impacts on other areas, i.e. agriculture, forestry or biodiversity.

According to optimistic growth scenarios (assuming strong support for development of hydropower sector – 10 MW hydropower plants), by 2020 the installed capacity of run-of-the-river hydropower plants could amount to 1,176 MW, and the average annual production of electricity to 3,100 GWh, which would mean the use of technical potential in 62% (i.e. at the level similar to average use of economic potential in Europe – 67%). Hydropower projects are separate, individual projects and their actual market potential results not from general assessments of resources, but

from local determinants and individual initiatives regarding specific barrages. Summing up the potential related to RES, attention should be paid to infrastructural constraints, in particular with regard to development of power grids, both transmission and distribution grids, as the barriers to meeting energy needs (energy security) and to increasing the use of energy from renewable sources. From among RES, only large wind farms require significant investments in grids (in particular in northern and north-eastern Poland), while other technologies are covered by the concept of dispersed generation.

The main barrier to RES development is the condition and the lack of power transmission and distribution infrastructure. Therefore, it is important to find solutions combining the development of RES with the development and modernisation of the power grid. Losses in electricity transmission and distribution must also be reduced. In 2011, total losses in electricity transmission amounted to 10,774 GWh, i.e. 7.3% of power introduced to the system. This is almost twice the figure recorded in Western European countries. The losses of distribution network operators (DNOs) amounted to 9,086 GWh, i.e. approx. 84.3% above the total value of losses in the system. The network must be built and extended to enable connecting the units generating energy from RES to the National Power System and the distribution grid. The development of renewable energy sources financed by the EU funds in the years 2014–2020 will be based on identification of priority energy generation sources, determined by territorial and climate factors, economic demand, social needs, maintenance of energy security, economic benefits and possibility to connect to national power grids.

According to the report by the European Environment Agency, air quality standards set forth in the EU regulations are not complied with in the majority of Member States, including Poland. Air pollution has a significant impact on human health, causing numerous respiratory and cardiovascular diseases. Polluted air also has an adverse impact on the condition of ecosystems and contributes to destruction of materials. Despite the steady improvement of air quality in Poland, excessive concentrations of tropospheric ozone in summer and excessive concentrations of PM10 and benzo(a)pyrene in winter are still a major problem. In the majority of zones (approximately 80% of the country), exceedances of the limit values of particulate matter (PM10 and, to a lesser extent, PM2.5) and the target value for benzo(a)pyrene in PM10 were recorded. There are also isolated areas with exceedances of the limits for nitrogen dioxide, arsenic and benzene. The above pollution is mainly (in over 85%) due to low emission sources (the so-called low-stack emission), primarily from the residential and municipal sector, covering individual heat sources and small municipal heating plants, followed by emission related to intensive traffic (in particular in city centres) and emissions from industrial plants, heating plants and power plants. As regards total air pollution from particularly burdensome plants, the situation is the worst in Śląskie and Łódzkie Voivodeships (with the share of each of these voivodeships in total emissions of this type in Poland in 2012 amounting to 18.9%), while the lowest share in total pollution generated by such plants was recorded in the case of Warmińsko-Mazurskie, Podlaskie and Lubuskie Voivodeships (0.7% – 0.9%).

Transport, in particular urban transport, is a major source of emission of pollutants in Poland. This is partly due to insufficient use of public transport. Between 2003 and 2011, there was a 47.1% increase in travels in passenger traffic in cities, resulting mainly from an increase in travels by passenger cars (by 54.5% in terms of the number of persons and by 65.8% in terms of the number of passenger-kilometres). A decrease was recorded in public transport (except for Warsaw underground) and pedestrian traffic. The problems in the area of urban transport result largely from the lack of a coherent strategy of using the potential for development of urban transport network and from dispersion of competence with regard to investments and organisation of traffic in individual types of transport which is an obstacle to coherent and effective management of the urban transport system.

The problems are also secondary phenomena resulting from spatial structure of urban areas. Uncontrolled urban sprawl and decrease in population density result in an increased need to travel. The lack of cohesion in development of new areas and their functions is conducive to the growth of travels using individual means of transport. This results in an increase in time of travel, growth of maintenance costs of the population and additional costs for local authorities. The problems are exacerbated by substantial differences in the situation of individual cities, related to the lack of spatially and functionally integrated transport in cities, accompanied by insignificant use of IT technologies in transport and poorly developed urban infrastructure that is friendly to non-motorized users. As a result, the individual traffic congestion on the streets increases, thereby reducing the speed of travels. This results in increasing costs of transport of goods and persons and progressing degradation of road infrastructure, and has a negative impact on the condition of environment due to emission of pollutants into the atmosphere and soil, on health of the population and the quality of life in urban areas. In addition, in numerous cities the transit traffic goes through the residential areas, thus increasing environmental pollution and traffic congestion, and deteriorating the living conditions of local residents.

Since demographic forecasts for next decades point to further ageing of the Polish society, the challenge will be to appropriately account for the needs of elderly and dependent persons in such areas as urban infrastructure, transport resources and services.

○ **High vulnerability to climate change and absence of effective risk management systems – diagnosis for TO 5**

Climate change and climate change adaptation are of horizontal significance and are important to achieving the development objectives of the country. The results of analyses show that the reduction in the costs of climate change adaptation in view of damages suffered in the future will be possible only if action is taken as soon as possible. The weather phenomena which may result from climate change have intensified in recent decades in Poland. Negative consequences of these changes consist primarily in the deficit of water resources, increasing risk of floods, drought, forest fires and other adverse phenomena. Climate and extreme weather phenomena affect the water management sector to the greatest extent. The biggest problems are associated with significant differences in precipitation in time and in territorial terms, which determines the occurrence of floods and droughts, which in turn negatively affect, *inter alia*, maintenance of biodiversity, crop yields and the safety of residents of the areas where the impact of these phenomena is the greatest. The intensity of floods is one of the most dangerous effects of progressing climate change. Too little water stored in artificial reservoirs and insufficient efficiency of the flood protection system of the country (due to, *inter alia*, bad technical condition of water facilities, insufficiency of technical and non-technical flood protection measures, poor organisation and ineffective preventive actions) are also problematic matters. The negative effects of floods are intensified by delays of many years in the implementation of key actions in the field of flood risk management, and spatial economy takes flood risk into account to an unsatisfactory extent. Areas at particular risk of flood include primarily the western and southern parts of Poland, and areas along Oder and Vistula rivers. The risk of flooding is also high in depression areas of Żuławy, coastal areas are vulnerable to storm floods, and along the watercourses there is also the risk of high water due to jam (especially on Middle Vistula and Lower Oder river sections). It should also be noted that the risk of drought is increasing, mainly in the central part of Poland, particularly in Greater Poland; water deficits also occur in Kuyavia and parts of Mazovia. Small damming structures, which increase the volume of water retention resources in order to mitigate the effects of climate change, namely drought and floods, are used to an insufficient extent. There are no effective implementation mechanisms for flood risk management plans. The above-mentioned problems are compounded by incorrect transposition of the so-called Water Framework Directive (WFD), which restricts the implementation of most of the above investment projects.

In the context of flood risks, particularly those caused by extreme phenomena, special attention should be paid to urban areas. Resilience to extreme weather phenomena and their effects is relatively low. Adverse weather and climatic phenomena accumulate there which, taking into account considerable population density, gives rise to a variety of dangers and risks to the urban population and technical, economic or social urban infrastructure. The negative effects may be intensified by vast impermeable surfaces (for example parking lots, impermeable roads) and inefficient or obsolete precipitation water drainage systems. The existence of adequate precipitation water management systems would largely allow preventing permeations and floods, it would allow water retention and using it during dry spells.

The area strongly affected by the effects of intensifying climate change is the Baltic Sea coast, with an increase in the strength and frequency of storms that intensify erosion processes (55% of the surface area of the Polish section of the Baltic Sea coast is subject to heavy and continuous erosion). It is therefore necessary to pursue integrated and sustainable development of the Polish coastal zone, including taking protective measures aimed at preventing or slowing down the above processes, subject to the need to preserve natural shoreline dynamics processes.

Poland also observes increasing chemical and ecological risk related to the existence of industrial plants using hazardous substances in quantities which may lead to serious industrial accidents of catastrophic consequences for people or the environment.

In order to perform actions related to the use and protection of natural resources properly it is also necessary to carry out wide environmental monitoring. In Poland it is carried out via the State Environmental Monitoring (SEM). Monitoring programmes, in particular as regards water and air, are constantly expanded with new elements, which is related to the necessity of fulfilling the obligations under the EU legislation. The above conditions lead to a significant increase of responsibilities of services of the Inspection for Environmental Protection and a necessity of providing adequate equipment.

The farming sector is characterised by great vulnerability to climate change. In conditions of a high share of light soils in Poland, the intensification of agricultural production can contribute to a decrease in the content of organic matter in soils. It is one of the factors affecting the adaptability of the farming sector. Measures are needed for the protection of soils, for promotion of sustainable methods of production and for preventing the degradation of soil structure and reduction of humus content, especially in regions susceptible to erosion processes.

○ **Unsatisfactory level of protection of the environment and incomplete or inefficient use of potentials associated with environmental and cultural assets – diagnosis for TO 6**

In 2012, the share of the population using waste water treatment plants was 68.6% (of which in cities: 91.7%, and in rural areas: 33.1%). There has been improvement in not only the availability of infrastructure, but also its quality.

Within a decade, the amount of sewage treated in waste water treatment plants with highly efficient treatment technologies more than doubled as it allows increased reduction of nitrogen and phosphorus compounds (in 2012 in Poland there were 820 such treatment plants, compared to 421 in 2000). In recent years, the sewage system was also expanded. In 2012, the length of the sewage system in Poland was ca. 125,600 km and was longer in comparison with 2003 by about 56,700 km. Despite noticeable progress in terms of building municipal infrastructure for sewage disposal and effective treatment in recent years, ca. 31% of the Polish population have no access to a waste water treatment plant. It is estimated that about 8% of industrial and municipal waste water (about 144 million m³) is not treated. As to the percentage of the population using waste water treatment plants, in 2012 this percentage was the highest in Pomorskie (81.8%) and Zachodniopomorskie (80.9%) Voivodeships, and the lowest in Świętokrzyskie (53.6%), Lubuskie (54.9%) and Małopolskie (58.1%) Voivodeships.

There are large disparities in this field between urban and rural areas – the NPMWWT analysis shows that more than 60% of agglomerations exceeding 2,000 p.e. which require intervention include rural and urban-rural gminas. As for the cities, the highest percentage of the population using waste water treatment plants was noted in Warmińsko-Mazurskie (97.9%) and Pomorskie (96.3%) Voivodeships, while the lowest percentage was recorded in Mazowieckie (86.1%) and Śląskie (87.3%) Voivodeships; in the case of rural areas, on the other hand, the vastest access to waste water treatment plants, i.e. above 50%, was reported in Podkarpackie, Zachodniopomorskie and Pomorskie Voivodeships, while the lowest access was noted in Łódzkie (18.8%), Podlaskie (20.1%) and Lubelskie (20.6%) Voivodeships.

The main purpose of actions in the area of water and waste water management directly related to efficient management of water resources is to reduce the amount of discharges of untreated and insufficiently treated waste water. Financing waste water management is, and will continue to be, targeted primarily on the most pressing needs in the field of municipal infrastructure extension, bearing in mind the need to meet the requirements and standards for the quality of the environment imposed on Poland after accession to the European Union. The Accession Treaty stipulates that the standards established by the European Union as regards municipal waste water collection and treatment will be fully applicable in Poland from 1 January 2016. The National Programme for Municipal Waste Water Treatment (NPMWWT) constitutes the main instrument for implementing the provisions of the Waste Water Treatment Directive¹¹; its main purpose is to reduce waste water discharge thanks to providing agglomerations with municipal waste water collection systems and thus contribute to the protection of the aquatic environment from pollution, including eutrophication, through the investment projects it envisages. Priority will continue to be given to projects for which the need for implementation will result from the updated NPMWWT. The detailed prioritisation of investment needs in the field of water and waste water management (for agglomerations above 2,000 p.e.) included in the NPMWWT required an update. Therefore, work is underway on updating it. However, its completion depends on a number of factors, first and foremost such as a detailed verification of the areas and borders of individual agglomerations. Attempting to meet the expectations of the EC, Poland has prepared a preliminary Masterplan for the *National Programme for Municipal Waste Water Treatment* (sent to the Commission on 31 December 2013). After the verification of agglomeration surface areas and borders, i.e. after the entry into force of the Act amending the Act – Water Law and certain other laws, together with its implementing acts, a MasterPlan will be developed for Council Directive 91/271/EEC in order to update data on the investment projects required for its implementation.

Due to intensive expansion of the infrastructure for collection and treatment of sewage in Poland over the last few years, municipal waste water treatment plants generate more and more waste in the form of municipal sewage sludge. Effective management of the increasing mass of sewage sludge will constitute a challenge in the coming years, while appropriate management of this sludge will make it possible to reduce the emissions of one of the principal greenhouse gases, i.e. methane, which is emitted in the process of sewage sludge fermentation.

Treatment of industrial waste water, characterised by greater toxicity and harmfulness to the environment than municipal sewage, remains an unsolved problem. The ecological investments made in recent years (introduction of closed cycles) have resulted in a reduction in water use, which stabilised, which in turn also resulted in stabilisation of quantities of industrial waste water.

The challenge of **waste management** is to increase the efficiency of waste management, *inter alia* by meeting the requirements of the EU *acquis*. Actions in the field of waste management are closely linked with the requirements of the so-called Landfill Directive¹² and the so-called Waste Framework Directive¹³ which, among other things, imposes the obligation to achieve specified levels of preparation for reuse and recycling. By 2020, it is necessary to prepare for waste reuse and recycling at least fractions such as: paper, metal, plastic and glass from households – a minimum of 50% by weight, and materials other than hazardous construction and demolition waste – a minimum of 70% by weight.

¹¹ Council Directive 91/271/EEC concerning urban waste-water treatment.

¹² Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste.

¹³ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives.

According to the estimates of the Central Statistical Office (GUS), in 2012 ca. 12.1 million tonnes of municipal waste was generated, of which about 9.6 million tonnes were collected in an organised way (including less than 1 million tonnes collected separately). The vast majority of municipal waste is landfilled: in 2012, close to 89.5% of waste was collected without separation, 1% of waste was subject to thermal treatment, while the remaining waste was processed mechanically, biologically or mechanically and biologically. Only 4% of fractions were separated from mixed waste. It should also be noted that in 2012, 72.3% of waste generated in that year (excluding municipal waste) was recovered, to 79.3% in 2005, and there were very large regional disparities in this area. In Lubuskie, Małopolskie, Podkarpackie, Podlaskie, Pomorskie, Śląskie and Warmińsko-Mazurskie Voivodeships, the percentage of recycled waste exceed 90%, while in Łódzkie Voivodeship it was only 16.3% and 34.4% in Zachodniopomorskie Voivodeship.

Due to the reform of the waste management system, from 1 July 2013 gminas bear full responsibility for the organisation of waste collection (including the separation of the waste collection company, establishing the principles of separate collection and the rates, collection of fees from residents) and processing of municipal waste. The new system of municipal waste management was properly designed and defined, but it is necessary to streamline the mechanisms of its introduction and to consistently implement the planned activities on the basis of an integrated approach to waste management, *inter alia* with the increased use of the existing economic instruments that encourage the development of waste collection and proper disposal. Mixed (or "residual") municipal waste is processed in regional installations for the processing of municipal waste within the regions set out in voivodeship waste management plans. As at 31 December 2012, there were 89 waste management regions in Poland, and from 1 January 2016 on there will be 88 such regions.

Thus, the biggest challenge is the development of separate waste collection systems to provide waste suitable for recycling. It is also necessary to develop: installations for separate sorting of waste, installations for processing bio-waste and installations for incineration of waste with energy recovery. It is also necessary to take action to prevent waste generation, including actions to change the behaviour of residents towards reducing the volume of generated waste and its proper segregation at source. Poland has taken action for correct implementation of the above activities. At the regional level, additional documents specifying voivodeship waste management plans (VWMP), so-called investment plans, are prepared. Investment plans will define all the necessary investments in the field of municipal waste management and will serve as the basis for the spending of public funds, both national (NFOŚiGW, WFOŚiGW) and EU funds.

Strengthening the information and data capture system for the above sectors is an important issue in the field of waste water and waste management. To this end, also technical assistance funds will be used, mainly to support the institutions performing tasks in this respect (including educational activities, developing databases, improving the already existing systems).

Poland is a country of relatively high **biodiversity**, characterised by numerous forest and bog habitats, patchwork agricultural areas, large stretches of unregulated rivers forming a unique habitats for numerous species of fauna and flora. In Poland there are 48,485 plant communities, of which ca. 12% are considered unique, and the total number of registered species is 16,000 in the case of plants and approximately 35,000 in the case of animals. As at the end of 2012, national forms of nature protection covered over 10.15 million ha (i.e. 32.5% of the country's surface area). Poland virtually completed the designation process of Natura 2000 site network, both in land and marine areas – as at the end of 2012, there were 845 sites of Community importance (SCI) and 145 bird special protection areas (SPA). All designated areas take up nearly 20% of the country's surface area. The results of monitoring indicate that in the case of natural habitats, semi-natural communities at risk of setting aside or intensification of agricultural use, as well as communities vulnerable to changes in hydrological conditions, are in the worst condition. The poor condition of these habitats also results in deterioration of the protection conditions of the plant and animal populations associated with them. However, given the increasing threats to biodiversity typical of civilization processes, it is necessary to take a series of actions to stop the decline in biodiversity.

Complying with air quality standards is also a problem. The air quality assessment and monitoring carried out in 2012 confirmed that the problem of air pollution affects mainly urbanised areas. The above pollution is mainly (in over 91%) due to low emission sources (the so-called low-stack emission), primarily from the residential and municipal sector, covering individual heat sources and small municipal heating plants. These area followed by the impact of emissions associated with heavy toad traffic (especially in city centres) (3%) and emissions from industrial plants, heating plants and power plants (2%).

The model of extensive economic development applied in Poland for several decades led to excessive use of land, not accompanied by adequate **reclamation measures**. Although contaminated soil constitutes a small part of the total area (as in other EU countries), in highly industrialised and urbanised regions there are soil degradation processes related to excessive accumulation of substances that are a hazard in connection with the possibility of contaminating surface water and groundwater. In Poland there is a problem of site contamination as a result of economic activity for which it is difficult to punish the actual pollution perpetrator, as it is not always the current owner of the site. Reclamation of contaminated/degraded areas for environmental purposes will allow removing the threat to human

health and the environment. A comprehensive approach to environmental protection in urban areas should also include issues related to green areas, which have biological functions important for urban ecosystems and support city aeration processes (the so-called urban air regeneration and exchange systems). In addition, including a sufficient amount of green areas within the urban fabric helps to stop the fragmentation of urban space. It also allows to preserve the natural balance and compensate for environmental damages resulting from the processes of urbanisation and investments necessary for socio-economic reasons, which do not have an environmentally neutral alternative.

Poland has rich **cultural heritage**, both movable and immovable. However, it should be pointed out that the heritage is a non-renewable resource that requires intensified protection and informed management. In 2011, the share of public expenditure on culture and protection of the national heritage in GDP was only 0.53%. 42% of the monuments require precautionary or general renovation, but only 9% of the monuments do not require maintenance and repair. Underinvestment is the major problem of the cultural sector, particularly as regards equipment and modern technologies. An important factor in the popularisation and protection of culture is digitising its resources and facilitating access to these resources using contemporary technologies, the cost of which exceeds the possibilities of a vast majority of cultural institutions in the country.

One of the noticeable effects of investments in the cultural infrastructure is that they lead to increasing the tourist appeal of regions and cities. The development of the cultural sector also results in the emergence of new professions and the creation of new jobs, which leads to increasing investment opportunities for the service sector and the industry.

The cultural and natural heritage are important factors stimulating the development of the tourism sector, which is important for the Polish economy. Despite some fluctuations in 2007–2011, the share of tourism economy in GDP remained high, contributing about 5–6% to the GDP (in 2007 it was 6% and in 2011: about 4.9%). According to projections by the World Travel and Tourism Council (WTTC), Poland enjoys the perspective of tourism sector development. It is possible that the contribution of tourism would increase to 5.8% of GDP (increase in the value of tourism economy from PLN 72.7 billion in 2011 to over PLN 120 billion in 2022).

○ **Low transport accessibility of the country in the European dimension – diagnosis for TO 7**

In view of the transit location of the country and a significant increase in traffic, both the international accessibility of country and interregional connections (including growth centres) are unsatisfactory, which limits the development opportunities of Poland and its individual regions. The differences in road and railway accessibility of Polish regions are very similar. The highest accessibility to the “core of Europe” is displayed by the regions neighbouring Germany and the Czech Republic, while the regions to the east, south-east and partially to the north of the country are the most peripheral.

The road network is not adapted to existing directions of traffic flow and does not meet the capacity requirements. At the same time, the share of transport volume in individual transport increases, which is accompanied by a decline in the transport volume of railway transport. It is estimated that in the years 2010–2030, growing mobility of citizens and economic development will lead to the need for additional passenger and freight transport, the demand for which will be distributed asymmetrically among all the existing modes of transport, with predominance of road transport, leading to an increase in the scale of congestion. According to data of the ministry of the minister responsible for regional development, at the end of 2012 in Poland there were 1,197.3 km of roads that meet the parameters of a motorway and 849.4 km of expressways. The density of motorways and expressways is one of the smallest in the EU, but they do not form a complete network – for example the simultaneous absence of both these types of roads was one of the main reasons behind low transport accessibility of Podlaskie and Podkarpackie Voivodeships. Also e.g. Małopolskie Voivodeship is characterised by low transport accessibility (where the problem is particularly severe in its southern subregions) and Zachodniopomorskie Voivodeship. Despite the positive developments in the field of road infrastructure, in 2012 62.7% of national roads were in a good condition (against 59.1% in 2010), managed by the General Directorate for National Roads and Motorways (GDDKiA) and representing about 5% of all public roads in Poland; 23.8% of roads were in an unsatisfactory condition (against 22.0%) and 13.5% were in a bad condition (against 18.9%). About 2,700 km (i.e. 8.6%) of these roads qualified for immediate repair (compared to around 19% in 2010), while in Lubelskie and Dolnośląskie Voivodeships the figure was 17-18%, and in Pomorskie Voivodeship: only 7%.

As at the end of 2012, 68.1% of all public roads in Poland were hard pavement roads with a total density of 89.8 km per 100 km² – the lowest density of hard pavement roads (53.3 km per 100 km²) has been reported in Warmińsko-Mazurskie Voivodeship and the highest density (173.2 km per 100 km²) was in Śląskie Voivodeship. In the years 1990–2012 the length of the paved road network increased from 225,700 to 287,300 km (i.e. by about 27.3%), while the GDP increased by about 127% and the number of vehicles (including passenger cars, motorcycles, mopeds, lorries, buses and tractors) grew by 181%. As a result, in 2012 there were definitely more vehicles per 1 km of the paved road network than the EU-27 average (92 and 64, respectively), which did not allow to eliminate bottlenecks in traffic despite investment activities.

Missing connections, in particular at cross-border sections, constitute a serious obstacle to free movement of goods and persons within a given Member State, between different Member States and between MSs and neighbouring countries. Between and within individual Member States of the EU there are significant gaps in terms of the quality and accessibility of infrastructure (bottlenecks). The east-west connections require special improvements through the establishment of consistent transport infrastructure.

The regions located in the eastern part of Poland require bridging the gaps in cross-border connections in the first place. On the one hand, the importance of commodity transit across the border and through Eastern Poland from Russia, Belarus and Ukraine to Western Europe and partly to Southern Europe, and on the other hand infrastructural underinvestment of the macroregion (absence of modern road and railway network, in particular connecting Eastern Poland with the rest of the country, but also many sections of voivodeship and local roads) determines the need to increase transport accessibility of major cities in Eastern Poland in terms of all modes of transport in cross-border relations.

In recent years, there has been noticeable improvement in road traffic safety. In 2012, the total number of traffic accidents in Poland slightly exceeded 37,000 and was nearly 12,000 (24.4%) lower than in 2008, and it decreased in next to all voivodeships, apart from Dolnośląskie Voivodeship (the greatest decline was achieved by Wielkopolskie and Mazowieckie Voivodeships – by 47.4% and 35%, respectively). The density of the railway network is relatively high compared to the EU-27: in 2012 it was (taking into account the total network of regular and narrow gauge railways) 6.4 km per 100 km² (against 6.5 km in 2008); the density was the highest in Śląskie Voivodeship and the lowest in Podlaskie and Lubelskie Voivodeships. However, the adverse trends in rail transport have led to limiting the number of passenger connections and a decrease in the total length of operated railway lines in Poland (in 2012 it was 20,094 km and was 0.5% shorter than in 2008). Due to the bad technical condition and obsolete rolling stock, the railway network is adapted to low speed: for example in 2011 the percentage of tracks on which trains could travel at speed above 160 km/h was 6.7% (which stands for a slight increase from 5.6% in 2009, achieved in particular through investments from

EU funds). The condition of 27% of tracks was determined to be unsatisfactory, 43% of tracks were in a good condition (against 37% in 2009), 30% of tracks were satisfactory and 27% were unsatisfactory. In recent years, a number of actions have been taken with a view to restructuring of PKP Polskie Linie Kolejowe S.A. (PKP PLK), which is expected to result in effective implementation of railway projects in the framework of the PA.

The network of inland waterways, which is a collection of different quality navigation routes, is not a uniform communication system. Despite the fact that the 2011 91.5% of inland waterways were in use, only a little over 5% of such ways were of the “international class” which, despite a connection with the German network by the Oder River and channels, is next to inaccessible for the Polish inland waterway network in international terms. The most serious deficit of these waterways consists in too low and at the same time significantly different parameters and technical solutions at individual sections, resulting in absence of waterway continuity. In addition, the waterway network is not adjusted to the contemporary needs of carriers, which effectively reduces its competitiveness and limits the existing transport capacity.

The situation is slightly better when it comes to the infrastructure of seaports, whose transshipment offer follows pretty much the standards prevailing in the Baltic Sea region. However, the problem of Polish ports consists in significant degree of wharf wear and tear and insufficiency of wharves for deep draught vessels.

Compared to other sectors of transport, air transport infrastructure (airports handling passenger traffic) is relatively modern, although it is necessary to develop the infrastructure of road and railway connections to increase the accessibility of existing airports.

The relatively fast development of logistics infrastructure (especially modern warehouse space) is not followed by the development of multimodal infrastructure. There are no so-called logistics centres which, apart from basic transshipment handling, offer a comprehensive package of additional services, and the density of container terminals in relation to the surface area of the country is, despite their relatively large number, much lower than in other EU Member States (Netherlands, Germany and Belgium). In addition, railway intermodal terminals have insufficient transshipment equipment and have too few tracks, which in turn are too short to handle block trains.

○ **Insufficient energy security of the country – diagnosis for TO 7**

Economic development of the country is mainly connected with demand for affordable and stable energy. The current economy structure and the condition of the energy infrastructure do not guarantee security or stability of electricity and natural gas supplies. Even temporary difficulties in electricity or natural gas supplies can seriously disrupt the economic activity of Poland and individual Member States or the entire European Union. Therefore, the implementation of investments should be carried out taking into account the future shape of the internal market for gas and electricity in the EU. Development actions within the framework of public intervention in the energy market carried out in the years 2007–2013, among others from European Union funds, focused mainly on the diversification of sources and directions of supply and efficient use of energy. In order to implement the European Union strategy for the modernisation of European, including trans-European, energy grid and development of smart grid and system interconnections, it is necessary to expand and modernise the national electricity and gas networks. The main barrier to the development of smart grid systems are the higher cost of expansion/modernisation of the grid associated with additional functionalities. It is therefore reasonable to create a system of efficient support to investments from European Union funds. In view of the fact that at present smart grid systems in the field of energy infrastructure are in the development phase, it is necessary to create an effective system of incentives for investors. The basic obstacle to the preparation and implementation of investments in energy (electricity and gas) infrastructure consists in, *inter alia*, limited funds, poor condition of the transmission and distribution grid and non-adjustment of the grid to the needs of regional energy cooperation with EU Member States.

As for the power sector, in order to implement the European Union strategy for the creation of an internal energy market and modernisation of the European power grid, it is necessary to make investments in the national transmission grid and cross-border connections. At the distribution level, action is required to improve efficiency and thus reduce grid loss. As to cross-border connections, two most important developments directions are: the Poland–Lithuania power connection to eliminate the energy island of the Baltic States and to improve power supply confidence in north-eastern Poland (forming a part of the so-called Baltic ring) and the Poland–Germany connection to establish the energy market in Central and Eastern Europe by increasing the transmission capacity (to reduce unplanned flows of energy from DE to PL and CZ) and to increase the use of energy sources in Poland and Germany.

The plan for the development of power transmission grid by 2025, prepared by PES S.A. which acts as the transmission system operator, takes into account the expansion of the transmission grid in Poland as well as the construction of cross-border connections. It should be pointed out that, in addition to the very cross-border connections, it is necessary to develop the grid within Poland, which will contribute to the improvement of the regional energy infrastructure.

Cross-border energy projects are also included in the list of projects of common interest (PCI) and include investments on the Polish–Lithuanian and Polish–German border, in cooperation with the neighbouring countries.

Thanks to coal resources, electricity generation is stable, while fluctuations in the prices of natural gas and oil and high reliance on supply from one direction are more problematic (in 2012 the share of imported natural gas in the energy balance amounted to approximately 72%, of which nearly 80% came from the eastern direction). In spatial terms, the Polish energy sector is characterized by significant inequality, and the location of power plants mainly in the south and centre of the country affects the stability of power supply in the northern and eastern regions. Śląskie and Łódzkie Voivodeships have the biggest share in electricity generation, (20.2% each), while Warmińsko-Mazurskie and Podlaskie Voivodeships have the smallest share (0.4% and 0.5%, respectively). This distribution of the generation capacity translates into critical significance of the technical condition of capacity as well as density and the condition of the transmission and distribution grid to energy security of individual regions. It should be noted that close to 75% of the capacity of power plants and heat and power plants is installed in turbine sets working for over 20 years (and about 55% in turbine sets that have been working for over 30 years). The average age of a distribution grid is about 30 years, and it is estimated that ca. 30% of the grid should be replaced. The poor condition of the grid leads, *inter alia*, to large grid loss in transmission and distribution of electricity, of about 7.3%. The grid loss is nearly two times higher than in Western European countries) and affects the energy security of the country (especially of rural areas), which has a negative impact on the development of the regions. The areas with the highest degree of underinvestment in energy infrastructure are: Pomerania, Warmia and Masuria and Eastern Poland voivodeships. Insufficient development of energy infrastructure results in interruptions in energy supply, the parameters of which sometimes show significant deviations from the expected values (especially in non-urbanised areas, which is a sign of their peripheral nature). Areas which are at the greatest risk of an extensive malfunction are situated north of Łódź, which results from the small number of generation sources, low density of the power grid and a large number of customers in these areas. However, it should be pointed out that in the case of high temperatures, the risk of a malfunction also includes the Poznań and Warsaw agglomerations, although the threat of an extensive malfunction in a large area of the country is nonetheless small.

Another sector with significant influence on energy security, apart from the power sector, is the **gas sector**. The gas sector is one of the most important energy sectors, which requires considerable investment in view of the energy security of the country and the EU in a broad sense.

The basic problem is that there is no adequate diversification of gas sources in Poland. The situation is improving thanks to investments co-financed by the EU, such as a terminal for import of liquefied natural gas (LNG), accompanying investments in gas pipelines and new connections with the Czech Republic and Germany. In the nearest future, actions are planned to diversify supplies from the north, west and south. Despite many recently completed investments, there are still investment needs in the field of construction and modernisation of the gas grid. They result, among other, from the need to build elements of the North-South infrastructural corridor and the Baltic Energy Market Interconnection Plan (BEMIP).

The plan for the development of the gas transmission system in Poland constitutes the implementation of the Energy Strategy of the European Union through the construction of North-South Corridor in Central and Eastern European countries and the integration of the energy markets of the Baltic Sea states. The North-South Corridor will connect the LNG Terminal in Świnoujście with the proposed Terminal Adria LNG in Croatia through southern Poland, the Czech Republic, Slovakia and Hungary. The Corridor consists of a number of two-way interconnections of national gas pipelines which already exist or are at various stages of construction. Building the corridor will make it possible to increase the security of supplies and will provide access to new sources of energy for Eastern Europe. Investments within the framework of the North-South Corridor will be partly financed from the funds of the cohesion policy and the CEF.

Analysis of the demand for gas in Poland were presented in the *Energy Policy of Poland until 2030* in accordance with which in 2020 the demand for gas will have increased by 28% (in relation to the indicators for 2009) and by 52% in 2030. In this context, an adequate level of development of the transmission, distribution and storage infrastructure for natural gas and smart tools to support safe operation of the gas system by 2020 should be secured.

It should be noted that before starting investment in grid development by the transmission system operator, in Poland the dominating direction of transmission was east–west, and the main supplier from the east monopolised the supply of gas to Poland. With the development of the grid to north-south and the creation of new interconnections with the EU Member States, the security of gas supply to the Polish is gradually improved. However, the current condition of grid infrastructure still does not ensure effective functioning of the natural gas market. A high degree of capitalisation of assets, bad technical condition of the transmission grid and its unequal development were the basis of the intervention within the framework of the 2007–2013 financial perspective. This process must continue in the coming years through further investment.

It should be noted that in 2012 more than 62% of the existing Polish transmission grid was over 26 years old. At the same time, energy infrastructure development and modernisation projects are costly, time-consuming, and therefore difficult to implement on a commercial basis. In view of the above, further investment in the gas infrastructure is necessary to ensure energy security of the country and allow the integration of the gas market in Europe. In addition, at the moment the gas import capacity from a supply direction other than the current one is insufficient. Due to the necessity of building the internal market in natural gas within the EU, there is a need to further promote the development of gas infrastructure. In this context, the key aspect is the development of the transmission infrastructure in order to ensure:

1. Diversification of gas supply:
 - Collection and distribution of natural gas derived from new or extended existing sources (other than those handling supplies from the east);
 - Increase in the degree of reliability of transmission through the main import entry points.
2. Security of supply:
 - The need to adapt the transmission system to new operating conditions resulting from connecting new sources of imported gas that are located in the northern, western and southern part of the country;
 - Compliance with the standard in respect of infrastructure, among others in the N-1 situation;
 - Stabilisation of the transmission system and enhancing the security of supply;
 - Adaptation of the system to the existing standards, laws and technical regulations.
3. Elimination of bottlenecks in the transmission system:
 - Increasing the capacity of the transmission grid in places where it is restricted;
 - Peak demand coverage.
4. Development of the gas market:
 - Increasing the capacity of the transmission grid in order to meet the increased demand for natural gas transmission services in the area of direct impact of the investments and in other parts of Poland;
 - Cooperation of the transmission system with gas storage facilities in Poland;
 - Launching new storage services;
 - Implementation of investments resulted from signed connection agreements and selected tasks for which the connection agreements are currently being negotiated,
 - Enhancing the access of gminas and end customers to gas infrastructure thanks to the development of the distribution grid in the country, also through LNG-based pregasification.

Construction and expansion of natural gas storage facilities is an essential element of strengthening the energy security of the country in conditions of instability of external markets caused by natural factors (floods, hurricane wind, harsh winters, etc.) as well as the evolving political and economic situation of exporting countries and transit countries.

In respect of natural gas reserves, their maintenance is one of the ways to ensure safety of the gas market, as laid down in Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC. It should be noted that, according to available projections, natural gas consumption in Poland will increase as a result of economic development, the transition to low carbon economy and progressing liberalisation of the gas market, which will create additional demand for storage capacity. However, even with the current gas consumption, the available storage capacity is insufficient.

At the height of the demand in 2012, daily consumption in Poland exceeded 72.3 million cubic metres, while the reception capacity was 39.27 million cubic metres. Therefore, further development of the gas storage system is essential to enhance the stability and security of gas supply in Poland.

To ensure energy security, energy sources should be diversified as well as the directions of energy carrier supply, and the efficiency of energy use should be improved. The aim should be to improve energy efficiency of generation, transmission and distribution processes, make efficient use of energy and fuels by individual sectors of the economy, as well as to increase the use of energy efficient equipment and technologies.

○ ***Incomplete use of labour market resources – diagnosis for TO 8, TO 9***

The national target adopted by Poland under the implementation of *Europe 2020 strategy* in respect of the labour market is to increase the employment rate for people aged 20–64 to at least 71% in 2020). This requires an active policy to stimulate employment growth (and to increase the efficiency of labour market institutions) and promote an

increase in participation in lifelong learning, directed not only at employees and adults, but also to MSME sector entrepreneurs.

Lower than the EU average employment rate is a major barrier to development (in 2012 the employment rate was 64.7% of the population aged 20–64 against 68.5% on average in the EU). There are substantial differences between the voivodeships. In 2012, only one voivodeship recorded the employment rate at the level defined as the national goal: Mazowieckie Voivodeship (71.1%). In five other voivodeships, the employment rate in 2012 was equal to or above the national average: Podlaskie (67.2%), Wielkopolskie (65.9%), Lubelskie (65.8%), Łódzkie (65.7%) and Małopolskie (64.7%) Voivodeships. The lowest employment rate was in Warmińsko-Mazurskie Voivodeship (58.5%), which means there was a 12.5 p.p. gap towards the national goal. Apart from the already mentioned Warmińsko-Mazurskie Voivodeship, the group of voivodeships with the largest gap towards the national goal included: Zachodniopomorskie (gap of 10.6 p.p.), Śląskie, Lubuskie and Dolnośląskie (about 9 p.p.) Voivodeships.

In Poland there are greater differences in the unemployment rate between poviats than between voivodeships. The bad situation on local labour markets is determined by several factors: insufficient development of infrastructure, inadequate human capital and small scale of economic activity, resulting in lower employment. This unfavourable trend occurs primarily in rural areas, in regions affected by deep restructuring of enterprises from the sectors in decline in earlier years and in less economically developed areas. In Poland, depopulation of less developed regions for the benefit of voivodeships where access to work is better is visible.¹⁴ For more efficient use of resources in the labour market, it is necessary to focus on the groups for which the employment rate is the lowest. The intensity and direction of support will depend on the situation on the local and regional labour markets, and will take into account the development strategies of these regions.

The changing demographic situation significantly impacts the labour market. According to international studies¹⁵, in this context there are two main trends: a decline in population and an increase in life expectancy (ageing of the society). In the near future, the population decline will be even faster. On the basis of the results of the National Census (NSP) of 2011, the Central Statistical Office (CSO) estimated that over the next 15 years (by 2025) almost 3 million people will disappear from the labour market in Poland. According to the results of the Census, in the years 2004–2012 over 2 million people emigrated from Poland (Central Statistical Office, 2012). For some local labour markets, such trends can bring about serious consequences, such as depopulation, significant shortage of skilled labour force and problems associated with a mismatch between the skills of workers and employers' expectations. An increase in life expectancy means that the whole of society is gradually becoming older. The CSO estimates that the process of ageing will continue, and even gain momentum in the future. Therefore, in the near future professionally active persons will constitute a group that is less numerous and older. This situation will result in significant changes in the labour market: the number of older employees will increase, and the number of people entering the labour market will decrease. Yet, the scope of changes will be diversified in geographical terms and therefore will require different interventions, depending on the severity of this phenomenon.

In the case of Poland, the low (compared to the EU average) level of employment among young people, women and the elderly is a cause for concern. In addition to low flexibility of the labour market, the reasons for low employment include also: unadjustment of the system of education and competence acquisition to the needs of the labour market, low professional mobility, and factors resulting from demographic changes, such as ageing of the population, low fertility, internal and external migration (spatial and professional mobility). Ensuring care for children below 3 years is of great importance, particularly in the context of returning to the labour market and in the face of the challenges of the demographic change currently taking place. In 2012 in Poland institutional forms of care covered ca. 3.8% of the population of children in cities and a small percentage of children in rural areas.

Although in recent years a lot of new establishments were set up, they offer a small number of places and for the most part they are non-public. Despite some improvement, the situation in Poland is still much more difficult than in most EU and OECD countries. By the end of 2013, the ESF support covered almost 4,400 preschool education centres and more than 154,400 children aged 3–5 years in rural areas participated in various forms of preschool education.¹⁶ Experience to-date, discussed in more detail in section 1.1 (3), shows vast interest in this form of support.

Particularly low presence of the elderly on the labour market remains a challenge: employment of persons aged 55–64 was 38.7% at the end of 2012 and although in recent years it increased slightly, it still belongs to the lowest in the EU, where the average for the EU-27 is 47.4%. The recent reforms of the pension system were accompanied by positive developments on the labour market. However, further actions are necessary to retain older employees in the labour market and to raise their competences. There are three main instruments to achieve it: age management, investing in

¹⁴ *Active labour market policy in Poland in the European context [Aktywna polityka rynku pracy w Polsce w kontekście europejskim]*, Z. Wiśniewski (ed.), pp. 29, 133.

¹⁵ MID research project implemented in cooperation with OECD in partnership with the authorities of Łódzkie, Małopolskie and Pomorskie Voivodeships: "Local demographic change scenarios: public policies and strategies for sustainable development, the development of skills and employment growth," January 2013.

¹⁶ Report on the implementation of Operational Programme Human Capital for the second half of 2013.

human capital and exploiting the potential of older employees. An active approach should be applied both in the planning of actions and in their practical implementation. The actions should be accompanied by professional consultancy services, available at the local level. In addition, there is a need for significant improvement in health conditions and promotion of active ageing among the elderly. It is necessary to develop new solutions to improve the competences of older employees, to improve access to training support for elderly people (employed and unemployed), to ensure better access to ongoing training for people aged 40+, as well as to develop projections of demand for specific skills in the future.

The actions taken will particularly focus on occupations and sectors identified as key to the development of the country and very important from the point of view of the national economy. The process of identifying these occupations and sectors identified as key to the development of the country and particularly important from the point of view of the national economy will take into account the experience in implementing OP HC projects, the results of evaluation studies and research projects, such as *The analysis of the processes taking place on the Polish labour market and in the area of social inclusion in the context of the economic policy*, which determine employment projections broken down by age groups and individual regions. To that end, projections will be used that have been published at the EU Skills Panorama portal, created on the initiative of the European Commission, which contains quantitative and qualitative information about demand for skills in the short and mid-term perspective. Studies reveal, *inter alia*, demand related to individual sectors and professions, as well as the needs for specific skills. The professions that are of crucial importance to the development of the economy may include, *inter alia*, jobs in the IT sector (this area has been identified as key to the development of the economy, but also of the digital society within the framework of the document *Information society in numbers* developed annually by the Ministry of Administration and Digitization), social economy (*Social Capital Development Strategy* defines this area as key to providing professional development opportunities to people in a particularly difficult situation), green jobs (the employment potential in this sector, also in the context of compliance with the guidelines of the Europe 2020 strategy, is covered by European Commission Communication *Towards a job-rich recovery* (COM(2012)173) and white jobs (the need to provide support in this area in view of the demographic changes in the society has been identified a.o. in the document entitled *Outline of the health care system. Poland 2012*).

Making optimal use of human resources in agriculture through professional reorientation of farmers and their families towards taking up non-agricultural economic activity or employment outside of agriculture also remains a challenge. Actions in this area will support actions under the NRP that envisage systemic changes in agriculture (reform of the Agricultural Social Insurance Fund).

○ **Education system and personnel competences unadjusted to the needs of the labour market – diagnosis for TO 10**

As to education, the Europe 2020 strategy national targets are: decreasing the percentage of early school leavers to 4.5% (in 2011 it was 5.6%) and increasing the percentage of university degree holders in the 30–34 age group to 45% (in 2011 it was 39.1%). It should be highlighted that in 2012 the percentage of early school leavers in the EU was significantly higher than in Poland (12.8%), while the target of the Europe 2020 strategy for the EU was determined at the level of 10%, which is definitely less strict than for Poland. The percentage of university degree holders in the EU amounted on average to 35.8%, which is lower than in Poland.

The reforms of the Polish educational system have already begun to yield positive results (confirmed, *inter alia*, by international studies: PISA 2012 and PIAAC 2011). However, in view of low innovation of the Polish economy, insufficient labour market flexibility, low educational activity of adults and limited access to qualified personnel, as one of the barriers to SME development, the scale of challenges continues to be significant. The diagnosis based on the results of various studies in the field of education shows that the achievement of sustainable results requires enrichment and fine-tuning of the competence of graduates of the formal education system at all stages of education and training.

In recent years in Poland there has been a dynamic increase in the number of children who attend a kindergarten. Despite this progress, kindergarten enrolment of children aged 3 and 4 is lower than in other OECD countries.¹⁷ The situation in this respect is more difficult in rural areas, where less than 40% of children attend kindergarten. The challenge, therefore, is to level the educational opportunities of children using various forms of preschool education, depending on demographic and economic conditions. On the other hand, the deficit of places in kindergartens is visible also in cities, where child care is especially important in the context of the possibility to reconcile private life and work (mostly for women) and leads to a direct increase in the level of employment. In accordance with the conclusions of the evaluation report,¹⁸ it is necessary to popularise and improve the quality of this level of education.

¹⁷ *Education at a Glance*, OECD, 2011 r.

¹⁸ Evaluation of preschool education centres created or supported with funds of the ESF under sub-measure 9.1.1 of OP HC, Ośrodek Ewaluacji, Warsaw 2012.

As to the tools that support the quality of early childhood education, it is important to popularise tools that allow adequate preparation of children for school education, including early diagnosis and introduction of corrective actions to reduce the barriers to development. Support should also be provided to improve the quality and offer of classes, including additional classes (e.g. with a speech therapist, classes with specialists, corrective classes). It is particularly important to support children with disabilities and co-finance special establishments. At the same time, the report points to the need to take into account ongoing demographic changes resulting from declining fertility levels and relocations of young people to larger urban centres or their functional areas (in planning the scope and scale of intervention in this area). Interventions in the development of preschool education should also be accompanied by strengthening of psychological and pedagogical diagnostic instrumentation, whose shortcomings lead to insufficient diagnosis of children's needs and constitute a barrier to further individualisation of the approach to students.

Poland is characterised by a very high level of enrolment in primary and lower secondary education. Hence, the main challenge at these stages is to ensure the highest possible quality of teaching. In 2012, in the OECD PISA survey that assessed the competencies of 15-year-olds, Poland ranked 10th among the 65 surveyed countries in terms of reading and interpreting texts, 13th in terms of math skills and 9th in terms of reasoning in science. In 2012, Polish students ranked above the OECD average in terms of math competencies. The average performance of Polish students in mathematics increased by as much as 23 points. Poland is the only European country that has improved its results so much. In terms of reasoning in science, the result of Polish students improved by 18 points, which places Poland among the top surveyed countries. The PISA 2012 survey shows that Polish schools develop students' ability to think independently better than in the previous decades. There was a real breakthrough in teaching mathematics: as far as the 2009 Polish students displayed mainly simple skills, requiring only the application of a provided algorithm, thus achieving an average score among OECD countries, in 2012, not losing these skills, Polish students also outpaced students from other countries in solving a vast majority of problems that involve reasoning.

In the case of upper secondary education, demographic trends show that there was a decline in the number of students in general schools, with a slight increase in the number of students in vocational schools. These data indicate a gradual reversal of the trend of domination of general education – young people choose vocational schools more frequently, mostly secondary technical schools.¹⁹ The challenge in this context is to implement development programmes that allow to align the level of social competencies and universal skills (e.g. linguistic, digital, communication competencies) necessary in order to embark on a next stage of education or enter the labour market. According to the survey of employers,²⁰ the competencies formed during formal education are not sufficient to effectively perform work directly after graduation. Employers expect graduates to have more practical skills, preferably directly related with a given sector/industry, as well as skills that are more universal, allowing to quickly adapt to new conditions and requirements and useful in different positions. They look for people with a set of so-called "soft skills," which include *inter alia* interpersonal skills, ability to play in a team, clear communication, good self-organisation, innovative approach to problem-solving, etc. As shown by the results of international surveys, Polish students perform significantly worse when the computer-aided parts of the OECD PISA survey are concerned (PISA 2009, 2012). Also the results of the OECD PIAAC survey show that Poles have problems with certain skills. The diagnosis in this area will be complemented the results of the study of the ICILS comparative study, which will be available by the end of 2014. Yet on the basis of studies and analyses performed to-date it can be concluded that schools do not provide sufficient opportunities for students to develop e-competencies, which enable them to achieve better learning results, enhance their opportunities on the labour market in the future and allow participation in the lifelong learning process. The deficit of certain professions on the labour market visible in recent years, with growing unemployment among university graduates, means it is also necessary to improve the functioning of the vocational education area in Poland by linking its educational offer with the needs of the labour market. Vocational education should provide young people with the opportunity to acquire a modern profession adapted to the needs of an innovative economy. The key is to increase the involvement of employers in the process of education, particularly in the case of programmes with a practical profile. It is also a priority to appropriately identify the needs of schools and the needs of employers in respect of their mutual expectations of cooperation and its effects. Vocational education studies²¹ suggests that relatively few schools have experience of such cooperation, but its effects are generally considered positive and support education results.

It is also worth noting that traditional Polish education, both general and vocational, has emphasised textbook knowledge so far. The improvement in PISA results shows that a first step has been made towards the development of problem solving skills and application of acquired knowledge in practical tasks. However, the PISA survey also showed that the majority of students with the lowest general competencies continues education in vocational schools. Given their subsequent limited adaptability on the market, modern schools must equip their graduates with the ability of further self-learning (both formal and informal). It is fostered by actions to enhance the role of key competencies,

¹⁹ *Young People 2011*, Chancellery of the Prime Minister, 2012.

²⁰ *Study of Human Capital in Poland*, PARP, 2012.

²¹ *Report on the condition of education 2011. Transformations continued*, Educational Research Institute, 2012.

such as: the ability to communicate (in Polish and in foreign languages), ability to reason in mathematical, scientific and technical terms, and the ability to learn.

Due to social, economic and technological changes taking place in recent years, Polish higher education system must deal with challenges that are characteristic of entire Europe, such as: the need for internationalisation, increasing the employability of graduates, strengthening ties with the socio-economic environment and with demographic processes.²² The policy in the field of higher education should be regarded as an integral part of a broader set of policies designed to improve the innovation of the economy, so that it is able to absorb new highly qualified personnel. This is reflected, *inter alia*, by the concept of the “third mission of universities” according to which the two traditional missions: teaching and research, should be supplemented by the involvement of universities in non-academic social and economic affairs.²³ Higher education is an asset on the labour market: the percentage of unemployed university graduates (23.4%) is significantly lower than in the group of graduates of vocational schools (45.6%) and general secondary schools (43.6%).²⁴ It is nonetheless key to increase the involvement of employers in the process of education, particularly in the case of programmes with a practical profile. Effective cooperation of universities with their environment and systematic monitoring of career development of their graduates may shorten the time of taking up work related to the educational profile, which has increased recently. Recent OECD surveys²⁵ also show that there is still large unmet demand for the development of entrepreneurial initiatives and shaping entrepreneurial attitudes among students and university graduates. International mobility also remains a challenge for Polish universities. The problem concerns both academic staff and students (although to a lesser extent). The percentage of foreigners studying at Polish universities gradually increases (trifold in the years 2004–2011), but it still is only 1.4%.²⁶

Increase in the internationalisation of Polish universities is one of the key challenges, but also an opportunity to counter the negative effects of a population decline. Also the international position of Polish higher education institutions on the so-called Shanghai list, or a summary of the top 500 universities in the world, requires improvement. There are only two Polish universities on the 2013 list: Jagiellonian University and the University of Warsaw, ranked between 301 and 400.

It is also worth noting that educational performance of Poles is also affected by the technical infrastructure of schools (laboratory and gym equipment, Internet availability), modern curricula and competence of the teaching staff. As the management system in education is decentralised, systemic actions are also needed to strengthen the coherence of education at the national level, *inter alia* through the development of a school evaluation system, monitoring of students’ achievements and following career development of graduates. In recent years, largely thanks to EU funds, there has been significant progress in this respect. Yet, the needs are still considerable, in particular those for modern infrastructure that would allow developing the competencies of students and teachers in the field of information and communication technologies (hardware, fast Internet access), or insufficient access to physical culture (it is estimated that approximately 25% of schools do not have a gym). Providing opportunities for establishing correct habits for a healthy lifestyle, including physical activity, not only contributes to raising the attractiveness of education by improving its conditions, but is also an important part of disease prevention, *inter alia* for diseases of the skeletal and the cardiovascular system. These diseases are among the most common causes of problems on the labour market, including absence from work. It is important, therefore, to adapt a broad approach to adjusting the education system to meet the needs of a demanding and dynamically changing labour market.

The quality of instruction to a large extent depends on the quality of the work of teachers, who are characterised by a very high level of formal qualifications: 97% of them have a university diploma.²⁷ Analysing the development of teachers’ qualifications, it should be noted that the offer of training for them is very broad. Most of them, however, are not covered by any quality or efficiency control system. According to data from Educational Information System (SIO), only 12% of the teachers use organised forms of professional development. The forms of professional development which are indicated in literature as the most efficient, such as participation in teacher cooperation networks, mentoring or coaching, are the least popular.²⁸ It is particularly important to continue the activities that have already started,²⁹ which develop competencies in using information and communication technologies (ICT) to teach all subjects. It should be noted that one of the basic tasks of modern schools is to develop the competencies of

²² According to projections until 2020, the number of students will decrease to ca. 1.25 million (from 1.76 million in 2011/2012), Report: Higher education in Poland, Ministry of Science and Higher Education, 2013.

²³ For example, involvement in cooperation with enterprises (patents/licenses, spin-off companies), public authorities (cooperation in creating public programmes) and the society (participation in social and cultural life, etc.).

²⁴ *Quarterly information on the economic activity of the population*, CSO, 2013.

²⁵ *Skills and Competences for Entrepreneurship*, OECD, 2013.

²⁶ *Higher education in Poland*, Ministry of Science and Higher Education, 2013.

²⁷ *Diagnosis of the demand of school principals for study results and other information useful in running a school*, Educational Research Institute, 2012.

²⁸ *Ibid.*

²⁹ Government programme for developing the competence of students and teachers in the use of information and communication technologies – “Digital school” implemented by the Ministry of National Education.

students to prepare them to live in the information society, and the development of students' competencies should take place at school through the actions of competent teachers, aware of the educational benefits from the use of information and communication technologies. The use of ICT in education is crucial for the development of informal forms of education and self-education of students and teachers and for preparing students for lifelong learning.

Insofar as many young Poles pursue formal education, after completion of this stage their educational activity declines very quickly. As in the age group 18–24 the percentage of people pursuing education or training is higher than the EU-27 average (61.7% and 53.6%, respectively), the percentage of people aged 25–64 pursuing education or training in Poland is significantly lower than in the EU: in 2012, it was only 4.5% compared to the EU-27 average of 9.0%. The results of a survey under the Programme for the International Assessment of Adult Competencies (PIAAC) confirmed that in Poland there is a high percentage of people with a very low level of competencies such as literacy, numeracy and problem solving in technology-rich environments. About 20% of adult Poles scored 1 or lower in literacy and in the case of numeracy the score was approximately 25%. These are primarily the elderly, less educated and living in rural areas. Bearing the above in mind, education should go beyond learning in institutions of the education system and higher education, it should include trainings and lifelong learning, aimed at limiting the mismatch between labour supply and demand for labour in terms of qualifications and occupations. This is particularly important in the context of demographic transformations: progressing ageing of labour resources and the need to counteract educational deactivation which precedes professional deactivation.³⁰ The educational potential cumulated in a formal education system must also be used to increase the participation of adults in lifelong learning. It is also a way to make use of the teaching staff in the face of the declining number of young people in the educational system. Paradoxically, the difficult demographic situation of schools and universities can become the source of their success, but it requires much greater flexibility, which should be ensured by public intervention. In the 2007–2013 financial perspective many services were provided to the market, intended to develop the competences and qualifications of adults, but their quantity was not always matched with high quality.³¹ Therefore, Poland committed to the implementation of the following instruments of the lifelong learning policy that would facilitate this process: the Integrated Register of Qualifications (within the framework of the modernisation of the national system of qualifications), the system of transferring and accumulating accomplishments, validation of non-formal and informal learning results and the development of qualitative assessment of training support.

³⁰ *Local Scenarios of Demographic Change: Policies and Strategies for Sustainable Development, Skills and Employment*, OECD, 2013.

³¹ Study of Human Capital in Poland, 2011.

○ **High level of poverty and social exclusion, associated with low access to services – diagnosis for TO 9**

As to the **risk of poverty or social exclusion**, the EU objective of the Europe 2020 strategy is to reduce the extent of this phenomenon by 20 million people; Poland has set itself the goal of reducing it by about 1.5 million people.³² It should be noted that the indicator of the risk of poverty or social exclusion in Poland (27.2% in 2011)³³ was higher than in the EU (the difference was 3 pp), but in recent years it displayed a decreasing trend: since 2005 it decreased by approximately 19 pp, while in the EU by only less than 1.5 pp.

Between 2008 and 2011 in Poland the number of people at risk of poverty or social exclusion decreased by close to 1.3 million. In the same period, the number of people at risk of material deprivation decreased by 1.8 million and the number of people at risk of low labour intensity declined by 370,000. Despite a visible improvement in living conditions, Poland still belongs to the group of countries where the risk of poverty is high. Although in Poland the indicator of the number of people at risk of deeper material deprivation decreases on a regular basis (from 14.2% in 2010 to 13.0% in 2011), the gap between Poland and the EU still is significant, as the indicator for the 27 Member States was 8.8% in 2011 (in spite of a slight increase by 0.7 pp compared to 2010).

In a cross-section of NUTS 2 regions, only one of the three components of the above cumulative indicator is available, namely the indicator at-risk-of-poverty, after social transfers. In 2012 it was 17.1% and was only slightly higher than in the EU-27 (16.9%). The decreasing trend of this phenomenon in Poland (a decrease by 3.5 pp since 2005) is more favourable than in the EU, where there was a slight increase in the same period. Poverty and social exclusion are a concern in Eastern Poland, where there are the highest levels of this measure (31.3% in Lubelskie, 25.5% in Świętokrzyskie Voivodeships), but it remained on high also in Lubuskie, Małopolskie and Łódzkie Voivodeships.

The development and improvement of the functioning of the social economy system is of great importance to employment growth and preventing exclusion due to material deprivation. Poland failed to achieve a satisfactory level of development of this sector. Studies³⁴ show that under OP HC 2007–2013 in Poland 262 new social economy support centres (SESC) were set up, and ESF funds contributed to the creation of more than 30% of registered social cooperatives. Thanks to intervention from ESF funds, ca. 3,000 jobs were created, mainly in social cooperatives. About 85% of newly created jobs in the SE sector still exist, and nearly 90% of social economy entities (SEE) that were the recipients of SESC support use the knowledge thus gathered in their business. Despite numerous actions, one of the most important challenges in the social economy sector is to create a system with a clearly defined leader of social economy development, as well as to ensure a stable source of funding for initiatives in this field (including repayable and non-repayable financing, as indicated by the results of the study³⁵ of the financial gap for this sector).

Poverty is an important, but not the only cause of social exclusion. In Poland, regardless of one's material situation social exclusion results from relatively low access to public services, including health care services. OECD studies³⁶ show that demographic changes result in an increase in demand for new social services, in particular those intended for the elderly, and in a change in the structure of the market and public services. Improving access to care services (including long-term care) is of particular importance – support for the preparation and development of the personnel policy and for introduction of new forms of providing social services or support for new micro-enterprises and social enterprises operating in this field is insufficient.

In view of the fact that the process of building the civil society and supporting grassroots initiatives started in Poland only after 1989, following the transformation of the socio-economic system, and despite the progress in this area over the past few years, the social services sector is still dominated by institutional forms. In view of the lessons learned from experience, which say that stationary forms of long-term care often do not provide residents with the right to independence, limit or prevent participation in community life, and constitute solutions which are more costly than the services provided at the level of local communities, it is necessary to promote undertakings aimed at setting up and development of deinstitutionalised forms of care for children, people with disabilities and the elderly and forms of support for people who are socially excluded or at risk of social exclusion.

³² This objective is measured by a cumulative indicator consisting of three components: people living in households with very low work intensity; people at-risk-of-poverty, after social transfers; severely materially deprived people.

³³ In 2012, the indicator decreased to 26.7%, which stands for a continuation of the favourable trend.

³⁴ Evaluation study entitled "Evaluation of support in the area of social economy from the ESF under OP HC," Coffey International Development Sp. z o.o., Warsaw, December 2013.

³⁵ "Ex-ante evaluation of financial instruments used to support social economy entities and young people," MID, February 2014.

³⁶ MID research project implemented in cooperation with OECD, in partnership with the authorities of Łódzkie, Małopolskie and Pomorskie Voivodeships, entitled "Local demographic change scenarios: public policies and strategies for sustainable development, the development of skills and employment growth," January 2013.

One of the forms of support based on the local community is protected, assisted and council housing. People who need assistance in everyday life due to a difficult situation, age, disability or illness, but do not require the services provided by a 24-hour care unit (in particular people with mental disorders, persons leaving a foster family, a care and formative centre, a juvenile care centre or a juvenile detention centre, as well as foreigners who have been granted the refugee status or subsidiary protection) may be granted stay in a protected apartment. A protected apartment offers such persons the opportunity to live independently in and to integrate with the local community.

At the same time, in justified cases it is appropriate to continue support for institutional forms of care, in particular in situations where, because of the scope of care required by persons staying in these establishments, a transformation towards deinstitutionalised care within the local community is not possible. This mainly applies to groups whose need for support prevent living alone, using the protected housing system or using deinstitutionalised care:

- Children and adults with a high degree of mental disability;
- Children and adults suffering from severe mental disorders that prevent them from living independently and make them a threat to their own life, health and safety and that of others;
- Children and adults who require medical care round the clock and access to specialised medical devices due to the diseases they suffer from;
- Seniors in advanced age and with a high degree of infirmity.

It is impossible to effectively integrate such establishments into the system of establishments undergoing gradual deinstitutionalisation also due to economic aspects: providing care to residents in the deinstitutionalised form, i.e. preparing adequate rooms for even a small group of people and adapting the facilities, providing medical equipment (often specialised) and everyday use items, employment of highly qualified personnel to provide 24-hour care (including medical care) and ensuring the presence of physicians is costly, and therefore may not be undertaken by the local community.

The health condition of the Polish population is much worse than in other EU countries. Lower life expectancy of adult Poles compared with the EU-15 population is due to greater risk of diseases which are the most common causes of death; this applies in particular to the working age population (25–64). According to the report *Poland 2030. Development Challenges*, the health care system needs to be improved, in particular with regard to access to consultants and rehabilitation services. The existing level of employment in the health care sector is nowadays inadequate to current social needs and significantly deviates from the standards in other European countries. Currently in Poland there are 2.2 practicing physicians per 1,000 population and it is the lowest value of all EU Member States – about 1.3 lower than the average for those countries. The situation is similar in the case of nurses whose number per 1,000 population places Poland among six EU countries with the lowest value of this indicator.

In addition, as indicated in the OECD report, one of the important problems in the field of health is the high proportion of unfulfilled health needs due to long waiting time for a service. First of all, improvement should be introduced in terms of access to health care services (general and specialised), as well as to rehabilitation and geriatrics. Another problem that has been diagnosed is unequal access to emergency medical services,³⁷ as well as the availability of hospital wards in health care entities addressing health problems associated with cardiovascular diseases, cancers, osteoarticular and muscular system, respiratory system and mental diseases, as well as the availability of children's, gynaecological and obstetric wards.

These demographic trends indicate that the health care sector is not sufficiently adapted to the changing age structure of the population. There is high demand for specialists in the field of geriatric care, for access to medical diagnostics to prevent diseases associated with age as well as diseases of civilization and occupational diseases, as well as services for the elderly provided both in their homes and in specialised establishments.

Inequalities and gaps in health care infrastructure constitute a major barrier to access to health care services. For example the availability of medical devices measured by the number of medical devices (used by both hospitals and basic health care units) per 1 million population in Poland is lower compared with OECD countries. For example: the number of MRI machines per 1 million population in Poland is 4.7, while the EU average is 10.3, and the number of CT scan machines per 1 million population in Poland is 14.3, the EU average being 20.4). The challenge in this area is to introduce a profound systemic change, which must be accompanied by the necessary investments to improve access to public services, reducing the territorial disparities in this respect. In addition, it is important that any improvements

³⁷ Pursuant to applicable law, there should be at least one hospital emergency department per 150,000 population, and one trauma centre should cover a population of at least one million living in an area that allows reaching the centre within 1.5 hours. The law requires hospital emergency departments to have a landing pad/airport – this requirement has not been met by many hospital emergency departments yet. In order to achieve adequate standards, it is also necessary to provide rescue helicopters with equipment that allows making flights in difficult weather conditions and at night in order to improve safety of patients and the HEMS crews.

take into account the problem of dispersion and uneven distribution of the existing health care infrastructure, in conjunction with the major diseases in a given territory.

Poverty and social exclusion are closely linked with socio-economic degradation caused by the loss of existing functions by urban areas, urbanised post-industrial areas and rural areas, with accumulation of negative phenomena such as: low level of entrepreneurship, unemployment, poor quality of technical infrastructure, low access to services, depopulation and low activity of local communities. Comprehensive revitalisation, described in more detail in the PA part devoted to the territorial dimension of intervention, constitutes a response to these phenomena.

○ ***Insufficient transport accessibility at the national and regional level – diagnosis for TO 7 and TO 9***

In the case of some areas of Poland, low transport accessibility of voivodeship capitals constitutes a serious development barrier that greatly reduces the dissemination of development processes from areas being growth drivers to less developed areas, and thus makes it more difficult for the latter to make up for development gaps. The availability of sub-regional cities, which often have important functions in local labour markets, is also a problem. Insufficient development of transport infrastructure and unsatisfactory quality of the transport system offer (including unadjustment of the transport network development to spatial development dynamics and insufficiencies of public mass transport) result in obstacles to territorial development, both for the cities and their functional areas and for rural areas with the lowest access of citizens to goods and services determining the development potential and, consequently, limited scale of the multiplier effect in the economy.

Despite past interventions co-financed from EU funds, in view of significant gaps in the area of transport infrastructure, building a modern, coherent transport network was not completed and its sections finalised so far do not form a whole. There are infrastructural deficiencies in almost every branch of transport, which significantly limit the possibilities of reaching many centres of the country (the capital, voivodeship capitals to subregional centres). A sectoral diagnosis of transport has been presented within the diagnosis for the objective of competitiveness.

○ ***Insufficient digital competencies, especially in groups at risk of social exclusion – diagnosis for TO 2***

Compared to the EU-27 average, in Poland the level of competence in using the Internet is higher for younger people (in the 16–24 age group, only 2% of the population do not know how to use the Internet, while the EU average is 5%). Yet, we must keep in mind that having access to a computer and the Internet, as well as using it intensively, does not automatically stand for having digital competencies.

Among people aged 25–34, the percentage of people who do not know how to use the Internet in Poland is at the average level for the EU, and in the 35–44 age group it is slightly below the EU average. With an increase in age, the differences to the detriment of Poles deepen, reaching 17–18 percentage points in the 45+ group.

Computer literacy of Poles aged 25+ are below the EU average and are developed at a pace similar or, in some cases, below the average in the EU, which in no way guarantees that our society would catch up in this regard. Competence gaps translate into lower creativity and innovation, which is a barrier on the way to improving the competitiveness of our economy.

PROBLEM: INSUFFICIENT EFFICIENCY AND EFFECTIVENESS OF THE STATE IN AREAS KEY TO ECONOMIC COMPETITIVENESS

○ ***Less than optimal administrative and legal conditions for the development of entrepreneurship – diagnosis for TO 11***

Overregulated conditions of running economic activity, as well as long-lasting and complicated procedures governing contacts with public administration and the judiciary continue to constitute barriers to economic growth and improving competitiveness. However, it should be pointed out that in recent years there has been some improvement in the business environment (which contributed to the advancement of the country in the World Bank Doing Business ranking: in last year's report Poland ranked 55th, while in the 2014 *Doing Business* report, presented at the end of October 2013, Poland moved up and ranked 45th). However, in the ranking the conditions of doing business were still rated worse than in the case of 15 EU Member States.

The reasons behind this state of affairs are many, such as low quality of regulations, insufficient accessibility and efficiency of the judiciary, poor quality and availability of public services. Despite taking actions with a view to a regulatory reform, the quality of the law in the area affecting economic activity in Poland still needs to be improved. Law improvement should be an ongoing process, based on adequate institutional solutions. The shortcomings of the legal system in Poland include a complicated legislative process which requires the preparation of a number of documents and performing many procedures that do not fulfil their function as they do little to improve the quality of the law. In addition, new legislative solutions are often complex and new legal acts are confusing for both the

stakeholders and the general public. Solutions based on proper models and analyses, presenting the planned regulations in simple language to allow greater involvement of stakeholders, are applied too rarely.

Lengthiness of court proceedings, resulting from both the number of cases as well as the degree of their complexity, is a deficiency of the Polish judiciary. Arbitration and mediation mechanisms are not popular. A serious problem of the Polish judicial system is also lengthiness of enforcement that affects the development of entrepreneurship. According to World Bank estimates, the average duration of enforcement in Poland in 2012 was 145 days.

From the point of view of pursuing economic activity in Poland, the quality of public administration services which are key for entrepreneurs is also important as still the time necessary to issue a decision in matters related to entrepreneurship is too long. One of the areas identified as the most complicated in the opinion of entrepreneurs is the tax system. Independence of e.g. tax authorities in making decisions often results in issuing different interpretations in analogous cases. Another issue that requires improvement in Poland is the process of issuing building permits, which is still lengthy and causes significant inconvenience for entrepreneurs, especially from the construction sector.

Strategic management skills at all levels are underdeveloped in Poland. It manifests, *inter alia*, as absence of prioritisation and coordination of actions at the central level. Public administration displays little flexibility in responding to economic changes, which is caused by, among other things, lengthy and complicated legislative process. In addition, ensuring spatial order is also a problem since the current system is inefficient and quite poorly correlated with the spatial planning system.

The imperfect spatial planning system in Poland does not regulate settlement, urbanisation and investment processes in a consistent and efficient way. Basic legal documents, in this case local land use plans in the rank of local laws, cover only about 28% of Poland. The law on spatial planning and land use allows investments in areas with no local land use plans on the basis of administrative decisions on establishing the land use permit (LUP). Abusing the land use permits results in urbanisation chaos and dispersion of buildings. The factor reinforcing spatial chaos is the improper structure of plans in which too many areas are designated for residential housing. Local land use plans with such a defective functional structure are conducive to suburbanisation processes (urban sprawl), wasting space, etc.

○ **Low use of information and communication technologies in public services – diagnosis for TO 2**

The level of digitisation of public administration in Poland is still lower than the EU average, despite improvement in recent years. According to data from the United Nations E-Government Survey, the index of e-government development in 2012 was for Poland ca. 0.64 (against approx. 0.55 in 2010) and thus Poland ranked 47th among the 190 surveyed countries and 24th in the EU (in the case of the Netherlands, which received the most positive opinions, the index was about 0.91). The level of advancement of available e-public services in Poland was in 2010, according to an EC survey, 90% in the case of e-services for entrepreneurs (against the EU average at 94%), and in the case of services for citizens the figure was 85% (compared to 87% on average in the EU-27). Even more pronounced disparity between enterprises and citizens was recorded in 2010 in terms of the use of e-services (e-government was used by 89% of enterprises employing 10 or more persons and only 28% of citizens). Attention should be paid also to the significant disparities in the use of ICT in individual groups or people living in areas being so-called Internet access blank spots.

● **Territorial diagnosis**

Implementation of the cohesion policy contributes not only to reducing the gap between Poland and EU-27 countries in terms of average socio-economic development, but also to limiting the processes of internal diversifications. The gap in the level of economic growth between Polish regions and the EU-27 average will continue to close gradually, and the use of EU funds will allow all Polish regions to get closer to the EU-27 development level. In addition, EU funds available under the cohesion policy will allow to partially inhibit the process of intraregional diversification. This mainly results from their stronger impact in poorer voivodeships than in better developed areas and from the fact that these regions receive the largest amounts in per capita terms. In a scenario without the impact of EU funds, the interregional differences indicator (indicator of GDP variation *per capita* at NUTS 3) in 2015 would be higher by around 1.6 p.p.

The absorption of EU funds will result in an increase in the employment rate and decrease in the unemployment rate for all regions, and the greatest impact on the average employment rate in the years 2004–2015 is expected in Warmińsko-Mazurskie and Lubuskie Voivodeships. In the longer run, financial interventions from EU funds will have the greatest effect on the development of Eastern Poland.

The territorial dimension is one of the programming principles for the years 2014–2020. The purpose of such policy is to stimulate sustainable development of all regions based on their endogenous potential. At the regional level, the application of the territorial dimension is manifested in practice in the adaptation of interventions to the specific needs identified at the level of voivodeship development strategies, also in the context of the distance to Europe 2020 strategy objectives, and potentials of individual voivodeships, taking into account the intraregional diversities. Thanks to optimal adjustment of the scope and intensity of EU support, it allows effective and efficient implementation of development goals.

The territorial dimension of the development policy makes us perceive the territory wider than through its administrative borders. At the national level, in-depth territorial socio-economic analysis was carried out in the course of work on the most important government strategic documents concerning the development policy in territorial terms, i.e. the NSRD and the NSDC.³⁸ The analysis of the condition, trends and socio-economic projections for Poland on various territorial scales, presented in the NSRD, indicated the geographical areas with specific potentials and barriers to development. The NSRD defines them as areas of strategic intervention of the state (ASIS).

Due to the diversity of socio-economic development levels in Poland and a variety of problems in individual types of ASIS, they cover a significant part of the Polish territory. In order to achieve their objectives, it is necessary to concentrate dedicated and tailor-made instruments, both organisational and financial. The objectives of the development policy in territorial terms, mentioned in the description of challenges, have been presented in detail in Section 3 in the description of the *Territorial dimension of the intervention*, which defines the strategy of ESIF use in relation to the ASIS identified on the basis of the following analysis and the planned instruments of its implementation.

Areas of strategic intervention other than ASIS for which a dedicated support package is planned can be identified at the level of the operational programme. In this context, properly planned intervention allows, *inter alia*, supporting an increase in the employment level by development of endogenous potentials at the local level.

A special type of an area of strategic intervention is Mazowieckie Voivodeship which was the first Polish region to leave the group of less developed regions. The approach to programming interventions for this voivodeship, together with a justification for the transfer of funds, has been included in the following territorial diagnosis.

³⁸ Adopted by the Council of Ministers on 13 December 2011.

○ **Eastern Poland**

Despite efficient use of the funds available in the 2007–2013 perspective, there still is a **gap in the level of economic development** between five regions in Poland: Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie Voivodeships, and the EU-28 average.

Taking into account the synthetic competitiveness index of EU-27 regions,³⁹ among Polish voivodeships the least competitive one is Warmińsko-Mazurskie Voivodeship which, with the value of the index of 29 (between 0 and 100), ranks 233rd among the 271 regions. Other voivodeships of Eastern Poland rank not much better: with index values from 31 (Świętokrzyskie Voivodeship) to 37 (Podkarpackie Voivodeship) they rank 230th and 211th, respectively. Catching up with the EU average in terms of the competitiveness criterion or GDP per capita progresses more slowly than in the case of other Polish regions in a better socio-economic condition.

In Eastern Poland, there is a concentration of negative socio-economic phenomena, such as economic weakness of urban centres, low productivity resulting from, *inter alia*, traditional economy structure, as well as low level of innovation of enterprises and research and development centres, and low territorial accessibility (communication system: roads and railways).

A phenomenon affecting the development position of the macroregion is the persistent **negative migration balance** which is the result of, *inter alia*, unattractive regional labour markets. The macroregion is primarily left by young people with a university degree (in 2008, the balance of migration from Eastern Poland was approximately 11,500 people, of which about 7,000 were people aged 25–34, among which university graduates had a significant share). This has a negative impact on the innovation of the economy as the above group displays the greatest openness to market novelties and a tendency to purchase innovative goods and services.

The barrier resulting in low attractiveness of Eastern Poland is insufficient internal consistency, as well as absence of infrastructure of adequate quality, including primarily transport infrastructure, due to which this area is **inadequately spatially integrated with the rest of the country**, including with other large urban centres (Gdańsk, Warsaw, and Krakow). Insufficiently developed and poorly integrated transport infrastructure (roads, railways, air) makes it difficult to strengthen functional ties with Eastern Poland from outside the macroregion.

○ **Voivodeship capitals and their functional areas**

18 voivodeship capitals together with their functional areas constitute centres of economic development of the country and the regions (in accordance with NSRD 2007, functional areas of voivodeship capitals generated approximately 51% of the national GDP), they also have important metropolitan functions: administrative, social, scientific, cultural and other. They are also centres attracting financial and human capital. The international renown of major urban centres is an important measure of the country's general rank on the continent and on the global scale. In these terms, Polish cities and surrounding areas yield to European cities and regions, especially those from western and northern Europe. Against their background, major urban centres in Poland are characterised by underdevelopment of metropolitan functions. According to the ESPON classification⁴⁰ no Polish cities can be called the "locomotive of Europe" or "strong MEGA;" only Warsaw was classified as a "potential MEGA" and seven other cities as "weak MEGAs." The problem of major urban centres of Poland is also absence of or poor coordination of management in urban functional areas, in particular the largest ones. This problem is exacerbated by increasing migration of the population from the core of the functional area to the outer area, which leads to urban sprawl and increased transport problems. This is also compounded by the lack of sufficient cooperation between neighbouring local government units, which reduces the effectiveness of development activities.

Thus, creating conditions for better use of the potential of voivodeship capitals as "urban network nodes" in Poland and stimulating them to compete with major centres in Europe and in the world is one of the most important, spatially determined challenges for Poland's development. In response to this challenge, the NSRD and the NSDC define the most important objective for voivodeship capitals and their functional areas as strengthening metropolitan functions of voivodeship centres and the integration of their functional areas, *inter alia* by promoting solutions that integrate the space of functional urban areas in terms of spatial planning, public transport (infrastructure, fleet and organisational solutions), municipal services and the labour market.

³⁹ Annoni P., Kozowska K., *EU regional competitiveness index (RCI) 2010*, Joint Research Centre EC,:2) *A New Regional Competitiveness Index: Theory, Methods and Findings*, DG Regio Working Paper, 2/2011.

⁴⁰ See: Atlas of the European Observation Network for Territorial Development and Cohesion (ESPON), Mapping the structure of the European territory, October 2006.

The problem identified in voivodeship capitals and cities designated as ASIS “C” *Cities and city districts requiring revitalisation* is depopulation, which largely translates into the process of an increase in the population of adjacent areas, which compounds the suburbanisation processes. This is proven by data from the years 1988–2007, where a decrease or a slight increase in the population in large cities was accompanied by a significant increase in the population in the surrounding gminas. This phenomenon is visible particularly in Warsaw, Krakow, Poznań, Tri-City, Wrocław, Łódź, Bydgoszcz and Toruń. Of the 20 gminas with the highest increase in the population in the years 2003–2007, 18 are gminas adjacent to large cities.

Uncontrolled suburbanisation stems largely from absence of local land use plans.⁴¹ The National Urban Policy prepared by the minister responsible for regional development will place great emphasis on reducing dynamic suburbanisation and mitigating its adverse effects, as well as on the quality of spatial planning and linking it with planning of development, carbon efficiency and energy efficiency.

- ***Cities and city districts requiring revitalisation***

Analyses of the basic economic and social indicators point to an accumulation of negative socio-economic, environmental and spatial phenomena related to physical degradation of buildings in certain urban centres or their districts. Degradation of such areas is frequently related to the effects of their long-term use for industrial purposes, withering away of traditional economy branches or their restructuring. The loss of previous socio-economic functions of cities or their districts leads to deepening problems, such as declining levels of entrepreneurship, growth of unemployment, deterioration in the quality of infrastructure, as well as the intensification of social problems linked to depopulation and concentration of poverty and social exclusion.

In addition to progressing degradation of entire urban centres or districts of large cities, there are also other degraded areas in Poland, mainly post-industrial, post-military, post-railway sites and degraded rural areas, for example land of former collective farms. They often require land reclamation and creating conditions for their reuse.

Economic, social, environmental and technical degradation of urban areas leads to their reduced attractiveness to residents and investors.

Examples of cities experiencing such problems are Bytom, Wałbrzych and Łódź. As a result of systemic transformation, these cities saw an accumulation of negative socio-economic phenomena on a massive scale. Due to mining and liquidation processes in the mining and smelting industries, Bytom and Wałbrzych saw destruction of buildings, including post-industrial sites, significant environmental pollution and depreciation of the residential fabric. Łódź, on the other hand, is an example of a city that suffered due to the collapse of the textile industry, which resulted in liquidation of jobs and depopulation.

The challenge is to ensure conditions for proper revitalisation, i.e. an integrated and comprehensive approach, prepared and carried out taking into account real social participation, to preventing degradation processes relating, *inter alia*, to progressing degradation of the urban fabric (including residential buildings), erosion of social relations, unfavourable demographic (migrations, depopulation), spatial (suburbanisation), infrastructural (transport, energy efficiency) and environmental (pollution) processes.

- ***Rural areas, in particular with the lowest access to goods and services conditioning the development opportunities***

As results from the diagnosis of the socio-economic situation in rural areas, identified in the NSRD and Sustainable Development Strategy of Rural Areas, Agriculture and Fishery (SZRWRiR), many rural areas are not sufficiently involved in development processes of the country and regional development processes. This results from the historical economic structure of these areas – in considerable areas of Poland, particularly Central, Eastern and South-Eastern Poland there is high employment in fragmented agriculture (for European conditions and the possibilities of ensuring adequate income), there is no well-established network of cities and a low degree of interconnections between these areas and large urban centres offering better jobs and more distant.

Rural areas in Poland display significant differentiation of the main function, yet the prevailing function is agricultural (east and centre of the country). Polish agriculture is characterised by considerable spatial differences (the average surface of agricultural land in a holding is between 3.92 ha in Małopolskie Voivodeship and 30.20 ha in Zachodniopomorskie Voivodeship) – a full diagnosis of these differences is presented in the Sustainable Development

⁴¹ The planning coverage indicator for Poland is 27.9% (data for 2012). The voivodeships with the highest planning coverage indicator values are: Małopolskie, Śląskie and Dolnośląskie. The voivodeships with the lowest planning coverage indicator values are: Kujawsko-Pomorskie, Lubuskie and Podkarpackie.

Strategy of Rural Areas, Agriculture and Fishery. The smallest holdings can be found primarily in southern Poland (Śląskie, Małopolskie and Podkarpackie Voivodeships), holdings are the largest in northern and western Poland (Zachodniopomorskie, Warmińsko-Mazurskie and Lubuskie Voivodeships). Thus, agricultural land is dominated by small and medium-sized family-run farms. At the same time, there are wide intra-regional differences as to the size, profile and production potential of agricultural holdings. These differences result from many factors, among others natural, demographic and economic factors. A significant part of the country is occupied by rural areas with mixed and transitional functions (i.e. areas that cease to be strictly agricultural due to urbanisation processes).

Many rural areas in Poland are affected by negative trends in economic and social development, which are often associated with problems of remoteness from local development centres and low quality of life. There are significant disparities in access to public services and their quality both at the level of poviats (there are many basic public services at this level), as well as in other territorial cross-sections. In the framework of regional policy, the identified problem areas where low accessibility and quality of public services is accompanied by low own resources of local authorities, which does not allow them to ensure improvement by their own means in areas which are decisive of prospects, require special treatment. In view of the EU integration processes and the development of globalization processes, in recent years these areas have been subject to increased competitive pressure that they find difficult to respond to based on their own resources. This results in a reduction in the level of income of the population, population outflow from agriculture and – due to inability to find jobs in the vicinity of the place of residence – migration processes (of national and foreign reach).

Rural areas have the potential to become an attractive place to work, live, spend holidays and pursue economic activity, either agricultural or non-agricultural, preserving the unique natural, landscape and cultural assets of these areas for future generations. Highly diverse settlement, social and economic structure of rural areas in Poland and a different scale and nature of the ties between them and cities, both voivodeship and subregional, requires a precisely targeted intervention.

ESIF support addressed at rural areas should impact their multifunctional and sustainable development, in particular through the use of endogenous potentials of these areas. The development prospects of many rural areas in Poland are driven by their territorial accessibility and living conditions (including a.o. the quality and availability of basic public goods) and opportunities of pursuing economic activity. Therefore, ESIF support should be concentrated particularly on these rural areas in which the accumulation of infrastructural, social and economic barriers leads to permanent marginalisation, and thereby excludes the possibility to participate in development processes for a large group of residents. Special support instruments in the framework of relevant programmes will be dedicated to these areas. Particular importance is attached to further reinforcement of the activity of local communities, which stands for the need for the continuation of the actions implemented in the years 2007–2013 under LEADER, and in the 2014–2020 perspective as CLLD. Focusing on the existing functional links, it will be key to strengthen the relationships of rural areas with cities forming local development centres.

○ **Border areas**

Border areas play an important role in both development and political processes. In border areas where there are no restrictions on the movement of goods, persons, capital and services (areas bordering with Germany, Czech Republic and Slovakia), there are positive incentives for economic growth, enterprise development, international cooperation, exchange of experience and good practices. On the other hand, however, these areas are exposed to adverse phenomena related to low national territorial accessibility, cultural and social differences, as well as draining human resources of both more and less educated people by foreign regions that have a higher level of competitiveness, at least with respect to public services or salaries. This phenomenon is particularly visible in western Polish voivodeships. This justifies implementation of actions aimed at reducing barriers, enhancing economic cooperation, political and intercultural dialogue and enhancing the competitiveness and attractiveness of border regions in the economic and social dimension, to allow taking full advantage of the internal potentials.

Areas along the borders with non-member states: Russia (Kaliningrad Oblast), Belarus and Ukraine must face up to special challenges. These areas are characterised by low values of socio-economic indicators, among others due to their peripheral location towards national growth centres and lack of opportunities to use their economic potential on the basis of socio-economic links with regional growth centres (due to formal difficulties resulting from the existence of a border).

○ **Coastal areas**

Coastal areas, which are often fisheries areas, face specific challenges. It is necessary to take a number of actions that match the creation of a modern maritime economy that would be able to face external competition and contribute to stimulating economic growth and job creation. The challenge follows the objectives of the Integrated Maritime Policy and one of its components: EUSBSR. The following actions correspond to all three general objectives of EUSBSR (Save

the sea, Connect the region, and Increase prosperity) and constitute the Polish priority in the implementation of this Strategy.

In the context of economic exploitation of marine resources and enhancing innovation in the maritime industry, it is important to use them to support sustainable development of the marine ecosystem. It is important to create cooperation platforms for maritime sector enterprises and scientific institutions as well as to consolidate cooperation with the neighbouring countries in the Baltic Sea region for innovative solutions in the area of maritime economy. In the context of the need to improve the condition of the marine environment, it is necessary to take large-scale actions to reduce the negative impacts on the environment. We should also seek to ensure rational management of the living marine resources and to improve the efficiency of aquaculture and the fisheries sector, thus improving the quality of life in fisheries areas. As to the use of maritime areas for energy generation and supply of energy materials, a significant challenge is also the construction of new and expansion of the existing maritime, transmission and storage infrastructure for optimal use of energy resources of the country. Diversification of sources and directions of energy raw materials supply will contribute to the achievement of indicators of energy generation from renewable sources. Effective maritime economy requires an efficient transport system connecting seaports and coastal agglomerations with the national base and the European market. Hence we should seek to develop seaports, primarily by supporting actions targeted at their performance of public tasks and infrastructure that will be made available on competitive and non-discriminatory terms.

Coastal areas have the highest potential of the so-called blue growth and creating blue jobs, for example thanks to the development of infrastructure, in particular port infrastructure, and innovative undertakings associated with the sea.

MAZOVIA AS A REGION OF A SEPARATE CATEGORY IN THE YEARS 2014–2020: JUSTIFICATION FOR THE TRANSFER OF FUNDS BETWEEN THE CATEGORIES OF REGIONS

In the 2014–2020 programming period in Poland there are two categories of regions: Mazovia – a more developed region and the other 15 voivodeships – less developed regions. The division of Polish regions into these two categories follows directly from the principles of the Framework Regulation establishing, depending on GDP per capita in relation to the EU average, different programming rules, i.e. different thematic concentration levels, different levels of EU funding at the level of priority axes and other rules for determining the allocation. In addition, in accordance with EC Guidelines on regional State aid for 2014–2020 (RAG), adopted in 2013, in the new programming period Mazowieckie Voivodeship will leave the category of ‘a’ areas and therefore the rules of granting regional aid in the voivodeship will be tightened.

Using the GDP at the NUTS 2 level in determining the categories of the regions does not, however, take into account a number of factors determining the development of the regions, such as various internal development gaps which are better visible at the NUTS 3 level. In the case of Mazovia, the differences in GDP per capita between Warsaw and the poorest poviats of the voivodeship are more than 4:1 and are the greatest of all regions, which is a particular challenge for the actions taken by the government and the voivodeship authorities.

Including Mazowieckie Voivodeship in the group of the most developed regions of the EU is only a statistical effect resulting from the dominant position of the voivodeship’s capital, Warsaw, in the country, as it is also Poland’s capital. Other NUTS 3 level units from this voivodeship have, according to the data for the reference period 2008–2010, the level of development close to the poorest Polish voivodeships.

Having regard to the **actual** developmental situation of Mazowieckie Voivodeship compared to Poland as a whole, the greatest developmental gaps in the voivodeship and considerable growth potential of the Warsaw metropolis, the **Polish government decided, pursuant to Article 93 of the Framework Regulation, to mitigate the negative effects of including this region in the group of more developed regions by increasing its allocation by full 3%**. Financial data reflecting the transfer are presented in Table 10 in Section 1.4.

At the stage of negotiations on regulations, in view of the specific internal determinants of development of Mazowieckie Voivodeship and its impact on the rest of the country, mainly through the capital, Poland sought to introduce the 5% flexibility mechanism. Poland considers the finally agreed threshold of 3% as the necessary minimum.

The basic structural funds allocation to Mazovia constitutes 60% of the theoretical allocation for this voivodeship in the 2007–2013 programming period. After an increase of about 3%, the allocation for Mazovia amounts to EUR 3.8 billion. Funds of EUR 2.1 billion are managed directly by voivodeship authorities in the framework of the regional operational programme. The remaining EUR 1.7 billion dedicated to this voivodeship have been earmarked under individual ERDF and ESF axes of national programmes.

The full 3% increase of the originally reduced allocation for Mazovia resulted, first of all, from two basic determinants.

Firstly, outside Warsaw, Mazowieckie Voivodeship has an average or low level of development and struggles with problems similar to other voivodeships. Enormous development needs in terms of both the basic infrastructure and human capital occur, in particular, in the following subregions: Ostrołęcko-Siedlecki, Radomski, and Ciechanowsko-Płocki. They will require instruments that allow intervention at a level close to less developed regions. This support will be offered mainly at the regional level, and therefore **part of the funds transferred pursuant to Article 93 replenished the regional programme**. It is necessary to increase the ability of poorer parts of Mazovia to make use of the development impulses from its capital, as well as to provide them with an equivalent level and range of support as in the neighbouring regions of similar development challenges. ESF funds passed to the regional level within the framework of the transfer (approx. EUR 180 million) will be targeted as additional support for the areas of the voivodeship which are in a difficult social and economic situation (as a rule, the entire area of the voivodeship without Warsaw).

Secondly, Warsaw is a major pole of the country’s development that ensures, through external and internal functional ties, the inclusion of not only Mazovia but the whole country in the European and global economy. Both the NSRD and the NSDC underline the significance of Warsaw to competitiveness and innovation of the entire country and the need to strengthen its links with other capitals of Polish regions, to allow them to benefit from the opportunities offered by the European market a more complete way. As a territory with the greatest innovation potential in Poland, Warsaw and its functional area will largely condition Poland’s ability to achieve the level of R&D expenditure at 1.7% of GDP in 2020. Therefore, it is necessary to ensure an appropriate volume of funds that could be allocated for strengthening or unlocking the development potentials of the capital city of Poland under a regional programme and national programmes.

Funds from the transfer made pursuant to Article 93 allocated to national programmes were largely concentrated in Operational Programme Smart Growth (approximately EUR 700 million out of the EUR 1.4 billion implemented at the national level) for the implementation of TO 1 and TO 3, to make use of the potentials in the area of innovation inherent in the voivodeship for the development of the whole country. These actions will be supplemented by complementary interventions taken by voivodeship authorities at the regional level.

In addition, it is important to note that a large part of ERDF or ESF interventions under national programmes, in particular under Operational Programme Knowledge, Education, Development (OP KED), Operational Programme Digital Poland (OP DP) and Operational Programme Infrastructure & Environment (OP I&E) will directly concern the entire country, although physically implemented in Warsaw as the capital of Poland, which provides an additional justification of the transfer. Furthermore, it should be noted that the diagnoses carried out within the framework of the national operational programmes prove there are significant needs for commitment to the achievement of development objectives of interventions in the area of Mazowieckie Voivodeship, in excess of funds available in the framework of the Mazovian envelopes (after the full 3% transfer).

If there was no increase in allocation of structural funds for Mazovia, it would mean that the total ERDF and EFS pool for this voivodeship, taking into account national programmes and the regional programme, would amount to barely around EUR 2 billion. With such a volume of programmed funds, definitely lower than in the case of many regional programmes, the voivodeship could lose its position, both in Europe and in the country, over the coming decade transforming from a growth and innovation leader into an underdeveloped voivodeship. Without the transfer, the share of the Mazovian envelope in total structural funds would be only 4%, while the share of the population of Mazovia in the total Polish population is ca. 13%. A full transfer improves this relationship – the share of the Mazovian envelope rises to 7%, although it is still disproportionate to the population.

At the stage of making decisions on the extent of the transfer, analysis covered not only the aforementioned factors, but also the importance of the potential of Mazovia for the implementation of the assumed PA objectives. The ex ante evaluation process revealed that absence of or incomplete transfer of funds to Mazovia would prevent the achievement of the assumed objectives and indicators, especially with regard to objectives covered by ring-fencing.

Specific developmental determinants of Mazovia and impact of this voivodeship on the development of other regions and the whole country are commonly known, hence full transfer of funds to Mazovia pursuant to Article 93 has never been questioned within the framework of public consultations and policy debate in Poland or discussions with ministries and all regions, including the regions of the '15' in the framework of work of the Interministerial Team for Programming and Implementation of EU Structural Funds and Cohesion Fund (Team).

This transfer is highly justified, which results directly from national strategic documents that attribute Mazovia and Warsaw with a special role in the development of the country and the regions, as well as premises based on an in-depth analysis of the current situation and development trends of this voivodeship.

Withdrawal of Mazowieckie Voivodeship from the category of the least developed regions will affect the way in which the projects are financed from the funds available under national programmes. The adopted funding mechanisms based on pro rata algorithms have been described in the part devoted to the overview of financing.

1.2.2 Conclusions from experience to-date⁴²

● Experience of the cohesion policy

The possibility of using EU funds under the cohesion policy in the years 2004–2013 allowed Poland to carry out the largest ever investment and modernisation programme, which at the same time was an incentive to introduce structural changes. Poland's position in Europe and in the world has significantly improved. It was due a lot of factors, *inter alia* solid macroeconomic foundations, thanks to which the country turned out relatively resilient to the impact of the global financial crisis, but also the beneficial impact of EU funds on many areas of social and economic life. In the years 2004–2012 the distance between Poland and highly developed economies of the EU quickly decreased – GDP per capita in relation to the EU average increased in this period by 18 percentage points,⁴³ which is one of the best results among the new Member States.

Economic operators, supported by EU funds for investment projects and undertakings improving human capital, steadily increased their competitiveness. Investments implemented under the cohesion policy, both large infrastructural projects and smaller ones related to local social infrastructure, have changed and organised the area concerned, thus improving citizens' quality of life as well as competitiveness and attractiveness of certain regions. The effects of the major modernisation project carried out by Poland, especially those most convenient for the citizens,

⁴² All conclusions described in this chapter are derived from analyses, evaluation reports and evaluation studies. In the case of the evaluations, we used study results from www.ewaluacja.gov.pl. The chapter contains only selected complex works.

⁴³ This indicator was 49% in 2003, and 67% in 2012.

such as new roads, improvement in the quality and performance of public transport and the emergence of new types of open public spaces intended to foster the 'culture of free time,' have a beneficial effect on the processes of social integration and strengthening social capital. The cohesion policy stimulates modernisation and development processes, as well as sustainable structural changes. It forces undertaking comprehensive development actions and mobilises different circles and management levels to implement joint undertakings. Implementation of cohesion policy also has a positive effect that consists in improving the quality of national public policies in the area of the labour market, education and social policy.⁴⁴

Studies on the absorption of EU funds allocated to Poland under the *National Development Plan 2004–2006* (NDP) and the *National Strategic Reference Framework 2007–2013* (NSRF)⁴⁵ point to their positive influence on economic growth, investment activity and the labour market in Poland, as well as on the internal and external balance of the economy. The cohesion policy contributes to accelerating economic growth. The analysis of real and forecasted changes in GDP in 2004–2015 shows that on average the real rate of economic growth will be higher by approx. 0.7 pp in comparison to the counterfactual scenario (which assumes lack of cohesion policy funds). It is estimated that the GDP growth rate in 2012, amounting to 1.9%, was higher than in the scenario without the EU funds by ca. 0.9 pp, which means that about half of economic growth in 2012 stemmed from the EU cohesion policy. In the longer run, in addition to demand factors also supply effects are increasingly visible, which will result in an increase in labour productivity.

Acceleration of Poland's economic growth thanks to European funds makes them an increasingly important factor in the reduction of the developmental gap between Poland and the EU. It is estimated that in 2012 the difference in GDP per capita between Poland and EU-27 was ca. 4.3 pp lower thanks to the funds, and in 2015 it is to be lower by about 5.4 pp, due to which Poland has a chance to reach GDP per capita of approximately 70% of the EU average.

Lessons from the experience of cohesion policy implementation in the previous programming periods, supported by the results of evaluation studies, indicate that **implementation of a set of interventions in the form of complementary and closely targeted public intervention packages** is the prerequisite of achieving a high level of efficiency and effectiveness of the cohesion policy. According to the results of the studies, sectoral understanding of socio-economic problems and challenges results in inefficient fragmentation of the development policy. Evaluation results also point to a need to **adjust integrated intervention to a given territory**. Interventions carried out in the framework of the cohesion policy are less effective if they do not take into account the potentials and problems specific to a given area. Implementation of interventions (within the framework of both the ESF and the ERDF) on the basis of and in accordance with the overall strategic vision ensures sustainability of effects of cohesion policy implementation.⁴⁶

One of the most important conclusions reached on the basis of the results of the evaluation process is the fact that effectiveness and efficiency of the cohesion policy depend strongly on the quality of all the other national and European public policies. The prerequisite of successful implementation of the cohesion policy and of the *Europe 2020 strategy* is, therefore, better coordination with other policies (including the CAP) and structural reforms within the framework of the major strategic areas.⁴⁷

The implementation of a broad set of EU-funded interventions in the years 2007–2013 allows formulating conclusions and recommendations that contribute to increasing the efficiency of interventions within the framework of the PA on the basis of regular analyses and evaluations. The conclusions from experience to-date for selected areas, which will continue to be supported in the years 2014–2020, are presented below.

o **Entrepreneurship and innovation**

Lessons learned from implementing the cohesion policy in previous years show that support for innovation processes should be in line with principles of "smart specialisation," i.e. focusing resources on key priorities allowing to make use of the national and regional development potential. Results of studies show, for example, it is necessary to increase support for cluster initiatives.⁴⁸ The cohesion policy should focus on interventions directing research and development to match the needs of the economy and eliminating barriers to cooperation of science with the business sector.

⁴⁴ *Evidence-based Cohesion Policy and its role in achieving Europe 2020 objectives*, a study commissioned by the MRD, Warsaw 2011.

⁴⁵ On the basis of the results of the following studies: "Assessment of the impact of the implementation of the cohesion policy on the development of selected macroeconomic indicators at the national and the regional level by means of a quantitative economic model – model simulations EUImpactModIV," Institute for Structural Research, updated in February 2014, Warsaw, and "Assessment of the impact of the implementation of the cohesion policy on the development of selected macroeconomic indicators at the national and the regional level by means of Hermin macroeconomic models," Wrocław Regional Development Agency, updated in February 2014, Wrocław.

⁴⁶ *Ex post evaluation of the National Development Plan 2004–2006*, MRD, Warsaw 2010.

⁴⁷ *Ex post evaluation of the National Development Plan 2004–2006*, MRD, Warsaw 2010.

⁴⁸ *Assessment of the Cohesion Policy impact on improving competitiveness and innovation of Polish enterprises and the economy (Ocena wpływu polityki spójności na wzrost konkurencyjności i innowacyjności polskich przedsiębiorstw i gospodarki)*, a study commissioned by the MRD, Warsaw 2010.

The conclusions from the evaluation show that since the needs and problems underlying **low competitiveness and innovation of small and medium-sized enterprises in Poland are highly diversified, the broad range of support should be retained**: direct support, support of a limited offer of specific services and products provided by the business environment institutions and tailored to the needs of enterprises, as well as support of human capital development in enterprises. Nevertheless, in order to increase the effectiveness of public funds spending, direct support should be granted only to those undertakings which would not have been carried out if it had not been for public support or where public support would expand the project scope or speed up its implementation (minimising the deadweight effect). Studies show that this applies in particular to micro, small and medium-sized enterprises, especially those implementing innovative and R&D projects, which are most affected by the negative effects of the funding gap (limited access to external funding).⁴⁹ In the case of large enterprises, public support is the most effective when provided to highly innovative and R&D projects, and projects that envisage cooperation with economic partners, in particular companies from the SME sector.⁵⁰ Study results also show that broadening the scope of application of repayable support may serve as one of the tools for enhancing effectiveness of public intervention (broader impact with smaller funding), yet it requires to be further confirmed on the basis of ex ante analyses pursuant to Article 37 of the Framework Regulation. Non-repayable support is highly effective in the case of highly innovative projects prior the commercialisation phase. The findings of evaluation studies also show that an effective solution in this area would be if the form of support depended on project phase (i.e. non-repayable support at the research and development stage, repayable support at the implementation stage). Studies also indicate relatively high efficiency and effectiveness of support for loan and guarantee funds, as well as seed capital funds. The evaluation results allow expressing a positive opinion of the process of financial instrument implementation in Poland in 2007–2013. In the framework of the evaluation process, some elements of the system have been identified which can be improved in order to enhance the efficiency and effectiveness of implementing repayable instruments in Poland.⁵¹ Experience shows that there is also a need for expanding services offered by business environment institutions and matching them to the needs of entrepreneurs better. It is also necessary to refocus support in favour of the demand side (in particular with regard to industrial or science and technological parks and incubators, as well as networks of systemic institutions).⁵²

○ **ICT use**

The major problems related to establishing the distribution and backbone network in the years 2007–2013 were, inter alia, an extensive system of obtaining funding, including the development of the application documentation, lack of experience and competence of public authorities, mainly at the initial stage of launching broadband projects, excessive duration of notification procedures (due to individual notification of planned state aid for particular projects) and the lack of inventory of broadband infrastructure at the time of project preparation.

Support from EU funds in the years 2014–2020 will be structured so as to introduce a number of significant differences and improvements compared to previous years, including primarily the concentration of the entire intervention in one programme under which public support for Internet access infrastructure will be provided only in areas where, without the support, investments would be economically unprofitable.

In the years 2007–2013, the intervention in the area of e-government was accompanied by a number of problems. They were identified and addressed, *inter alia*, in the framework of the implementation of the remedial plan for axis 7 of OP IE (Remedial Action Plan), agreed between Poland and the European Commission. The problems included primarily the lack of a comprehensive and strategic approach to the development of e-government, which gave rise to the risk of building silo systems which do not cooperate with each other, catering to narrow and specialised needs of individual institutions and the risk of duplication of actions undertaken within the framework of various projects, as well as insufficient coordination between different sources of e-government projects financing, such as OP Innovative Economy, OP Human Capital and regional operational programmes, in conjunction with absence of a detailed analysis of the projects in terms of complementarity with other IT projects implemented or completed at the central and regional levels. The above experience has been taken into account when planning the interventions of OP DP for 2014–2020.

⁴⁹ *Evaluation of the financial gap in the Polish enterprises' access to external funding. Conclusions and recommendations for the Cohesion Policy programming process in period 2014–2020 (Ocena luki finansowej w zakresie dostępu polskich przedsiębiorstw do finansowania zewnętrznego. Wnioski i rekomendacje dla procesu programowania polityki spójności w okresie 2014–2020)*, a study carried out by the Institute for Structural Research, commissioned by the MRD, Warsaw 2013.

⁵⁰ *Evaluation of the effects of supporting large enterprises in the framework of cohesion policy implementation in Poland (Ocena efektów wsparcia dużych przedsiębiorstw w ramach realizacji polityki spójności w Polsce)*, a study carried out by PAG Uniconsult, commissioned by the MRD, Warsaw 2013.

⁵¹ *Evaluation of the implementation of financial engineering facilities under the NSRF 2007–2013 (Ocena realizacji instrumentów inżynierii finansowej w ramach NSRO 2007–2013)*, a study carried out by PAG Uniconsult, commissioned by the MRD, Warsaw 2013.

⁵² *Evaluation of the complementarity and effectiveness of supporting business environment institutions providing services to enterprises (Ewaluacja komplementarności i efektywności wsparcia instytucji otoczenia biznesu świadczących usługi dla przedsiębiorstw)*, a study carried out by PAG Uniconsult and Laboratorium Badań Społecznych, commissioned by the MRD, Warsaw 2012.

Experience related to the implementation of actions aimed at increasing e-competence and preventing digital exclusion points to very strong interest among the target audience. It is manifested not only as universal participation, understood as the number of training participants, but also as readiness for further enhancement of skills and acquisition of additional, more advanced skills in using modern technologies.

○ **Decarbonisation of the economy**

As a result of implementation of actions financed from the EU funds under the 2007–2013 perspective, further support is planned to reduce energy intensity of the Polish economy and thus to improve energy security. This will also translated into a measurable effect in the form of avoided emissions of pollutants in the energy sector. Energy savings will have a significant impact on improvement of efficiency of the economy and its competitiveness. In addition, projects aimed at increasing energy efficiency, such as energy renovation of buildings, will contribute to increasing the number of jobs. Therefore, it is necessary to continue investments to increase energy efficiency by means of energy renovation of buildings, development of heating and cooling network along with high-efficiency cogeneration.

As regards RES financed under the 2007–2013, in order to fulfil the assumptions of the climate and energy package, support is to be continued for maintaining the support mechanisms for producers of power from renewable energy sources, introduction of additional support instruments to promote heat generation from renewable energy sources, support for construction of new RES units and smart power grids, extension of power transmission and distribution infrastructure allowing to connect RES to the National Power System.

According to studies, decarbonising the economy requires focusing public interventions on investments which increase energy efficiency and energy conservation (in buildings, energy systems and heating systems), on developing various forms of RES and on the development of environmentally sound technologies in enterprises. It is also recommended to increase expenditure on development of systems allowing smart management of distribution systems, as well as to create conditions fostering smart energy consumption.⁵³ According to studies, interventions in this area should include regional/local conditionalities and capacities, an assessment of available solutions effectiveness and — depending on the economic viability of actions — should allow for the use of different support mechanisms (repayable and non-repayable).⁵⁴

Furthermore, studies indicate the need to activate local governments in designing programmes, in co-operation with entrepreneurs and residents, involving modernisation of heat generation and distribution units, energy renovation of buildings, using RES, implementation of smart systems allowing energy system management, knowledge-raising activities on energy savings and optimal use of energy.⁵⁵ In the case of energy renovation, the results of studies point to the need to implement comprehensive, cost-effective undertakings.⁵⁶

Evaluation studies and analyses in the area of “greening the economy” show that lack of knowledge on the economic benefits from using such solutions is a significant barrier to a wide implementation of environmentally sound technologies. This is why solutions under the cohesion policy should be beneficial for climate protection (including “green” technologies) and promoted, *inter alia*, by: supporting demonstration projects (propagation effect, incentives), dissemination of knowledge on effective solutions, active advisory support, stimulating various forms of co-operation for environmental technologies, supporting mechanisms which enable lending to investments, as well as stimulating the demand for “green” technologies.⁵⁷

○ **Adaptation to climate change**

In terms of adaptation to climate change, according to studies, special attention should be given to the preparation and implementation of comprehensive actions, which would be in line with the concept of a water catchment approach to flood risk management. To reduce the effects of natural hazards it is advised to take integrated planning and investment actions, in line with the approach adopted in the Water Framework Directive (WFD) and the Floods Directive. An appropriate direction indicated in the evaluation studies is, in particular, modification of infrastructure systems allowing to conduct fast and efficient rescue operations and undertaking interventions focused on increasing retention capacity of water catchments. What is more, measures which reduce climate change-related hazards may

⁵³ “Evidence-based cohesion policy and its role in achieving Europe 2020 objectives”, MRD, Warsaw 2011.

⁵⁴ “Impact assessment of investments under the Measure 9.1, 9.4, 9.5, 9.6 and 10.3 OP I&E on the implementation of obligations imposed by the Directive 2009/28/EC”, evaluation by the Institute for Structural Research, commissioned by the Ministry of Economy, Warsaw 2012.

⁵⁵ “Evidence-based cohesion policy and its role ...”, op. cit.

⁵⁶ “Analysis and assessment of possibilities to integrate actions in the area of energy efficiency, taking into account renewable energy sources, including municipal waste and sewage sludge”, evaluation by PWC, commissioned by the National Fund for Environmental Protection and Water Management, Warsaw 2013.

⁵⁷ “Conclusions on cohesion policy delivery In light of the results of analysis and evaluation in the 2004–2006 period”, MRD, Warsaw 2011.

include appropriate spatial policy making by reducing sprawl; additionally, solutions providing for rain water retention should be introduced.⁵⁸

Investments in monitoring systems allowing rapid warning of the population about incoming hazards (sudden waters rise, storms, heavy downpour, fires and other incidents which can be classified as natural disasters) and systems for the emergency services co-operation were incidental both in the 2004–2006 and the 2007–2013 financial perspective. Evaluations show that efficient implementation of projects regarding adaptation to climate change requires involvement of numerous stakeholders, *inter alia*, infrastructure, water resources and forest managers, local governments, land owners and non-government organisations. Achieving success in this field will be also contingent upon preparing comprehensive programmes aimed at reducing the flood risk in drainage area, taking into account the need to protect ecosystems, as well as action in the field of spatial planning, planning in areas significant for the flood management and development of system supporting flood risk management.⁵⁹

○ **Waste management**

Waste management is an integral part of sustainable resources management. It should focus on waste prevention at source and on supporting the efficient use of raw materials by means of their reuse, in particular recycling. Evaluations show that (1) environmental and economic effectiveness of various waste management methods is highly dependent on regional conditions; (2) the largest ability to function independently under market conditions is recorded in the entities which launched comprehensive waste management solutions; (3) the lack of effective mechanisms to ensure greater citizen participation in separate waste collection is a problem for project sustainability.⁶⁰ Therefore, evaluations show that, from the perspective of the maximization of effects and sustainability of activities, financial support under the cohesion policy should be directed to complex programmes aimed at comprehensive solution to the problems of waste management in a given area and should include, *inter alia*, construction of infrastructure for recycling and waste management, development of selective waste collection systems, reclamation of landfill sites, waste prevention activities, information and promotion activities to increase public participation in the new waste management system. Environmental education carried out within projects should build a sense of individual responsibility for the generation of waste. Furthermore, studies show that availability of the EU funds and interest of investors and financial markets in infrastructural projects provide a unique opportunity for Polish regions and cities to overcome decades-long gap in development of modern waste management systems.⁶¹

○ **Water and waste water management**

The evaluation of the effects of the support under the cohesion policy shows that a huge persisting challenge is to achieve the water quality parameters which are compliant with the standards stemming from the Waste Water Directive. One component of the waste water treatment process, which is important for environmental protection, efficient use of resources and reduction of greenhouse gas emissions, is the management of sewage sludge, as well as obtaining and use of biogas generated in the process of waste water treatment. The obtained heat may be used in the technological process of waste water treatment and sludge drying which reduces the costs of operating waste water treatment plants. Low profitability of the process resulted in low interest of beneficiaries in solving the problem under water and waste water projects financed under the cohesion policy.⁶² Furthermore, significant disproportions persists between the water supply system coverage and the sewage system coverage in rural areas, although the length of the sewage network in rural areas doubled in recent years.⁶³

Studies show that, in terms of maximizing environmental and economic effects, support should be primarily granted to comprehensive programmes encompassing, *inter alia*, extension of the sewage network, increasing the effectiveness of municipal and industrial waste water treatment, storm water drainage system, sewage sludge management, energy efficiency of the system and prevention of surface runoff of pollutants. Such programmes should include differentiated measures tailored to local conditionalities, which have positive effect both on the environment and local economy.⁶⁴ In the case of areas with low concentration rate (number of persons per one km of network) and

⁵⁸ "Conclusions on cohesion policy delivery In light of the results of analysis and evaluation in the 2004–2006 period", MRD, Warsaw 2011.

⁵⁹ "Evaluation of effects of environmental investments financed under NDP 2004–2006", evaluation by Fundeko s.c., commissioned by MRD, Warsaw 2010.

⁶⁰ "Evidence-based cohesion policy and its role in achieving Europe 2020 objectives", MRD, Warsaw 2011.

⁶¹ "Waste management in Poland. Challenges in view of EU requirements and legislative changes; public opinion and prospects", Deloitte, 2011.

⁶² "Evidence-based cohesion policy and its role in achieving Europe 2020 objectives", MRD, Warsaw 2011.

⁶³ L. Kłos, "Stan infrastruktury wodno-kanalizacyjnej na obszarach wiejskich w Polsce a wymogi ramowej dyrektywy wodnej" [Condition of Water and Sewage Infrastructure in Rural Areas in Poland and the Requirements of the Water Framework Directive], *Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania* No 24, 2010.

⁶⁴ "Evidence-based cohesion policy and its role in achieving Europe 2020 objectives," MRD, Warsaw 2011.

appropriate land conditions, systems of household waste water treatment plants or local waste water systems should be the preferred method of organising the waste water management.⁶⁵

○ **Protection of the environment, and natural and cultural heritage**

According to the findings of evaluation studies, future interventions focused on natural environmental protection and effective use of resources should support integrated solutions which positively influence ecosystems and provide conditions for the socio-economic development of regions (e.g. development of ecotourism). Expenditure on interventions (programmes) with a comprehensive approach to solving problems in the field of waste management and water resources conservation in a given area should be increased. Such programmes should include differentiated measures tailored to local conditionalities, which have positive effect both on the environment and local economy. In order to develop potential of environmentally valuable areas it is necessary to ensure comprehensive support covering measures related to both environmental protection and socio-economic activation of areas with a great environmental potential, including development of green infrastructure, as well as stimulating development of green jobs and educational and promotional activities. It should be also observed that the attractiveness of environmentally valuable areas is accompanied by high environmental vulnerability. Projects for the development of tourism infrastructure can have beneficial ecological and socio-economic effects, provided that both the location of vulnerable species sites and environmental habitats and the tourism capacity of natural areas are taken into consideration at the planning and development stages of investment actions.⁶⁶ Environmental education and promotion of environmentally friendly social attitudes in all aspects related to protection and use of environmental resources are of utmost importance.

The evaluation findings also reveal the need to continue investments in the sector of culture.⁶⁷ The implementation of projects in the area of culture contributes to preserving cultural heritage and increasing its accessibility, improvement of operational conditions of cultural institutions and their technical capabilities, and to improvement of the conditions for education and educational offer, as well as to an overall increase in participation in culture.⁶⁸ The analysis of evaluation reports and data collected in several voivodeships shows that the success of cultural projects in terms of their impact on socio-economic development is determined by their innovation and uniqueness in the sub-region, region or even the entire country. Although the analysed projects concerned “hard” infrastructural activities, their final success also depends on whether the given institution is able to use the created facilities and undertake high quality soft measures, creating an interesting programme offer.⁶⁹ This means that intervention should cover both infrastructural problems and issues related to the programme offer. Projects in the area of culture have a substantial impact on socio-economic development, as evidenced by findings of evaluations.⁷⁰ Evaluations commissioned by the Ministry of Culture and National Heritage and covering the national level show that projects in the area of culture contribute to creation of jobs. As a result of implementation of projects co-financed under Priority XI of OP I&E 2007–2013, almost 300 persons were employed under long-term employment contracts in commissioned facilities and at least 1,200 were employed or will be employed in established or renovated cultural heritage facilities, cultural institutions and art schools. What is more, projects in the area of culture exert a strong impact on the local and regional labour market, both directly and by stimulating the demand for services in the environment of the entities concerned. Thanks to investments and a wider cultural offer, new jobs, apart from persons employed under permanent employment contracts, were created in the form of short-term contracts and civil law contracts. The solution consisting in implementation of cultural projects at both the national and the regional level proved to be successful. Financing of investments at the national and the regional level allowed to create a complementary system for financing the projects in the area of culture which should be continued in the years 2014–2020.

⁶⁵ “Evaluation of achieved environmental effects under Axes I-V of Operational Programme Infrastructure and Environment 2007-2013 and comparison of financial outlays for their achievement with similar projects implemented using other sources of financing”, Fundeko, Warsaw 2013.

⁶⁶ “Evidence-based cohesion policy and its role in achieving Europe 2020 objectives,” MRD, Warsaw 2011.

⁶⁷ Analysis of infrastructural needs in the area of cultural heritage, higher education in arts, and culture infrastructure in Poland in the context of funding under the future EU perspective and compliance with Europe 2020 strategy objectives and flagship initiatives, Ministry of Culture and National Heritage (MCNH), Warsaw 2012.

⁶⁸ “Evaluation of achievements in implementation of projects under Priority XI of OP I&E and their impact on achieving specific objectives of the priority,” Ministry of Culture and National Heritage, Warsaw 2013.

⁶⁹ “Analysis of the impact of investments in culture and tourism infrastructure co-financed from the structural funds on socio-economic development of individual gminas/poviats of Śląskie Voivodeship,” Centrum Studiów Regionalnych UniRegio, Katowice 2010.

⁷⁰ Analysis of infrastructural needs in the area of cultural heritage, higher education in arts, and culture infrastructure in Poland in the context of funding under the future EU perspective and compliance with Europe 2020 strategy objectives and flagship initiatives, 2012; Evaluation of achievements in implementation of projects under Priority XI of OP I&E and their impact on achieving specific objectives of the priority, 2013; studies by the European Commission (The Economy of Culture in Europe, 2006; The Impact of Culture on Creativity, 2009; Study on the Contribution of Culture to Local and Regional Development – Evidence from the Structural Funds, 2010), Communications from the Commission (Communication on a European agenda for culture in a globalizing world, Regional Policy contributing to smart growth in Europe 2020, Promoting cultural and creative sectors for growth and jobs in the EU, Green Paper – Unlocking the potential of cultural and creative industries, cohesion policy and cities – The urban contribution to growth and jobs in the regions).

○ **Transport infrastructure**

The findings of evaluation studies on actions in the transport sector show that support in this area had a positive impact on improvement of accessibility and quality of transport infrastructure. Upon accession to the European Union, the Polish transport network did not meet quality standards typical for Western Europe and lagged behind other countries of the region (e.g. Czech Republic, Hungary). This resulted in low competitiveness of Poland, lack of interest of passengers to use environmentally friendly means of transport and low level of transport security. Investments under the 2004–2006 and 2007–2013 financial perspectives allowed to reduce the difference, *inter alia*, by intensified construction of the network of motorways and express roads, modernisation of railways and development of urban railway transport (underground, trams). However, due to a large scale of investment gaps, the assumed level of transport accessibility in all areas has not been achieved. This concerns also the implementation of relevant standards in the entire TEN-T network where Poland plays a major role in the East-West and North-South transit, connecting the Baltic states with the rest of Europe. Evaluations on the impact of programmes conducted in recent years focused primarily on extension of road infrastructure, where physical implementation of projects was faster than in railway transport and easier to capture than in urban transport. The experience from the years 2004–2013 allow to draw the following conclusions:

- The extension of the road network contributed to an increase in territorial cohesion and transport accessibility of the territory of Poland;
- The number of roads built in agglomerations where congestion is significant and results in considerable extension of the time of travel, in particular in transit, was insufficient.

The studies show that, apart from building individual roads, the development of road infrastructure should also focus on building their key sections, such as city bypass roads, access roads to cities and on other sections with heavy traffic, in particular heavy vehicle traffic. In addition, the national road infrastructure is still insufficiently developed when compared to intensity of production and exchange of goods and mobility of the population. The infrastructure is characterised by the lack of a coherent network of express roads (despite constant increase in their length), high percentage of national roads crossing the built-up areas and insufficient number of roads adjusted to the scale of the existing traffic. Underdevelopment of the road network has a significant impact on low level of territorial accessibility and traffic safety. Therefore, investments must be focused on extension of roads within the TEN-T network and on improvement of accessibility and reduction of excessive traffic, in particular transit traffic, in urban areas.

In the case of railway transport, the studies focused on the 2004–2006 perspective. They emphasized the need to ensure complementarity between individual actions in the railway sector, not only between the sections of modernised railways, but also renovation of railway stations, purchase of railway stock and creation of the transport offer which is often a barrier to competitiveness of railways, even in the case of modernised railway routes. Good practices included the building of new railway stations on the Warsaw West–Warsaw Służewiec line, which improved accessibility of railway services, and complementarity of actions with regard to rolling stock and infrastructure at the Łódź Widzew–Skierniewice section. The problems in freight transport include non-adjustment of modernised trunk lines to the needs of carriers and high access fees, as a result of which carriers bypass those lines and use cheaper regional railways.

The ex post evaluation of the 2004–2006 perspective in the area of intermodal transport revealed a very complex nature of barriers to the development of intermodal transport, which, apart from high railway infrastructure access fees, includes also such factors as poor condition of railways, insufficient number of logistics terminals on the border, along railway lines, in sea ports, and the limited quantity of appropriate rolling stock. The ex post evaluation of the 2004–2006 perspective in the area of maritime transport revealed the need of further, coordinated construction of access infrastructure for sea ports and port infrastructure. It established that the projects did not translate into an increase in freight transported by sea and did not influence the prices of transport services. In the aviation sector, terminals were vastly extended, resulting in some cases in 2–3-fold increase in their capacity. The current challenge is to achieve the assumed traffic.

The results of the above studies and analyses point to the need to prioritise investments to focus on the most pro-development and pro-diffusion projects, i.e. those with the greatest significance for improvement of national and regional territorial cohesion and accessibility of labour markets and economic centres.⁷¹ According to the studies, interventions in this area should cover: building and modernisation of key sections of roads, building of bypass roads, road investments of regional or local significance, complementary to key actions on a national or voivodeship scale, use of the railway transport potential to develop agglomerations and increase territorial and economic cohesion, improvement of access to sea ports and airports, building and modernisation of inland waterways infrastructure and building of intermodal transport infrastructure.

⁷¹ "Conclusions on cohesion policy delivery In light of the results of analysis and evaluation in the 2004–2006 period," MRD, Warsaw 2011.

Complexity of investments in roads and railway routes requires their appropriate coordination in a given area (harmonisation of time schedules), considering the need to secure capacity for traffic in a given direction in order to prevent new “bottlenecks” resulting from the works that are carried out at that time.⁷²

According to study results, the best results of capacity enlargement and safety improvement in road traffic are guaranteed by grade-separated, two-lane roads within the network of national and voivodeship roads and grade-separated junctions of roads and railways (flyovers), taking into account the needs of local communities (separating vehicle traffic from bicycle and pedestrian traffic). Modal shifts in public transport in metropolitan areas, on the other hand, take place only after certain boundary conditions are met regarding travel time, cost and comfort. They are most often met only by a very expensive modern rail transport system. Thus, the most effective approach is development of railway transport (tram, subway, fast city rail) adapted to the demand, as well as investing in modern rolling stock (eco-buses). Additionally, integrating public road and rail transport and introducing changes in the organisation of traffic with preference for mass transport (intelligent transportation systems (ITS) and a system of incentives for users) will increase cities functionality and improve the environmental status and living conditions of citizens.⁷³

The analyses of transport infrastructure show that improvement of territorial accessibility of Poland and its regions requires further integration of main types of transport (rail, road, maritime, air) within an integrated transport system. The improvement of indicators of high quality transport infrastructure density, in relation to GDP growth and traffic intensity, should be sought. The improvement of the situation in this area will contribute to creating more favourable conditions for Polish enterprises to compete in international markets and thus to improving the competitiveness of the Polish economy.

○ **Energy infrastructure**

As a result of support from the EU funds provided under the 2007–2013 perspective, the condition of infrastructure in the electricity and gas sector has improved substantially. However, in order to increase energy efficiency and security of gas and electricity supply, further development of infrastructure is needed to expand gas transmission and distribution pipelines, LNG terminal, underground gas storage facilities and power transmission and distribution grids. This will result in, *inter alia*, diversification of sources and directions of gas supply, increase in competitiveness of gas as a source of energy, development of market competition and demonopolisation of the market, harmonisation of products in terms of capacity and the establishment of uniform rules of transmission services provision.

The national gas system is adjusted mainly to transmit gas along the East–West route and the supplies from the East prevail in the import structure (approximately 70%). Taking into account the problems with ensuring continuity of gas supplies to Poland in recent years, such a significant share of one direction of supplies results in possible unsatisfactory security of gas supplies. In view of potential increase of the share of gas in the national energy balance, investments in transmission infrastructure offering new transmission routes (interconnectors) must be continued.

○ **Education and employment**

Results of conducted studies on better tailoring of education and training systems to the labour market needs show that it is necessary to develop a coherent vision of the system under which the labour market and education policies are implemented, with a particular focus on lifelong learning principles. The studies recommend further actions ensuring that the schools and educational establishments’ curricula are better tailored to the labour market demands.⁷⁴ According to studies, such tailoring should be carried out through active participation of local/regional employers in the process of identifying and forecasting the demand for specific skills or professions.⁷⁵

The results of numerous studies indicate that programmes for preschool and early-school education have long-term effects and contribute to a wide range of positive socio-economic changes, such as higher employment rate, higher education attainment and lower level of poverty. Particularly high level of effectiveness of such measures can be observed in the case of groups at risk of social exclusion, especially in rural areas. In this context, it should also be noted that disability is an important barrier in exercising the right to education at the preschool (non-obligatory) level.⁷⁶ The EU funds should be used to increase the access of children with disabilities to early education. Development of childcare institutions for children under 3 is very important to achieve objectives of the policy of increasing professional activity of women returning to labour market due to a career break for maternity reasons.

⁷² “Ex post evaluation of the National Development Plan 2004–2006,” MRD, Warsaw 2010.

⁷³ “Conclusions on cohesion policy delivery In light of the results of analysis and evaluation in the 2004–2006 period,” MRD, Warsaw 2011.

⁷⁴ “Assessment of the impact of interventions co-financed from the ESF on increasing the human resources quality,” study carried out by IBS, Reytech and ASM, commissioned by the MRD, Warsaw 2010.

⁷⁵ *Ibidem*.

⁷⁶ “Evaluation of preschool education centres, established or supported using the ESF funds under Submeasure 9.1.1 OP HC,” study carried out by Óródek Ewaluacji, commissioned by the MRD, Warsaw 2012.

Disability is a significant barrier in exercising the right to education at the preschool (non-obligatory) level. Due to long-term effects (improved chances for appropriate socialisation and thus for finding employment and for independent living) and the stimulating, pro-development nature of preschool education, as well as in order to enable parents (in particular mothers) in families at risk of exclusion to take up employment/return to the labour market, the funds should be used to increase the access of those children to early education. As regards reconciliation of work and private life, a very important element under the implemented ESF support is to raise awareness of employers about the possibility to apply flexible forms of employment. The results of studies⁷⁷ reveal the need to reformulate the existing form of support in this regard and to give a more practical dimension to actions, *inter alia*, by means of implementing projects comprising such elements as analysis of the needs of companies in terms of its policy of reconciliation between work and private life (or more broadly the CSR policy), consulting/training on possible solutions, development of a company programme/policy, implementing element and assisting in its implementation, searching for a system of incentive for employers to pursue the equal opportunities policy in their companies. An important conclusion from implementing the ESF is the need to reorganise training market by limiting role of the supply side in relation to the demand side.⁷⁸ The Study of Human Capital (Bilans Kapitału Ludzkiego) points to a significant role of employers in the process of continuous education of adults. At the same time, issues of planning still remain an area that requires improvement, including in the field of better matching development measures for employees to the needs of enterprises, and of the quality of development measures themselves (i.e. training, advice, coaching, etc.).

Another important area noting positive effects of cohesion policy is the labour market. Evaluation studies indicate that certain services provided by Public Employment Services (e.g. internship, apprenticeship) function as efficient tools for increasing employment. However, study and analysis results show that it is necessary to provide further support for improving the quality of services offered by Public Employment Services and increase co-operation between employment offices and employers. According to the assessment conclusions, careful selection of target groups (in order to avoid increasing the deadweight effect) and an individual approach to beneficiaries through personalised activation paths is a pre-requisite for the success of actions carried out by Public Employment Services.⁷⁹

Studies indicate⁸⁰ that 63% of the cases of an unemployed person finding a job can be attributed to their participation in an ESF project, in other words, almost two thirds of the unemployed, who have found a job within 6 months after taking part in a project, see the impact of the ESF project on finding that job.⁸¹ Many other studies show that even though there is still only a moderate interest in support under Operational Programme Human Capital (OP HC) projects, support provided from ESF funds to elderly unemployed or employed persons is effective and useful for them.

Comprehensive measures integrating various, mutually complementary methods and instruments (financed under one or various sectoral funds or policies) proved to be the most efficient way of supporting the unemployed.

Conclusions from conducted analyses clearly indicate that subsidies for business start-ups are a highly efficient instrument for activating the unemployed on the labour market.⁸² The study results show that support provided through repayable instruments which helps in business start-ups is a more efficient tool for assisting persons who are already employed. Non-repayable financial instruments constitute more efficient support for groups that are more disadvantaged in the labour market, especially women, young people or the elderly. At the same time, groups with a higher risk of the deadweight effect (e.g. well-educated persons who have prior experience in self-employment) should, according to studies, have stronger incentives to launch more risky operations, with a potentially higher profitability for the whole economy (e.g. innovative undertakings).

Experience from the ESF implementation in the 2007–2013 period and the results of evaluations should that further support is necessary to modernise and professionalize the services provided by Public Employment Services. The support proved to be efficient, but insufficient to achieve a permanent change in the quality of the PES functioning and a high level of provided services. The results of studies⁸³ show that the evaluation of the impact of ESF projects on efficiency of PES is unclear. On the one hand, participants assessed very positively their participation in the projects, since they saw a positive impact of their participation on the functioning of institutions. The managers are also of the

⁷⁷ "Evaluation of the efficiency of information and promotion campaign on gender equality under OP HC", study carried out by EGO S.C., commissioned by the MRD, Warsaw 2011.

⁷⁸ Cf. "Conclusions on cohesion policy delivery In light of the results of analysis and evaluation in the 2004–2006 period", MRD, Warsaw 2011.

⁷⁹ Cf. "Evaluation of the quality of systemic projects implemented under Submeasure 6.1.3 OP HC," study carried out by GHK, commissioned by the MRD, Warsaw 2011.

⁸⁰ Cf. "Study of outputs of indicators of the OP HC regional component," a study carried out by Policy & Action Group Uniconsult sp. z o.o. , commissioned by the MRD, Warsaw 2012.

⁸¹ Ibidem.

⁸² Cf. "Evaluation of efficiency of support under the regional component of OP HC 2007-2013," study carried out by Policy & Action Group Uniconsult sp. z o.o. , commissioned by the MRD, Warsaw 2013.

⁸³ "Evaluation of the indicator of the ESF impact on the functioning of Public Employment Services and the indicator of the ESF impact on the functioning of social assistance institutions," Ministry of Labour and Social Policy 2011.

opinion that the projects have a positive impact on competences of their employees and the quality of their work, but less frequently see a positive impact of projects on the efficiency of the entire institution. The results of another study⁸⁴ show that thanks to the support from the ESF, an overwhelming majority of poviats labour offices in the voivodeship concerned increased the number of career advisors which had a positive impact on their effectiveness and work quality. The support also allowed to increase the number of employment agents. Trainings addressed at key labour market employees were also assessed positively, since as a result the employees learned new work methods and tools. Work comfort and professionalism of career advisors and employment agents have also increased, thus enabling a better use of the existing resources. However, almost half of poviats labour offices still maintains that the number of advisors is insufficient to meet the needs of their offices. The results of another study⁸⁵ show that thanks to the ESF support, the employees of labour offices feel that they are well-prepared to do their job, while the deficiencies concern the lack of specialist knowledge and skills, and sometimes also experience. This is confirmed by the managers who, although consider their employees to be well-prepared for their job, point to the need of continuous upgrading of qualifications, resulting from dynamic changes in the environment, behaviour and expectations of customers, as well as frequent changes in legislation.

○ ***Social inclusion and combating poverty***

Since groups of excluded persons or persons at risk of social exclusion are highly diversified, the planned support should be specifically targeted and preceded by a detailed diagnosis of the problem which constitutes a barrier for a given group. Studies show that comprehensive interventions which integrate various support instruments are the most efficient form of support in this area. It is also important to carry out effective promotion activities in order to reach persons who are less active in the labour market to minimise the deadweight effect.

○ ***Health care***

The results of evaluation studies on actions in the health care sector show that support in the area of health care has a positive impact on the quality of provided services, their availability⁸⁶ and increase in competences of the personnel.⁸⁷ Nevertheless, it is recommended to put a greater emphasis on practical aspects in the training support and the development of specialist education for the largest possible group of medical professions.⁸⁸ The observations concerning the disease prevention programmes show that the potential number of diseases, for which prevention programmes can be developed and implemented, should be increased. Between 2007 and 2013, the support was granted only for prevention programmes concerning occupational diseases, this reducing the impact of prevention programmes. Experience from project implementation points to the need to focus intervention on undertakings with the greatest impact on solving the key health and demographic problems.⁸⁹

The majority of projects strengthening the health care infrastructure under the 2007–2013 financial perspective involved investments targeted at specific entities and taking into account various needs of individual health care centres, and not aimed at eliminating specific deficits. Experience also points to the need to enhance coordination between the regional and the central level and to introduce a mechanism of rationalisation of investment projects, i.e. assessment of the need of new investments in medical infrastructure.⁹⁰ Due to the lack of a strategic approach and adequate coordination, inefficient use of funds was not avoided under the current perspective. As regards emergency services, it seems that at the current stage, based on the results of studies, the appropriate course of action will be to resign from projects consisting in the purchase of ambulances and to focus on investments involving modernisation of buildings, construction of landing pads or purchase of specialist medical equipment.

○ ***Urban renovation***

⁸⁴ "Analysis of the impact of interventions under the European Social Fund on the labour market in the Podlaskie Voivodeship," Podlaskie Voivodeship Marshal's Office 2011.

⁸⁵ "Impact of measures under Priority VI OP HC on the situation in the regional labour market of the Łódzkie Voivodeship," Voivodeship Labour Office in Łódź 2012.

⁸⁶ Reports from evaluation studies commissioned by the Ministry of Health: "Analysis of the effects of support under Priority XII OP I&E and diagnosis of investment needs in the health care sector," "Impact of interventions financed under Priority XII OP I&E on achievement of specific objectives of the Priority."

⁸⁷ Report from the evaluation study "Assessment of the impact of educational actions implemented under Measure 2.3 OP HC on the health care system in Poland, along with an attempt to define potential areas of support under the next financial perspective."

⁸⁸ Report from the evaluation study "Analysis of training needs of the medical personnel and non-medical employees within the health care system in Poland."

⁸⁹ Reports from evaluation studies: "Analysis of the effects of support under Priority XII OP I&E and diagnosis of investment needs in the health care sector," "Analysis of investment needs of the health care sector in the context of programming the new financial perspective 2014 – 2020."

⁹⁰ Reports from evaluation studies: "Analysis of the effects of support under Priority XII OP I&E and diagnosis of investment needs in the health care sector," Evaluation study entitled "Analysis of investment needs of the health care sector in the context of programming the new 2014–2020 financial perspective."

The evaluations of urban renovation point to the need to focus intervention in the most problematic areas (brownfield sites) of the cities. Undertakings implemented between 2007 and 2013 often involved the renovation of buildings, urban space (streets, market squares, squares, parks)⁹¹, but were not enhanced by “soft” actions for the local community. The increase in employment was mostly attributed to renovation measures consisting in introducing new functions.⁹² While drafting and implementing the renovation programmes, gminas not always ensured full participation of local communities, focusing mainly on providing information about the plans and effects, but insufficiently using the opportunities provided by public consultation and participation. However, it must be noted that the majority of studies cover the first years of the 2007–2013 perspective. Social and economic effects will be possible to verify after a longer time (which has been also emphasized in the studies concerned).⁹³

An important conclusion stemming from hitherto experience is the need to extend the comprehensive nature of renovation activities (synergy of actions in the given area in terms of infrastructure, society, environment, energy efficiency, etc.) based on a coherent vision and programme, prepared by the local government and stakeholders and aimed at recovery of the given area (city) after the crisis. Moreover, the involvement of non-governmental organisations and interested parties should increase, not only as a source of data (information), but also by entrusting them with performance of social tasks. To this end, leaders of actions must be found and a close cooperation with them must be established. In the years 2014–2020, renovation processes must be defined in a way ensuring their focus on the most problematic urban areas (brownfield sites).

⁹¹ “Importance of projects implemented under ROP EP for the development of cities in the Podkarpackie Voivodeship,” UniRegio, Kraków 2012.

⁹² “Renovation of brownfield sites - evaluation of the process and identification of desirable directions of action of public and private entities in the Śląskie Voivodeship,” IRM, Kraków 2012.

⁹³ E.g. “Evaluation and specification of desirable directions of renovation activities under Priority IX ROP EP “Renovation of degraded urban areas in Dolny Śląsk,” Ekovert, Wrocław 2013.

○ **Improvement of efficiency and effectiveness of the state**

As indicated in the findings of evaluation studies and other analyses, efficient public administration is a precondition for effective implementation of various interventions and public policies. In order to ensure effectiveness of interventions and avoid dissipation of resources, the majority of funds should be concentrated on selected priorities which are the most significant for the development objectives and which, at the same time, correlate with the conclusions and recommendations from the studies. The catalogue of such priority areas should include, *inter alia*, improving the quality of services provided by public administration, especially to entrepreneurs (for instance related to registration and operation of enterprises, including courts), as well as actions aimed at simplifying legal acts and raising quality of law-making. Both domestic and foreign studies reach conclusions confirming the need to introduce changes in the aforementioned areas.⁹⁴ Actions for improving quality of strategic management and management-by-objectives (including monitoring and evaluation as management tools in the administration) are also significant. According to the results of evaluation studies carried out under the cohesion policy, despite substantial achievement in this regard, one of the significant barriers to effective implementation of the above policy was excessive focus on the implementation process itself.⁹⁵ The problem is noted also by the authors of analysis of other policies.⁹⁶ In some cases this could lead to loss of strategic perspective and creation of unnecessary procedures, regulations and ineffective actions. Therefore, undertakings implemented in order to strengthen public administration capacity should focus on building a goal-oriented rather than process-oriented administration culture. This can be achieved by introducing principles of formulating quantified, coherent and hierarchical strategic and operational objectives for individual units of public administration along with the programmes of attaining them. One of the basic conditions for efficient implementation of public policies is also provision of a coherent and efficient system for knowledge management. The objective of that system should be gathering, collecting and analysing data in order to produce and provide diagnostic and evaluation information.⁹⁷ Actions aimed at building an efficient e-government system should constitute an important group of actions increasing the quality of the functioning of public administration and contributing to attainment of the aforementioned objectives.

○ **Experience relating to the European funds implementation system**

Poland has been using EU funds for almost 10 years, and in that time a number of barriers to their successful implementation have been revealed. The main factors which have a negative effect on efficient implementation of the cohesion policy include:

- Delays in the full implementation of the EU law into the national legal system (especially the public procurement law and the EU regulations in the area of environmental protection), which took place at the beginning of the 2007–2013 financial perspective;
- Insufficient institutional capacity of entities responsible for implementing projects (i.a. in the railway sector);
- Difficulties with financing beneficiary's own contribution, which is required when implementing projects co-financed from the EU funds.

Recently, systematic actions have been taken in order to eliminate these problems and to introduce considerable simplifications of procedures in place. These actions include:

- In 2008 the national law was revised to adjust it to the requirements of the public procurement and environmental protection laws specified at the EU level, at the same time simplifying the procedures;
- Introducing an extended advance payment mechanism for funding the projects, thus allowing beneficiaries to maintain financial liquidity. By the end of March 2013 the value of advance payments transferred to beneficiaries amounted to over PLN 66.1 billion (of which PLN 8.2 billion was assigned to microenterprises and SMEs);

⁹⁴ E.g. "Diagnoza społeczno-ekonomiczna na potrzeby krajowego programu operacyjnego współfinansowanego ze środków EFS w latach 2014–2020" [Social and economic diagnosis for the needs of the national operational programme co-financed from the ESF funds in the years 2014–2020], A. Chłoi-Domińczak, J. Mazur, K. Piech (ed.), Instytut Wiedzy i Innowacji, Warsaw 2013, "Public Governance Review of Poland," OECD and publications of the World Bank presenting the Ease of Doing Business index.

⁹⁵ Cf. Ewaluacja systemu realizacji polityki spójności w latach 2007–2013 [Evaluation of the cohesion policy implementation system in the years 2007–2013], B. Ledzion, K. Olejniczak et al., Warsaw 2013, Nie-strategiczne zarządzanie rozwojem? Mechanizmy zarządzania środkami ZPORR na poziomie regionalnym a skuteczność realizacji celów rozwojowych [Non-strategic development management? Mechanism of management of the IRDOP at the regional level and efficiency of achievement of development objectives], P. Swianiewicz (ed.) Warsaw 2010, Profesjonalizacja absorpcji funduszy. Beneficjenci samorządowi centralnie zarządzanych programów operacyjnych w okresie 2007–2013 [Professionalisation of fund absorption. Local government beneficiaries of centrally managed operational programmes in the 2007–2013 period], P. Swianiewicz, J. Krukowska, M. Lackowska, Warsaw 2012.

⁹⁶ "Evaluation of the accuracy of the scope of intervention under Measure 5.1 of the Operational Programme Human Capital," study carried out by the consortium of Case Doradcy and EGO, commissioned by the Chancellery of the Prime Minister, Warsaw 2010.

⁹⁷ Op. cit. "Diagnoza społeczno-ekonomiczna na potrzeby krajowego programu operacyjnego (...)."

- Introducing support for beneficiaries of key projects (project pipeline) in the form of advice in designing and verifying documents for key projects, including the following documents: feasibility study, report of the environmental impact of the undertaking, project documentation, functional and utility programme and specifications of the construction works performance and acceptance;⁹⁸
- The Simple Funds (Proste Fundusze) campaign, which began in 2008 and is aimed at all entities concerned, is intended to cut the red tape with regard to project implementation. As a result, managing authorities have been systematically introducing simplifications in the area of applying for EU funds and process of EU grants clearance.

○ **Structure of operational programmes**

The structure of programmes adopted in the 2007–2013 programming period was based on experience resulting from implementation of the first edition of operational programmes under the 2004–2006 perspective. Bold decisions were made at that time with regard to the structure of national and regional programmes, including the implementation of the EU largest multisectoral programme OP I&E, decentralisation of responsibility for management of approximately one fourth of allocations for regions or dedication of special intervention for voivodeships of Eastern Poland under a separate programme.

The results of analysis on the progress in implementation of operational programmes for the years 2014–2020, in terms of expenditure and achievement of indicators, show that the adopted assumptions proved correct in the majority of cases and should be continued in the years 2014–2020.

However, there are areas where changes should be introduced into the structure of programmes in the next programming period and coordination functions should be strengthened.

The structure of national programmes adopted in the years 2007–2013 allowed for effective and efficient intervention and for an integrated rather than the sectoral approach to development followed in the 2004–2006 period. Efficient implementation of regional programmes proved not only that the decision to transfer the management of the EU funds to local governments was right, but also demonstrated their institutional capacity to accomplish this task. In the years 2007–2013, the following programmes were implemented, apart from Operational Programme Technical Assistance:

OP I&E is the biggest challenge at the stage of both programming and management; it integrates numerous areas of infrastructure, providing preliminary conditions for the development of Poland and its regions. Experience from the 2007–2013 period shows that such a comprehensive approach, taking into account the existing competence structure and division of tasks between the state and local governments in terms of infrastructure, is conducive to achieving the objectives of the programme and does not constitute a bottleneck for its implementation. Such a multisectoral approach is also compliant with the rules adopted in the EU regulations for the new programming period, which are modelled on OP I&E, where sectoral interventions are grouped under thematic objectives, linking e.g. energy sector with low carbon economy and transport, environmental protection with the protection of cultural heritage, and health care with employment or social inclusion. Therefore, in the new programming period the multisectoral intervention will be continued with regard to the new OP I&E programme, while coordination will be strengthened and institutional improvements introduced in such areas as railway or health care.

OP HC, concentrating the entire ESF intervention, is an important instruments of increasing the efficiency of the state, it support transformations in the Polish labour market, contributes to improvement of the effectiveness of education and reduction of poverty. Lessons learnt from the programme implementation showed that the key to success was to ensure coordination and synchronisation of systemic actions at the central level with actions aimed at supporting specific persons. Effective involvement of regions in the implementation of this programme and lessons learnt by the regions allow to make a decision, bearing in mind the subsidiarity principle, to decentralise the ESF management to increase the integration of actions taken in the regions with the ERDF. At the same time, coordination mechanisms must be ensured due to specific nature of the ESF interventions.

OP SG constitutes one of major tools aimed directly at increasing innovation and competitiveness of the Polish economy. Experience from the years 2007–2013 points to the necessary orientation of actions on linking the research sector with the economy, i.a. by commercialisation of research results and reorientation of support mechanisms towards the demand side and more incentives for private investments in R&D. Experience from implementation showed that interventions in the area of popularisation of ICT and informatisation of the state required stronger coordination and more efficient orientation of support. Therefore, intervention previously falling within the scope of OP SG should be focused in two dedicated operational programmes on Innovation and ICT.

⁹⁸ In 2009–2011, 176 projects obtained support under the project pipeline initiative. Moreover, a number of other actions were carried out, supporting both individual project beneficiaries and the administration involved in their implementation. In the years 2008–2012 (the project implementation period), funds amounting to PLN 41.2 million were allocated for support under the project pipeline, of which PLN 19.2 million were spent by the end of 2011.

OP DEP is an additional dedicated instrument of support for five least developed regions in Poland and the EU. The support for the macroregion was grouped under a separate national programme in response to Conclusions of the European Council of 19 December 2005.⁹⁹

Thanks to implementation of an additional instrument of support directed concurrently to national and regional operational programmes and managed at the central level, the support could be addressed to five voivodeships and targeted at development gaps identified in the Strategy for Socio-Economic Development of Eastern Poland. The implementation of the national programme allowed to ensure appropriate targeting of actions at solving specific development problems in this area. The effects of the programme are clearly visible. Moreover, lessons learnt from implementation of other national and regional programmes, in particular in Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie Voivodeships show that OP DEP constituted an important element of the country development.

Intervention dedicated specially to Eastern Poland results from the adopted paradigm of the regional development policy of the state, defined in the National Regional Development Strategy (Eastern Poland was identified as the area of strategic intervention of the state). Financial support only for 5 regions of Eastern Poland allowed to implement infrastructural investments in the key areas of development policy. They alleviate the impact of development gaps characteristic for the macroregion on its development. The national operational programmes proved to be a good instrument of the minister responsible for regional development who pursued the policy. A separate programme dedicated to voivodeships of Eastern Poland contributed to actions aimed at implementing the territorial dimension of the cohesion policy and will be continued in the 2014–2020 perspective.

TA OP – funds from TA OP and technical assistance components allowed to reduce the rotation rate and ensure the employment level necessary for efficient operation of institutions dealing with the European funds.¹⁰⁰ Technical assistance funds contributed, to a very large or large extent, to efficient and effective implementation of structural funds, while support under technical assistance, granted to institutions, was necessary for appropriate performance of tasks resulting from National Strategic Reference Framework.¹⁰¹ The expenditure which contributed to improvement in implementation of funds under the 2007–2013 financial perspective to the largest extent was identified as those which should be financed from technical assistance funds in the years 2014–2020. It includes remuneration (listed by 98% of respondents), upgrading of qualifications (97%), office equipment (95%), expert support (85%) and administrative and organisational costs (83%). At the same time, lessons learnt during the implementation of the 2007–2013 financial perspective in Poland showed that, in the case of implementation of a large number of operational programmes and significant allocations, a national horizontal TA OP must exist along with priority axes of technical assistance dedicated to individual programmes. The national programme allows to implement actions going beyond the scope of one operational programme, including the tasks of strategic importance for the cohesion policy. TA OP allowed to achieve the so-called economies of scale. For example, organisation and financing of a series of trainings on horizontal issues, which are common for the entire cohesion policy implementation system (e.g. public procurement, environmental impact assessment, state aid), under one operational programme is more rational and brings about better effects, also in the form of savings, than the organisation of identical initiatives under each programme. The same is true for information and promotion actions. Coordination promotional and information actions, organised and financed from the same source, generate better results than when they are fragmented. The functioning of a programme like TA OP substantially simplifies the system where numerous institutions are involved in implementation of several operational programmes, as in Poland in the years 2014–2020.¹⁰² It is also necessary to ensure efficient coordination between TA OP and regional components of technical assistance. TA OP is the only instrument enabling interventions aimed at solving horizontal problems at the NSRF/ESIF which concern more than one programme.

⁹⁹ http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/87677.pdf

¹⁰⁰ It is confirmed, inter alia, by the results of the study: *Evaluation of progress in and effects of implementation of Measure 1.1* [under which the remuneration system was financed] of the Operational Programme Technical Assistance 2007–2013.¹⁰⁰ Findings of the evaluation show that low salaries and lack of the possibility to develop were main reasons for rotation in institutions at the beginning of work on fund implementation. This adverse situation has changed for the better, largely thanks to support under Measure 1.1 TA OP and harmonisation of remuneration policy. TA OP allowed to develop a coherent system of financing the salaries in institutions pursuing the cohesion policy in the years 2007–2013 and the system is to be (also using TA OP funds) maintained and developed (by covering a larger number of institutions) under the 2014–2020 financial perspective.

¹⁰¹ Final reports from Evaluation of the scope of support under technical assistance to draw up TA OP 2014–2020.¹⁰¹

¹⁰² This was confirmed in the study: *Evaluation of the system for management and implementation of Priority X Technical Assistance of OP HC 2007–2013*. The evaluator stated that if one institution implemented several programmes with different regulations on technical assistance, the costs of servicing the technical assistance (resulting mainly from implementation of several projects with a relatively low value and necessity to divide the expenditure among several sources of financing, as well as application of different rules depending on the programme providing the financing) grew unreasonably.

Regional programmes – positive experience from decentralisation of the ERDF and gradual involvement of regions in the process of programming and implementing the ESF (as intermediate bodies) in the years 2007–2013 allow to make a decision on extending the degree of decentralisation and responsibility of the regions for programming and implementing the interventions under the cohesion policy in the 2014–2020 period. Lessons learnt in the years 2007–2014 point to the need to ensure a more strategic approach to implementation of regional programmes and to focus the funds on the major development-related problems. Advanced decentralisation requires strengthened coordination of actions at the central level, in particular to ensure a closer link between the PA implementation and Europe 2020 strategy. It is of utmost importance to provide strategic and programme framework specifying the direction of interventions and ensuring complementarity and concentration of actions e.g. in transport or health care sector, which will allow to ensure necessary coordination, but will also enable regional authorities to adjust the scope and intensity of intervention to development objectives of their regions.

● **Lessons learnt from the Common Agricultural Policy**

Studies on the Common Agricultural Policy indicate its positive effect on economic growth, labour market and the income situation of farmers. Visible positive effects of changes in the agri-food industry confirm the high competitiveness of the food processing sector. This is evidenced by, *inter alia*, an increase in the agri-foodstuffs export share in the marketed production of the food sector and the increase in this sector's share in total export. Therefore, further development of this sector is necessary (especially of micro, small and medium-sized enterprises) as an important branch of Polish economy, bearing in mind also the impact of its condition on the primary agricultural production sector. Findings of evaluations also point to the need for greater concentration of funds allocated under the rural development policy on measures for the improvement of the competitiveness of agriculture and the environmental status.¹⁰³

The studies¹⁰⁴ also indicate that recent years witnessed a significant progress in the field of providing rural areas with the basic urban, social, ICT and transport infrastructure. EU funds have contributed to the increase in dynamics of beneficial development processes and, in some cases, initiated the desirable changes. Despite visible effects, many gminas still experience serious shortages. In the majority of gminas, satisfactory effects can be achieved only through continuing investment actions in the coming years. There are also areas where no significant change has taken place, despite the availability of the EU financial support. This is the case mainly with access of rural population to the gas network, development and modernisation of power networks, improvement of public safety and improvement of flood risk management. Insufficient number of water and sewage systems in villages is another barrier to the development. It is still necessary to support actions in this field due to significant differences between urban and rural areas, but the focus should be on increasing the sustainability and effectiveness of investments by using appropriate technologies.

From the perspective of expenditure efficiency, studies show a need to develop a more flexible approach to the demarcation of measures implemented under various programmes, e.g. qualification of projects based on their objective or impact. We should aim to develop regulations at the national level in the field of codification of organisational rules and mechanisms for distribution of funds under the Common Agricultural Policy (CAP) and the cohesion policy, as well as under individual programmes.

Development of modern agriculture depends to a large extent on the implementation of new technologies and broad use of progress and innovation. It is well-known that even the greatest scientific advances will not bring significant changes to agriculture if they are not put into practical use. Therefore, mechanisms¹⁰⁵ should be created to facilitate the knowledge transfer from research and development units to agricultural advice bodies and directly to farmers and inhabitants of rural areas. It is also important to maintain and perfect various form of stimulating co-operation, both social and economic, e.g. by supporting groups of farmers or clusters influencing rural development.

Taking into account overstaffing in the agricultural sector and hidden unemployment, all forms of support for entrepreneurship in rural areas, as studies show, are of particular significance. Greater concentration of funds for the development of enterprises in rural areas is advised, especially in those with the highest deficit in labour market development. It is also important to ensure greater territorial cohesion between support for the activation of the unemployed and support for entrepreneurship development. Selection of support instruments should be based on a spatial differentiation and tailored to the specific conditions of the regional, and even local, labour market.

¹⁰³ Interim evaluation of the Rural Development Programme for 2007–2013 – study carried out by the consortium of Agrotec Polska sp. z o.o., Institute of Soil Science and Plant Cultivation, Institute of Agricultural and Food Economics – National Research Institute, commissioned by the Ministry of Agriculture and Rural Economy.

¹⁰⁴ Impact of Common Agricultural Policy and Cohesion policy on rural development – study carried out by FUNDEKO, Krok Baściuk sp.j., commissioned by MARD.

¹⁰⁵ The results of the studies by the Institute of Agricultural and Food Economics – National Research Institute, conducted under the Multiannual Programme 2011–2014 “Competitiveness of the Polish food economy in the context of globalisation and European integration,” and conclusions and recommendations from studies conducted by the Institute of Soil Science and Plant Cultivation.

Development of cross-sector support instruments, targeted at persons affected by hidden unemployment in agriculture, should be considered.¹⁰⁶

The studies¹⁰⁷ show that only a small percentage of farms (less than 20%) can be considered science-based agriculture units. Lack of leaders, appropriate institutions and social capital is another factor that hampers growth. In light of the above, all actions aiming to strengthen human capital should be regarded as crucial. Training for farmers may play an important role in this context. Its role is significant, yet, studies have shown that traditional forms of training are sometimes an ineffective form of passing knowledge targeted at such a specific group as farmers. Training based on presenting best practices or invoking practical examples are definitely more effective forms of educating farmers. Institutions in direct vicinity of agricultural farms, including agricultural advice centres, play the most significant part in increasing knowledge and qualifications of farmers. They can become an important component of the system of knowledge transfer between science and economic practice, and take on a broader role of vocational advice centres, also in the field of entrepreneurship, though the latter requires support for their development.

Studies¹⁰⁸ indicate that the EU funds have a considerably smaller impact on improving conditions for economic activity in rural gminas. Most significant impact may be observed in the area of improving conditions for tourism activities, while the least significant – in improving access of enterprises from rural areas to cutting-edge technologies. Strict requirements regarding innovation level of implemented solutions, set out in programmes targeted at development of enterprises, were a significant barrier for a significant percentage of economic operators active in rural areas.

Taking into account the low specialisation level of farms, fragmentation of the area structure and the resulting low profitability of farms, it is necessary to continue providing support for farms to enable improvement of their competitiveness in the EU and global markets. This is important in the light of the fact that domestic market links with global markets are strengthening, while the risk associated with the progressing liberalisation of the EU trade policy with third countries is increasing. These objectives are reflected by measures for the restructuring of farms and strengthening of physical capital.

The most important positive change of the situation in the agricultural sector is linked to the acknowledgement that a modern and competitive processing industry is a strength. Opportunities for development of agriculture depend on the condition of the processing industry, a notion often overlooked by farmers. Furthermore, this sector also generates added value. Despite a definite improvement of external competitiveness, it seems justified to continue support in order to further improve the processing industry innovation. The studies¹⁰⁹ show that competitive advantages of the Polish industry on the international forum may not be permanent. Measures for development of the agricultural and food processing sector have yet another positive aspect – they initiate multiplier mechanisms and contribute to the sustainable effect in the form of economic growth.

Low profitability of the agricultural sector and low income of farmers result from objective reasons related to unequal pace of concentration processes that take place in the food chain. The increasing gap between the sale prices of food products and purchase prices of agricultural raw materials led to a relative decrease in farmers' income. Any programmes for improvement of the marketing chain functioning (e.g. its shortening) should be the priority, since they can increase effectiveness of the agri-food market. An effective market ensures that resources are optimally allocated and that its participants (economic operators, consumers) derive economic benefits. Support for the consolidation of agricultural production with food processing (vertical integration) in certain agricultural markets or their segments can lead to improved functioning of the marketing chain.

Food production, processing and promotion in quality systems should be an important priority of the support. So far, the competitiveness of Polish food sector was based on cost-price advantages. However, in dynamically changing market conditions, quality aspects will play an increasingly important role. Food production in guaranteed quality systems, which will be unambiguously associated with particular regions of the country, will facilitate promotion in internal and international markets. At the same time, the unwillingness of Polish farmers to participate in collective actions, co-operation and creating co-operation institutions (co-operatives, producer groups, etc.) is considered to be one of the more significant barriers. Therefore, support for measures aimed at creation and development of agricultural producer groups will be of particular importance. It could enable the use of effects of scale and provide farmers with an improved negotiation position in the food chain.

¹⁰⁶ "Impact of Common Agricultural Policy and Cohesion policy on rural development" – study carried out by FUNDEKO, Krok Baściuk sp.j., commissioned by MARD.

¹⁰⁷ The results of the studies by the Institute of Agricultural and Food Economics – National Research Institute, conducted under the Multiannual Programme 2011–2014 "Competitiveness of the Polish food economy in the context of globalisation and European integration."

¹⁰⁸ "Impact of Common Agricultural Policy and Cohesion policy on rural development" – study carried out by FUNDEKO, Krok Baściuk sp.j., commissioned by MARD.

¹⁰⁹ Interim evaluation of the Rural Development Programme for 2007–2013 – study carried out by the consortium of Agrotec Polska sp. z o.o., Institute of Soil Science and Plant Cultivation, Institute of Agricultural and Food Economics - National Research Institute, commissioned by the Ministry of Agriculture and Rural Economy.

Studies¹¹⁰ have shown that the greatest added value of LEADER initiative lies in its social and mental effects. According to a definite thesis put forward by the study, the LEADER initiative has a positive effect on social capital development in rural areas by creating new organisations, formalising the existing organisations and making them more professional, undertaking joint initiatives, discovering and releasing the local potential, fostering co-operation of local governments with non-governmental organisations and enterprises, implementing investment projects in a direct response to citizens' needs (playgrounds, day-care rooms, computer rooms with access to the Internet, gmina libraries, community centres), thus leading to greater involvement of the local community. The studies have shown that the LEADER initiative has an educational dimension for local communities, which are gradually beginning to appreciate the importance of local development strategies (LDS) and the need to design them in a truly bottom-up manner, adapted to local conditions. The LEADER initiative has a very significant impact on the implementation of local projects — the vast majority of them would not have been implemented at all, if it had not been for the financing from the RDP. It should be noted here that it is the beneficiaries of small projects, who are by far most determined to launch a project, even despite the potential lack of funding from the LEADER.

Studies show that significant and noticeable changes have occurred in the area of improving the quality of gmina roads. However, low quality of local roads is still indicated as the area with largest development deficits.¹¹¹

Demand for a comprehensive treatment of water management issues translates into the need of including the water management in rural areas, including farmland, in the system as well. Prior investments in specific or basic land reclamation were financed under the second pillar of the CAP, with a focus on managing water resources for agriculture. It must be emphasized that actions in this regard should be focused on increasing the effectiveness and sustainability of investments.

Evaluations¹¹² also point to the positive impact of the CAP on the condition of the environment. Analyses show that implementation of *Agri-environmental Programme* significantly contributed to maintenance or improvement of the sustainable farming systems. This results mainly from rational nutrient management, taking into account nutrient balance, soil reaction, as well as the type and dose of the fertilizers used. Sustainable farming depends also on appropriate selection and succession of plants in arable land and appropriate use of permanent grasslands. Maintenance of good condition of the environment and its improvement are achieved by protection of soil, water and agricultural production space, and by support for preservation of valuable natural resources, including high value habitats, habitats of endangered bird species, endangered genetic resources of arable crops and livestock. Thanks to implementation of the *Agri-environmental Programme*, and in particular of its packages implemented in permanent grasslands, it is possible to prevent secondary succession of forest plants in permanent grasslands and to maintain and improve the condition of valuable natural habitats and habitats of endangered bird species, and thus to preserve a higher level of biodiversity. Along with an increasing share of land covered by the programme, the stock density decreases which is a positive development, demonstrating the beneficial impact of the *Agri-environmental Programme* on maintenance, or even improvement, of water quality. It is also conducive to maintaining and improving the soil quality, in particular through increasing the coverage of land by vegetation in autumn and winter. The programme implementation also contributes to mitigating climate change by reducing greenhouse gas emissions related to animal production and lower use of fertilizers and plant protection products. The role of the *Agri-environmental Programme* in preservation and improvement of agricultural landscapes and their characteristics is also important.

Studies show that the measure “Afforestation of agricultural and non-agricultural land” has a great impact on the environment, including climate change. The impact of this measure on climate change is undoubtedly positive. Afforestation reduces the area of crops in low quality soils, mitigate water and wind erosion. The measure has an impact on reducing nitrogen loss in light soils which prevents the pollution of water with nitrogen and its eutrophication. Forests generate beneficial microclimate and are the only way to permanently increase the quality of sequestered organic matter in light soils. They have a positive impact on landscape and increase the attractiveness of rural areas as a place for living, working and leisure.

● **Lessons learnt from the Common Fisheries Policy**

In the case of the European Fisheries Fund for 2007–2013, due to delays in launching the programme, evaluations focused mainly on implementation issues. A particular issue was the implementation of a new EFF approach, i.e. Priority Axis 4 – Sustainable Development of Fisheries Areas, which entailed the necessity to promote the activity of

¹¹⁰ “Evaluation of the functioning of Local Action Groups implementing the local development strategy under RDP 2007–2013,” study carried out by PSDB sp. z o.o., commissioned by MARD.

¹¹¹ “Impact of Common Agricultural Policy and Cohesion policy on rural development” – study carried out by FUNDEKO, Krok Baściuk sp.j., commissioned by MARD.

¹¹² Interim evaluation of the Rural Development Programme for 2007–2013 – study carried out by the consortium of Agrotec Polska sp. z o.o., Institute of Soil Science and Plant Cultivation, Institute of Agricultural and Food Economics – National Research Institute, commissioned by the Ministry of Agriculture and Rural Economy.

local communities and entities wishing to implement Local Fisheries Development Strategies (LFDS). This resulted in a later commencement of funds disbursement than under other priority axes of the Operational Programme Sustainable Development of the Fisheries Sector and Coastal Fishing Areas 2007–2013 (OP FISHERIES). The process accelerated significantly when FLAGs began their proper activity. However, it is necessary to remember that in the future programming period the situation will be similar, since the above-mentioned stages, i.e. community activation and FLAG selection will have to be repeated due to far-reaching changes in the system of territorial approach implementation and the use of so-called “multi-fund” approach.

Additionally, the interpretation of provisions on eligible costs under individual measures of OP FISHERIES was troublesome. The catalogue was unrestricted enough, so that, on the one hand, it was open for interpretation by the Member States, and on the other hand, it was limited by the interpretations of the European Commission and the European Court of Auditors.

The managing authority (MA) constantly introduced simplifications to reduce the red tape in the OP FISHERIES implementation system. They followed numerous audits, controls and interim evaluation. They concerned, *inter alia*, the reduction of the number of documents submitted by beneficiaries as annexes to the applications for co-financing or payment requests. The requirement to submit certificates issued by public authorities was replaced with the requirement to submit declarations of the applicant, which may significantly reduce bureaucracy in the process of submitting the applications for co-financing. Furthermore, the MA issued a number of interpretations of the national legislation which provide guidelines for intermediate bodies (IB) and facilitate the process for potential beneficiaries. They are available at the website. Moreover, the obligation to attach a certificate of entry into the business activity register to the application for co-financing was eliminated. The process of applying for entry to the following registers was simplified:

- Enterprises purchasing fish products;
- Register of recognized producer organisations;
- Register of producer organisation associations;
- Register of inter-sectoral organisations.

Another important issue is the promotion of fish consumption. For the last few years, Poland witnessed stagnation in the consumption of fish and fish products, and thus, measures in this area were an important component of the 2007–2013 programming period. However, as analyses and opinions suggest, including those of fishing organisations, it is necessary to put more focus on promotional and educational campaigns of a broader range — integrated at the national or even international level.¹¹³

1.2.3 Key conclusions from the ex ante evaluation

The draft Partnership Agreement was subject to ex ante evaluation in line with the scope of programme evaluation defined in Article 55 of the framework regulation. The evaluation was carried out in line with the assumptions of the participation model. The evaluation was carried out concurrently with the programming process, and conclusion and recommendations were taken into account on an ongoing basis. The methodological framework of the evaluation was based on assumptions of evaluation supported by theory. The evaluation team reconstructed the intervention logic from the document which allowed to build a logical model of interventions specified in the PA. The reconstructed logic was subject to expert analysis consisting in a thorough verification of the draft PA in terms of its adjustment to social and economic needs of the country, internal and external cohesion, contribution to implementation of the objectives of Europe 2020 strategy, etc. The analysis was carried out based on available empirical material, in particular the results of national and international evaluations.

Pursuant to the assumptions of the adopted participation model, ex ante evaluation was carried out in close cooperation with the authors of the document and its main stakeholders. The evaluation team cooperated with the teams drafting the PA through direct contacts, series of bilateral meetings and preparation of the sets of partial thematic evaluations. This approach allowed for bilateral exchange of information and opinions with the evaluation team and enabled the access of the authors of the evaluated document to conclusions and recommendations from the evaluation during the work on subsequent versions of the PA.

During the evaluation, a particular emphasis was put on improvement of internal cohesion of intervention logic, appropriate identification and definition of the expected results of the PA implementation in the context of the objectives of Europe 2020 strategy. The descriptions of specific objectives were standardised. Specific objectives under individual thematic objectives were redefined. The most important conditions to be fulfilled in order to achieve the assumed effects of intervention were identified and defined. The conditionalities for efficacy and effectiveness of

¹¹³ Jadwiga Seremak-Bulge *Rynek rybny stan i perspektywy [Fish market: situation and prospects]*, issues from 2012–2013, Market Research Department of the Institute of Agricultural and Food Economics – National Research Institute, Warsaw.

ESIF, which go beyond the scope of PA intervention, were identified. They include complementarity with actions financed from national funds or existence of transparent and development-promoting systemic solutions in individual areas of support. The implementation system, including the monitoring and evaluation system, was also evaluated. Due to strong result orientation of the cohesion policy, performance indicators proposed in PA were the subject of a thorough analysis in terms of indicators of Europe 2020 strategy. The approach to estimation of target macroeconomic indicators and strategic result indicators was developed in cooperation with evaluators. Milestones and targets for indicators were evaluated and verified in terms of the possibility to achieve them using the macroeconomic model and models of logical interventions. The evaluator assessed the cohesion of allocation of funds for individual thematic objectives in terms of adequacy of diagnosed needs and expected results of intervention.

Specific objectives under individual thematic objectives were significantly redefined based on recommendations of the evaluator. Examples of changes in this regard include TO 1 Strengthening research, technology development and innovation, which was supplemented, further specified and developed to emphasize the importance of cooperation of the research sector with the economy and underlining the economic orientation of intervention; TO 10 Investing in education, training and vocational training for acquiring skills and lifelong learning, where the provisions of PA were oriented to a greater extent towards issues concerning the strengthening of links between the education system and the needs of the labour market (by means of, *inter alia*, changing the architecture of objectives and redefining the expected results).

In line with the evaluator's recommendations, the description of specific objectives was standardised. The starting point for changes was to supplement the diagnostic part to justify intervention in individual areas. The implemented changes consisted in linking diagnostic theses with the programming part of the document. They concerned, *inter alia*, more specific description of reasons behind socio-economic phenomena described in the diagnosis. This allowed to more precisely target the intervention in the programming part of the document. An example of substantial amendments to PA in this regard is the redefinition, recommended by the evaluator, of the intervention logic for TO 7 Promoting sustainable transport and removing bottlenecks in key network infrastructures, which consisted in putting a stronger emphasis on issues concerning the adjustment of the transport sector's offer to the needs of customers.

The detailed scope and method of including conclusions and recommendations of the evaluator in the PA are presented in the final report from ex ante evaluation.

This chapter presents synthetically the major findings of ex ante evaluation.

● Evaluation of the logic of intervention in the Partnership Agreement

The results of ex ante evaluation show that actions planned under Thematic Objective 1 correspond directly to the objectives in European and national documents, emphasizing the key importance of innovation and R&D for economic development and international competitiveness of Europe. The findings of the evaluation show that the most important objective for Poland is the transition from development based on imitation to growth resulting from innovation and own R&D, which is also confirmed by numerous studies on the economy.¹¹⁴ It is a significant specification of the approach presented in Europe 2020 strategy and the flagship initiative Innovation Union where more stress has been put on the role of innovation in solving the problems in the area of climate and energy efficiency. At the same time, the importance of innovation and own R&D for further development of Poland is also underlined by the European Commission in the *Position Paper* pointing to the need to base the Polish economy on innovation. The increase in expenditure on R&D provided for in the PA is the fulfilment of one of the main objectives of Europe 2020 strategy. The ex ante evaluation reveals that the ESIF intervention will play a key role in reorientation of the economy towards innovation, although some important aspects (in particular the quality of research) are to some extent unrelated. In order to maximize the effectiveness of support, problems with concentration of interventions encountered during the 2007–2013 perspective should be avoided.¹¹⁵

Actions planned under Thematic Objective 2 are compliant with the assumptions of the European Digital Agenda in terms of ensuring basic broadband access to all EU citizens by 2020, increasing the number of SMEs conducting their activity online, reducing the number of digitally excluded persons and non-regular Internet users and extending the scope of public services available online. This approach is coherent with the provisions of the *Position Paper*, emphasizing the need to invest in the network and the sector of e-services, including in next generation broadband networks (NGA) in the least developed areas. The results of the ex ante evaluation should that the reason for intervention under Thematic Objective 2 is a persisting very weak position of Poland in the digital infrastructure, with the broadband network still being very poor compared to the European average,¹¹⁶ while its development is a

¹¹⁴ See e.g. *Konkurencyjna Polska: Jak awansować w światowej lidze gospodarczej?*, ed. J Hausner, 2013.

¹¹⁵ See e.g. *Metaewaluacja wyników badań ewaluacyjnych Programu Operacyjnego Innowacyjna Gospodarka 2013 [Metaevaluation of the results of evaluations of Operational Programme Innovative Economy 2013]* (2012).

¹¹⁶ *Spółeczeństwo informacyjne w liczbach [Information society in numbers]*, Ministry of Administration and Digitisation, Warsaw, 2012.

precondition for progress in other areas related to digitisation.¹¹⁷ The diagnosis of digital exclusion should be based more extensively on source evidence characterising the phenomenon and the affected groups.¹¹⁸

The ex ante evaluation of PA intervention under Thematic Objective 3 shows that it is fully compliant with the objectives of Europe 2020 strategy, both with regard to the priority *Sustainable growth – promoting a more resource efficient, greener and more competitive economy* (within the framework of the flagship initiative *An industrial policy for the globalisation era*) and the priority *Smart growth – knowledge and innovation-based economy* (within the framework of the flagship initiative *Innovation Union*). The logic of intervention, formulated during the ex ante evaluation, allows to trace causal relationships between the planned intervention and the expected outcomes, including to prove the compliance with Europe 2020 strategy at the level of results. At the same time, it should be noted that support under TO 3 is justified in particular due to low level of investment (including private investment) in the Polish economy and unsatisfactory innovation level of Polish enterprises.¹¹⁹ The flagship initiative *An industrial policy in the globalisation era* places great emphasis on support for innovation of enterprises, on the one hand, and on competitiveness in international markets and support for internationalisation of business activity, on the other hand, which corresponds to the basic components of intervention under Thematic Objective 3. An important characteristic of actions to support BEI, in line with the recommendations from the ex ante evaluation, is departure from financing the development of infrastructure and putting an emphasis on development of services provided by BEI to reduce the BEI's reliance on grant funding. Other studies also show that support for BEI should focus on enhancing their potential to provide services on market conditions and on strengthening the already existing centres, in particular with regard to advanced services promoting innovation.¹²⁰ This definition of intervention is compliant with recommendations from the *Position Paper* which stress the importance of advanced BEI services and increasing the access to financing in the form of financial engineering instruments. Financial engineering instruments will constitute an important form of intervention which is compliant with the direction of modernisation of the policy to support enterprises, outlined in European and national documents.

The ex ante evaluation of the draft PA confirmed that intervention planned under Thematic Objective 4 would contribute to attainment of the major strategic objectives defined in Europe 2020 strategy and obligations stemming from the climate and energy package. Its requirements include significant reduction of greenhouse gas emissions, cutting the energy intensive of the economy compared to the reference scenario and increasing the share of renewable sources in the energy balance. The report from the ex ante evaluation confirms that those objective were appropriately taken into account in the PA. The main element of the intervention logic under Thematic Objective 4 will consist of actions aimed at systematic reduction of the demand for primary energy in the sectors with the highest potential for reducing energy-intensity, i.a. in housing and heating sectors. The ESIF intervention also leads to an increase in production of energy from renewable sources and will reduce emissions from the transport sector in urban areas. Such structure will contribute to fulfilment of the assumptions of the flagship initiative *A resource-efficient Europe* and meets the expectations from the *Position Paper*. The ex ante evaluation allowed to define more precise results related to increasing energy efficiency and production of energy from renewable sources. As a result, lessons learnt from public intervention in the past, i.e. necessary implementation of complementary investments in power grids¹²¹ and cost optimisation of energy renovation projects, were used in the assumptions for actions financed from ESIF.¹²²

The results of the evaluator's analysis confirm that intervention planned under TO 5 will contribute to attainment of strategic objectives resulting from Europe 2020 strategy and its flagship initiative *A resource-efficient Europe*, the *White Paper* and the needs identified at the national level (inter alia in the *Strategic Adaptation Plan*). The above documents point to the need to undertake measures to adapt to ongoing climate change in order to minimise its adverse consequences for both the society and the economy. The analyses on climate change show that the major threats are caused by floods, followed by droughts.¹²³ The findings of the ex ante evaluation confirm that those objectives were reflected in the PA. However, due to a relatively small amount of funds and constraints on their spending in the coming years, in particular on flood protection activities, the impact of intervention on achieving the

¹¹⁷ *Broadband Growth and Policies in OECD Countries*, OECD Ministerial Meeting on the Future of the Internet Economy, Seoul, 2008.

¹¹⁸ *Diagnoza i rekomendacje w obszarze kompetencji cyfrowych społeczeństwa i przeciwdziałania wykluczeniu cyfrowemu w kontekście zaprogramowania wsparcia w latach 2014-2020* [Diagnosis and recommendations in the area of digital competences of the society and counteracting digital exclusion in the context of programming the support for 2014-2020], MRD, 2013.

¹¹⁹ *Poland Enterprise Innovation Support Review*, World Bank, 2012.

¹²⁰ Płoszaj A. *Institucje wsparcia biznesu i promowania innowacji w województwie lubelskim, ich działania, powiązania, skuteczność* [Business support and innovation promotion institutions in Lubelskie Voivodeship, their activity, links, efficiency], Warsaw, 2012.

¹²¹ *Ocena wpływu inwestycji w ramach działania 9.1, 9.4, 9.5, 9.6 oraz 10.3 PO IiS na realizację zobowiązań wynikających z dyrektywy 2009/28/WE* [Impact assessment of investments under the Measure 9.1, 9.4, 9.5, 9.6 and 10.3 OP I&E on the implementation of obligations imposed by the Directive 2009/28/EC], study by the Institute for Structural Research, Warsaw 2012.

¹²² *Cost-effectiveness of Cohesion Policy Investments in Energy Efficiency*, European Court of Auditors, 2012.

¹²³ Sadowski M., Siwiec E. (2012), *Analiza strat i kosztów usuwania szkód spowodowanych ekstremalnymi zjawiskami pogodowymi i klimatycznymi w latach 2002–2011* [Analysis of losses and costs of remedying the damages caused by extreme weather and climate phenomena in the years 2002–2011], IOŚ, 2012

strategic objectives at the European and the national level will be limited. In view of the above, achievement of notable effects of support requires identification of the most important areas and concentration of support on major investments.¹²⁴ The description of intervention logic under TO 5 requires structuring by highlighting investment measures enhancing the adaptability of particularly sensitive areas and implementation of systemic undertakings, supporting the adaptability at the planning and organisational level. Such approach reflects the recommendations from the Position Paper.

The results from the ex ante evaluation of the draft PA confirm that the intervention planned under Thematic Objective 6 will have a significant impact on achieving the strategic objectives of Europe 2020 strategy, in particular its flagship initiative *A resource-efficient Europe*. The document points to the need to achieve sustainable development ensuring that economic growth is independent of the use of resources. Major challenges in this area include the creation of a circular economy, efficient use of water and restoration and prevention of further loss of biodiversity. In addition, support for the sector of culture and heritage will also contribute to implementation of flagship initiatives *Innovation Union* and *An industrial policy in the globalisation era*. The intervention logic under TO 6 consists of two main elements: increasing the efficiency of the use of resources and reducing the pressure on the environment. These objectives will be achieved through support for development of municipal services, including the implementation of obligations in the area of waste management and water supply and sewage management, as well as improvement of environmental status of urban areas. The ESIF intervention will also allow to protect and preserve biodiversity and to protect and use cultural resources, with the approach to support for culture in the PA is more conservative than the approach followed in the EU documents. The focus on the above issues responds to expectations defined in the Position Paper. The ex ante evaluation allowed to formulate more precisely the specific objectives of intervention and the expected results of support and to put an emphasis on comprehensive solutions, adjusted to potential and problems of a given area to maximise the effectiveness of actions.¹²⁵

The results of the ex ante evaluation point to the expected positive impact of intervention planned under Thematic Objective 7 and related to transport and power infrastructure on attainment of development objectives formulated in Europe 2020 strategy. The studies carried out in recent years confirm great macroeconomic significance of infrastructural (in particular transport) undertakings implemented under the cohesion policy in Poland. Through the demand channel and, primarily, through the supply channel, they translate into acceleration of convergence of Poland and the EU countries and increase employment.¹²⁶ Extension of the network of express roads and motorways in particular has a substantial impact on achievement of network effects at the national level, although the studies point to the need to supplement such investments with other development-promoting actions.¹²⁷ A similar impact of intervention in transport may be expected in the 2014-2020 period. Moreover, the intervention will contribute to achievement of objectives laid down in the flagship initiative *A resource-efficient Europe* and the provisions of the White Paper. Actions implemented under TO 7 will focus on development of trans-European transport network (thus contributing to the development of the Single European Transport Area). They will allow to reduce external costs of transport by means of curbing its pressure on the environment (along with the intervention under Thematic Objective 4 – decarbonisation of transport in agglomerations) and to increase the safety of users. Thanks to the conclusions from the ex ante evaluation, the intervention logic described in the PA was better adjusted to the problems identified in applicable strategic documents. A greater emphasis will be put not on parameters and efficiency of the transport system, but on the need to improve the quality and functionality of services for individual and business users.

The results of the analyses carried out as part of ex ante evaluation of the draft PA confirm that intervention planned under thematic objective 8 will contribute to achieving the objectives of Europe 2020 strategy in particular those defined in *An agenda for new skills and jobs* and in *European platform against poverty*. The cohesion policy should contribute to an increase in employment in Poland to 71% in 2020. This will be achieved by promoting labour force participation of non-working population, improving the adaptability of economically active persons and enterprises and improving the health of labour resources to increase the available labour resources. The available analyses demonstrate the efficiency of each outcome in terms of improvement of the situation in the labour market. Thanks to actions promoting labour force participation, financed from the ESF funds in the years 2007-2013, over half of participants of projects supporting non-working persons found jobs.¹²⁸ Investments in personnel of enterprises allow

¹²⁴ Ocena efektów inwestycji środowiskowych finansowanych w ramach NPR 2004–2006 [Evaluation of effects of environmental investments financed under NDP 2004–2006], Fundeko S.C., Warsaw, 2010.

¹²⁵ Ibidem.

¹²⁶ Ocena wpływu realizacji polityki spójności na kształtowanie się wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym za pomocą ilościowego modelu ekonomicznego. Symulacje modelu EUImpactMOD IV [Evaluation of the impact of the cohesion policy on selected macroeconomic indicators at the national and regional level using a quantitative economic model. Simulations of EUImpactMOD IV], Institute for Structural Research, commissioned by the Ministry of Regional Development, Warsaw 2013.

¹²⁷ Wpływ budowy autostrad i dróg ekspresowych na rozwój społeczno-gospodarczy i terytorialny Polski [Impact of construction of motorways and express roads on socio-economic and territorial development of Poland], Institute of Geography and Spatial Organization of the Polish Academy of Sciences, commissioned by the Ministry of Regional Development, Warsaw 2013.

¹²⁸ Research of outputs of indicators of the regional component of the Human Capital Operational Programme, Policy & Action Group Uniconsult for the MRD, Warsaw 2012.

them to develop and handle crisis situations better.¹²⁹ The evaluators underlined the importance of reacting to market failures in this context. Intervention should support primarily those employees, the investment in whose development is unprofitable for employers.¹³⁰ The studies proved that counteracting professional inactivity due to health reasons by means of disease prevention, development of health care infrastructure and rehabilitation were necessary, in particular in order to extend labour force participation of elderly persons.¹³¹

The analyses within the framework of the ex ante evaluation show that the intervention plan under Thematic Objective 9 corresponds to the objectives of Europe 2020 strategy on reduction of poverty and increasing social inclusion. The scope of intervention is coherent with key national challenges in this area.¹³² The problems diagnosed under the flagship project European platform against poverty are covered by three main areas of action: (1) improving chances for social inclusion/integration of persons in particularly difficult life and professional situation,¹³³ (2) comprehensive revitalisation, and (3) improving accessibility of high quality social services. The accomplishment of the effects assumed in the PA may contribute markedly to reducing poverty. The expected effects are largely dependent on the method of performing the planned intervention. Therefore, actions of different institutions must be coordinated, since poor coordination is considered to be the greatest weakness of the Polish social policy.¹³⁴ Revitalisation may also bring about positive effects, but they may be delayed and may occur a long time after the completion of intervention. Revitalisation has an impact on reducing social exclusion by means of creating new jobs or adaptation of premises for the purpose of providing activation and integration services,¹³⁵ but the analyses in this area point to the need to supplement revitalisation instruments with work with the local community.¹³⁶ The development of social services may contribute to improving the situation of households affected by poverty, although there is not enough data in this regard. The improved access to health care services may contribute significantly to reducing the risk of poverty. However, this requires coordination of interventions with national policies.

The ex ante evaluation of the draft PA allowed to further specify the intervention logic under Thematic Objective 10. As a result the objective addresses the major challenged defined in European and national strategic documents and will contribute to achievement of their key objectives. Pursuant to Europe 2020 strategy, investments in education are to promote smart growth and building of the knowledge and information-based economy, have an impact on increasing the level of education and adjusting the competences to the changing market needs. Another goal of investing in education is to support social inclusion. The report from the ex ante evaluation confirms that both those objectives were appropriately defined in the PA. The implementation of Thematic Objective 10 should lead to improvement of competences of labour resources for the economy which will contribute to building economic competitiveness and social cohesion in Poland. The planned intervention focuses on further improvement of education quality. The Polish education system is considered good, but requires further improvement,¹³⁷ in particular with regard to the work of teachers.¹³⁸ Investments strengthening the links between education and labour market needs will also have a positive impact on attainment of strategic objectives. The improvement of the quality of vocational education is particularly important, although the results of studies evaluating the efficiency of earlier actions are unavailable. The planned investments in improvement of access to pre-school education are also assessed positively. The effects of support prove that it contributes to improvement of the situation and that the facilities and services financed from the ESF funds are durable.¹³⁹ As a result of the ex ante evaluation, the provisions of the PA focused on issues related to increasing the links of the education system with labour market needs (inter alia, change of the architecture of objectives and redefinition of expected results). Based on the evaluation results, a decision was

¹²⁹ *Przetrwąć dekoninkturę. Przedsiębiorstwa i gospodarstwa domowe wobec kryzys [Surviving recession. Enterprises and households vs. crisis]*, Bursiak L., West Pomeranian Business School in Szczecin, 2011.

¹³⁰ A. Szczucka, K. Turek, B. Worek, *Kształcenie przez całe życie; wyniki Badania Kapitału Ludzkiego [Lifelong learning; results of the Study of Human Capital]*, PARP, Warsaw 2012.

¹³¹ *Przemiany demograficzne i starzenie się społeczeństwa: konsekwencje dla lokalnych rynków pracy w Polsce [Demographic transformations and ageing of the society: consequences for local labour markets in Poland]*, Warsaw 2013.

¹³² *Ubóstwo i wykluczenie społeczne w Polsce – pomiar, wyjaśnianie, strategie przeciwdziałania [Poverty and social exclusion in Poland - measurement, description, counteracting strategies]*, Szarfenberg R., The Friedrich Ebert Foundation.

¹³³ *Aktywna integracja. Nowa formuła pomocy społecznej [Active integration. New formula of social assistance]*, Miżejewski C., 2009, and *Grupy o niskim statusie społeczno-ekonomicznym w polskim społeczeństwie oraz instrumenty i dylematy polityki na ich rzecz [Groups with low socio-economic status in the Polish society, instruments and dilemmas of the policy for those groups]*, Bakalarczyk R., University of Warsaw, 2011.

¹³⁴ *Grupy o niskim statusie społeczno-ekonomicznym w polskim społeczeństwie oraz instrumenty i dylematy polityki na ich rzecz [Groups with low socio-economic status in the Polish society, instruments and dilemmas of the policy for those groups]*, Bakalarczyk R., University of Warsaw, 2011.

¹³⁵ *Rewitalizacja obszarów zdegradowanych – ocena procesu i identyfikacja pożądanych kierunków działania podmiotów publicznych i prywatnych w województwie śląskim [Revitalisation of degraded areas – evaluation of the process and identification of desirable actions of public and private entities in the Śląskie Voivodeship]*.

¹³⁶ *Rewitalizacja społeczna. Od aktywizacji do rozwoju lokalnego [Social revitalisation. From activation to local development]*, Skrzypczak.

¹³⁷ M. Mourshed, C. Chijioko, M. Barber, *How the world's most improved education systems keep getting better*, Centre for Citizenship Education.

¹³⁸ *Diagnoza stanu szkolnictwa wyższego w Polsce [Diagnosis of the situation of higher education in Poland]*, consortium of Ernst & Young Business Advisory and Gdańsk Institute for Market Economics, Warsaw 2009; Hattie J., *Teachers make a difference*, University of Auckland, 2003.

¹³⁹ Final report from *Ocena ośrodków wychowania przedszkolnego, utworzonych lub wspartych ze środków finansowych EFS w ramach Poddziałania 9.1.1 PO KL [Evaluation of pre-school education centres, created or support from the ESF funds under Sub-measure 9.1.1 OP HC]*, Ministry of Regional Development, Warsaw 2012.

made to put more emphasis on improvement of the competences of teaching staff, in line with the diagnosed weaknesses of the education system in Poland.¹⁴⁰ The education of adults was transferred to the second specific objective, as an inseparable element of cooperation with the labour market and employers which has been insufficient so far.¹⁴¹ As regards the entire TO 10, the emphasis was put on prioritisation of problematic issues and stronger thematic concentration.

The ex ante evaluation showed that the expected effects of intervention for TO 11 were compliant with the most important strategic objectives defined in Europe 2020 strategy, in particular in the flagship initiative *An industrial policy for the globalisation era*, pursuant to which the task of Member States is to reduce administrative burden on enterprises, improve the quality of regulation on business activity and improve the business environment, in particular with regard to SMEs. The orientation of intervention is also compliant with the diagnosed needs. A positive, direct impact of institutional conditions on development of the economy has been confirmed by the studies.¹⁴² Both the results of international comparisons¹⁴³ and national analyses¹⁴⁴ clearly demonstrate serious problems in this regard in Poland, despite an improvement recorded in recent years. They point to significant reduction of allocation for this objective compared to the 2007–2013 period. Therefore, the proposal to focus intervention on support for entrepreneurship development should be assessed positively. However, the concentration of interventions on carefully selected undertakings, with great chances for a marked improvement, will be of utmost importance. Individual expected results, such as improvement of the quality of regulation, the quality of services in the public administration and the quality of the judiciary may contribute to improving the conditions for pursuing economic activity. The method of ensuring the achievement of notable effects of intervention will be essential under the new perspective. The conditions to be fulfilled in order to increase the efficiency of intervention were defined during the evaluation.

The ex ante evaluation shows that individual funds will play the following role in achieving the objectives and results set forth in the Partnership Agreement:

- The Cohesion Fund will allow to finance key infrastructural tasks of national and European importance in Thematic Objectives 4–7, thus contributing to decarbonisation of the economy, reduction of sensitivity to climate change, improvement of resource efficiency and increasing the quality of the transport system and increasing the country's transport accessibility at the European and national level.
- The European Regional Development Fund will support all investments under Thematic Objectives 1–3, thus contributing to improving the quality of research, increasing their application in the economy, improving the competitiveness of enterprises and wider application of information and communication technologies in the society. In the case of Thematic Objectives 4–7, the fund will provide the basis for implementing regional and local tasks, complementary to interventions under the Cohesion Fund. Under Thematic Objectives 8–10, the European Regional Development Fund will allow to finance key infrastructure undertakings, supplementing the actions supported from the European Social Fund, which will ensure comprehensive approach to solving the diagnosed problems.
- The European Social Fund will play the leading role in achieving the assumed results set forth under Thematic Objectives 8–10 by means of implementing the leading “soft” undertakings aimed at improving the resource efficiency in the labour market, reducing poverty and social exclusion, and increasing the competences of labour resources in the economy. The Fund will co-finance the entire intervention under TO 11 related to improvement of administrative and legal conditions for the development of the economy.

A detailed assessment of the contribution of individual funds to the achievement of the objectives of the PA is presented in the final report from the ex ante evaluation.

• **Assessment of adequacy of financial allocation under the Partnership Agreement¹⁴⁵**

The evaluator assessed that the allocation of resources to particular thematic objectives proposed in the PA is adequate from the perspective of diagnosed needs and expected results of the interventions. The Partnership

¹⁴⁰ *Diagnoza stanu szkolnictwa wyższego w Polsce [Diagnosis of the situation of higher education in Poland]*, consortium of Ernst & Young Business Advisory and Gdańsk Institute for Market Economics, Warsaw 2009.

¹⁴¹ *Dziedziczak-Foltyn A., Brzeziński K., Kształcenie zawodowe i kształcenie dualne w Polsce i województwie łódzkim. Stan obecny i perspektywy rozwoju [Vocational education and dual education in Poland and the Łódzkie Voivodeship. Current situation and development prospects]*, ASM Market Research and Analysis Centre, Łódź 2013.

¹⁴² *Institutions, Institutional Change and Economic Performance*, North D., Cambridge University Press, New York.

¹⁴³ *Doing Business 2013 – smarter regulations for small and medium-size enterprises*, The World Bank, 2013.

¹⁴⁴ *Czarna Lista Barrier dla rozwoju przedsiębiorczości 2013 [Black list of barriers to the development of entrepreneurship]*, PKPP Lewiatan, Warsaw 2013.

¹⁴⁵ Assessment of adequacy of financial allocation under the Partnership Agreement relates to the draft Partnership Agreement submitted to the Commission for negotiation. As a result of the negotiation with the Commission changes were made in the allocation structure of certain TOs, which causes differences between values given in this section and the final distribution of allocations among TOs.

Agreement covers all 11 thematic objectives and also defines the key results of future interventions taking into account not only the investment priorities set out at the EU level, but also national development challenges. The allocation to particular thematic objectives described in the Partnership Agreement was assessed in that context. In comparison with proportions observed in the financial perspective 2007–2013 there is a clear shift of focus to the areas which are linked with the Europe 2020 strategy the strongest (innovation, carbon efficiency). On the other hand, particular attention should be paid to maintaining significant role of the intervention categories (transport, municipal services management), in which specific development needs of Poland are particularly high. From the broadest perspective the *ex ante* evaluation shows that the allocation of resources to particular thematic objectives proposed in the Partnership Agreement is adequate from the perspective of the diagnosed needs and expected results of the interventions, of course taking into account restrictions resulting from the so called ring-fencing. More detailed evaluation is possible only at the level of each thematic objective and (especially) at the level of individual operational programmes which include more precise solutions as regards substantive scope of the interventions. Summary of the assessment of adequacy of allocations to individual thematic objectives is presented below.

Under Thematic Objective 1 the majority of allocation (76%) was earmarked for support for enterprises as regards R&D, increasing transfer of knowledge to the economy and support for implementation of work outcomes in business activity (IP 1b). The *ex ante* evaluation results indicated that it is fully justified due to the necessity of mobilizing the private sector and resources of the undertakings in order to increase innovation of the Polish economy. The remaining resources directed to scientific institutions and universities (that is mainly public institutions) under IP 1a. complement the significant funding directed to them under the 2007–2013 perspective.

The majority of funds under Thematic Objective 2 was allocated to reinforcing the use of information and communication technologies in the public sector (IP 2c. – ca. 63%), which – according to the *ex ante* evaluation – corresponds to significant needs in that respect. On the other hand, allocation earmarked for broadband development (IP 2a – 32%) is a product of relatively (nationally) small needs in that respect and high unit costs of the necessary investments.

Thematic Objective 3 attaches the greatest importance – from the perspective of the allocation that accounts for 43% of the funds – to the direct support of advanced investments in enterprises. The *ex ante* evaluation shows that it is justified, firstly, on the grounds of high costs of this type of projects, and secondly, it compliments actions taken within the framework of propagating investments of enterprises in research and innovation (PI 1b. – actions key for strengthening competitiveness and innovation of enterprises). It is also important that the support for creating and expanding advanced skills regarding development of products and services (IP 3c.) gives hope for the most effective use of funds for supporting entrepreneurship in the regional programmes. On the other hand a relatively high allocation for propagation of entrepreneurship (IP 3a. – 35%) is related to ambitious plans regarding the capital support for enterprises. Other investment priorities have significantly lower allocations, which, in accordance with the results of the evaluation, corresponds to a lower importance of the problems they are related to. As regards the capacity of SMEs to engage in economic growth and innovation processes (IP 3d. – 4.10%), mainly indirect actions are planned, which are focused on improvement and development of business services. Shifting the emphasis from funding of business environment infrastructure to support for services is justified on the grounds of the considerable expenditure to date and corresponds with the allocation earmarked for the IP.

In accordance with the *ex ante* evaluation, high level of the allocation for investments in the area of low carbon economy (TO 4) proves the noticeable shift of emphasis between the 2007–2013 programming period and the 2014–2020 financial perspective. Intervention under the national and regional operational programmes will be focused on actions supporting energy efficiency (in total more than 80% of the allocation) at the level of production (due to development of cogeneration under IP 4g., IP 4vi. and construction/modernisation under IP 4e.), distribution (heating networks under IP 4e.) and consumption (in the municipal and household sector under IP 4c., 4iii. and in the commercial sector). The relatively highest share of investments aimed at reducing the energy intensity was assessed as an adequate solution – this is the area where the expected decarbonisation of the economy in Poland is the greatest. An important aspect of the intervention will also consist of development of the renewable energy (construction of installations and connecting them to the electricity grids under IP 4a., IP 4i., however, the allocation for that area is smaller (approximately 12% of the allocation) than in the case of energy efficiency – it results from the more important role that other public policies and the private sector should play in the development of RES.

Allocation of funds in the area of adaptation to climate change in the 2014–2020 financial perspective corresponds to the share of the outlays earmarked for that objective in the current programming period. In total, almost EUR 1.2 billion will be earmarked for the implementation of all the actions, which constitutes almost 35% of the necessary expenditure for adaptation projects in the area of water management set out in the *Strategic plan of adaptation for climate change sensitive sectors and areas until 2020 with a prospect until 2030*. A relatively small, in relation to the needs, allocation for this objective to a large extent results from restricting directing funds from ESIF to actions regarding flood safety. In accordance with the evaluation results the majority of the funds will be earmarked to improving water management (flood and drought prevention), protecting the particularly climate change sensitive

areas and support for systemic solutions as regards forecasting, monitoring and responding to threats. Conclusions of the evaluation confirm that the areas of intervention, for which an allocation relevant to the possibilities was earmarked, were selected in an optimal way.

The *ex ante* evaluation results show that, in the context of environmental protection and rationalisation of the use of resources (TO 6), still a great emphasis is put on meeting the key needs in the area of municipal services management, in particular the water and waste water management (almost 50% of the allocation), where considerable investment needs remain. Necessity of strong support of the cultural sector, confirmed by analyses of needs in this area, was reflected in a relatively high (18%) allocation earmarked for actions aimed at increasing efficiency of the use of cultural heritage potential. A relatively small allocation for actions covering protection and conservation of biodiversity (5%) and improvement of urban environment (6%) indicates a complimentary nature of these actions as regards environmental protection in a broad sense.

The *ex ante* evaluation results confirm that the area of intervention which requires the largest investment expenditure in the coming years is broadly understood transport infrastructure, which is also coherent with the objectives of the applicable national strategic documents. The Partnership Agreement and the national operational programmes are right to put the key emphasis on improving transport connections from the European perspective, which was reflected in the predominant share of investment projects in the area of the TEN-T road and rail networks (IP 7a., 7i. – in total 57% of interventions). Focusing future actions on these networks will enable within the next decade to increase accessibility of remaining parts of the continent and will improve functional ties between the largest Polish cities. Actions related to improving the intraregional accessibility (IP 7b. – 18% of the allocation, and in addition to IP 7d., 7iv.) and aimed at developing alternative forms of transport and relieving pressure on the environment (IP 7c., 7iii. – 7% of the available funds). The *ex ante* evaluation of the Partnership Agreement also confirmed the validity of separate funding for actions related to the national energy security (IP 7e. – 4% of the allocation).

Under TO 8 75% of the funds will be allocated to professional activation of non-employed persons, of whom young people will be a particularly important group (IP 8ii.). An important area will also be support for entrepreneurship (8iii.). In accordance with the results of the *ex ante* evaluation, the remaining high level of unemployment justifies the need for continuation of the action targeting the non-employed persons, while of course the final assessment of the achievable effects requires further clarification of the scale of expenditure for individual target groups. Similarly, it also concerns adaptability of enterprises and employees, which will be an important object of the intervention as well. This suggests certain shift of emphasis. However, in practice the majority of allocation will be earmarked for areas, which have been the subject of intervention under the current perspective. Therefore, this approach rather means continuation. Questions of reconciliation of work and family life (8iv.) and active ageing (8vi.) were significantly less emphasised. These areas are a serious challenge for the Polish labour market. In this context strengthening coordination functions at the strategic level is of particular importance.

Two funds will contribute to achieving effects set out for TO 9 almost equally: ERDF and ESF. In the case of ESF the main focus will be on actions in the area of social inclusion, which should be welcomed. Moreover, a significant allocation was earmarked for support of social services and development of social economy. The *ex ante* evaluation confirmed that such an approach may enable introducing a sustainable approach to solving complex social problems and reducing poverty.

In the case of EDF, the PA envisages expenditure mainly for health care infrastructure and revitalisation. Taking into account the investment outcomes in these areas to date as well as poor national policies, it is necessary to establish and fulfil conditions that the intervention has to meet in order to ensure high efficiency.

Under TO 10 the largest funds were allocated to improving access to high quality general education (IP 10i). These funds will serve improving access to pre-school education. So far, Poland made significant progress in that field, however further effort is needed to reach the average EU level. The funds will also be allocated to improving the quality of education, which, in accordance with the findings of the *ex ante* evaluation, should translate into improving learning outcomes and increasing their labour market relevance. More than 30% of the funds were earmarked for strengthening higher education, in particular including improving the quality and labour market relevance thereof. Undoubtedly, these are the key challenges facing this education sector and allocating significant resources to this area was considered as justified. Undoubtedly one of the greatest challenges facing the Polish education system is improving the quality of initial vocational training, both for young people and adults. Approximately 19% of the funds under TO 10 were allocated to this objective.

Under TO 11 one investment priority will be implemented, consisting of investments in the institutional capacity and effectiveness of public administration and public services (11i.). In relation to the current programming period, the allocations have been reduced, but at the same time the intervention was narrowed to creating business friendly environment. Such an approach was evaluated as definitely positive. Allocating these funds to carefully designed and comprehensive actions may result in significant and tangible improvement.

1.3 Selection of thematic objectives and summary of the main intervention results

Table 4. Justification for the selection of thematic objectives and investment priorities.

Thematic objective	Investment priority	Operational Programme	Justification for selection
<p>Thematic Objective 1. Strengthening research, technological development and innovation</p>	<p>Priority 1a. (ERDF) Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest</p>	<p>OP SG ROP</p>	<p>A low level of R&D expenditure and a low degree of applicability of research – necessity to improve R&D infrastructure in the science sector and in enterprises, necessity of internationalisation of science, necessity to implement strategic programmes and regional research agendas, necessity to develop personnel to implement innovative undertakings.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding R&D expenditure, flagship initiative “Innovation Union”). • Implementation of CSR 5: Take additional measures to ensure an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives and by better targeting existing instruments to the different stages of the innovation cycle. • Implementation of the NRP (Establishment of mechanisms for the financing of research infrastructure and the activities of scientific entities, Developing instruments and implementation of the system for cyclical evaluation of scientific and technological capacity, Implementation of the TOP 500 Innovators programme). • National strategic documents – NDS 2020, SIEE, EDP, Polish Roadmap for Research Infrastructures.
	<p>Priority 1.b. (ERDF) Promoting business R&I investment, developing links and synergies between enterprises, R&D centres and the higher education sector (...); supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in key enabling technologies (...)</p>	<p>OP SG ROP</p>	<p>A low level of business R&D investments – necessity to strengthen links between science and business, increasing capabilities to create own innovations, improving environment for implementation innovative undertakings.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding R&D expenditure, flagship initiative “Innovation Union”). • Implementation of CSR 5: Take additional measures to ensure an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives and by better targeting existing instruments to the different stages of the innovation cycle. • Implementation of the NRP (Establishment of a support system for businesses, Supporting business environment institutions within the framework of pro-innovation activities and supporting supra-regional networks of such institutions, Implementation of science and research programmes and programmes fostering the cooperation of science and industry, Supporting projects related to areas and technologies of the greatest potential for growth, Implementing the programmes with respect to the development of enterprises’ activities in the field of research, development and innovation, Implementing the “Brokers of innovation” programme). • National strategic documents – NDS 2020, SIEE,

Thematic objective	Investment priority	Operational Programme	Justification for selection
			EDP, Polish Roadmap for Research Infrastructures.
Thematic Objective 2. Enhancing access to, and use and quality of, ICT (ERDF)	Priority 2a. (ERDF) Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	OP DP	Broadband penetration below the EU average and existing territorial diversity ("blank spots") – necessity of reinforcing actions aimed at broadband penetration. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "European Digital Agenda"). • Implementation of CSR 6: (...) Accelerate efforts to increase broadband coverage. • Implementation of the NRP (Actions towards increasing broadband coverage). • National strategic documents – NDS 2020, ESS, National Broadband Plan, National Integrated Informatisation Programme.
	Priority 2c. (ERDF) Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	OP DP ROP	Poor use of e-services by the citizens – necessity of increasing the demand, the quality of services and digital content, and developing digital competences. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "Digital agenda for Europe"). • National strategic documents – NDS 2020, ESS, SCDS, HCDS, National Integrated Informatisation Programme.
Thematic Objective 3. Enhancing the competitiveness of SMEs, the agricultural sector (with respect to the EAFRD)	Priority 3a. (ERDF) Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	ROP OP SG OP EP	Insufficient support for creating business, difficulties in obtaining external funding by SMEs and high costs thereof – necessity to develop conditions for incubation resulting in business creation, necessity of access to capital and investment areas for enterprises. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "Industrial policy for the globalisation era"). • National strategic documents – NDS 2020, SIEE, EDP.
	Priority 3b. (ERDF) Developing and implementing new business models for SMEs, in particular with regard to internationalisation	ROP OP SG OP EP	A small share of international enterprises – necessity to strengthen export orientation of enterprises. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "Industrial policy for the globalisation era"). • National strategic documents – NDS 2020, SIEE, EDP.
	Priority 3c. (ERDF) Supporting the creation and the extension of advanced capacities for product and service development	ROP OP EP	Low capital expenditure of enterprises – necessity of increasing the scale, diversification and implementation of innovations. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "Industrial policy for the globalisation era"). • National strategic documents – NDS 2020, SIEE, EDP.
	Priority 3d. (ERDF) Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	ROP OP SG OP EP	Excessive diversification of the level of services provided to entrepreneurs by business environment institutions – necessity to improve the quality of services provided and their relevance to the entrepreneurs' expectations, necessity to strengthen cooperation in clusters. <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative "Industrial policy for the globalisation era"). • National strategic documents – NDS 2020, SIEE, EDP.

Thematic objective	Investment priority	Operational Programme	Justification for selection
Thematic Objective 4. Supporting the shift towards a low-carbon economy in all sectors (CF, ERDF)	Priority 4i., 4a. (CF/ERDF) Promoting the production and distribution of energy derived from renewable sources	OP I&E ROP	<p>A small share of renewable energy sources in electricity generation – necessity of increasing RES generation and creating conditions for its increased use in the economy.</p> <ul style="list-style-type: none"> • Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). • Implementation of CSR 6: (...) Renew and extend energy generation capacity and improve efficiency in the whole energy chain. Speed up and extend the development of the electricity grid, including cross-border interconnections, and eliminate obstacles in electricity cross-border exchange. (...). • Implementation of the NRP (Investments in renewable energy sources). • National strategic documents – NDS 2020, Energy Policy of Poland until 2030, ESE.
	Priority 4ii., 4b (CF/ERDF) Promoting energy efficiency and renewable energy use in enterprises	OP I&E ROP	<p>High resource intensity of the economy – necessity to rationalize the use of resources in enterprises.</p> <ul style="list-style-type: none"> • Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). • Communication from the Commission <i>Energy 2020: A strategy for competitive, sustainable and secure energy</i> (Reducing correlation between economic growth and energy consumption). • Implementation of CSR 6: (...) Renew and extend energy generation capacity and improve efficiency in the whole energy chain. (...). • Implementation of the NRP (Investments in renewable energy sources). • National strategic documents – NDS 2020, ESE.
	Priority 4iii., 4c. (CF/ERDF) Supporting energy efficiency, smart energy management and renewable energy use in public buildings, and in the housing sector	OP I&E ROP	<p>High energy intensity of the economy – necessity of comprehensive energy efficiency building refurbishment.</p> <ul style="list-style-type: none"> • Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). • Implementation of CSR 6: (...) Renew and extend energy generation capacity and improve efficiency in the whole energy chain. (...). • Implementation of the NRP (Investments in renewable energy sources). • National strategic documents – NDS 2020, ESE.
	Priority 4iv., 4d. (CF/ERDF) Developing and implementing smart distribution systems that operate at low and medium voltage levels	OP I&E	<p>High energy intensity of the economy and a low degree of the use of smart technologies in energy distribution – necessity of optimisation and rationalisation of the energy consumption.</p> <ul style="list-style-type: none"> • Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). • Implementation of CSR 6: (...) Renew and extend energy generation capacity and improve efficiency in the whole energy chain. Speed up and extend the development of the electricity grid, including cross-border interconnections, and eliminate obstacles in electricity cross-border exchange. (...). • Implementation of the NRP (Investments in renewable energy sources).

Thematic objective	Investment priority	Operational Programme	Justification for selection
			<ul style="list-style-type: none"> National strategic documents – NDS 2020, ESE.
	<p>Priority 4e., 4v. (CF/ERDF) Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures</p>	<p>OP I&E ROP OP EP</p>	<p>High carbon intensity of the economy – necessity to reduce urban pollutant and greenhouse gas emissions, necessity to relieve urban infrastructure from excessive individual motorised traffic and to improve integration of cities with their surrounding by developing a low-carbon public transport system. Support addressed to cities as the areas of strategic intervention of the State (ASI) specified in the National Strategy of Regional Development.</p> <ul style="list-style-type: none"> Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). Implementation of the NRP (Actions related to flagship initiative “A resource-efficient Europe”). National strategic documents – NDS 2020, TDS.
	<p>Priority 4g., 4vi. (ERDF/CF) Promoting the use of high-efficiency co-generation of heat and power based on useful heat demand</p>	<p>OP I&E ROP</p>	<p>High level of pollution from the so called low emissions – necessity to popularise cogeneration and to develop district heating systems.</p> <ul style="list-style-type: none"> Implementation of the Climate Action and Renewable Energy Package and the Europe 2020 strategy (objectives regarding energy, flagship initiative “A resource-efficient Europe”). National strategic documents – NDS 2020, ESE, NSRD.
<p>Thematic Objective 5. Promoting climate change adaptation, risk prevention and management (CF, ERDF)</p>	<p>Priority 5ii., 5b. (CF/ERDF) Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems</p>	<p>OP I&E ROP</p>	<p>High climate vulnerability – necessity to strengthen the resilience to threats related to adverse effects of the climate change, necessity to improve responding to the effects of disasters (mainly floods and draughts).</p> <ul style="list-style-type: none"> contribution to achieving objectives set out in the White Paper and the Europe 2020 strategy as regards adaptation to climate change (flagship initiative “A resource-efficient Europe”). Implementation of CSR 6: (...) Improve waste and water management. (...). Implementation of the NRP (Improvement of waste and water management). National strategic documents – NDS 2020, ESE, SAP 2020.
<p>Thematic Objective 6. Preserving and protecting the environment and promoting resource efficiency (CF, ERDF)</p>	<p>Priority 6i., 6a. (CF/ERDF) Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements</p>	<p>OP I&E ROP</p>	<p>Ineffective waste management – necessity to meet the requirements of the EU acquis (in particular ensuring full implementation of the waste hierarchy); necessity to develop separate waste collection systems ensuring acquisition of recyclable waste, installations for separate sorting of municipal waste, installations for processing bio-waste and installations for waste incineration with energy recovery; necessity to undertake actions aimed at waste prevention (including actions aimed at reducing the volume of waste and their adequate segregation at source); rationalisation of the waste management of the entrepreneurs.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (flagship initiative “A resource-efficient Europe”). Implementation of CSR 6: (...) Improve waste (...) management. (...). Implementation of the NRP (Improvement of waste and water management). National strategic documents – NDS 2020, ESE, National Waste Management Plan.
	<p>Priority 6ii., 6b. (CF/ERDF) Investing in the water sector to meet the requirements of the Union's</p>	<p>OP I&E ROP</p>	<p>Unresolved problems related to water management – necessity to meet the requirements of the EU acquis; necessity to reduce discharge of untreated and</p>

Thematic objective	Investment priority	Operational Programme	Justification for selection
	environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements		<p>insufficiently treated municipal and industrial waste water into the environment; necessity of effective management of the increasing volume of sewage sludge; necessity of efficient use of limited and poor quality water resources.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative “A resource-efficient Europe”). • Implementation of CSR 6: (...) Improve waste and water management. • Implementation of the NRP (Improvement of waste and water management). • National strategic documents – NDS 2020, ESE, NPMWWT.
	<p>Priority 6c. (ERDF) Conserving, protecting, promoting and developing natural and cultural heritage</p>	OP I&E ROP	<p>A significant degree of degradation of monuments and uneven access to cultural infrastructure – necessity to activate potentials related to tangible and intangible cultural heritage.</p> <ul style="list-style-type: none"> • Communications from the Commission (Communication on European agenda for culture in a globalizing world, Regional policy contributing to smart growth in Europe 2020, Communication on promoting cultural and creative sectors for growth and jobs in the EU, Commission Green Paper on “Unlocking the potential of cultural and creative industries”, Cohesion Policy and cities: the urban contribution to growth and jobs in the regions). • National strategic documents – NDS 2020, SCDS.
	<p>Priority 6iii., 6d. (CF/ERDF) Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</p>	OP I&E ROP	<p>Increased pressure on the environment in relation to economic growth – necessity to stop the process of losing biodiversity, to strengthen the potential of economic and social development based on the use of environmental values at the regional and local level.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative “A resource-efficient Europe”). • Implementation of the strategy “Our life insurance, our natural capital: an EU biodiversity strategy to 2020”, “Programme for the protection and sustainable use of biodiversity accompanied by action plan for 2014–2020”, “Prioritised action framework for the Natura 2000 network under multiannual programme for EU financing of actions in 2014–2020”. • National strategic documents – NDS 2020, ESE.
	<p>Priority 6iv., 6e. (CF/ERDF) Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures</p>	OP I&E ROP	<p>Poor quality of the environment in cities (exceeding the existing air quality limit values, excessive use of land for economic purposes, accumulation of negative socio-economic, spatial and environmental phenomena) – necessity of land reclamation and creation of conditions for land redevelopment for environmental purposes.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (flagship initiative “A resource-efficient Europe”). • National strategic documents – NDS 2020, NSRD, ESE.
Thematic Objective 7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	<p>Priority 7i., 7a. (CF/ERDF) Supporting a multimodal Single European Transport Area by investing in the TEN-T</p>	OP I&E	<p>Limited external accessibility of the country – necessity to finish construction of the modern road network; necessity to ensure quality rail connections within the TEN-T.</p> <ul style="list-style-type: none"> • Implementation of the EU Guidelines on development the TEN-T rail and road network and agreements regarding key lines for AGTC rail transport. • Contribution to achieving objectives set out in the

Thematic objective	Investment priority	Operational Programme	Justification for selection
(CF, ERDF)			<p>White Paper on Transport regarding creating conditions for shifting from road freight transport to other means of transport, including rail transport.</p> <ul style="list-style-type: none"> • Contribution to implementing the European strategy for civil aviation safety and coherence with the plans of deployment of the modernised air traffic management infrastructure (SESAR) in Europe by 2020 within the framework of works on the European Common Aviation Area (SES). • Implementation of CSR 6: (...) Strengthen the role and resources of the railway market regulator and ensure effective implementation of railway investment projects without further delay. (...). • Implementation of the NRP (Actions related to flagship initiative “A resource-efficient Europe”). • National strategic documents – NDS 2020, TDS.
	<p>Priority 7b. (ERDF) Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes</p>	<p>OP I&E ROP OP EP</p>	<p>Limited accessibility of smaller urban centres and their surrounding areas – necessity to create conditions for development of polycentric settlement pattern in the country based on the network of small and medium-sized cities (the so called regional and sub-regional cities); necessity to eliminate limitations hampering urban development related to the traffic in transit straining the capacity of their infrastructure.</p> <ul style="list-style-type: none"> • Implementation of the NRP (Actions related to flagship initiative “A resource-efficient Europe”). • National strategic documents – NDS 2020, TDS.
	<p>Priority 7ii., 7c. (CF/ERDF) Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</p>	<p>OP I&E ROP</p>	<p>A small share of environment-friendly transport systems – necessity to ensure servicing of the increasing level of transshipment of containers in seaports and integrating them with the hinterland, necessity to increase the use of the inland waterways and to develop inter-modal infrastructure.</p> <ul style="list-style-type: none"> • Implementation of the objectives of the White Paper on Transport stipulating increased use of more energy efficient means of transport and creating conditions for shifting from road freight transport to other means of transport, including waterborne transport. • Implementation of the EU Guidelines on development the TEN-T inland waterways, seaports and shipping terminals. • Compliance with the Commission’s initiative regarding creation of the so called Green Transport Corridors using co-modality, which assumes complementarity of means of transport in order to enable choice. • National strategic documents – NDS 2020, TDS.
	<p>Priority 7iii., 7d. (CF/ERDF) Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise-reduction measures</p>	<p>OP I&E ROP OP EP</p>	<p>Low competitiveness of the rail sector in relations to other forms of freight and passenger transport – necessity of reducing urban transport pollutant emissions, relieving the urban infrastructure from excessive road traffic and enhancing their integration with the surroundings by development of rail systems.</p> <ul style="list-style-type: none"> • Implementation of CSR 6: (...) Strengthen the role and resources of the railway market regulator and ensure effective implementation of railway investment projects without further delay. (...). • Implementation of the NRP (Investments in railway transport). • National strategic documents – NDS 2020, TDS.
	<p>Priority 7e. (ERDF)</p>	<p>OP I&E</p>	<p>Lack of security and stability of energy and natural gas</p>

Thematic objective	Investment priority	Operational Programme	Justification for selection
	Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources		<p>supply – necessity of diversification of energy and natural gas supply and of channels of transportation (expansion of transmission, distribution and storage infrastructure).</p> <ul style="list-style-type: none"> • Implementation of CSR 6: (...) Reinforce competition in the gas sector by phasing out regulated prices. (...). • Implementation of the NRP (Increasing competitiveness on the domestic natural gas market). • National strategic documents – NDS 2020, ESE, Energy Policy of Poland until 2030.
Thematic Objective 8. Promoting sustainable and quality employment and supporting labour mobility (ESF, ERDF)	Priority 8b. (ERDF) Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources	ROP	<p>Underutilisation of the labour market resources – necessity to activate the areas and optimise the use of their environmental, cultural and spatial potentials.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment). • National strategic documents – NDS 2020, HCDS.
	Priority 8i. (ESF) Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility	ROP	<p>Underutilisation of the labour market resources – necessity to increase professional and spatial mobility of inactive and unemployed persons.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment, flagship initiative “Agenda for new skills and jobs”). • Implementation of CSR 4: Continue efforts to increase female labour market participation (...). With a view to improving sectoral labour mobility, take permanent steps to reform the KRUS. Underpin the general pension reform with measures promoting the employability of older workers to raise exit ages from the labour market. • Implementation of the NRP (Labour market policy reform, Support for the employment of persons aged 50+, Support for the employment of disabled persons / measures for the professional activation of disabled persons, Changes in the Agricultural Social Insurance Fund). • National strategic documents – NDS 2020, HCDS.
	Priority 8ii. (ESF) Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	OP KED	<p>Low (in comparison with the EU average) level of employment of young people – necessity to intensify efforts towards reducing youth unemployment.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment, flagship initiative “Agenda for new skills and jobs”). • Implementation of CSR 3: Strengthen efforts to reduce youth unemployment, for example through a Youth Guarantee, increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching. • Implementation of the NRP (Labour market policy reform) • National strategic documents – NDS 2020, HCDS.
	Priority 8iii. (ESF) Self-employment, entrepreneurship and business creation	ROP	<p>Underutilisation of the labour market resources – necessity of providing services targeted at unemployed persons, job-seekers, persons at risk of losing their jobs or otherwise disadvantaged in the labour market, which are oriented at development of entrepreneurship.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment, flagship

Thematic objective	Investment priority	Operational Programme	Justification for selection
			<p>initiative “Agenda for new skills and jobs”).</p> <ul style="list-style-type: none"> • Implementation of CSR 4: Continue efforts to increase female labour market participation (...). Underpin the general pension reform with measures promoting the employability of older workers to raise exit ages from the labour market. • Implementation of the NRP (Labour market policy reform, Support for the employment of persons aged 50+, Support for the employment of disabled persons / measures for the professional activation of disabled persons). • National strategic documents – NDS 2020, HCDS.
	<p>Priority 8iv. (ESF) Equality between men and women and reconciliation of work and private life</p>	OP KED ROP	<p>Harder return of women to the labour market – necessity to increase flexibility of employment and accessibility of childcare services for children under 3.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment). • Implementation of CSR 4: Continue efforts to increase female labour market participation (...). • Implementation of the NRP (Ensuring equal opportunities for men and women on the labour market). • National strategic documents – NDS 2020, HCDS.
	<p>Priority 8v. (ESF) Adaptation of workers, enterprises and entrepreneurs to change</p>	OP KED ROP	<p>Poor management of development in enterprises, including crisis management – necessity of actions supporting owners and the senior management as regards strategic management, including resource management, necessity to strengthen enterprises that undergo restructuring and modernization processes.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment, flagship initiative “Agenda for new skills and jobs”). • National strategic documents – NDS 2020, SIEE.
	<p>Priority 8vi. (ESF) Active and healthy ageing</p>	OP KED ROP	<p>Increasing professional inactivation resulting from health problems – necessity to carry our actions related to preventive health care and promoting healthy lifestyle behaviours.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment). • National strategic documents – NDS 2020, HCDS, ESS.
	<p>Priority 8vii. (ESF) Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders</p>	OP KED	<p>Underutilisation of the labour market resources – necessity to increase effectiveness of public employment services.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding employment, flagship initiative “Agenda for new skills and jobs”). • Recommendations included in “Public Employment Services’ Contribution to EU 2020. PES 2020 Strategy Output Paper”. • National strategic documents – NDS 2020, HCDS.
<p>Thematic Objective 9. Promoting social inclusion and combating poverty (ESF, ERDF)</p>	<p>Priority 9a. (ERDF) Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services</p>	OP I&E ROP	<p>Poor access to social services and health care services – necessity to ensure necessary health care and social infrastructure filling in the gaps in access to the services, and thus contributing to social inclusion in a broad sense and preventing exclusion.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). • Implementation of CSR 1: (...) reassess expenditure policies (...) increasing the cost effectiveness and efficiency of spending in the healthcare sector. (...). • Implementation of the NRP (National Programme

Thematic objective	Investment priority	Operational Programme	Justification for selection
			<p>against Poverty and Social Exclusion 2020).</p> <ul style="list-style-type: none"> National strategic documents – NDS 2020, HCDS, ESS.
	<p>Priority 9b. (ERDF) Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas</p>	ROP	<p>High level of poverty and social exclusion – necessity of comprehensive regeneration activities in the peripheral and degraded urban and rural areas.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). National strategic documents – NDS 2020, NSRD.
	<p>Priority 9i. (ESF) Active inclusion, including with a view to improving employability</p>	OP KED ROP	<p>High level of poverty and social exclusion – necessity of actions enhancing employability and access to quality services aimed at social inclusion.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). Implementation of CSR 3: (...) Combat in-work poverty and labour market segmentation (...). Implementation of the NRP (National Programme against Poverty and Social Exclusion 2020, Support for the unemployed persons most isolated from the labour market). National strategic documents – NDS 2020, HCDS.
	<p>Priority 9iv. (ESF) Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest</p>	OP KED ROP	<p>Uneven access to affordable and high-quality services – necessity to develop services for excluded groups, including poverty-preventing preventive services.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). Implementation of the NRP (National Programme against Poverty and Social Exclusion 2020). National strategic documents – NDS 2020, HCDS, ESS.
	<p>Priority 9v. (ESF) Promoting social economy and social enterprises</p>	OP KED ROP	<p>Low level of social economy development – necessity of solutions enabling institutions supporting social entrepreneurship to operate.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). Implementation of CSR 3: (...) Combat in-work poverty and labour market segmentation (...). Implementation of the NRP (National Programme against Poverty and Social Exclusion 2020, Development of the social economy sector). National strategic documents – NDS 2020, SCDS.
	<p>Priority 9vi. (ESF) Priority 9d. (ERDF) Community-led local development strategies</p>	ROP	<p>Unsufficient use of the local development potential – necessity to activate local communities.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objective regarding combating poverty, flagship initiative “European platform against poverty”). National strategic documents – NDS 2020, SCDS.
<p>Thematic Objective 10. Investing in education, skills and lifelong learning (ESF, ERDF)</p>	<p>Priority 10i. (ESF) Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training</p>	OP KED ROP	<p>Education system irrelevant to the labour market, low percentage of children in pre-school education – necessity to ensure access to quality education, necessity to popularize pre-school education.</p> <ul style="list-style-type: none"> Implementation of the Europe 2020 strategy (objectives regarding education, flagship initiative “Youth on the Move”). Implementation of CSR 3: (...) strengthen cooperation between schools and employers and improve the quality of teaching. (...). National strategic documents – NDS 2020, HCDS,

Thematic objective	Investment priority	Operational Programme	Justification for selection
			SCDS.
	<p>Priority 10ii. (ESF) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels</p>	OP KED	<p>Low degree of innovation of the Polish economy, too little labour market flexibility, limited access to qualified personnel – necessity to improve the quality of education and to strengthen pro-employment role of higher education.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objectives regarding education, flagship initiative “Youth on the Move”). • Implementation of the NRP (National Qualification Framework, Reform of higher education). • Implementation of CSR 3: (...) Strengthen efforts to reduce youth unemployment, for example through a Youth Guarantee, increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching. Adopt the proposed lifelong learning strategy. (...) • National strategic documents – NDS 2020, HCDS.
	<p>Priority 10iii. (ESF) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences</p> <p>Priority 10iv. (ESF) Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes</p>	OP KED ROP	<p>Low education activity of adults, limited access to qualified personnel – necessity to increase investments in the area of adult learning and improving the labour market relevance of the education system.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objectives regarding education, flagship initiative “Youth on the Move”). • Implementation of the NRP (National Qualification Framework, Reform of higher education, Support for the cooperation of schools with employers). • Implementation of CSR 3: (...) Strengthen efforts to reduce youth unemployment, for example through a Youth Guarantee, increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching. Adopt the proposed lifelong learning strategy. (...) • National strategic documents – NDS 2020, HCDS.
	<p>Priority 10a. (ERDF) Investing in education, skills and lifelong learning by developing education and training infrastructure</p>	ROP	<p>Missing, to a limited extent, school infrastructure – necessity of providing additional equipment and of infrastructural investments enabling implementation of quality teaching activities.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objectives regarding education, flagship initiative “Youth on the Move”). • National strategic documents – NDS 2020, HCDS.
<p>Thematic Objective 11. Enhancing institutional capacity and efficient public administration (ESF)</p>	<p>Priority 11i. (ESF) Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance</p>	OP KED	<p>Existing administrative barriers – necessity to reinforce institutional capacity and efficiency of public administrations.</p> <ul style="list-style-type: none"> • Implementation of the Europe 2020 strategy (objective regarding R&D expenditure, flagship initiative “Industrial policy for the globalisation era”). • Implementation of the NRP (Improvement of the business environment). • Implementation of CSR 7: (...) Take further steps to improve the business environment by simplifying contract enforcement and requirements for construction permits and by reducing tax compliance costs. (...).

Thematic objective	Investment priority	Operational Programme	Justification for selection
			<ul style="list-style-type: none">• National strategic documents – NDS 2020, SIEE, ESS.

1.3.1 Strategy of ESIF use under individual thematic objectives

- **Thematic Objective 1. Strengthening research, technology development and innovation**

- **Links with the objectives of Europe 2020 strategy and national strategic documents**

The factor conditioning long-term growth and achieving a strong competitive position of the Polish economy is the application of the results of research and development, of new technologies and innovation in the enterprise sector. Support to enterprises in terms of R&D activity will have the greatest impact on the achievement of Poland's objectives in the area covered by TO 1.

The priority actions indicated in the National Development Strategy 2020 and the Strategy for Innovation and Efficiency of the Economy executing it comply with *Europe 2020 strategy*, and in particular with one of its flagship initiatives, *Innovation Union*. The reform of the science sector in Poland resulted in indication of strategic directions of research and development in the *National Research Programme. Assumptions for the Science & Technology and Innovation Policy of the State*. On the basis of these directions, strategic research programmes are created that serve the development of individual sectors of enterprises and the industry.

The *Enterprise Development Programme (EDP)* is the key document indicating a wide range of instruments to support the development of innovation of enterprises in Poland. The *National Smart Specialisation (NSS)*, which is a part of the EDP, determines the process of selecting, monitoring and updating priority areas for the development of the economy and the extent to which ESIF are used to involve enterprises in co-funding of research, development and research infrastructure, thus supporting a change in the development model into one based on technological progress and innovation.

Regional smart specialisations organised by voivodeship level institutions are complementary with the NSS developed at the national level. They define priority sectors and thematic areas in which wider use of R&D output will result in a faster transformation of enterprises and scientific units cooperating with these enterprises from imitating innovation to creating innovation in a way that is adequate to the most important needs and economic objectives of the regions in the framework of the strategy for the development of voivodeships or regional innovation strategies (RIS3).

The condition for support under TO 1 is compliance with national or regional smart specialisation strategies.

According to the strategy of ESIF fund use, support for public R&D infrastructure will be selective and focused on the key map of needs, which in this regard is the *Polish Roadmap for Research Infrastructures*. It identifies R&D infrastructure and devices, as well as other research equipment, which is unique on the national scale and complementary with projects implemented on the European scale (e.g. the European Strategy Forum on Research Infrastructures – ESFRI) or on the international scale.

The priorities proposed below are in line with the Country-Specific Recommendation identifying the need to “take additional measures to ensure an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives and by better targeting existing instruments to the different stages of the innovation cycle” (Recommendation No 5 of 2013).

The tasks carried out in the framework of TO 1 will be conducive to enhancing innovation of the Polish economy to the greatest extent. In order to achieve this ambitious goal, it is necessary to make the best use of the capacity and motivation of economic operators to constantly explore and apply R&D results, new technologies and inventions in their business. Giving priority to actions contributing to the transformation of the Polish economy through its modernisation, structural transformation, diversification of products and services and the creation of innovative solutions is fully in accordance with the criteria relevant for the ex ante condition which commits the Member States to develop a smart specialisation strategy.

In Poland, the process of identifying smart specialisations is continuous, open, it involves economic and scientific partners as well as the civil society, in accordance with the concept of entrepreneurial discovery. The work leading to selecting a smart specialisation is organised at the national level by the Ministry of Economy in cooperation with the Ministry of Science and Higher Education and the Ministry of Infrastructure and Development, and at the regional level by marshals of voivodeships in cooperation with the above ministries.

Thanks to the mechanism of monitoring and evaluation of the *National Smart Specialisation*, it is possible to discover the areas in which Poland has a chance to stand out on the international market. The basis for the identification of areas of smart specialisation takes the form of in-depth analyses of endogenous potentials in science and the economy (supply) and the needs for development of industries and sectors reported by economic circles (demand), verified with the participation of scientific and economic partners as well as the civil society.

The process of selecting a smart specialisation allows bottom-up development of areas with the highest development potential, which will constitute priorities for research, development and innovation by 2020. Support under TO 1 is

addressed solely at the areas defined in the national and regional strategies for smart specialisation, selected in the process of entrepreneurial discovery.

The mechanisms planned under TO 1 that are part of the national and regional strategies of smart specialisation, reflecting the demand of enterprises, will contribute to selecting and development of new smart specialisations.

The implementation of the smart specialisation strategy will be monitored on an ongoing basis. The monitoring system serves ongoing assessment whether smart specialisations have been defined correctly and evaluating the progress of activities for their development. As a result of monitoring activities, in the case of identification of external factors which have a decisive impact on the process of selecting smart specialisations, it will be possible to respond and to periodically update the smart specialisation areas. Update of a smart specialisation strategy will take into account the results of the application of the mechanisms that serve selecting new areas of the strategy.

International cooperation in the area of research, development and innovation is of particular importance in the context of the achievement of the objectives of the EU strategy for the Baltic Sea Region (EUSBSR). Creating international research teams with partners from the Baltic Sea region will contribute, in practice, to the achievement of the objectives in priority area "Innovation" of the EUSBSR Action Plan of which Poland is the co-leader, together with Sweden.

○ **Objectives and priorities of intervention under TO 1**

Specific objective of the PA: **increase in the use of the results of research and development in the economy and enhancing the quality and internationalisation of research** – is achieved through the following priorities:

- Transfer of knowledge, innovation and R&D results to the economy:
 - Increase in the number of enterprises pursuing R&D (PI 1b.),
 - Increase in the number of joint R&D projects of enterprises and scientific units (IP 1b.),
 - Increasing the number of implementations of R&D results and of innovative solutions in the economy (IP 1b.),
 - Increase the scale of the use of R&D services (IP 1b.).
- Improving the technology and knowledge transfer system:
 - Improving access to high-quality services supporting R&D&I, tailored to meet the needs of enterprises (IP 1b.),
 - Increasing the availability of capital to finance the implementation of innovation and R&D results in enterprises (IP 1b.),
 - Increasing the number of effective partnerships between enterprises, development of cooperation of SMEs with large enterprises, including within the framework of clusters (IP 1b),
 - Improving research and innovation infrastructure in enterprises,
 - Developing research and development capacity of enterprises (e.g. R&D infrastructure of enterprises) (IP 1b.),
 - Developing modern research infrastructure, and integrating and consolidating the scientific and research capacity (IP 1a.).
- Improving the ability to create excellence in the field of research and innovation:
 - Focusing research and development on thematic areas with the highest economic potential on a national and regional scale (e.g. strategic research programmes, regional scientific and research agendas, research programmes of virtual institutes (IP 1a.)),
 - Increase in the number and quality of research and development carried out in cooperation with foreign scientific centres or enterprises (IP 1a.),
 - Increase in the potential of R&D sector personnel through their participation in collaborative research projects carried out by scientific units or enterprises, including international projects (IP 1a.).

● **Scope and main principles of intervention**

As stated in the diagnosis, in the construction of an economy based on technological progress and innovation the most important challenge is to increase R&D outlays of enterprises. Enterprises will pursue R&D on their own, using their own resources or in cooperation with other enterprises, a scientific-industrial consortium, research units. Under TO 1 support is focused on SMEs. Also investments of large enterprises in the area of TO 1 are envisaged, provided that specific diffusion effects of R&D&I results to the Polish economy are ensured. In the case of large companies, preference will be given to projects undertaken jointly with SMEs or providing for cooperation with SMEs, NGOs and research institutions.

The financing of the whole process of creating innovation (from idea to market) or its selected elements is envisaged. Support will cover the phase of research, industrial research and development (including the stage of demonstration). Financing will be provided to pilot lines and actions in the field of early validation of products, advanced production capacities and initial production, including in terms of key enabling technologies. As a result R&D work and services, the stage of advancement of an innovative solution (product, service, process) that allows its marketing will be achieved.

Support will be provided to projects that contribute to the development of sustainable linkages and synergies between the science sector and entrepreneurs in order to ensure effective transfer of R&D results. The knowledge created in academic, scientific and research centres should be converted into commercial success to a greater extent than hitherto.

The scope of support adequate for the implementation of TO 1 also includes projects which envisage the implementation of R&D results developed by an entrepreneur or acquired. Implementation of the acquired R&D results is possible only in case it is necessary to carry out development work that would supplement/adapt technologies to the specific nature of an enterprise. As a result of projects supporting the implementation of R&D results, new/innovative processes will be launched or new/innovative products or services will be introduced to the market.

Examples of forms of stimulating R&D activity and cooperation between science and business include:

- Application projects that consist in financing of industrial research and development, focused on direct application of R&D results in the activity of specific enterprises,
- Sectoral programmes that serve carrying out large research projects essential for the development of specific industries/sectors of the economy; the initiators are enterprises which may cooperate with the science sector in the framework of project implementation,
- Support for projects that consist in R&D at all or selected levels of technological readiness, implemented by industrial and scientific-industrial consortia,
- Development of networks of innovation brokers to facilitate the transfer of research results from research units to enterprises through specialised consultancy services,
- Financing R&D services provided by scientific unit to enterprises.

Support for enterprises in respect of R&D&I (research, development and innovation) activities will be carried out also through the services provided by specialised BEIs. The efficiency and effectiveness of BEIs will increase. The service offer of entities supporting the maximum utilisation of the creative potential of enterprises will be improved and market-oriented. Access to the services offered by inter alia science and technology parks, technology transfer centres, academic entrepreneurship incubators and other organisations supporting innovation of enterprises will be facilitated. There will be further development of effective mechanisms of finding research projects which are possible to be commercialised (inter alia innovation brokers).

In incidental and justified cases infrastructural support will be provided to business environment institutions (BEIs). Support for this purpose will be provided only if infrastructural investments supplement existing resources are necessary for the implementation of high quality innovative services and are conditioned by demand for similar R&D infrastructure from technology companies. Investment in common necessary R&D infrastructure and its location within BEIs will contribute to the reduction of costs of individual enterprises related to purchasing similar infrastructure, incubating companies and further R&D activity.

The form of R&D&I financing in enterprises will be adjusted to the level of risk associated with a given project. In the case of more risky projects of breakthrough significance, greater importance will be attached to non-repayable instruments (grants). Increased use of repayable instruments or mixed forms (grant and repayable) will be related to the stage of commercialisation of R&D results, for example the installation of a pilot line or acquisition of machinery and equipment necessary for the implementation of R&D results.

In order to overcome the barrier hindering the development of Polish enterprises, and especially limiting their innovation, i.e. the lack of capital, indicated in the diagnosis, it is necessary to develop the instruments for financing R&D and innovation by enterprises. Support in this area will enhance the access of enterprises to financial instruments such as technology credit, guarantees, seed capital and venture capital. Selection of financial instruments will take place on the basis of ex ante evaluation.

Support will also be directed to clusters implementing R&D&I projects that reflect the sectors indicated in the smart specialisation strategies.

Among the actors of the innovation system, the awareness of the benefits of cooperation will be strengthened and projects of enterprises concerning the development of open innovation and demand-driven innovation will be financed. The competences relating to the protection of intellectual property rights, the granting of patents and registration of trademarks will be developed.

Investment in modern R&D infrastructure will contribute to improving the quality of R&D activity. Support for science infrastructure concerns only strategic research infrastructure, which has been identified in the Polish Roadmap for Research Infrastructures and matches the national and regional smart specialisation strategies. In order to make optimum use of available and planned research infrastructure, support will be granted to projects aimed at networking and consolidation of the scientific and research potential, also with the participation of entities from outside Poland.

The criteria of support for R&D infrastructure are as follows:

- A project in the area of R&D infrastructure matches the national or regional strategies of smart specialisation,
- A project in the area of R&D infrastructure is characterised by a possibly high degree of co-financing from private sources,
- A new project in the area of R&D infrastructure in scientific units may receive support only when it complements existing resources, including those created within the framework of support provided under the 2007–2013 perspective,
- A project in the area of R&D infrastructure has been agreed with the minister in charge of science and higher education and the minister in charge of regional development in order to avoid duplication of investments,
- A project in the area of R&D infrastructure serves to carry out research identified in the project (it is necessary to provide a description of R&D work that will be carried out using the co-financed infrastructure and a description of its use in the economy),
- The R&D infrastructure created under the project will be available to entities/individuals from outside the unit which receives support,
- Financing of ICT infrastructure in scientific units is possible within the framework of TO 1 only when this infrastructure is essential to a given research and development project.

At the same time, the possibilities of enterprises to engage in research and development by supporting the creation and development of their R&D infrastructure, investment in machinery, equipment and other necessary devices that serve creating innovative products and services, are strengthened. The support offered will contribute to setting up R&D departments and laboratories in enterprises or creation of research and development centres by enterprises. The condition of supporting this type of investments will be the presentation of plans for R&D activity by an enterprise.

Despite the steady growth of outlays from the state budget for R&D carried out by research units, there are still too few competence centres able to create excellence in the area of research and innovation that would match the standards of international centres making up the European Research Area. To intensify the process of integrating Polish research units into the European network of excellence, support will be provided to joint scientific projects of centres with the highest potential. Concentration of allocations on research directions with the highest economic potential will be achieved in particular through projects of regional scientific and research agendas, strategic research programmes and research programmes of virtual institutes. As a result of performance of the tasks covered by intervention under TO 1, the level of specialisation of R&D activity is expected to increase and the potential of interdisciplinary projects will be released and taken advantage of.

International research agendas created in Poland in cooperation with prestigious research centres from other countries will be supported. Support will cover the implementation of high-quality research conducted by prominent foreign scientists together with Polish researchers, especially young ones. Support will consist in funding research, including interdisciplinary research, the results of which will be used in business activity.

The development of international research teams by cooperation of Polish research teams with the most prominent scientific centres worldwide will result in creating jobs in the area of R&D and will contribute to attracting the most promising scholars from all over the world to work in Poland, especially Poles currently working abroad.

Participation in R&D activity with the use of top-class infrastructure requires research teams to continually expand knowledge and acquire (exchange) experience. Increasing the staff potential of the R&D sector will take place, *inter alia*, as a result of implementing research projects in Polish units in cooperation with the world's best scientific centres, as well as in enterprises, by way of scientific internships and scholarships, exchange of staff between research units and enterprises, improving the qualifications of R&D staff of enterprises.

Due to the specific nature of expenditure under R&D projects, this type of actions aimed at the development of human resources will be financed under TO 1 (ERDF). Expenses related to the development of R&D staff can be a part of a research and development project.

Complementary support to the personnel of the science sector will be provided under TO 10 (ESF).

Research, new technologies and innovation under TO 1 are an important way of ensuring sustainable development of the country. They provide possibilities for meeting international commitments regarding the energy sector and climate change by laying foundations for the development of low-carbon economy. They also allow solving many

social problems. Also environmental issues will receive more attention in the R&D activities than they used to. Developed and then successfully implemented green innovations will allow a more effective management of natural resources and raw materials, they will reduce the burden on the environment, improve the quality of life and decrease household expenditures. They will provide possibilities for meeting international commitments regarding the energy sector and climate change by laying foundations for the development of low-carbon economy. They will also extend the export offer of Polish enterprises.

Also in agriculture, fostering the creation and functioning of operational groups and other forms of innovation partnerships will contribute to strengthening the links between scientific centres and practitioners, thus allowing to develop new technical, technological and organisational solutions and their practical implementation.

Research and development actions to stimulate the maritime sector (Blue Growth), including the exploration and exploitation of seabed resources, will result in stimulating economic development of maritime and coastal areas.

Social innovation will make it possible to solve problems specific to certain groups of the population, such as the elderly, the unemployed and persons with disabilities.

R&D projects carried out as under pre-commercial public procurement procedures will allow the creation of solutions responding to important societal challenges reported by the public sector.

○ ***Link with intervention under other thematic objectives and sectoral policies***

It is important to coordinate the support under TO 1 with a variety of instruments at the European, national and regional level. In particular, the aim should be to use the synergy between the instruments of the *Horizon 2020*, such as teaming for excellence or twinning, the EU BONUS initiative for eco-innovation and R&D in the field of improvement of the environmental condition of the Baltic Sea and projects carried out at the national level which are to improve the quality and internationalisation of research (international research agendas, virtual research institutes) and the strengthening of cooperation with foreign partners.

All efforts with a positive impact on utilisation of R&D will also contribute to achieving other objectives. Most importantly, by developing new competitive advantages based on innovation and building a knowledge-based economy they will greatly contribute to a successful implementation of specific objective concerning enhancing competitiveness of enterprises (TO 3). Results of R&D carried out in the sector of ICT, energy (including RES), environmental protection and creative industries will contribute to the implementation of TO 2, TO 4, TO 5, TO 6 and TO 7. Indirectly, through their impact on economic growth and, therefore, increased employment and wealth of the society, they will contribute to the implementation of TO 8 and TO 9. New organisational and technical solutions will be applicable within actions aimed at the implementation of TO 10 and TO 11.

It is beyond doubt that successful implementation of the specific objective for TO 1 will be greatly dependent on actions taken for the implementation of the specific objective of TO 10. In order to increase the use of research and development results – and by doing so, support scientific work, technological development and innovation – investments must be made in improving the quality of education and its adjustment to the needs of knowledge-based economy. Certain feedback will be induced in the case of numerous thematic objectives – specific objectives will complement and reinforce each other as they are implemented. This will definitely be the case with TO 2 and TO 3, where greater use of R&D results will increase the application of ICT and competitiveness of enterprises, while increased application of ICT will in turn facilitate conducting R&D work, increase its quality, enhance cooperation opportunities and streamline the use of R&D results. Active and competitive enterprises, on the other hand, will generate demand for R&D and innovation, and by developing the market in this regard they will reinforce the links between science and business. Developing relations between those sectors will also be more efficient when labour mobility is supported more effectively under TO 8. Similarly, by stimulating demand for innovation, the implementation of TO 4, TO 5, TO 6 and TO 7 will contribute to the implementation of the main objective of TO 1. A more efficiently operating public administration and increased capacity of the entities implementing actions which influence the development policy will eliminate administrative and legal barriers which so far have had a negative impact on the readiness of enterprises to conduct R&D and use its results.

EAFRD interventions will focus on knowledge and innovation transfer to the agriculture and forestry sectors. Measures taken under the CAP will aim at fostering innovation and expanding the knowledge base in rural areas and strengthening the links between agriculture and forestry, agri-food processing and research and innovation. To complement the actions aimed at intensifying the links between science and the economy under the ERDF, the rural development programme will support the creation and functioning of operational groups and innovation partnerships in agriculture under the Cooperation action. The RDP will serve supporting pilot and demonstration projects, and the creation of new products, practices, processes and technologies in the agriculture sector (including the processing sector) under trisectoral cooperation. Support will also be provided for actions disseminating innovative solutions pertaining to agricultural production, forestry or agri-food processing. Moreover, agricultural producers and their associations will be covered by comprehensive consulting assistance, the scope of which should be linked with at least

one EU priority for the development of rural areas. Such consultancy may also cover introduction of innovative solutions. It should be stressed that innovation as a horizontal objective should be implemented under all priorities of rural development.

Cohesion policy programmes and CAP programmes will incorporate rules and mechanisms for project selection based on the criteria that are to bring about a more targeted spending of funds and achieving the agreed results.

○ **Division of interventions between the national and the regional level – main rules**

Actions related to investments in research carried out by research institutions for the needs of the economy will be implemented at the national level. Representatives of the minister in charge of regional development, the minister in charge of science, the National Centre for Research and Development (NCBiR) and regional authorities will participate in the process of organisation of regional agendas, which define the scope of research related to regional smart specialisations. An increase in the human resources potential of the R&D sector, internationalisation of Polish science, strategic research programmes and access to capital and guarantee instruments to facilitate the implementation of innovation and R&D results in enterprises is an exclusive offer of the national intervention. Investments in science infrastructure projects are implemented at the national level, on the basis of the *Polish Roadmap for Research Infrastructures*. In the case of identification of infrastructural tasks of science institutions at the regional level, support is possible only in the framework of the negotiations of the Territorial Contract (TC). Evaluation of the proposals for the TC that concern R&D infrastructure at the regional level from regional authorities will be carried out by representatives of the minister in charge of regional development, the minister in charge of science and the National Centre for Research and Development. The TC ensures the coordination of regional and national research and development agendas, in conformity with the relevant requirements of ex ante conditionality.

Research and development work of enterprises, the implementation of its results and the infrastructure necessary for the technological development of enterprises, as a priority task under TO 1, are to be financed at both the national and the regional level. The scale (value), scope, and comprehensiveness of the projects are the demarcation criteria between particular operational programmes.

Coordination mechanisms will prevent overlapping of financing and will contribute to complementarity of interventions.

○ **Funds and programmes implementing TO 1**

Operational Programme	Fund
OP SG	ERDF
ROP	ERDF
RDP	EAFRD

○ **Results of interventions under the funds**

Actions under ESIF will bring Poland closer to achieving the objective arising from Europe 2020 strategy: 1.7% of GDP for expenditure on research and development and increasing the participation of enterprises in the financing of R&D. Financial interventions under the ERDF will improve the number of enterprises involved in R&D and the applicability of research and the involvement of enterprises in the development of smart specialisations. The scale of cooperation will increase, allowing especially SMEs to create solutions or use technologies to which they would not otherwise have access individually. The offer of financial institutions will foster the implementation of innovation and technologies. The R&D infrastructure established as a result of the implementation of TO 1 will allow the participation of Polish research teams and enterprises in research of international significance. Thanks to coordination of regional research agendas and consolidation of thematic areas and research teams, it will be possible to avoid fragmentary support to competing research centres. Such consolidation will be conducive to achieving the level of scientific excellence that allows cooperation with reputable research centres within the framework of the European Research Area. As a result of the projects implemented under the TO 1, it is also expected that the number of patents and inventions would increase, with an increase in the participation of Polish institutions (and also enterprises) in the programmes coordinated by the EC, such as Horizon 2020.

It is assumed that the EAFRD will contribute to the dissemination of innovation and improvement of the knowledge base in rural areas. Thanks to expanding cooperation, the links between the agricultural sector, forestry and research and innovation will be strengthened. The development of agricultural and forestry consultancy services and vocational training will also contribute to improvement of the knowledge transfer.

Thematic Objective 2. Enhancing access to and use and quality of information and communication technologies

○ **Links with the objectives of Europe 2020 strategy and national strategic documents**

Interventions under TO 2 fall within the priority of *Europe 2020 strategy* for smart growth and provisions of the *European Digital Agenda* in terms of supporting development of broadband network, ICT and digital competences. They also respond to the Council Recommendation of 2013 *concerning the acceleration of efforts to ensure universal access to broadband Internet*.

At the national level, actions in this area are implemented under the main strategic documents: NDS 2020 and, as horizontal measures encompassing almost all areas of social and economic life, all integrated development strategies,¹⁴⁶ in particular the Efficient State Strategy, the Strategy for Innovation and Efficiency of the Economy and implementing documents for those strategies (*National Broadband Plan, Integrated Informatisation State Programme,¹⁴⁷ Enterprise Development Programme by 2020*).¹⁴⁸

○ **Objectives and results of intervention under TO 2**

Interventions under TO 2 focus on a specific objective of the Partnership Agreement – **increasing the take-up of information and communication technologies in the economy and the society**.

The objective is implemented through the following priorities:

- Ensuring access to broadband networks (IP 2a.);
- Strengthening the take-up of information and communication technologies in public services (IP 2c.):
 - Developing public sector e-services;
 - Providing access to public sector information and scientific and cultural resources to enable creation of new digital services on their basis by non-public sector entities.¹⁴⁹
- Increasing take-up of information and communication technologies, including among groups at risk of digital exclusion (IP 2c.):
 - Improving digital competences, including those leading to creation and development of products and services based on information and communication technologies;
 - E-inclusion addressed to groups at risk of digital exclusion.
- **Scope of intervention and main principles of intervention**

The diagnosis shows that success of interventions aimed at increasing the take-up of ICT in the economy and the society requires support for modern infrastructure, supply and quality of products, services and digital content, as well as for the demand for those products, services and content. The development of only one of the above elements does not ensure effectiveness of intervention in this area. For example, the networks created would be insufficiently used due to the lack of services, which would require higher channel capacity, or the lack of interested users. Therefore, digital development will take place in a comprehensive manner to ensure that broadband networks, online services and content, as well as digital competences of the society, and in particular the groups at risk of digital exclusion, develop evenly.

Actions taken under TO 2 are aimed at reducing territorial differences in access to high speed broadband Internet, which will contribute to ensuring not only territorial, but also social cohesion (ensuring equal access to services). Intervention focuses on the development of fast and ultra-fast broadband network, while maintaining technological neutrality, in the areas where broadband access cannot be provided under market conditions. The role of the EU funds is to complement and stimulate private investment. The projects involving construction, extension or reconstruction of the access network, backbone and distribution networks will be complementary to the existing telecommunications infrastructure, including the infrastructure developed under the 2007–2013 financial perspective. To meet the objectives of the *European Digital Agenda*, the support will, as a rule, be targeted at providing broadband access to Internet with a speed of at least 30 Mb/s, ensuring a step change within the meaning of broadband state aid

¹⁴⁶ The overall vision of actions in the area of digital development, developed based on the strategies, is presented in the “Policy Paper on digital development of Poland by 2020” adopted by the Council of Ministers’ Committee for Digitization in November 2012.

¹⁴⁷ Adopted by the Council of Ministers on 8 January 2014.

¹⁴⁸ The document is at the last stage of drafting at the level of the Council of Ministers.

¹⁴⁹ “Public sector information” within the meaning of the Directive 2013/37/EU of the European Parliament and of the Council of 26 June 2013 amending Directive 2003/98/EC of 17 November 2003 on the re-use of public sector information.

guidelines. However, detailed analyses on the coverage of the territory of Poland and on potential investment costs, in particular when compared with the available budget and the scale of the problem, cited in the diagnosis, show that, in certain situations and as an exception from the general rule, intervention in networks with the parameters lower than NGA should be allowed,¹⁵⁰ ensuring a step change within the meaning of broadband state aid guidelines. The inventory of projects financed from both the EU funds for 2007–2013 and from other public funds, as well as from the funds of telecommunications operators, and the identified investment needs resulting from the situation of individual territories, including in particular a multifaceted assessment of economic viability of investments, constitute the basis for actions taken in the area of information and communication technologies. Where possible, telecommunications infrastructure will be created in synergy with the implementation of linear investments financed under other thematic objectives (such as road and water supply investments). Solutions and practical mechanisms must be sought to ensure complementarity of linear infrastructure which will allow for more effective use of funds.

The increased access to Internet must be followed by an increased supply of online services provided by public administration and by provision of broadly understood public sector information online.

Priority tasks in the area of e-government include ensuring interoperability of public ICT systems and providing the widest possible scope of public services online, thus enabling full interaction with administration offices, i.e. the possibility to complete all formalities in a given matter online. From the perspective of recipients of public services, informatisation of internal processes within the administration accelerates the flow of documents related to official matters and facilitates the access of customers to necessary information at each state of administrative proceedings. The real impact of projects on efficiency and effectiveness of administration will be ensured by implementing mechanisms preventing “chaos digitisation.”

Support will be granted for e-services in the area of administrative matters, in particular those concerning the citizens; law enforcement authorities and the judiciary, social insurance and benefits, health care, labour market, support for entrepreneurship and economic activity, e-procurement, spatial information (in line with the INSPIRE Directive), taxes and customs duties, crisis management and emergency call centres. Where possible, depending on the progress of work on the catalogue and standards of cross-border services at the EU level, the cross-border interoperability will be taken into account. Investments in the so-called hard infrastructure are possible only if they contribute to accomplishment of the project objectives and the analysis shows that such resources are unavailable within the public administration. Development of e-services will be supported by informatisation of administration offices.

Simplification of customer service procedures in administration offices thanks to Internet use, gathering all matters belonging to competences of various public administration units in one place, extensive offer of services provided electronically and increasing possibilities of creating added services by business based on public information and services will strengthen public trust in administration and will contribute to improving the conditions for conducting economic activity.

According to the definition of the European Commission, e-government should be understood as use of IT technologies in public administration, combined with organisational changes and new skills of public services, which improve the quality of services provided by administration. In this context, actions under TO 2 are complementary to intervention from the ESF under TO 11.

An important element of actions to increase the supply of digital services is the creation of digital content and ensuring common and open access in the digital form to the resources belonging to public institutions (including digitisation and provision of science, culture and national heritage resources).¹⁵¹ Public sector information is, to an increasing extent, the basis for generating added value by various entities. Therefore, such information serves to support innovation and economic development, to increase transparency and effectiveness of public administration, to ensure more equal educational opportunities and participation in culture, to increase activity and involvement of citizens in public life. Open access to public sector information not only ensures maximisation of profits from its use, but also contributes to increasing social, intellectual and cultural capital. Thanks to following the international standards of online content availability, actions under TO 2 in the public sector will facilitate access to public e-services and public sector information for persons with various types of disability.

The demand for ICT services is also boosted by promoting their use and by improved e-competences of the society. A large percentage of disadvantaged social groups, such as elderly persons (50+), persons with disabilities, poorly educated persons or inhabitants of rural and peripheral areas, remain digitally excluded. Actions in the area of e-inclusion are aimed at developing basic competences of the abovementioned persons from groups at risk of digital exclusion to enable them to use the Internet in general, including public e-government services and e-commerce services, and to further develop their skills by means of e.g. self-education. Actions addressed to users with

¹⁵⁰ The intervention may concern 6–8% of households.

¹⁵¹ The EU context for those actions is created by the Directive 2013/37/EC of 26 June 2013 amending the Directive 2003/98/EC, since it covers the include resources of libraries, museums and archives which is justified by the fact that “their collections are and will increasingly become a valuable material for re-use in many products.” Support will also be granted for audio-visual resources, provided that they are available for re-use.

intermediate and advanced digital competences are aimed at their e-activation, i.e. increase in active use of ICT. Other actions will be aimed at supporting and raising awareness of the society, including entrepreneurs, about the benefits of using ICT.

○ ***Link with intervention under other thematic objectives***

Support for e-competences financed from the European Regional Development Fund (ERDF) under TO 2 is complementary to the intervention under the European Social Fund (ESF). Support from the ERDF is targeted at actions for creating demand for the Internet, e-services, e-content and actions for e-inclusion, while support from the ESF under TO 8 to TO 10 is treated as an element of the policy aimed at improving the situation in the labour market, increasing labour force participation and improving the quality of formal education. Therefore, the two funds have other objectives, implementing mechanisms and groups of beneficiaries.

Actions under TO 2 also contribute to strengthening of administrative capacity through development of e-government. In some sectors, they enhance and supplement the effects of standardisation and training instruments implemented under TO 11, while within the scope not explicitly covered by TO 11 they create a new quality on their own.

Actions under this thematic objective contribute to improving links between science and business by stimulating the creation of new ICT-based solutions and their commercialisation, thus complementing the intervention under TO 1. Widespread use of ICT will also contribute to actions in the area of e-business implemented under TO 3. Increased competitiveness of SME thanks to using ICT contributes to accomplishment of TO 3, related to support for SMEs.

○ ***Division of interventions between the national and the regional level***

Actions related to development of broadband infrastructure are implemented at the national level (Operational Programme Digital Poland – OP DP) as, according to lessons learned during the 2007–2013 perspective, investment in this area requires close coordination. This will improve efficiency and effectiveness of intervention related to development of broadband Internet networks. Complex projects in the area of e-inclusion and development of e-competences are also implemented at the national level.

Interventions for public e-services, digitisation of administration offices and professional mechanisms of providing digitalised public sector information are carried out at both the national and the regional level.

In the case of investments relating to digitisation of public e-services, projects implemented at the national level serve as a model (based on i.a. legal acts regulating interoperability) allowing to observe the principle of technological and project compatibility for projects implemented at the regional level.

○ ***Funds and programmes implementing TO 2***

Operational Programme	Fund
OP DP	ERDF
ROP	ERDF

○ ***Results of interventions under the funds***

Only the ERDF will be involved in accomplishing the results of TO 2 – enhancing access to and use of information and communication technologies in the society.

Thematic Objective 3. Enhancing the competitiveness of small and medium-sized enterprises, of the agricultural sector (for the EAFRD), and of the fisheries and aquaculture sector (for the EMFF)

○ *Links with the objectives of Europe 2020 strategy and national strategic documents*

In accordance with the *Europe 2020 strategy*, intervention for the competitiveness of enterprises contributes to smart, sustainable and inclusive growth. The framework provided by the “Smart growth” priority under the strategy is of particular importance here, underlying the need for ensuring that innovative ideas can be turned into new products and services that create growth and jobs as well as address social problems.

The above objective will be accomplished primarily by the flagship initiative “Innovation Union.” Furthermore, in line with the flagship initiative “An integrated industrial policy for the globalisation era,” other actions will be implemented, such as building more competitive low-carbon economy, development of new environmentally-friendly technologies and methods of production, or improvement of conditions for entrepreneurship development, in particular for SMEs.

The National Development Strategy 2020 assumes that SMEs will become more important from the economic point of view, more capable of flexible operation on the market and able to present a more individualised offer. The Strategy also underlines the role of SMEs and formation of entrepreneurial attitudes among the rural population. In this area, the NDS 2020 is implemented via the Strategy for Innovation and Efficiency of the Economy (SIEE). Actions planned in the document include facilitating access to financing for SMEs at each stage of their development, enhancing management skills of entrepreneurs and rolling-out of the use of financial instruments for supporting exports by SMEs. The *Enterprise Development Programme* presents the instruments, including those financed from the ESIF, which will strengthen the position of Polish enterprises in the global market.

SMEs are key partners in the process of selecting smart specialisations. The process of identifying smart specialisations is continuous and open. The involvement of enterprises allows to identify the areas where Poland has a chance to stand out in the international market, in accordance with the concept of entrepreneurial discovery. The tasks implemented under TO 3 by enterprises operating in the sectors and thematic areas of smart specialisations will be given preference in the process of project selection.

○ *Objectives and priorities of intervention under TO 3*

Specific objective of the Partnership Agreement – **increasing competitiveness of enterprises** – will be implemented through the following priorities:

- Increased development investments of enterprises (IP 3c):
 - Increased use of innovation, including process and product innovations,
 - Increased labour productivity and production efficiency.
- Development of effective investment, infrastructural, financial, advisory and training environment (IP 3a.):
 - Increased support offered at the initial development stage of an enterprise;
 - Creation or improvement of conditions for starting, conducting and developing the activity of enterprises;
 - Increased availability of repayable funding for development investments of enterprises;
 - Increased availability of areas providing conditions for conducting economic activity.
- Diversification of activities and new business models (IP 3b., IP 3d.):
 - Increasing internationalisation of enterprises, in particular increasing exports of products and services;
 - Increasing the number of foreign investments;
 - Increasing cooperation between companies, networking, increasing the number of effective partnerships between enterprises, in particular the improvement of cluster functioning.

○ *Scope and main principles of intervention*

To improve competitiveness of enterprises, their use of innovation in their economic activity needs to increase significantly. Support under TO 3 is targeted mainly for implementation of product, process, marketing and organisational innovations, in particular the innovation developed under TO 1. Actions under TO 3 include development/expansion of enterprises, in particular investments in modern machinery and equipment and production equipment, in order to place new or improved products or services on the market. Investments in development of enterprises, which increase the scale of their activities, will result in the increased coverage of the

offer of enterprises (new markets). The ESIF will be invested in the commercial use of concepts available in the market.

Enterprises pursuing a smart specialisation strategy will be treated as a priority.

The diagnosis reveals that, in comparison with other EU Member States, in Poland there is still considerable potential for increasing labour productivity in SMEs and lowering the costs of resource and energy consumption. Actions will be targeted at implementing modern solutions into business practice of enterprises to reduce market activity costs, which will be possible due to reduced energy consumption or improved resource efficiency. Consequently, negative environmental impact of resource management will be reduced. The rationale behind the implementation of eco-innovations by enterprises is to achieve sustainable economic and environmental effects. Support will be provided for development of eco-innovative SMEs operating in sectors such as recycling of waste, water and wastewater treatment, emission filtering and control. The market for eco-innovative products and services will be developed, and knowledge on their availability will be disseminated. Projects involving the adjustment of the existing production installations to the standards of best available technology (BAT) will supplement those objectives.

To improve competitiveness and innovation of SMEs, they must use information and communication technologies (ICT) on a wider scale in competitive activity. Support for entrepreneurs focuses on promoting the use of ICT for development and improvement of effectiveness of the activity of enterprises in all sectors of the economy, by means of i.a. support for development of cooperation between enterprises based on modern ICT solutions (B2B), which is to strengthen the links between cooperating enterprises and increase their competitiveness by using modern cooperation channels, automation of business processes and data exchange. The use of ICT will contribute to development of e-commerce, widening the possibilities of Polish enterprises to compete in international markets. Supported processes of internal informatisation of enterprises and use of state-of-the-art technological and organisational solutions to implement modernisation processes will support the activity of companies (B2E). Funding will also be granted for the use of ICT in relations between enterprises and end customers (B2C).

Improvement of access to high quality specialist business environment services (business environment institutions – BEI) constitutes intervention conducive to increasing competitiveness and innovation of SMEs. Actions of BEIs aimed at providing more professional, specialised, result-oriented services, which are adjusted to the real needs of the operators using them, were implemented already under the 2007–2013 perspective and will be continued under the current perspective. The offer of BEIs is targeted primarily at economic operators at the early stage of development (start-up, up to 24 months) conducting various forms of market activity, including market-oriented agricultural holdings.

Under TO 3, advanced, specialist and improved advisory services of BEIs will be developed, which will be adjusted to the needs of entrepreneurs, by means of demand mechanisms, such as vouchers for SMEs. Support will be granted to business incubators offering efficient consulting on strategy and business monitoring, technology transfer and forecasting, user-oriented innovation and innovation related to design, according to the specific needs of SMEs. Since BEIs must operate under market conditions, the majority of support will be granted to BEI via demand instruments. In incidental and justified cases, where the implementation of the national and regional smart specialisation strategies will result in a strong concentration of enterprises from the key sector/sectors, with specific needs related to support for location of the company, activities related to organisation of economic activity, accounting services, logistics and telecommunication services, business environment institutions may receive infrastructural support.

Support under TO 3 may be granted to business environment institutions under the following conditions:

- Projects involving support to business environment institutions are aimed at providing specialist BEI services;
- Projects related to BEI infrastructure will be supported to a very limited extent and under the following conditions:
 - Business environment institution activity is in line with the national or regional smart specialisation strategy;
 - Business environment institution has a strategy/plan in place on the use of infrastructure which is to be financed under this project;
 - The project is co-financed from private sources;
 - The project does not duplicate available BEI infrastructure of similar profile, located in the given region or in a neighbouring region, unless the available offer has been used up.
- Business environment institutions providing specialist services required by specific enterprises apply available service provision standards developed at the national level (including the principles concerning the level of co-financing of BEI services by enterprises).
- Business environment institutions will aim at operating under market conditions, based on open competition.

Economic operators at early stage of operation, which do not use the services offered by business environment institutions, may be direct beneficiaries of actions under operational programmes. Due to the early stage of operation

of enterprises, funds from ESIF will be used for support of investment and development of subsequent stages of economic maturity.

In order to increase investment activity of enterprises, it is necessary to improve access to finance at various stages of enterprise development, taking into account the specificity of the sectors of their operation. Financial instruments will be targeted primarily at development of enterprises and creation of new companies by providing start-up capital, strengthening their basic activity or implementing new projects or entering new markets. Financial instruments will therefore support investment in fixed assets and intangible assets, as well as in working capital, provided that it is related to investment activity and further expansion of enterprises. Financial instruments, their scope and application area, will be selected after *ex ante* evaluation of the market's failure in terms of availability of capital and based on identified investment needs of enterprises.

Due to high dynamics of infrastructural investments, in particular those related to transport accessibility, the scope covered by TO 3 will be supplemented by investments in the development of the existing or creation of new economic growth infrastructure. Support will be granted for tasks involving organisation and preparation of investment areas (in particular studies and conceptual work, geotechnical research, comprehensive provision of utilities, modernisation of internal transport infrastructure to perform new economic functions. The investments in internal transport infrastructure, as a supplementing element of the project related to comprehensive preparation of investment areas, may constitute only a smaller part of the project budget in the case of investments in investment areas. Those projects depend on providing appropriate access to investment areas, financed from own funds of the beneficiary or under a complementary project financed from ESIF under TO 4, TO 7 or TO 9, in line with the conditions specified in the Partnership Agreement.

Preference will be given to projects implemented in wasteland, areas in the vicinity of transport investments (motorways, expressways, railways), degraded areas in need of revitalisation, due to intensive and documented needs of companies looking for location to conduct their activity. Projects aimed at preparing investment area and economic activity zones are implemented, provided that they do not duplicate the existing infrastructure, unless the available area has been used up. Adjustment of the business environment to the needs of potential investors by means of developing infrastructure in investment areas and economic activity zones will be supplemented by comprehensive and coordinated actions strengthening the image of the regional economy, such as economic promotion of the region at the national and international level. Economic promotion requires developing a coherent investment policy of the region, in cooperation with economic partners, which will be conducive to increasing the number of foreign direct investments raising the level of Polish economy by creating value chains with real involvement of Polish enterprises. Polish companies seeking new markets, in particular abroad, must adjust their offer to such markets. They should also have the possibility to obtain support allowing them to efficiently exercise their rights abroad. Increased cooperation, both among national enterprises and with foreign partners (also at the macroregional scale), will enable better use of the existing development potential, in particular in the area of innovative SMEs and enterprises with growth potential in high-technology and medium-high technology industries.

Support for development investments related to further international expansion of Polish enterprises (internationalisation of SMEs) will contribute to increasing exports of products and services.

Projects strengthening business partnership between enterprises will be implemented under TO 3. Efficiency of clusters, also those of regional or local importance, will increase.

Cooperation between enterprises at the macroregional level in the EU, in particular in the Baltic Sea region, is becoming particularly important. Using the potential of complementarity and synergy, Polish enterprises engaging in cross-border cooperation will use experience and practice from the existing business value chains.

Analogous solutions are intended for enterprises from the agricultural sector. Competitiveness and economic potential of agriculture and processing industry will increase. Support will focus on agricultural holdings that can achieve sustainable competitiveness and on holdings starting to operate and run by young farmers, on quality systems, horizontal and vertical cooperation, new marketing possibilities and development of short supply chains. Investments will facilitate restructuring of small agricultural holdings, stimulating an increase in their economic size.

Support under TO 3 may be granted to services in the creative sector, related to silver, green and blue economy, using modern information and communication technologies.

Projects implemented under TO 3 aim at increasing the competitiveness of enterprises regardless of sector/industry. Enterprises may also be beneficiaries under TO 1, TO 2, TO 4, TO 6, TO 8, TO 9 and TO 10. The scope of available support for enterprises is wide and comprehensive. Allocation planned under TO 3 is optimal and adjusted to conditions resulting from the regional aid map. It does not constitute competition for support for SMEs under other TOs.

The main principle of project implementation under TO 3 is strong concentration of funds on actions characterised by the biggest potential for growth and development, which will enable to achieve the highest possible value added from investment. Funds from ESIF will not be used as grants for projects with low business risk. Financial instruments will be

used more extensively. The scale and scope of financial instruments will be identified based on ex ante evaluation, performed on the basis of the analysis of external financing market failure and identification of the needs of the sector in this regard.

In the case of projects subject to state aid principles, individual assessment of required aid, resulting from actual market inadequacies, will be performed. Maximum aid intensities presented on the regional aid map are a starting point for determining the amount of aid corresponding to the actual needs. To avoid excessive compensation, maximum intensity will be applied to the projects which, due to their scope and increased business risk, require the specific state aid level.

- **Link with intervention under other thematic objectives and sectoral policies**

Support under TO 3 must be coordinated with instruments implemented at the EU level, in particular with the *EU Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)*. COSME significantly supplements the offer of TO 3 in terms of strengthening of an entrepreneurial culture and improvement of access to the EU market and global markets.

To enhance the competitiveness of enterprises, it is necessary to improve the operating conditions to stimulate entrepreneurial potential. The administrative burden will be reduced, commercial courts will be more effective (TO 11) and e-government will be developed (TO 2).

Actions falling under other thematic objectives have an impact on the successful implementation of the actions for enhancing the competitiveness of enterprises. The development of cooperation between research institutions and the enterprise sector, allowing to increase the take-up of the results of R&D work (TO 1) will undoubtedly be of particular importance as it allows to increase productivity and reduce energy intensity, facilitates the diversification of activities or the use of new business models. Enhanced use of ICT in the society (TO 2) facilitates starting-up and conducting economic activity, increases the accessibility of the offer of enterprises and allows to overcome numerous constraints related to the traditional business model. Decarbonisation of the economy (TO 4), based on economic premises, and thus improved energy efficiency and increased use of RES may have a positive impact on enhancing the competitiveness of enterprises. In this line, actions for more efficient, sustainable use of natural and cultural resources (TO 6) will create an environment for establishing and developing SMEs, in particular in rural areas. A similar effect will be achieved thanks to actions for combating poverty (TO 9) by stimulating social activity and labour market participation, and by supporting social economy.

Complementarity of intervention under TO 3 will be assured – support for the existing economic operators, new companies operating for up to 24 months, with actions under TO 8, where funds from the ESF will be allocated for setting up economic activity by natural persons and unemployed persons, and for building adaptability of enterprises and their employees. The ESF intervention under TO 8 will focus on financing of the creation and establishment of new enterprises by individuals, using repayable, non-repayable and mixed instruments. Financial support under TO 3 will be targeted directly at development of potential and innovation of the existing enterprises.

Well-developed transport network (TO 7) is a key factor for smooth operation of the market and thus development of enterprises. Energy networks play a similar role in today's economy. The functioning of enterprises and their competitiveness, as well as the advancement of the economy as a whole, depend, to a huge extent, on the quality of labour resources. Therefore, actions for adjusting education to the needs of modern economy (TO 10) are highly relevant for actions aiming to enhance the competitiveness of enterprises. Improving the efficiency of administration and adjusting it to the expectations of enterprises that benefit from its services (TO 11) will allow to reduce administrative burden and facilitate conducting business activity, in particular for small and medium-sized enterprises. Similar effects are achieved by applied solutions in the area of taxes, norms or public procurement.

EAFRD and EMFF will support actions for enhancing the competitiveness of the sector of agriculture, fisheries and aquaculture. The actions under the **EAFRD** will focus mainly on facilitating the restructuring of farms facing structural difficulties, in particular those with a low level of market participation, those operating in specific market sectors and those requiring diversification of production. Investment support for farms will be a priority. Although some positive changes have taken place, the structure of farms is still fragmented. The number of large farms viable enough to continue their development is increasing. In order to improve competitiveness of the sector, the process of agrarian structure transformations must be strengthened and support must be provided to increase the number of competitive farms with the production potential allowing them to compete in the European market. Support is also targeted at facilitating setting up of agricultural activity by young people to prevent adverse changes in the age structure of agricultural producers and use the innovation potential of young, well-educated farmers. The population ageing trend is more marked among farmers than in other economic sectors in rural areas. Young people tend to leave rural areas. Young farmers are usually better educated, prone to take production risks and undertake innovative activity. However, they lack the capital necessary to set up a business and develop new directions in production. Improved integration of major producers into the food chain is an important element improving the competitiveness of the

sector. Both horizontal and vertical links will be supported: through producer groups, quality assurance systems, promotion in local markets and short delivery cycles. Support will also be provided to the agri-food processing industry as the largest recipient of agricultural products, which influences the development opportunities of agriculture and stabilises the markets.

In the case of sea fisheries, the **EMFF** supports investment in fishing vessels aimed at improving the safety and health at work of fishermen. Financial support under the EMFF is also granted for actions aimed at improving the quality and traceability of fisheries and aquaculture products. Aid under the EMFF will also be granted to young fishermen for the purchase of their first fishing vessel. In the case of the aquaculture sector, funds under the EMFF are also allocated to actions aimed at increasing the value of aquaculture products and diversification of incomes of enterprises operating in the aquaculture sector.

○ **Division of interventions between the national and the regional level**

Intervention under TO 3 takes place largely at the regional level. This will allow for better alignment of support with the development needs of enterprises, a more effective use of existing potential and the achievement of the synergy effect. The need to make the best use possible of the potential of territories with the highest capacity to create economic growth (large urban centres along with their functional areas) will be taken into account. This will be accompanied by mechanisms for dissemination of development processes from growth poles, while building absorption capacity, as well as by benefitting from endogenous potential of other areas such as: sub-regional centres, rural areas and other functional areas with clear spatial specialisation. Effective territorial approach will be possible with the involvement and active participation of a broad range of stakeholders: local government, enterprises, social organisations, local communities and groups. In the case of national programmes, TO 3 will offer i.a. instruments supporting the implementation of the mechanism “from idea to market” (its final stages), instruments increasing the availability of BEI specialist services, including internationalisation and economic promotion of companies, instruments to enhance cooperation at the supra-regional and national level and systemic instruments related to promotion of innovation and cooperation.

○ **Funds and programmes implementing TO 3**

Operational Programme	Fund
OP SG	ERDF
OP EP	ERDF
RDP	EAFRD
OP FISHERIES	EMFF
ROP	ERDF

○ **Results of interventions under the funds**

Interventions under the ESIF will increase the level of investments in the SME sector, the share of enterprises introducing innovation and labour productivity, also in the agriculture sector. Enterprises will extend their offer of products and will obtain the ability to compete in the global market. Investment capacity of enterprises will increase, which may prepare them to gain the ability to implement highly innovative, R&D-based tasks under TO 1. Intervention under TO 3 will result in increasing the regions’ offer for external investments, professionalisation of services provided by BEI, clusters and partner initiatives. New entities offering financial instruments will be created or the capital of the existing ones will be increased to enable them to provide continuous support for enterprises wishing to invest in development.

Investment support from the EAFRD will contribute to increasing competitiveness of agricultural holdings and enterprises involved in processing and marketing of agricultural products. The support will contribute to extending the group of holdings with full development potential, referred to in the *Strategy for Sustainable Development of Rural Areas, Agriculture and Fisheries 2012–2020*, and, in the case of small farms facing structural problems, to their restructuring, increasing their share in the market or diversification towards non-agricultural activities.

Thematic Objective 4. Supporting the shift towards a low-carbon economy in all sectors

○ *Links with the objectives of Europe 2020 strategy and national strategic documents*

The intervention related to low-carbon economy is in line with the implementation of the EU climate policy – the policy that envisages a reduction in greenhouse gas emissions, as well as the objectives of the EU Strategy for the Baltic Sea region in terms of projects that relate to adjustment to climate change.

According to the structure of thematic objectives under the cohesion policy adopted at the EU level, the term “low-carbon economy” relates to the emission of CO₂. Reduction of CO₂ emission per GDP unit will serve as the basic long-term measure of successful implementation of actions in this area.

Considering the fact that the Polish economy strongly relies on coal as the basic energy source, the process of building a low-carbon economy will be more time-consuming and costly than in the case of many other EU countries. This additionally justifies the use of cohesion policy funds as an element alleviating the corresponding difficulties.

The directions of interventions taken under TO 4 will allow moving towards achievement of the objectives of *Europe 2020 strategy* in terms of sustainable development and Council Recommendation relating to “strengthening efforts to renew and extend energy generation capacity and improve efficiency in the whole energy chain; speed up and extend the development of the electricity grid, including cross-border interconnections, and eliminate obstacles in electricity cross-border exchange” (Recommendation No 6 of 2013).

The objectives of Europe 2020 strategy concern primary energy consumption, the share of energy from renewable sources in final gross energy consumption and a reduction of greenhouse gas emissions.

Investments in the energy sector will contribute, *inter alia*, to reducing primary energy consumption by increasing energy efficiency at the level of:

- Production (increasing the efficiency of heat production in cities, increasing the use of useful heat),
- Distribution (reduction of loss in heat transmission, increase in smart use of electricity),
- Consumption (increased energy awareness, increased efficiency of use in the enterprise sector, increase in efficiency of use in the residential sector and in public utility buildings).

Actions in the field of “clean” urban transport will contribute to reducing emissions of CO₂ and other pollutants and to increasing energy efficiency, at the same time matching the EU priorities in the field of transport in cities (urban mobility plans, using public transport on a wider scale, promotion of alternative forms of transport in cities) set out in the White Paper on Transport of the EC.

The potential for actions in the area of reducing the use of primary energy in Poland is considerable not only for the reduction of CO₂ emission, but also for enhancing the competitiveness of the economy, which is reflected in basic strategic documents at the national level. At the national level, implementation of the above actions in this area is a part of *Energy Policy of Poland until 2030, Strategy Energy Security and the Environment, Transport Development Strategy by 2020 (with Perspective by 2030)* and programme documents in this regard, particularly the *National Energy Efficiency Action Plan* (including the *Strategy to Support Investment in the Modernisation of Buildings*) and the *National Action Plan in the area of renewable energy sources*.

In order to implement the above recommendations of the European Council, in the framework of European funds Poland plans to support investments in the energy sector related *inter alia* to:

- An increase in energy efficiency in all sectors of the economy, including in particular comprehensive energy efficiency modernisation of public buildings and multi-family residential buildings (using RES, where viable),
- Expansion/modernisation of the energy infrastructure,
- Production of energy from renewable sources.

Projections in terms of sectoral objectives and the expected demand for energy and fuel derived from renewable sources presented to the European Commission in the National Action Plan in the area of energy from renewable sources (NAP) remain valid. In order to achieve the assumed objectives, it is expected that by 2020 about 6,242 MW installed power in the electric power sector would be additionally generated (in respect of data for 2012) and the construction and installation of new heat sources is planned to allow an increase in energy from heat by about 877 ktoe (in respect of data for 2012).

○ *Objectives and priorities of intervention under TO 4*

Interventions under TO 4 focus on the PA specific objective – **decarbonisation of the economy** and will be implemented via the following priorities:

- **Improving energy efficiency of the economy.** The scope of urgent interventions is very broad, and includes:
 - Increasing energy efficiency of public utility buildings and multi-family residential buildings (IP 4iii., IP 4c.),
 - Increasing energy efficiency in enterprises (IP 4ii., IP 4b.),
 - Improving heating and cooling systems and support for low-carbon strategies (IP 4e., PI 4v.),
 - Reducing the consumption of energy by building smart grids of medium and/or low voltage (IP 4iv., IP 4d.),
 - Increasing the production of energy in high efficiency installations (support for high efficiency of combined generation of electricity and heat) (IP 4 g., IP 4vi.).
- **Reduction of emissions from transport in urban agglomerations.** Interventions will focus on:
 - Development of low-carbon public transport and other environmentally friendly forms of urban mobility (IP 4e., IP 4v.)
- **Increase in the level of energy generation from renewable sources.** Interventions will focus on:
 - Increase in energy generation from renewable sources and development of RES grid (IP 4i., IP 4a.),
 - Increase in the efficiency of the systems thanks to building smart distribution grids of medium and/or low voltage (IP 4iv., IP 4d.),
 - Support for the national industry supplying the equipment necessary for the generation of energy from renewable sources as a sector of significant growth potential in the context of the growing share of RES in the energy mix. Support for this type of projects will also match TO 3, serving the development of enterprises (IP 4.6 – TO 1).

- **Scope and main principles of intervention**

In accordance with the diagnosis, in the case of Poland the areas displaying the highest potential for energy efficiency improvement are construction (mainly public utility buildings and multi-family residential buildings), heating and transport. Actions focusing on the implementation of low-carbon strategies (low-carbon economy plans), relating in particular to limiting emissions from construction, heating and transport will primarily serve **increasing the energy efficiency of the economy**. In view of the above, actions related to the modernisation of the energy efficiency of buildings (public utility buildings and multi-family residential buildings) will promote its comprehensive dimension (the so-called deep modernisation based on a system for energy monitoring and management), also taking into account high efficiency heat sources and modernisation of the heat distribution network (including replacement of heat sources).

Support will cover multi-family residential buildings (e.g. tenement buildings, council buildings which are characterised by high 'renovation gap' of almost 70%) and public utility buildings (among others public utility buildings covered by the obligation of improving the energy performance pursuant to Article 5(1) of the Directive 2012/27/EU *on energy efficiency*).

Co-financing of actions aimed at improving energy efficiency results from a government document entitled *Support for Investments in Improving the Energy Performance of Buildings*, or a "Long-term strategy to support investment in renovation of the national housing and utility resources, both public and private" in connection with Article 4 of Directive 2012/27/EU *on energy efficiency* and the *National Action Plan aimed at increasing the number of buildings with low energy consumption*, in connection with Article 9 of Directive 2010/31/EU.

The National Action Plan is implemented in conjunction with the provisions of the Ordinance of the Minister of Infrastructure of 12 April 2002 *on the technical requirements to be met by buildings and their location*, whose amendment that provides for increased energy efficiency requirements entered into force on 1 January 2014. These requirements define the so-called 'path' to meeting the requirements until 2021, when all new buildings, including tenement and council buildings, should have almost zero energy consumption. In respect of buildings occupied by public authorities, this requirement will be introduced two years earlier.

As to energy efficiency, support will be provided to investments of enterprises, *inter alia* in the area of reducing losses of energy, heat and water.

The optimum set of actions to improve energy efficiency of a given enterprise or building will be identified on the basis of an energy audit (that will constitute a part of the project supported under TO 4). Support for large enterprises will be provided taking into account their ability to finance investments from their own resources, the expected social benefits and the potential to create new jobs.

Actions in the area of efficiency of distribution and generation of heat and cold will be carried out within the framework of the low-carbon strategies (low-carbon economy plans) and in coordination with improving energy efficiency of buildings. Together, they will lead to reduced demand for heat and cold.

Investments in heating networks are associated with a reduction in energy losses in the process of heat transmission and distribution, resulting in improved efficiency of the heating system. As to heat production, investments will be implemented that cover building or rebuilding electricity and heat generation units in high efficiency cogeneration, including from RES.

The last group of investments are projects ensuring an increase in efficiency of power grids, which will focus on the development of smart power grids. As Poland lacks sufficient experience in building smart grids and due to the need to ensure interoperability, demonstration and pilot projects will be implemented that will receive support from the Cohesion Fund.

Priorities in the area of energy efficiency were selected based on the following factors:

- The existing potential of individual sectors and areas in terms of reducing energy consumption (e.g. a very high potential has been identified in the case of the construction sector and transmission grids),
- The possibility of carrying out interventions with the use of public funds in the light of a situation where these actions would be financed by the private sector, possibly with support provided from national funds, or where the same results could be achieved through legislation (e.g. lack of other available funds for improving energy efficiency of public utility buildings; viability of certain investments in energy efficiency which justifies their financing from the private sector or as a public-private partnership),
- The defined scope of interventions which could be co-financed from the European funds, resulting from regulations at EU level (in particular, exclusion of actions aimed at reducing emissions in installations covered by the ETS).

In the framework of the evaluation of projects, the key criterion will be the criterion of cost efficiency in connection with environmental effects achieved in relation to the planned outlays. In addition, support for projects will also be determined using other results achieved in relation to planned outlays (for example, the amount of CO₂ emission reduction). Strengthening effects of projects will be achieved by implementing smart energy management systems based on ICT.

Investments in the field of heating may also use the recovered waste heat, defined and described in the Directive 2012/27/EU on energy efficiency. In accordance with the Directive, new electricity generation installations and existing installations which are substantially refurbished or whose permit or licence is updated should be equipped with high-efficiency cogeneration units to recover waste heat stemming from the production of electricity. Actions in the area of efficiency of distribution and generation of heat and cold will be carried out within the framework of low-carbon strategies (low-carbon economy plans) and in coordination with improving energy efficiency of buildings. Together, they will lead to reduced demand for heat and cold.

In view of the necessity for Poland to meet the ceilings for the share of renewable energy in the general volume of energy, there is a need to support the development of grids, including the implementation of the smart technology. Support for smart distribution grids will result in an increase in energy security of individual regions of the country and will improve the quality and continuity of supply.

Investments in urban transport will focus on public transport infrastructure and non-motorised transport, fleet (including the infrastructure to support it, such as systems for the distribution of energy carriers), hubs, including park/bike&ride parking lots and smart transport systems (aimed at, *inter alia*, improving the conditions for public or non-motorised transport). In the framework of the priority that covers transport in urban agglomerations, under TO 4 support will be provided for investments to improve traffic conditions for public and non-motorised transport.

For urban mobility to be sustainable, it is necessary to ensure efficient and passenger-friendly mass transport. A well-developed transport system is conducive to improving the integration and transport accessibility of individual city districts and areas as well as their functional areas. However, this condition alone will not suffice: investments in infrastructure or public transport fleet must be accompanied by a broad range of investment and “soft” actions which aim to ensure that mass and non-motorised transport will be chosen more frequently as a basic means of transport within the agglomeration than a car. These are many, sometimes minor, factors which local authorities and transport organisers must take care of and arrange carefully so that the willingness of passengers to use the new transport offer significantly increases. Some of these factors concern organisational activities, but some also have the investment dimension, although their scope is usually much narrower than the lead investment. Such accompanying actions include: parking policy, prioritisation of pedestrian and bicycle traffic (including through the construction of bike paths), facilitating multimodal travels (park&ride, bike&ride), including their location in rational places, restrictions on car traffic in city centres, separate bus lanes and priority for public transportation in city traffic, ensuring convenient access roads to comfortable and safe stops, launching a comprehensive and interactive passenger information system and much more. At the same time, actions should be taken to encourage city residents to use public transport through its links with main public spaces and services in the city. The key action to allow optimum use of the existing infrastructure and management of the streams of traffic, which allows the reduction of CO₂ emissions, is implementing the ITS.

The best results are brought about by comprehensive actions that serve, on the one hand, resigning from travel by car and, on the other hand, encouraging the use of other means of transport, e.g. thanks to improving the offer of public transport as well as bicycle and pedestrian traffic. Shaping the passenger service system of the city, it is necessary to coordinate the transport policy with the spatial policies so as to obtain a reduction in transport intensity.

All projects that concern sustainable urban mobility, including public transport, implemented in 2014–2020 and supported with European funds, will need to take into account this broader approach, in line with urban strategies related to carbon efficiency, or comprehensive low-carbon economy plans for agglomeration areas. Modernisation or expansion of the public transport system will not be an objective as such, but it must be seen in the context of changes in urban mobility towards the reduction of the emission of CO₂ and other pollutants harmful to the environment and the population of agglomerations and increasing energy efficiency of the transport system.

Support for an **increase in energy generation from renewable sources** envisages the construction of power generation units using wind energy, biomass and biogas, as well as solar energy, geothermal energy and water energy (only on existing dams with hydroelectric power plants, while ensuring full passability for movements of water fauna).

In the framework of actions related to investments in renewable energy sources, it is planned to provide support for the implementation of investment projects concerning energy generation from renewable sources, together with the connection of these sources to the distribution/transmission grid. Due to insufficient development level of the power grid in Poland in view of the sudden increase in power transmission demand resulting from the planned investments in the areas of RES, support will be provided for projects concerning grid construction and modernisation to allow connecting units for energy generation from RES to the Polish National Power System (projects of the transmission system operator) and to the distribution grid (projects of Distribution System Operators). Support for RES connections will cover not only connection to the grid, but also reconstruction or expansion of the grid to the extent necessary for the proper functioning of the connection.

Under TO 4, it is also possible to support the power grid is not only in the context of smart grids, but also power infrastructure as a necessary element that allows enhancing the possibilities of connecting units generating energy from renewable sources.

Interventions concerning RES carried out with the use of European funds will be subordinated to the overriding objective specified for Poland in the framework of the climate and energy package, according to which the share of energy from renewable sources in final energy consumption is to reach 15% by 2020. It will be necessary to estimate the contribution of planned interventions to the achievement of this objective in each operational programme containing actions in the area of support for RES. Directions of interventions in the area of RES development co-financed from European funds were prioritised based on the following factors:

- The potential of individual RES in a given area in the context of the requirement for Poland to achieve the 15% target until 2020,
- Justification for undertaking interventions with the use of public funds in the light of a situation where these actions would be financed by the private sector, possibly with support from national funds,
- National RES regulations, in particular related to the support system for energy generation from renewable sources.

The success factor for RES development is to include this type of installations in spatial planning at national, voivodeship and local levels. There is a number of limitations to the location of individual types of RES (impact on the areas of environmental value and protected species), which may hinder the achievement of the 2020 target at the national level. In the case of projects implemented using EU funds in 2014–2020, evaluation will take into account aspects which concern the location of these investments towards Natura 2000 sites (especially areas of special protection of birds) and animal migration routes.

Projects which envisage energy generation from RES will be evaluated primarily on grounds of their cost-effectiveness and effects matching the objectives of the priority axis. One of the factors to be taken into account in the selection of such investments for support will be the concept of profitability, or the best ratio of the amount of EU funds spent for generation of 1 MWh of energy or 1 MW of installed power resulting from the construction of a given installation. In addition, support for such projects will also be determined using other results achieved in relation to planned outlays (for example, the amount of CO₂ emission reduction).

As for projects that involve RES generation or improving energy efficiency of buildings, grants should be replaced with financial instruments, provided that this is based on an ex ante evaluation, as provided for in Article 37 of the Common Provision Regulation (CPR).

The implementation of thematic objective 4 will be supported by actions resulting from low-carbon economy plans developed by local governments, covering issues such as: climate change mitigation, energy supply and consumption, and ensuring energy supply security, promoting 'clean' urban transport taking into account the growing mobility

needs of the population of cities and their functional areas. The documents will establish local conditions and directions of the planned interventions, also with the use of European funds.

○ ***Link with intervention under other thematic objectives and sectoral policies***

Apart from achieving objectives of the EU climate policy, interventions related to low-carbon economy will contribute to enhancing the competitiveness of the economy. Energy saving and efficient energy consumption by enterprises will reduce their operational costs, thus improving their market situation. The implementation of low-carbon solutions will provide impetus for the enhancement of enterprise innovation. In addition, implementation of interventions under TO 4 will improve energy security of the country, thus helping to increase the diversification of energy sources and to decrease the economy's reliance on imported fossil fuels (synergy with TO 7). Actions under thematic objective 4, in particular those related to urban mobility, will contribute to enhancing Poland's social and territorial cohesion, thus enhancing the quality of life in cities by improving the health condition of the society (cleaner air). Comprehensive improvement of energy efficiency of buildings can help reduce the problem of energy poverty and curb low-stack emission, adding to the effects of interventions under TO 9.

Actions for RES development will create new jobs which, subject to the provision of adequate qualifications (TO 10), will allow diversification of employment, in rural areas in particular (TO 8), also thanks to the possibility of supporting agricultural cooperatives and producer groups generating energy from renewable sources. Through actions that support the development of RES technologies using by-products, residues and waste from agriculture and agri-food processing food for the production of biogas, in the light of TO 5 and TO 6 and it will be possible to achieve cumulative environmental effects associated with the reduction of greenhouse gas emissions and adaptation to climate change. The reductions in gas emissions thus achieved as well as greater involvement of the agricultural sector in the protection of the environment will contribute to the achievement of the objectives to in this respect defined in the EUSBSR.

Actions for sustainable mobility will be complementary with the elimination of car traffic from cities (building ring roads or exit roads from cities) as well as improving the competitiveness of rail transport under TO 7 and revitalisation of urban areas under TO 9. Overall, such interventions are likely to improve the quality of urban space and revive city centres. This, in turn, may contribute to stopping the process of urban sprawl, which has an adverse effect on the environment and increases the demand for road infrastructure. Activities in the field of sustainable urban mobility match the concept of 'urban nodes' resulting from Regulation 1315/2013 (synergy with TO 7).

Also, an additional effect of interventions under TO 4, whose overriding objective is to reduce CO₂ emission, will be the improvement of the condition of the environment on local scale by reducing the emissions of pollutants with particularly adverse effect on the quality of human life (for example under support for more sustainable urban mobility). In view of unsatisfactory air quality in many urban agglomerations in Poland, administrative action will be taken under TO 4 in these areas to simultaneously provide real support for the achievement of the objectives related to improving air quality included in air protection programmes (synergy with TO 6).

The development of low carbon technologies will be closely linked with actions to increase innovation under TO 1 and TO 3. In the framework these thematic objectives, preference will be given to optimum technologies, also taking into account the results of the work of national and international initiatives/projects (including in the framework of the Strategic Energy Technology Plan (SET Plan)). Horizontal solutions envisaged at the national level will support research and development leading to innovation in the area of low-carbon technologies. These solutions contribute to releasing the innovative potential arising from closer cooperation between enterprises and science.

In the light of a number of mechanisms to support low-carbon economy (including energy efficiency and RES) from national funds, largely programmed and implemented by the National Fund for Environmental Protection and Water Management (NFOŚiGW) and Voivodeship Funds for Environmental Protection and Water Management (WFOŚiGW), coordination of and complementarity with EU funds will be ensured. ESIF funds will serve in the first place as a catalyst and leverage for further investments, also thanks to support for the most ambitious demonstrative projects or key investments facilitating more independent development of the RES sector and of energy efficiency. At the same time EU funds in combination with a systemic support mechanism for RES producers may not create excessive support and thus will not lead to obtaining undue advantages.

The implementation of TO 4 will be supported by actions resulting from low-carbon strategies (low-carbon economy plans) developed by local governments, covering issues such as: climate change mitigation, energy supply and consumption, and ensuring energy supply security, promoting 'clean' urban transport taking into account the growing mobility needs of the population of cities and their functional areas. The documents will establish local conditions and directions of the planned interventions, also with the use of European funds.

EAFRD will support this objective only indirectly through the implementation of selected RES micro-installations, which contribute to cost reductions by energy savings in farms or to development of entrepreneurship in rural areas.

In the framework of **EMFF** actions will be implemented in the area of energy use efficiency by entities pursuing fisheries activity. These can include, *inter alia*, investments on fishing vessels, replacement of engines for more energy-efficient ones and energy efficiency audits.

○ **Division of interventions between the national and the regional level**

Actions will be implemented mainly under the **Cohesion Fund (CF)** and **ERDF**.

The implementation of some activities will be shared between the national and the regional level. In the field of RES and high efficiency cogeneration, the division will depend on the installed power. As to energy efficiency in public utility and residential buildings, the criterion for division between the national and the regional level will be eligible cost (expenditure) and the type of the beneficiary. With regard to energy efficiency of enterprises, the division will result from the status/types of beneficiaries, and for public transport it will result from the size and nature of the agglomeration. As to electricity grids for RES, the division between the country and the region will result from the type of project and the beneficiary.

At the national level (Operational Programme Infrastructure and Environment – OP I&E, CF), support will cover systemic, demonstrative and pilot solutions of supra-regional reach and of national importance. At the national level, the urban dimension of interventions will be particularly visible, i.e. support will cover investments contributing to low-carbon strategies (low-carbon economy plans) in cities (OP I&E, OP EP). In addition, investments in heating and cooling networks together with the exchange of the heat source and the national energy efficiency advisory system will be supported exclusively at the national level (OP I&E, CF). As to the smart grid, low and medium voltage smart grid will be financed exclusively at the national level.

At the regional level (ROP – ERDF), support will focus primarily on investments with a regional and local reach whose basis is the existing potential of the region (for example support for RES equipment production, building installations for biocomponent and biofuel production). At this level, support will also cover actions complementary to national support, which are also in line with documents on low-carbon economy.

In the years 2014–2020, urban transport is supported at the national level – OP I&E and OP EP, and at the regional level. An important instrument for coordination of investments in functional areas of voivodeship capitals are integrated territorial investments (ITI). The ITI strategy defines the overall concept of urban transport development in the area covered by the ITI. The involvement of individual programmes and funds shall be agreed between the ITI Association, voivodeship authorities and the minister competent for regional development. The ITI strategy in conjunction with a low-carbon economy plan is, therefore, the answer to the challenge of ensuring a coherent integrated strategy for the development of urban transport, defined in the diagnostic part.

○ **Funds and programmes implementing TO 4**

Operational Programme	Fund
OP I&E	CF
OP EP	ERDF
RDP	EAFRD
ROP	ERDF
OP Fisheries	EMFF

○ **Results of interventions under the funds**

The funds of the Cohesion Policy and of the CAP will be used towards the achievement of results of TO 4.

Complementary interventions under ERDF, CF and EAFRD will contribute to increasing energy generation from renewable sources and to increasing energy efficiency and the use of RES in enterprises, thus contributing to a decrease in energy consumption.

Complementary intervention under CF and ERDF (at the regional level) will contribute to: the development of low-carbon economy in terms of energy efficiency improvement in the construction sector (public buildings and the housing sector), smart energy management and the development of sustainable urban mobility.

Interventions under the Cohesion Fund will contribute to the development of smart energy grids.

The lines of intervention under TO 4 will contribute to achievement of the above objectives of Europe 2020 strategy. It should, however, be borne in mind that the impact of ESIF intervention on EU 2020 objectives in this regard is

relatively small (as confirmed by the results of the ex ante evaluation of the Partnership Agreement), because the main effort to reduce the emissivity of the economy will be undertaken using national funds.

Thematic Objective 5. Promoting climate change adaptation, risk prevention and management

○ **Links with the objectives of EU 2020 strategy and strategic documents**

The lines of intervention taken under TO 5 are part of the priority of Europe 2020 strategy associated with sustainable development, i.e. promotion of the economy which makes efficient use of resources, is more environmentally friendly and more competitive.

The basic national strategic document setting the lines of action concerning climate change adaptation is the *Strategic Adaptation Plan for Sectors and Areas Sensitive to Climate Change up to 2020. Covering a Perspective to 2030* (SAP 2020),¹⁵² prepared in line with the recommendations provided in the White Paper¹⁵³ and *An EU Strategy on adaptation to climate change*.¹⁵⁴ Implementation of SAP 2020 will require a horizontal approach and taking into account climate change adaptation in all sectors and thematic objectives supported under the Partnership Agreement. For this reason, only selected directions of intervention from a wide range of projects indicated in the SAP 2020 will be implemented under TO 5. Proper selection of adaptation actions will allow stable socio-economic development in the face of the risk posed by climate change, as indicated in *Risk Assessment for the Needs of Crisis Management. Report on Threats to National Security*.

In accordance with the above documents, the most important problem sectors and problem areas in the context of climate change and the necessary adaptation actions include: water resources management (floods, insufficient water resources, possibilities of water retention), biodiversity and Natura 2000 sites, forestry, power industry, coastal zone, mountain areas, agriculture, transport, construction, spatial planning and urbanised areas.

It is also important to promote 'green' socio-economic development which achieves the objectives of sustainable development in a more efficient way. The implementation of the so-called 'greening of the economy' should draw on the experience of environmental economics and ensure appropriate relationships between the economy and ecosystems, among others through: the development of clean technologies and renewable energy sources, improving energy and material efficiency, a change in the model of consumption and production to a more sustainable one, the use of an integrated product policy, application of green public procurement and the creation of green jobs.

○ **Objectives and priorities of intervention under TO 5**

Specific objective TO 5 (IP 5ii., IP 5b.), i.e. **improving adaptability to climate change and development of risk management systems** – is achieved through the following priorities:

- Reducing the sensitivity of areas and sectors vulnerable to climate change:
 - Increasing the efficiency of water management and improving the water regime,
 - Enhancing the protection of urban and rural areas from adverse weather conditions and their consequences,
 - Strengthening resilience to threats associated with the adverse effects of climate change on the coast of the Baltic Sea,
 - Improving the effectiveness of natural disaster prevention, response to and elimination of their effects,
 - Increasing public awareness, in particular in areas at risk, in the field of climate change and adaptation to the change.
 - Development of risk management systems:
 - Developing and updating documents required by EU or national law and an increase in the effectiveness of planning,
 - Improving flood security and drought prevention,
 - Improvement in the efficiency of systems for integrated monitoring and alert, risk prediction and response in the case of disasters or serious malfunctions,
 - Improving the effectiveness of the rescue system and rescue services.
- **Scope and main principles of intervention**

¹⁵² Adopted by the Council of Ministers on 29 October 2013.

¹⁵³ White Paper – Adapting to climate change: towards a European framework for action, COM(2009)147.

¹⁵⁴ An EU Strategy on adaptation to climate change, COM(2013)216, 16 April 2013.

The factors determining effective implementation of interventions in the area of climate change adaptation include in particular improving coordination of actions in the field of flood prevention through integrated investment planning. Equally important is the proper selection of methods corresponding to actual needs and diversified conditions in Poland (a tailor-made approach) determining effective implementation of projects at the national and regional level.

The condition for implementation under TO 5 is the **implementation of acquis in the area of water management**, including *inter alia*:

- Implementation of actions resulting from **river basin management plans** of the Water Framework Directive (WFD)¹⁵⁵ or master plans. The WFD introduced an integrated system for the management of water resources that allows economic and social development while respecting the needs of the environment. It indicates river basin management plans (RBMP) as the basic planning document not only in the water management sector, but also for the needs of industry, agriculture, forestry, municipal management, transport, fisheries or tourism.
- **Developing and updating flood hazard maps and flood risk maps as well as flood risk management plans** for all river basins (required by the so-called Floods Directive)¹⁵⁶ in cooperation with neighbouring countries. Developing flood risk management plans and adjustment of risk evaluation methods to the diversified needs of flood and permeation areas is necessary. It is essential for correct implementation of actions aimed at prevention, protection and adequate preparation (including flood prediction and rapid alert systems), taking into account the specific nature of certain river basins and particularly their ecosystems. Effective rules of planning, development and management of flood areas and areas at risk of permeations will be introduced.

Proper implementation of the requirements laid down in the above Directives will translate in practice into more careful planning of all actions related to water management so as to prevent their adverse effects, such as uncontrolled acceleration of water outflow.

An adequate flood risk management system, reflected in applicable spatial planning principles, will on the one hand reduce losses in already built-up areas and, at the same time, will enhance effective prevention of locating new investments in flood areas.

Improvement in terms of flood safety will be achieved by: construction or modernisation of flood prevention infrastructure and water devices (e.g. weirs, water gates, reservoirs and small dams) – on the condition of ensuring full compliance of these investments with the requirements of the EU law, development of small reservoir infrastructure, projects aimed at increasing natural retention (e.g. restoration of transformed watercourses, flood areas and wetlands), preventing drought particularly in river basins.

The condition for implementation of projects under TO 5 is including projects in Master plans for Oder River and Vistula River, updated river basin management plans and flood risk management plans from 2016.

It will also be important to strengthen the management capacity and to ensure reasonable systemic solutions for the bodies responsible for water management (e.g. adaptation to water excess and deficit, popularisation of water recovery), risk monitoring and management (including flood risk) towards simplifying structures and improving the effectiveness and efficiency of rescue services (including response to disasters and eliminating their consequences).

In justified cases, conditioned by the need to acquire additional competence in the maintenance of systems and devices for threat management, within the framework of cross-financing, actions related to enhancing the institutional potential of services and institutions responsible for public safety order can be implemented.

Infrastructure activities will be carried out aimed at strengthening the resilience to threats associated with the adverse effects of climate change in particularly vulnerable areas, e.g. in urban areas and on the Baltic Sea coast (including through: effective management of precipitation waters, preventing soil sealing, preventing mass wasting, expansion of green areas in order to prevent the effects of urban heat islands and actions for the protection of the Baltic Sea, subject to the need to preserve the natural shoreline dynamics processes).

Increasing public awareness, in particular in risk areas, of the effects of climate change and response to the related threats will be of equal importance.

In the context of risk and threat management, the key issue is to prevent and mitigate the effects of threats to the environment, for example by promoting investments for monitoring, early alert, forecasting and preventing threats, while strengthening the rescue system.

Systemic actions, which cover support for the chemical and ecological rescue system and rescue services in the case of disasters, major industrial accidents or other threats and accidents associated with human activity, will increase the scope and improve the quality of information necessary for the planning of protective actions and assessment of their efficiency.

¹⁵⁵ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

¹⁵⁶ Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks.

Significant geographic and spatial diversity of the phenomena related to progressing climate change observed in Poland has a direct impact on spatial deployment of the necessary actions on climate change adaptation in the country. Based on the nature and extent of these differences, it may be concluded that actions taken at the national level should be enhanced at the voivodeship level, taking into account specific regional and local conditions. The most relevant actions for particular voivodeships in terms of climate change adaptation¹⁵⁷ include: flood protection, increased use of precipitation water for economic purposes, reclamation of brownfield land, research on possibilities to grow plants resistant to climate change, and protection and stabilisation of sea coastline.

- **Link with intervention under other thematic objectives**

Due to the possibility of synergy of actions, the effects of the interventions under TO 5 will be directly amplified by the implementation of TO 4, in particular with regard to renewable energy and energy efficiency, and TO 6 (water resources management), as well as indirectly through TO 7 (security and stability of supplies). Furthermore, in justified cases, actions may indirectly be part of interventions covered under thematic objectives focused on research and innovation in the area of low-carbon and resource-efficient technologies (TO 1), lower energy consumption and efficient use of resources by small and medium-sized enterprises (TO 3), education and increasing awareness of climate change and methods of mitigating its effects (TO 10) and development of rural areas.

In terms of investments in projects carried out under TO 5, actions envisaged under TO 11 aimed at improving spatial planning, streamlining legislation with regard to local spatial development plans and the need to integrate them with the processes with strategies for socio-economic development are of particular importance. It is important to preserve spatial policy rules, which has been discussed in more detail in section 1.5.4 *Other horizontal rules*.

Implementation of TO 5 will also be aided by complementary actions as well as national and European mechanisms financed from sources such as: funds of the National Fund for Environmental Protection and Water Management (NFOŚiGW) and Voivodeship Funds for Environmental Protection and Water Management (WFOŚiGW), state budget, budgets of local authority units, Green Investment Scheme (GIS), Poland's proceeds from auctioning greenhouse gas emission allowances (assigned amount units), special purpose funds, LIFE instrument, Seventh Framework Programme, Horizon 2020 and instruments for sustainable urban development, World Bank.

Due to the impact of climate change, regardless of the geographic territory, projects under TO 5 must also be strongly coordinated with actions implemented under cross-border, macro-regional instruments, in particular those of the EUSBSR. In addition, it is also necessary to maintain climate proofing mechanisms in relation to projects implemented under all thematic objectives to make investments resilient to climate change.

- **Division of interventions between the national and the regional level**

Actions will be implemented mainly under the **CF** and the **ERDF**. Most interventions will be implemented at the national level (OP I&E). In particular, these will be actions aimed at enhancing the opportunities for the prevention of natural threats to which Poland is particularly vulnerable, i.e. floods and drought, and responding to such threats. In the first place, support will be provided for developing (or updating) the relevant strategic and planning documents required by EU or national law. Infrastructural actions focused primarily on projects aimed at increasing natural retention. The implementation of projects related to the construction or modernisation of water devices will be allowed subject to taking them into account in strategic documents complying with the requirements of the Water Framework Directive and the so-called Floods Directive. Also structural actions focused on strengthening resilience to threats associated with the adverse effects of climate change in particularly vulnerable areas, i.e. urban areas (precipitation water management) and on the coast of the Baltic Sea (seashore protection).

The development of small reservoirs will be achieved at the national level using CF funds (projects implemented in more than one voivodeship) and at the regional level using ERDF funds (projects implemented in one voivodeship). Projects concerning the development of integrated monitoring and alert systems, threat forecasting and response, providing equipment to and reinforcing rescue services will be financed at both the national and the regional level.

Information and education actions dedicated to the effects of climate change and ways to respond to related threats will be implemented at the national level under the CF.

The lines of intervention taken under TO 5 (co-financed by the CF, ERDF) will be complementary with the investments implemented in rural areas under the EAFRD. This especially concerns priority 5 of the EAFRD (implementing TO 6 in accordance with the logic of intervention of the EAFRD), which will be directly implemented by supporting afforestation of marginal agricultural land. Yet, many other actions planned under the agri-environmental programme will contribute to an increase in the capacity for adaptation to climate change in agriculture and to reducing net emissions of greenhouse gases in this sector, taking advantage of the synergy and

¹⁵⁷ Source: Report on the status of local preparations to climate change, Institute of Economics, Warsaw, October 2012.

multifunctionality of the promoted agricultural practices. In particular, support will be provided for sustainable production methods and actions for soil and water protection, *inter alia* in designated areas most susceptible to the adverse phenomena of erosion and groundwater pollution (including NVZ¹⁵⁸), which will result in increasing resilience to water stress (adaptation), accumulation of organic carbon in soil and reducing the use of mineral fertilizers (mitigation). Also preventing the abandonment of farming in areas with natural limitations and promoting the conservation of genetic resources of animals and plants used in agriculture will have a positive impact on the implementation of this Thematic Objective.

Implementation of the EAFRD will be consistent with the objectives of the WFD with regard to the management of agricultural areas within river basins. A part of the planned RDP intervention to protect permanent pastures and valuable habitats will be implemented, among others, in this type of areas.

○ **Funds and programmes implementing TO 5**

Operational Programme	Fund
OP I&E	CF
RDP	EAFRD
ROP	ERDF

○ **Results of interventions under the funds**

In the achievement of the results of TO 5, including those which manifest as reduced vulnerability of the country to climate change and creating conditions for a stable socio-economic development in the face of the risk of climate change, funds of the cohesion policy and the CAP will be involved.

Complementary interventions under the ERDF, CF, EAFRD and EMFF will contribute to: improving the water management system; increase in flood safety and preventing other effects of climate change; improving the level of sea shore protection; efficient and effective natural disaster prevention; increased protection of urban areas from the effects of climate change; improving the efficiency and quality of planning; increased effectiveness of monitoring and warning against threats and eliminating the effects of natural disasters and extreme weather phenomena; they will also increase public awareness in the area of adaptation to climate change.

As a result of interventions under the EAFRD, the share of private forests and the forestation rate of the country will increase, thus increasing the potential for carbon sequestration in agriculture and forestry. In addition, the implementation of selected packages for agri-environmental and climate action will contribute to an increase in the level of organic matter in soil and will reduce the leaching of nitrogen compounds, particularly in problem areas with low humus content and in nitrate vulnerable zones (NVZ). In addition, the intervention under the EAFRD will allow better risk management in agricultural holdings (through preventive actions and actions re-establishing the potential of agricultural production).

¹⁵⁸ NVZ – nitrate vulnerable zones: zones at particular risk of pollution with nitrates from agricultural sources, determined on the basis of Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (nitrate directive).

Thematic Objective 6. Protecting the environment and promoting resource efficiency

○ *Links with the objectives of Europe 2020 strategy and national strategic documents*

Intervention in the area of environmental protection is in line with *A resource-efficient Europe* flagship initiative and with the objectives of the EU Strategy for the Baltic Sea Region (primarily those concerning water purity, improvement of biodiversity and sustainable use of marine resources).

At the national level, the (draft) Strategy for Energy Security and Environment is the leading strategic document for the above-mentioned directions of intervention, while the SCDS is the leading document in the area of culture. With regard to biodiversity, specific objectives and actions to be implemented by the Member States were set out in *Our life insurance, our natural capital: an EU biodiversity strategy until 2020* and *Programme for the protection and sustainable use of biodiversity accompanied by action plan for 2014–2020*. Document entitled *Prioritised Action Frameworks for Natura 2000 network under Multiannual Programme for EU financing in 2014–2020* determines the needs and priorities in terms of actions to be taken in the area of Natura 2000 network.

The incentive to take actions for resource efficiency is provided by their economic effect, on the one hand, and improvement of the quality of life for citizens by ensuring better environmental status, on the other hand. Actions for the protection of biodiversity and cultural heritage, as well as development of cultural resources, will be accompanied by more sustainable and effective economic use of these resources.

Implementation of modern waste management, in line with the EU waste hierarchy, will have a positive economic effect (re-use of raw materials and energy recovery from waste) and improve the quality of life (removing nuisances associated with landfilling). Improvement of the quality of life for citizens will, in turn, constitute the primary reason for the implementation of projects on water and waste water management and urban environmental protection.

○ *Objectives and intervention priorities under TO 6*

Specific objective of the PA – **increasing effectiveness of using natural and cultural resources and preserving such resources** – will be achieved through the implementation of the following priorities:

- Reduction of pressure on environment:
 - Development of water and waste water management infrastructure (IP 6ii., IP 6b.),
 - Development of waste management infrastructure (IP 6i., IP 6a.),
 - Improvement of the environmental status in cities or in brownfield sites, in particular soil reclamation in industrial sites (IP 6iii., IP 6d., 6e.),
 - Improvement of the protection of biodiversity, also in the marine environment (IP 6d., IP 6iii.),
- Increasing efficiency in the use of resources:
 - Improving the effectiveness of utilising cultural heritage capacities (IP 6c.),
 - Improving air quality by means of investments of enterprises (IP 6e.).

○ *Scope and main principles of intervention*

In the first place, funding should cover tasks related to Poland's accession commitments and provisions of EU directives. Therefore, from an operational point of view investments in water and waste water management and waste management will have a priority, as these areas are still characterised by considerable investment needs that have not yet been met. As a result, Poland will be protected against the consequences of not implementing the relevant EU directives (also financial ones). Giving priority to interventions in the selected areas is also in line with the latest CSR, in which the Council identified necessary actions for water resources and waste management to be undertaken by Poland (Recommendation No 6 of 2013). Furthermore, carrying out investments in the field of water and waste water management and protection of biodiversity will be conducive to improving the environmental status of the Baltic Sea environment, primarily as a result of weakening eutrophication processes and restoring the ecosystem, thus contributing to the achievement of objectives of the EUSBR "Nutrients" priority area of which Poland is the co-leader, together with Finland.

The main aim of the actions in the area of water and waste water management, directly related to efficient management of water resources, is to reduce the discharge of untreated and insufficiently treated waste water. Despite noticeable progress in terms of building municipal infrastructure for sewage disposal and waste water treatment in recent years, there are still significant investment needs in this field, also with regard to appropriate management of sewage sludge. Gminas should – as their own task – include the obligations imposed by *Directive 91/271/EEC concerning urban waste water treatment* (the so-called Waste Water Directive) and the obligations in the

field of municipal sewage sludge management in their municipal waste water management strategies in line with the provisions of the *Treaty of Accession*. The National Programme for Municipal Waste Water Treatment (NPMWWT) constitutes the main instrument for implementing the provisions of the Waste Water Directive; its main purpose is to carry out relevant investments, reduce the amount of untreated waste water and thus contribute to the protection of the aquatic environment from pollution, including eutrophication. Detailed prioritisation of investment needs in the field of water and waste water management (for agglomerations above 2,000 p.e.) included in the NPMWWT is currently being updated. The update will include an assessment of the current status of implementation of the Waste Water Directive, which will serve as the basis for identification of investments necessary for the achievement of goals of the above-mentioned Directive. In particular, there is urgent need to verify the areas and borders of agglomerations in line with the Act – *Water Law*, which is currently being amended. Verification of these areas and borders will constitute a prerequisite for financing projects related to municipal waste water in a given gmina.

Projects directly contributing to ensuring compliance with the requirements of the Waste Water Directive included in the *Update of the National Programme for Municipal Waste Water Treatment* (NPMWWT) will still be given priority. Investments in sewage networks in the areas covered by the NPMWWT will receive support from the CF and ERDF. In duly justified cases (concerning identified areas with dispersed building development, where carrying out such investments will be economically feasible) there will be a possibility to provide support for the construction of individual waste water treatment systems, provided that they will allow the agglomerations indicated in the NPMWWT to ensure full compliance with the requirements of the Waste Water Directive. Comprehensive projects regulating the issues related to waste water management will make it possible to carry out investments in construction and modernisation of waterworks infrastructure.

Due to significant needs identified in rural areas, investments financed from EAFRD in areas not covered by NPMWWT will be carried out under TO 9, supplementarily to investments in water and waste water infrastructure financed under the cohesion policy.

Effective management of increasing mass of **sewage sludge** will constitute a challenge in the coming years, while appropriate management of the sludge will make it possible to reduce the emissions of one of the principal greenhouse gases, i.e. methane, which is emitted in the process of sewage sludge fermentation.

Investments in the **waste management** sector will be carried out in line with the EU waste hierarchy established in *Directive 2008/98/EC on waste* (the so-called Waste Framework Directive), which gives priority to actions aiming at preventing waste generation, preparing waste for reuse and recycling. In line with the requirements of the above-mentioned Directive, Member States are obliged to prepare by 2020 at least waste belonging to fractions such as paper, metal, plastics and glass generated by households for reuse and recycling at the level of at least 50% by weight and to prepare non-hazardous construction and demolition waste for reuse, recycling and other methods of reclamation at the level of at least 70%. On the other hand, *Directive 1999/31/EC on the landfill of waste* (the so-called Landfill Directive) imposes an obligation on Poland to reduce the share of biodegradable municipal waste prepared for landfilling to the level of at most 35% in 2020 in relation to the weight of such waste generated in 1995. Projects related to mechanical and biological or thermal waste treatment accompanied by energy recovery must therefore constitute a part of wider municipal waste management system that includes these elements at the highest level in the above-mentioned hierarchy. All undertakings at the regional level must also clearly contribute to achieving national targets resulting from the Waste Framework Directive. Voivodeship marshals contribute to fulfilling obligations in the field of communal waste management imposed under EU directives on waste management in each voivodeship in order to ensure that Poland will meet the objectives set in these directives. Fulfilment of the above-mentioned obligations will constitute a prerequisite for obtaining funding for projects related to waste management in a given voivodeship – expenditure certification.

EU funding will cover only the projects included in the investment plans for municipal waste management prepared by voivodeship executive boards and approved by the minister competent for the environment. Investment plans will include a detailed analysis of the situation in a given region, indicating the streams and volume of waste in the region, presenting information about existing waste management infrastructure, planned investments (including estimates of the costs and sources of financing) and the schedule of their implementation. The plans will use this analysis as a basis for identifying the investments necessary to achieve the goals set in Directive 2008/98/EC. Investment plans will serve as a basis for financing investments on the national and regional level. Investment plans will aim at identifying infrastructure necessary to ensure compliance with EU directives on communal waste management by 2020, as well as ensuring the implementation of waste hierarchy, achievement of required levels of preparedness to reuse and recycling and reducing the amount of landfilled biodegradable municipal waste. Therefore, infrastructure for selective collection and preparing waste for recycling will be developed in the first place. Implementation of tasks in the waste sector co-financed from EU funds will focus on responsibilities of local government units specified in the Act on maintaining cleanliness and order in gminas and the Act on waste.

With regard to the **cultural sector**, European Structural and Investment Funds under TO 6 will focus on the implementation of projects aiming at protecting the cultural heritage, in particular objects included on the UNESCO

World Heritage List and monuments important from the point of view of national or regional development, as well as development of cultural resources.

Projects will contribute to improving accessibility of culture, strengthening its educational functions and increasing participation of citizens in culture, which will supplement other, i.e. "soft", forms of support for culture provided under EU programmes such as: Creative Europe or Europe for Citizens. Appropriate use of natural and cultural resources and development of the cultural offer associated with these resources contributes to increasing the national and regional tourist capacity, which has a positive impact on the socio-economic development of Poland and its regions.

Funding provided under TO 6 will not cover projects aiming at organising cultural events, such as exhibitions and festivals, which do not have an impact in a longer perspective. In addition, support will not cover actions focusing on establishing new cultural infrastructure. Infrastructural investments carried out to introduce necessary adjustments in order to adapt a given facility to new cultural functions, including educational functions, will be covered by support. With regard to projects implemented under TO 6 it is necessary to demonstrate sustainability of financing during their lifecycle, including forecasts concerning demand and net revenue generated by direct users, as well as beneficiary's own funds and subsidies provided by relevant entities.

Investments in the cultural sector may be also carried out under TO 8 and TO 9. Investments carried out under TO 8 focus on actions resulting from the action plan developed on the basis of the strategy for a given area, aiming at increasing employment by means of investments based on the use of the endogenous potentials of a given territory. The aim of investments in culture carried out under TO 9 and implemented under the local revitalisation plan is to improve social cohesion by increasing accessibility of social, cultural and recreational services. The amount of support provided under TO 8 and TO 9 for cultural projects will not exceed EUR 2 million of a project's eligible costs.

Cultural projects (TO 6, TO 8 and TO 9) have to contribute to the achievement of measurable and sustainable socio-economic benefits, also by increasing tourist capacity and developing e-culture, as well as creative and cultural industries. Projects under TO 8 and TO 9 have to be implemented as part of a broader development plan for a given territory.

Aside from elements such as economic, financial or risk analysis, the following aspects are taken into account in the project selection criteria used during the selection of projects to be covered by co-financing under TO 6, TO 8 and TO 9:

- Demand analysis – demonstrating the demand for a given project, including an estimated number of visitors;
- Implementation of priorities in the field of culture development:
 - Improving access to culture – i.e. in the physical dimension: opening new facilities for cultural activity, as well as carrying out actions related to awareness raising and cultural education;
 - Preserving the cultural heritage (material and immaterial) for future generations;
 - Introducing new forms of participation in culture – creating conditions conducive to the development of the cultural offer which responds to new needs in the area of cultural activity which came into being as a result of technological development and social changes in contemporary economy;
 - Increasing the tourist appeal of a given country or region.
- Ensuring sustainability of effects, including generated multiplier effects – promoting solutions which result in improving the long-term effectiveness of facilities/institutions, including solutions making it possible to:
 - Reduce the maintenance costs in favour of investment expenditure and expenditure for cultural activity;
 - Use innovative energy efficient solutions – reduce the demand for and the consumption of energy, and thus reduce the overall operational costs of buildings;
 - Diversify the sources of activity financing – acquisition of external sources of financing;
 - Positive economic effects – impact on direct investment environment;
 - Create new jobs.

On the one hand, actions for biodiversity protection will aim at stopping the process of losing the biodiversity, and on the other hand, they will strengthen the potential of economic and social development based on the use of environmental values at the regional and local level – they will focus primarily on preserving habitats and species and restoring them if they were degraded. Important actions in this field will include projects focusing on green infrastructure as the carrier of ecosystem services and projects focusing on the development of infrastructure for the

purposes of directing tourist traffic in the areas of high nature value – ensuring, on the one hand, better protection of natural assets and, on the other hand, contributing to improving the tourist appeal of such areas. In many cases projects aimed at biodiversity protection will contribute to climate change adaptation (and vice versa, e.g. restoration of valuable ecosystems will take place as a result of investments in restoration of natural flood plains carried out under TO 5). Information and education actions on environmental protection will be also carried out, as effective environmental protection requires infrastructural actions, raising ecological awareness, and changing people's attitudes and behaviour to more ecologically-oriented.

In the case of air protection under Thematic Objective 6, intervention will focus on investments carried out on the basis of air protection programmes in line with the requirements of *Directive 2008/50/EC on ambient air quality and cleaner air for Europe*. Actions aiming at reducing low-stack emission, which will be carried out under TO 4, and at supporting environmentally-friendly transport will be key to improving the quality of air. In light of the above, support in the field of protection of air provided under TO 6 will focus on supplementary actions (which are, nevertheless, also important) aiming at reducing pollution generated by the industry, which affects not only the quality of air in Poland, but also has a transregional and cross-border impact.

Support will be dedicated to enterprises for the purpose of reducing air pollutants (gaseous pollutants, particulate matter) from point sources and for carrying out actions in the area of monitoring and measurement. In addition to environmental benefits, the actions will contribute to improving the competitiveness of Polish enterprises, which have to bear significant expenses due to the fact that they need to adjust to environmental protection requirements established in EU law.

In addition, other actions focusing on improving the environmental status in cities will be also carried out. One element of these actions will consist in e.g. reclamation of brownfield sites for environmental purposes, which will make it possible to use such sites as city green spaces.

Protection and improvement of the condition of the environment as well as preservation of cultural heritage constitute the basis for socio-economic development. The environment can be the source of real economic benefits, given the fact that it creates new investment opportunities and can stimulate the economy by setting new directions and methods of development. Stimulation of economic development can take place through the improvement of resource management, which makes it possible to reduce the costs of economic activity and increase its competitiveness through the development of economic sectors that provide economic and environmental benefits, e.g. tourism, renewable energy, green construction and environmental technologies. Preserved environmental assets or cultural heritage can be a direct incentive for socio-economic development on a local and regional scale.

- **Link with intervention under other thematic objectives and sectoral policies**

Research and development projects in the field of environmentally friendly and resource-efficient technologies will be supported under TO 1. TO 3, in turn, provides for financing of actions in businesses pursuing sustainable production, which will support the objectives of environmental protection. Undertakings aiming at improving the quality of the urban environment will be carried out under TO 6 (in synergy with actions related to low-carbon economy or sustainable mobility under objective 4) and recultivation of brownfield sites. Actions which affect businesses carried out under TO 6 will directly contribute to increasing their competitiveness by reducing resource consumption. In general, all investments in improvement of the environmental status or protection of cultural heritage will contribute to social and territorial cohesion of the country, ensuring a better quality of life.

Carrying out and implementing the above-mentioned actions under TO 6 will have a positive impact on the prospect of developing new “green jobs,” i.a. with regard to environmental technology sectors, provision of green services or sustainable resource management.

In relation to the thematic area coordination with mechanisms financed from national funds (including funds from the National Fund for Environmental Protection and Water Management and Voivodeship Funds for Environmental Protection and Water Management), as well as from European funds (for example *Programme for the Environment and Climate Action* (LIFE) and Horizon 2020, as well as Seventh Framework Programme with regard to innovative solutions in the field of environmental protection and resource efficiency) will be ensured.

A wide range of actions aimed at preserving biodiversity of ecosystems linked with agricultural land, including in Natura 2000 sites, will be implemented under **EAFRD**. These actions will go beyond and be complementary with the requirements covered by good agricultural condition standards and the principle of cross-compliance, as well as with the objective of “greening” the 1st pillar of CAP. Despite the general trend to continue actions from the current period, the new programme will put a stronger emphasis on spatial differentiation of environmental pressure. Support for organic farming will be continued, taking into account the development potential of this segment of the agricultural market. Actions aimed at combating abandoning farming practices in areas facing natural constraints and supporting the preservation of genetic resources of animals and plants used for agricultural purposes will be continued. Indirectly, these actions will contribute to the protection of biodiversity of the Baltic Sea by reducing the volume of

nutrient discharge. Investments conducive to preserving and using the cultural and natural heritage will be supported under TO 9 (as well as under LEADER).

Investments in the field of water and waste water management (due to EAFRD intervention logic, the investments covered by TO 9) carried out using cost-optimal technical solutions in the areas situated outside of agglomerations indicated in the National Programme for Municipal Waste Water Treatment, will also receive support under the EAFRD.

Interventions under the **EAFRD** will contribute to the preservation of high nature value farmlands, which in Poland envisage traditional farming practices in regions characterised by patchwork farming structure, a high share of permanent pastures and presence of marshes, whose significant portion is situated within Natura 2000 sites.

Reduction of soil and water pollution caused by discharge of nitrogenous compounds constitutes an important benchmark in drafting interventions. Plans prepared under the agri-environment-climate measure provide for interventions directly promoting the reduction of fertilization with nitrogen and use of agricultural practices counteracting the elution of nitrogen compounds into groundwater, while some of them will be focusing specifically on vulnerable zones (ca. 19% of the country's agricultural area), i.e. areas with low humus content, areas particularly at risk of water and wind erosion, as well as NVZs.

Under EAFRD there is a need to promote agricultural practices going beyond the minimum good agricultural practices (GAEC) and practices related to greening of direct payments, focusing on protecting biodiversity, protecting soil and water, increasing resilience to climate change and reducing greenhouse gas emissions. Afforestation of the least productive agricultural soils will also contribute to the achievement of these goals.

Support for environmental protection provided under the **EMFF** will cover in particular reduction of the impact of fisheries on the marine and inland water environment, including development and use of innovative fishing techniques. Actions aiming at increasing consistency of the sea surveillance and monitoring system, fisheries control and the enforcement of data collection obligations, actions supporting systems of transferable fishing concessions and actions supporting the implementation of protective measures under the CFP will also be considered important in that regard.

The part of integrated maritime policy implemented under the EMFF, including the promotion of marine environment protection, especially its biodiversity and marine protected areas, such as Natura 2000 sites and the integrated maritime surveillance (IMS), and especially the introduction of the Common Information Sharing Environment (CISE), will constitute a slightly different element.

Operations aiming at protecting and developing aquatic fauna and flora will be implemented complementarily to the above-mentioned scope of environmental protection under the EMFF. In this regard, the EMFF will support i.a. investments in facilities for protecting and developing marine and inland water fauna and flora and for the removal of abandoned fishing gear and waste from the sea. Furthermore, support for innovative projects targeting the broadly understood seafaring industry and support for projects aiming at protecting marine biological resources will also be provided in order to reduce the impact of fisheries on the environment. Actions in this area will be implemented under TO 4.

○ ***Division of interventions between the national and the regional level***

Actions will be implemented mainly under the **CF** and the **ERDF**. As regards actions for the improvement of the environmental status and protection of biodiversity and cultural heritage, division between the national and the regional level will depend on the scale, scope and significance of projects. Large strategic undertakings will be carried out under the national programme (OP I&E).

In the case of water and waste water management, the division of interventions between the national and the regional level will be made – in less developed regions – on the basis of the size of agglomerations (included in NPMWWT) measured in p.e. (population equivalent), i.e. the value of 10,000 p.e. (national level above this threshold, regional level – between 2,000 and 10,000 p.e.).¹⁵⁹ With regard to waste management at the national level, support will cover comprehensive investments carried out within the scope of development of municipal waste management implemented in those regions covered by the waste management system, in which the component related to thermal treatment of waste was included. Comprehensive investments in the scope of development of municipal waste management system in the regions where municipal waste management systems are in place and where waste is not subject to thermal treatment will be carried out at the regional level. Comprehensive projects include projects prepared in accordance with waste hierarchy which make it possible to achieve the goal set out in the Directive 2008/98/EC and which include the following elements: selective collection of municipal waste (including paper, metal, plastic, glass and biodegradable waste), facilities for waste recovery and recycling (including composting in the case of

¹⁵⁹ In duly justified cases, actions may be carried out in agglomerations between 2,000 and 10,000 p.e. from the national level.

organic waste) and facilities for energy recovery or mechanical and biological installations for disposal of other types of waste.

In the case of cultural projects, investments under TO 6 will be implemented at the national and the regional level. Support at the national level (OP I&E) will cover infrastructural investments which are necessary due to their importance in the context of adequate exposure of Poland's cultural heritage at the European level (e.g. UNESCO monuments) and investments in cultural institutions of national or supra-regional significance. At the regional level (ROP), support will cover other types of investments in monuments significant for the development of a given region, resulting from development strategies of particular voivodeships.

○ **Funds and programmes implementing TO 6**

Operational Programme	Fund
OPI&E	CF, ERDF
RDP	EAFRD
OP FISHERIES	EMFF
ROP	ERDF

○ **Results of interventions under the funds**

Results of TO 6 will be achieved by using the funds of the cohesion policy and CAP.

Complementary interventions under the ERDF, the CF and the EAFRD will contribute to increasing the number of people using the waste water treatment system and to reducing the volume of untreated waste water discharged to the environment and will help to limit the loss of water, bringing Poland closer to fulfilling its accession commitments in this regard.

ERDF and CF interventions will contribute to ensuring the efficiency and effectiveness of waste management system, which will make it possible to improve the environmental status and its individual components, thus bringing Poland closer to fulfilling the commitments imposed by relevant Directives on waste management.

A complementary intervention under the CF (mainly in Natura 2000 sites), the ERDF (at the regional level) and the EAFRD (in rural areas) in the field of biodiversity will be conducive to improving the condition of natural areas by stopping adverse transformations and degradation of natural habitats and the loss of biodiversity.

ERDF and EAFRD interventions (in rural areas) will increase the appeal of a given area characterised by special cultural heritage assets and the contribution of the cultural heritage in economic development of Poland and its individual regions.

CF and ERDF interventions in the field of air protection carried out in urban areas will result in a decrease of pollutant emissions to the atmosphere, which will directly translate into the improvement of the citizens' health. Furthermore, the above-mentioned funds will lead to the achievement of the objective aiming at improving the status of the environment in degraded urban areas, i.e. including isolated and degraded urban areas into functional public space.

The EAFRD intervention will contribute to the preservation or restoration of supported valuable bird habitats/species, an increase the herd size of endangered species of livestock and will help preserve endangered genetic resources of plants used in agriculture. At the same time, actions carried out under the RDP will contribute to preservation of viability of rural areas and to the development of good agricultural practices, including environmentally-friendly agriculture, which impacts sustainable use of soil and extensive use of meadows and pastures. Due to sustainable afforestation actions, small and dispersed forest areas will be merged making it easier for valuable forest animal species to migrate and exchange genes, thus ensuring their genetic diversity and increasing their resilience to changes in their habitats.

Thematic Objective 7. Promoting sustainable transport and removing bottlenecks in key network infrastructures

○ **Links with the objectives of Europe 2020 strategy and national strategic documents**

Interventions under TO 7 contribute to the achievement of Europe 2020 strategy objectives of laying foundations for low-carbon economy, promoting climate change adaptation, protecting the environment and promoting sustainable transport and removing bottlenecks in key network infrastructures. Support for sustainable development growth matches guideline no 5 – increased resource efficiency and greenhouse gas emissions reduction as well as the

following flagship initiatives: *A resource-efficient Europe, Innovation Union and Industrial policy for the globalisation era*.

In the national dimension the leading strategic document for interventions regarding sustainable development of transport is the Transport Development Strategy until 2020 (with the prospect of 2030) – as a synthetic document integrating all transport modes. Supplementary and detailed documents are the implementation programmes regarding individual transport modes, including the *Master Plan for railway transport in Poland until 2030*, which contains the concept of trans-regional development strategy for railway transport. The planned interventions in railway, road, sea and inland waterway transport will result from the implementing document to the above-mentioned strategy and regional lists of priority projects.

Within the framework of the goals set out in the Europe 2020 strategy, and in particular in the flagship initiative *A resource-efficient Europe*, actions in the area of energy were indicated that will concern creating intelligent, modernised and fully interconnected energy infrastructure and will contribute to actions taken at the EU level regarding creation of the internal market in energy and support of renewable energy sources in the single market; modernisation of the European energy networks, including the Trans-European Energy Network, introduction of smart energy networks and energy interconnections, especially connections between energy networks and renewable energy sources. Additionally the investment needs as regards construction and modernisation of the gas network result inter alia from the necessity to create elements of the North-South infrastructure corridor and Baltic Energy Market Interconnection Plan (BEMIP).

The Energy Policy of Poland until 2030 and the Energy Security and the Environment Strategy (BEiŚ) constitute the leading documents in the field of energy.

○ **Objectives and priorities of intervention under TO 7**

Specific objective of the PA – **improving the quality and functionality of the transport system offer and increasing national transport accessibility from the European and internal perspective** is implemented by means of the following priorities:

- Increasing transport accessibility of Poland from the European perspective (IP 7i., IP 7a.):
 - Providing high-quality road connections within TEN-T network;
 - Providing high-quality railway connections within TEN-T network;
- Increasing transport accessibility from the national perspective (IP 7b., IP 7iii., IP 7d.):
 - Providing high quality interregional and intraregional transport connections, including the development of urban nodes.
- Improving safety of the transport system (IP 7a., IP 7i., IP 7b., IP 7ii., IP 7c., IP iii, IP 7d.)
 - Improving safety in TEN-T networks,
 - Improving safety outside the TEN-T network.
- Developing alternative forms of transport (IP 7ii., IP 7c.)
 - Developing water, inland waterway and maritime transport,
 - Developing intermodal transport.

Specific objective of the PA – **increasing stability of electricity and natural gas supply** – will be implemented by means of the following priorities (IP 7e.):

- Improving the transmission and distribution infrastructure of electricity and natural gas (including construction and expansion of LNG terminal);
- Improving the capacity to store electricity and natural gas.

○ **Scope and main principles of intervention**

The objective of Poland in the area of **transport investments in the framework of the TEN-T network** will consist primarily in developing transport infrastructure in line with the standards corresponding with the technical parameters of the TEN-T network, which ensure interoperability of transport systems between individual EU Member States. In 2014–2020 efforts in this area will focus on carrying out investments mainly in road and railway TEN-T Core Network, taking into account the priorities indicated in the work plans concerning core network corridors running across Poland, i.e. Baltic–Adriatic and North Sea–Baltic corridors. In this context it will be important to focus on the bottlenecks within these corridors – especially those identified at cross-border sections – and on filling the gaps in transport infrastructure, especially in TEN-T Core Network, whose continued existence makes it impossible to develop consistent flows characterised by high technical parameters and to effectively connect the main centres of economic

activity in the country with the main urban centres in the EU. Detailed information in this regard were included in the Implementation Document to the Transport Development Strategy (ID).

The priority in the area of **road transport** consists in continuing actions aiming at establishing a single, coherent TEN-T transport network (roads with high traffic capacity) connecting the main centres of economic activity in the country (voivodeship centres) with one another, as well as with urban centres located in the EU under the Single European Transport Area.

Insufficient national transport accessibility identified in the diagnosis, which limits the diffusion of developmental processes from the areas functioning as engines for growth to less developed areas, underlines the need to **extend the interregional and intraregional transport infrastructure** (the so-called secondary connectivity). Construction and reconstruction of sections of voivodeship roads forming a part of traffic flows constituting a link with TEN-T network will constitute a priority in this area.

Aside from construction of transport infrastructure connecting urban hubs within the TEN-T network, as well as other areas located outside of the immediate range of the trans-European transport network (other voivodeship capitals, cities other than voivodeship capitals/regional and subregional cities), investments indicated in the ITI Strategy, low carbon economy roadmaps or sustainable urban mobility plans will constitute priorities in this area. The scope and main principles of public transport were described in detail under TO 4, IP 4e.

Taking into account the impact of transport on the environment, among different transport sectors investments in the **railway sector** will be prioritised. The main objective in this area will consist in filling the gaps and improving functionality of the main railway routes (trunk lines) within the TEN-T network (core and comprehensive). Interventions will be carried out by means of modernisation and rehabilitation actions,¹⁶⁰ as well as through the construction of new lines. In 2007–2013 significant work was carried out in relation to TEN-T network. Construction of subsequent sections of this network will contribute to increasing its traffic capacity and will improve international and inter-voivodeship railway connections. Ensuring higher standards in the area of passenger transport, e.g. on the lines connecting urban centres, will constitute another priority.

In order to effectively achieve European policy objectives in the field of reducing the negative impact of transport on the environment, actions carried out in 2014–2020 should focus on the implementation of line projects forming a part of the TEN-T Core Network, projects covered by the AGTC agreement, sections connecting important industrial and economic centres with the TEN-T network (the so-called feeder lines) and lines connecting seaports with the inland economic base.

Due to the role of railway in the development of individual areas, the intervention will cover also railway lines outside of the TEN-T network, functioning as a supplementary measure aiming at connecting other areas, which are not located in the immediate scope of the railway network included in the trans-European transport network (cities other than voivodeship capitals, as well as regional and sub-regional cities) to the TEN-T network.

The allocation for the railway sector indicated in the PA (including CEF) amounts to ca. EUR 10.2 billion, which constitutes an increase by more than 80% in comparison to 2007–2013 programming period. As part of mid-term review in 2019, Poland will re-assess its absorption capacity and the needs of the railway sector, and depending on the results of this assessment will consider the possibility of giving preferential treatment to the railway sector during the allocation of performance reserve funds from the priority axes which have not yet reached the minimum level of indicators.

Furthermore, the support will be used for investments to develop railway traffic signalling and management systems, including introduction of the *European Railway Traffic Management System* (ERTMS) on the most important railway routes. In order to develop railway system it will also be necessary to improve the quality of services and ensure integration with other transport and economy sectors.

Actions in the railway transport sector will be accompanied by changes related to the restructuring of PKP PLK in order to improve its institutional capacity and to ensure that it will be able to prepare railway projects for implementation in a timely and appropriate manner. So far, actions in this field included e.g. introduction of organisational changes in PKP PLK, adoption of the *Multiannual Railway Investment Programme until 2015* and introduction of legislative changes improving the effectiveness of investments carried out in railway sector.

Furthermore support will cover investments outside of the TEN-T network related to construction, modernisation, as well as – in justified cases – revitalisation of railway network and regional railway station infrastructure. Actions which are meant to be carried out as part of the above-mentioned revitalisation will be comprehensive, will lead to long-term improvement of technical condition and will adapt the infrastructure to the needs of the carrier market (e.g. by

¹⁶⁰ Rehabilitation of the TEN-T network should be understood in accordance with the definition contained in Regulation 1315/2013, that is as a process resulting in the achievement of the original construction parameters of existing railway infrastructure facilities combined with the long-term improvement of its quality compared to its current state, in line with the application of the requirements and provisions of this Regulation.

increasing the acceptable axle load and modernising platforms) and the passengers (adaptation to the needs of persons with disabilities).

Investments will not cover restoration works and they will not focus on maintaining the existing infrastructure (the same applies also to investments in TEN-T network). Current and property-related expenditure for maintaining the transport infrastructure are and will be borne in accordance with the rule specified in Article 5 of the Act of 16 December 2005 on financing land transport infrastructure (Dz. U. No 267, item 2251, as amended). Pursuant to the above-mentioned provision, expenditure for the construction, reconstruction, renovation, maintenance, protection and management of land transport infrastructure financed or co-financed by the minister in charge of transport is defined by the Budget Act as at least 18% of the expected revenue from excise tax on motor fuels in a given year.

For the purpose of ensuring transport accessibility, the following types of investments may be covered by support:

1. Investments in TEN-T network, in particular those aiming at raising standards to the level corresponding with the TEN-T network requirements;
2. National road investments outside of TEN-T (selected sections connecting other areas not covered by the immediate scope of TEN-T network to this network, bypasses), only when they fill the gaps in the national road network or if there is no alternative connection with the required capacity;
3. Investments in voivodeship roads – selected sections connecting a given road to the system of national roads or to the TEN-T network filling the gaps in the network of roads connecting voivodeship centres, cities other than voivodeship capitals (regional and subregional) in line with the diagnosis raising the issue of transport accessibility of such cities, which are important for the local labour market,
4. a Investments in local (gmina and powiat) roads from ERDF funds are possible only if:
 - Such investments will contribute to physical, economic and social revitalisation and regeneration of urban areas or urban functional areas (under TO 9 as one of the elements of local revitalisation plan); or
 - They are related to sustainable urban mobility (under TO 4 as one of the elements of urban mobility plan, low-carbon plan or an ITI strategy) or
 - They will establish necessary direct connections with TEN-T network, border crossing points, airports, seaports, freight terminals, logistic centres and platforms (under TO 7).

Planned allocation for road investments under TO 7 (including the CEF) amounts to ca. EUR 15 billion. The amount of investments in local roads under TO 7 cannot exceed 15% of the programme allocation for road transport. In the framework of TO 7 total amount of investment in local roads under all ROPs cannot exceed EUR 450 million. Expenditure for local roads related to investments in revitalisation (TO 9) and urban mobility (TO 4) should constitute a minority of expenditure in a given IP (IP 4e., IP 9b.).

4 b. Investments in local roads under the RDP carried out as investments in small scale infrastructure, including construction and modernisation of local roads connecting settlement units with the existing road network. Access roads to towns where important objects and institutions are located, improving accessibility of such towns for a larger population, as well as gminas characterised by low tax level and high unemployment rate will receive preferential treatment. Investments related to roads have an impact on living conditions and on conditions of conducting economic activity (including agricultural activity), access to education, healthcare and other public services, as well as on the labour market. These actions were allocated to TO 9 in line with the EC table on the transition from CAP priorities to cohesion policy thematic objectives.

Support for **railway transport** will focus on TEN-T network, as well as on developing railway connections significant for a given region or agglomeration, characterised by large traffic flows and connecting regional centres with surrounding and peripheral areas.

Intervention related to urban nodes in the meaning of *Regulation (EU) No 1315/2013 of 11 December 2013 on Union guidelines for the development of the trans-European transport network* (TEN-T Regulation) will be particularly important for ensuring consistency of TEN-T network and its relation with lower level infrastructure. In line with the definition presented in the above-mentioned Regulation, “urban node” means an urban area where the transport infrastructure of the trans-European transport network, such as ports including passenger terminals, airports, railway stations, logistic platforms and freight terminals located in and around an urban area, is connected with other parts of that infrastructure and with the infrastructure for regional and local traffic. In line with Article 30 of the TEN-T Regulation “[w]hen developing the comprehensive network in urban nodes, Member States shall, where feasible, aim to ensure (...) seamless connection between the infrastructure of the comprehensive network and the infrastructure for regional and local traffic and urban freight delivery, including logistic consolidation and distribution centres”.

Transport investments will be accompanied by a range of actions aiming at **improving road safety**. These actions will include support for services responsible for ensuring and maintaining road safety in individual modes of transport, implementation of modern traffic navigation, management and monitoring systems (e.g. ERTMS, ITS, RIS, SESAR,

GMDSS and VTS), as well as construction and reconstruction of infrastructures for the purpose of improving the level of safety. These actions will focus mainly on TEN-T network and on selected transport routes outside of the network.

Actions in the road sector will be carried out in line with the state policy directions in the field of road safety included *inter alia* in the *National Road Safety Programme for 2014–2020* and in short-term implementation programmes. Effective improvement of road safety indicators will require infrastructural (engineering) investments to be carried out, road traffic inspection bodies and technical emergency services to be retrofitted (enforcement, emergency) and educational campaigns and training to be organised (education).

Due to the fact that passenger capacity of Polish **airports** was secured as a result of investments in 2007–2013, there are no plans to construct additional airports nor to extend the cubic capacity of already existing airports in the 2014–2020 perspective. Investments in airport infrastructure will not be carried out, unless they contribute to increasing the level of safety or help protect the environment. Such investments will be carried out exclusively under TO 7 and only at airports belonging to the TEN-T Core Network.

Priority in the area of **maritime transport** consists in increasing competitiveness of TEN-T Core Network seaports, as well as improving their operational capacity and cooperation with ports located close to one another (Gdańsk–Gdynia and Szczecin–Świnoujście). Intervention in this area carried out under the ESIF results from the national strategy for the development of seaports in Poland and the Implementation Document to the Transport Development Strategy. The strategy contains forecasts on the flow of goods and people, takes into account the complementarity of services provided by ports and includes a socio-economic impact assessment and an environmental impact assessment. Interventions in ports under the ESIF are not a substitute for national private or public funds. ESIF investments will continue to be carried out, as appropriate, in line with rules on public aid, including the incentive effect, or in line with rules on net revenue-generating projects – making it possible to avoid the deadweight effect and crowding-out of funding from other sources. The scope, level and form (grants or financial instruments) of support provided under ESIF will be adjusted to public authorities' tasks, identified business risk and existing weaknesses in market mechanisms. ESIF investment will focus on reducing the pressure of port activity on the environment, improving road, railway and inland waterway access to ports from land, ensuring inter-modality and improving connections between ports and their operational capacity, as well as, if other forms of financing are unavailable – improving access from the sea and ensuring high quality of transshipment infrastructure.

On the other hand, priority in the area of **inland waterway transport** will consist in improving the performance parameters of inland waterways and ensuring that the longest sections of inland waterways are classified as at least class III waterways, as well as removing bottlenecks in order to increase the usage of such waterways in the transport of goods. Due to the fact that TEN-T network on the territory of Poland currently includes only a short section of Dolna Odra, support will cover also inland waterways outside of TEN-T network, provided that compliance with the existing *acquis communautaire* will be ensured, in particular in the field of environmental protection, and the results of economic, technical and environmental feasibility assessment with regard to inland waterways investments will be positive.

The diagnosed need for investment prioritisation also points to the need for developing **intermodal transport**. Intensive modernisation of railway and point infrastructure used in intermodal transportation system will constitute a basic activity supporting the development of intermodal transport. Currently existing intermodal transport terminals have to be modernised and extended. Development of combined transport in Poland requires the number of terminals to be increased and regional logistics centres to be created, especially in the vicinity of large Polish urban agglomerations. In addition, actions aiming at integrating different modes of transport will focus primarily on developing multimodal platforms within TEN-T network adjusted for the purpose of providing logistics services with regard to at least two modes of transport (or two different railway systems), including: development of multimodal functions of airports and seaports in TEN-T network by connecting them to road and railway transport system and improving operational performance parameters of inland waterways in order to include inland waterway as a part of intermodal transport network.

Interventions in the field of intermodal transport will focus primarily on projects aiming at modernising and extending the existing terminals, as well as increasing their number, together with dedicated railway infrastructure. Telematic and satellite systems, as well as traffic management systems, will be also implemented, and locomotives and specialist railway rolling stock (carriages/platforms) appropriate for the transport of goods will be purchased.

Projects related to terminals in seaports and rail/road terminals belonging to TEN-T network will be prioritised in line with the list presented in Annex 2 to TEN-T Regulation, which contains the list of core and comprehensive network nodes).

Expansion, modernisation and upgrading of energy infrastructure while ensuring implementation of smart solutions will be a top priority for the **energy** sector under thematic objective CT 7. In the **natural gas** sector, the support will be provided for the expansion of industrial, distribution and storage infrastructure (while ensuring implementation of

smart solutions) and the LNG terminal in order to secure stable energy supplies and to increase accessibility of gas infrastructure for gminas and end customers.

Despite having its own energy raw materials, Poland is still not independent in terms of energy. Diversification of sources and reliability of supply of energy carriers (at an acceptable price) constitute key elements of energy security. Therefore, diversification of sources and directions of supply of natural gas is necessary, which should lead to extension and modernisation of transmission and distribution grid and to the expansion and modernisation of storage capacity for these raw materials, as well as to extension of the LNG terminal.¹⁶¹

The main advantage of using gas is its substantially lower carbon intensity and relatively short amount of time required to construct power units powered with gas fuel, as well as lower costs and higher efficiency of infrastructure e.g. in comparison with energy blocks powered with solid fuel. The needs related to extension of transmission and distribution grid and gas storage systems result *inter alia* from the RSE Directive, as gas allows the system to work more flexibly, balancing it during power fluctuations, especially in case of wind sources. In addition, expanded natural gas storage capacity will make it possible to establish greater strategic reserves of natural gas, which could be used in case of interruption of supply, which is especially important for Poland due to its significant dependence on the imports of this raw material, as well as due to the need to balance the seasonal unevenness of gas intake by users or short-term local fluctuations in gas consumption.

With regard to the electricity sector, it has to be noted that transmission and distribution grid and a significant portion of transformer units is outdated, and the projected further increase of the share of energy from RSE will require appropriate grid infrastructure which would make it possible to connect energy generation capacities to the electricity grid. Therefore, investments in modernisation and extension of the National Electricity System (NES) have to be regarded as one of key priorities in the context of security of electricity supply, including electricity from RES. Investments carried out in 2014–2020 will include construction, reconstruction and modernisation of grids, replacement of transformers and reconstruction and extension of transformer stations.

Actions aiming at improving energy security are highly dependent on territorial aspects due to the gaps in energy grid density. Rural areas are particularly disadvantaged in terms of distribution grid accessibility. Grid in these areas is highly susceptible to malfunctions. Furthermore, the diagnosis identified barriers, i.e. lack of (power) capacity of energy transmission system especially in northern and north-eastern regions of Poland – therefore intervention will focus also on supporting energy infrastructure (electricity and gas transmission lines) in under-invested regions.

Investments in development of infrastructure in gas and electricity sectors which increase the energy security of the country and the entire EU, promote competitiveness and environmental protection and contribute to the establishment of common energy market will be supported. In line with the diagnosis investments in modernisation and extension of the National Electricity System (NES) have to be regarded as one of key priorities in the context of security of electricity supply, including electricity from RES.

In the context of supporting the development of grid efficiency it is necessary to implement the smart grid technologies, which make it possible to balance the supply of energy at the local level, connect even very small sources to the grid and manage peak demand for electricity. Implementation of smart solutions is inextricably linked with the necessity to construct new electricity grid or with the need to modernise the existing grid. Therefore, projects in the field of smart transmission and distribution grid and projects related to energy storage will be implemented exclusively on the national level, in line with Article 5(7)(e) of the ERDF Regulation. Furthermore, this will contribute to improving the energy security of the country. It will also enhance the importance of end users who will become active, conscious actors on the electricity market able to effectively manage their energy consumption.

In light of the above, investments in development of infrastructure in gas and electricity sectors which increase the energy security of the country and the entire EU, promote competitiveness and environmental protection and contribute to the establishment of common energy market will be supported.

In addition, construction of gas-fired generation units (excluded from the support under the ESIF) will determine investment needs with regard to transmission and distribution system – therefore, the national system will have to be modernised in accordance with the future location of electricity infrastructure facilities.

○ **Link with intervention under other thematic objectives and support instruments**

Issues related to the increase of transport accessibility and promotion of pro-ecological transport solutions are strongly linked to interventions for low-carbon economy (TO 4), climate change adaptation, risk prevention and risk management (TO 5) and environmental protection (TO 6). This applies in particular to the support for public transport, leading traffic away from the cities and improving traffic management.

¹⁶¹ As at the date of adoption of the PA, the LNG investment in Świnoujście was identified.

Pursuant to the provisions of the CEF Regulation (Article 11(1)) funds for transport infrastructure will be used to finance projects aiming at implementing TEN-T Core Network, in particular projects identified previously in the appropriate part of Annex I to the CER Regulation and horizontal projects related to CEF. Results of the implementation of projects to be covered by co-financing from EU funds under CEF were included in the ID, which serves as a comprehensive investment plan for 2014–2020 and includes, aside from investments planned to be covered by support under OP I&E 2014–2020, also investments to be submitted for CEF competitions.

Planned scope of intervention in the electricity sector carried out under TO 7 will ensure cohesion in implementing interrelated actions and will contribute to the achievement of results within other thematic objectives *inter alia* by ensuring optimal use of national reserves of energy raw materials (TO 4) and simultaneous implementation of ITC solutions (TO 2). Such actions will contribute to better achievement of objectives set in the field of sustainable management of environmental resources (TO 6), including RES (TO 4), ensuring safe and competitive supply of energy to the economy.

Aside from intra-national connections, it is also important to further develop cross-border electricity connections. This constitutes one of the main objectives of the EU energy policy and *Energy Policy of Poland until 2030*. This policy aims at ensuring security of electricity supplies and removal of barriers to free energy trade on internal and international market. Development of cross-border connections makes it possible to plan the grid operation and their transmission capacity, as well as to use those lines for the purposes of importing energy in cases when national sources would prove insufficient to satisfy the demand. Such investments will apply for co-financing under CEF (Connecting Europe Facility). Generally CEF will be used to finance cross-border projects (interconnectors) included in the PCI list.

Within the gas sector, CEF is meant to be used to finance the construction of interconnectors, which will provide an opportunity to access stable and competitive sources of gas supply. Implementation of investments under CEF and ERDF will make it possible to ensure high level of diversification of sources and directions of gas transmission. The Polish network of gas pipelines will become an integral part of the European transmission infrastructure, ensuring appropriate conditions for the integration of markets outside of the EU.

Actions carried out under TO 7 will be coordinated with actions under CEF (*Connecting Europe Facility*) and EIB loans in order to ensure cohesion and continuity of investments.

If a given project which fulfils the conditions established in the Partnership Agreement does not receive support from CEF, it will be eligible to apply for support under cohesion policy.

○ ***Division of interventions between the national and the regional level***

Road and railway investments in the **transport sector** will be carried out at the national level. Railway and road projects outside of TEN-T network will be also carried out supplementarily. Such investments will mainly focus on leading road traffic away from cities towards TEN-T network, as well as on reducing the excessive transit traffic (the selected sections that ensure connection to TEN-T network, bypasses). Support for functional areas of Eastern Poland voivodeship capitals will be provided under OP EP.

The national railway investments outside TEN-T network will be applicable to the lines managed by PKP PLK. In the case of OP EP support covers railway investments of supraregional significance, which strengthen the cohesion of the entire macroregion and contribute to improving external accessibility. After reaching an agreement with PKP PLK, investments in TEN-T network may be also carried out on the regional level, provided they have regional significance. Point investments to handle passenger and goods transport services important for the regional railway transport system, including investments ensuring better effectiveness of railway transport management and investments aiming at improving the standard of customer service, will be also financed at the regional level.

In the context of public railway transport, the support will be provided for agglomeration railway in the functional areas of the cities. The support will cover investments associated with improving air traffic security within TEN-T network only at national level. They will apply to existing airports in TEN-T Core Network and national air traffic management authority. Furthermore, projects aimed at improving security of road and railway traffic will be also carried out at the national level.

At the regional level the intervention from ERDF funds will focus mainly on investments in regional roads and railway lines, directing traffic to TEN-T network and increasing their safety. Investments in the so-called local roads will also be carried out on this level, provided that they will fulfil the above-mentioned criteria. Investments in the railway rolling stock will be possible at national and regional level, depending on the type of connection.

Investments related to marine and inland waterway transport will be supported both at the national and regional level. Investments carried out at the national level are listed in the ID to the Transport Development Strategy, while investments carried out at the regional level – in relevant summaries of priority projects related to transport investments.

All investments in the energy sector will be carried out exclusively at the national level.

○ **Funds and programmes implementing TO 7**

Operational Programme	Fund
OP I&E	CF, ERDF
OP EP	ERDF
ROP	ERDF

○ **Results of interventions under the funds**

Support for the transport sector provided at the national level will come mainly from the CF and (to a limited extent) from the ERDF. The CF funds used for the purpose of carrying out investments in TEN-T network will contribute to the development of the European transport area and to increasing the transport accessibility of the country at the European and the national level. The CF will improve the quality of transport connections between main urban centres in the country, as well as their connections under the Single European Transport Area. The ERDF will, first of all, improve the quality of transport connections at the regional level. ERDF funding will contribute to increasing regional mobility by connecting secondary and tertiary nodes with TEN-T infrastructure, including with multimodal nodes.

In addition, investments planned under ESIF will improve the multimodal transport availability, contribute to improving traffic security, as well as increase the efficiency of environmentally-friendly, low-carbon transport systems.

Investments in the power and gas sector carried out under the ERDF will ensure security of supplies, diversification of sources of supplies and removal of barriers to free trade on the internal and international market. Furthermore, such investments will contribute to improving the efficiency of energy transfer by reducing grid loss. Actions in the field of energy infrastructure will increase competitiveness of the economy and contribute to the improvement of social and territorial cohesion both at the regional and the European level.

There are plans to extend and construct underground gas storage facilities and to reconstruct and modernise internal network necessary for distributing gas to users with the help of funding available under the ERDF. Due to significant wear and tear and limited technical parameters, the above-mentioned network will be inadequate to fully meet the expectations of its users. Undertakings ensuring continuity of supply and energy safety will constitute the largest group of necessary investments in the electricity sector covered by support in 2014–2020. Such investments will include construction, reconstruction and modernisation of grids, replacement of transformers and reconstruction and extension of transformer stations. Support from ERDF will cover only investments implementing smart elements.

EAFRD funds will not be used for the implementation of TO 7, and support for local roads will be provided under TO 9.

Thematic Objective 8. Promoting sustainable and high quality employment and supporting labour mobility

○ **Links with the objectives of Europe 2020 strategy and national strategic documents**

Actions to increase labour market participation respond to the Council Recommendations to “reduce youth unemployment (...). combat labour market segmentation (...)” (Recommendation No 3 of 2013) and to “continue efforts to increase female labour market participation, in particular by investing in affordable quality childcare and pre-school education, by ensuring stable funding and qualified staff; underpin the general pension reform with measures promoting the employability of older workers” (Recommendation No 4 of 2013). The approach proposed below fully corresponds to the vision presented in *Europe 2020 strategy*, according to which the new growth pattern should be based not only on innovation and sustainable development, but also on inclusive growth. However, instead of being based on transfers between different social groups, it should rather be based on increased access to employment. The *Europe 2020 strategy* objectives include increasing employment rate (the employment rate of the population aged 20–64 should amount to 75% and for Poland – 71%).

Intervention for employment and mobility is aimed at addressing one of the challenges identified in the National Development Strategy 2020, i.e. ensuring a labour market characterised by high employment rate, easy transition from education (and training) to employment, low unemployment rate and high flexibility and mobility. The Human Capital Development Strategy is the leading document in this area.

○ **Objectives and priorities of intervention under TO 8**

Specific objective of the PA – **more efficient use of resources in the labour market** – is implemented through the following priorities:

- Increased chances of employment for the unemployed, job seekers and inactive people who are most disadvantaged in the labour market:
 - Improved labour market integration and professional mobility of persons who are the most disadvantaged in the labour market (IP 8i., IP 8ii.),
 - Development of entrepreneurship, including self-employment and creation of new jobs (IP 8iii.);
 - Increased effectiveness and efficiency of actions taken by labour market institutions for most disadvantaged persons (IP 8vii.).
- Increased access to care for children aged up to 3 years (IP 8iv.);
- Improved health of labour resources:
 - Improved access to preventive health care, diagnostics and rehabilitation facilitating the remaining in employment and return to work (IP 8vi.);
 - Reduction of health risk factors at workplace (IP 8vi.).
- Improved adaptability of economically active persons and employers of micro, small and medium-sized enterprises (IP 8v.):
 - Improved development management quality of enterprises in the sector of micro, small and medium-sized enterprises (strategic, human resources and emergency management);
 - Increased participation in life-long learning, including better adjustment of education to the needs of aid recipients.
- Improving conditions conducive to employment growth by developing endogenous potentials (IP 8b.).

The scope and logic of assigning intervention to individual investment priorities within the framework of regulations, in particular under the ESF, results in the potential scope of intervention of some IPs not being separate which offers the managing authorities the possibility to concentrate intervention on selected priorities, in line with the diagnosis of the needs and without detriment to the scope of potential intervention.

○ **Scope and main principles of intervention**

As stated in the diagnosis, the most important element of the ESF intervention is to **support transition from unemployment to employment**, taking into account the intra-regional specific characteristics. The supporting actions include improved adaptability of employees and enterprises, counteracting economic inactivity related to health status and actions facilitating the return to the labour market.

Undertakings focusing on support for the unemployed, job seekers and economically inactive people, mainly those particularly disadvantaged in the labour market, i.e. young persons aged up to 30, elderly persons over 50, women, persons with disabilities, the long-term unemployed and low-skilled persons, result from the diagnosis of the situation and needs of those persons. The undertakings will include i.a. supporting labour mobility, including geographical mobility using the EURES network.

Aid will be targeted at supporting the persons remaining outside the labour market in their return to employment and keeping a permanent job. The undertakings in this area will include labour market instruments and services, including mainly those listed in the *Act on employment promotion and labour market institutions*. Their appropriate selection, which will be based on an individual diagnosis of the needs of the supported person, will allow to provide high quality support which will improve the situation of the project participant in the labour market.

The amended *Act on employment promotion and labour market institutions* introduces a mechanisms of profiling the unemployed in terms of their distance from the labour market and readiness to take up employment. This allows to select appropriate activation instruments for the given group.

The profile of an unemployed person will be construed based on that person's age, sex, education, skills, professional qualifications and experience, duration of unemployment, place of residence (in terms of distance from potential jobs), accessibility of modern forms of communication with employers, etc. Undertakings under TO 8 will be addressed to persons classified into the first group (so-called *active unemployed*) or the second group (so-called *requiring support*) in terms of their distance from the labour market. Support for the third group of persons, the so-called *distant from the labour market*, i.e. persons at risk of social exclusion, who first of all require support for social integration, will be provided under TO 9. The aim of profiling is to provide the most appropriate support for a given unemployed person. Persons profiled as the *active unemployed* will receive support mainly in the form of job offers, activation services, grants and loans for setting up economic activity. Persons profiled as *requiring support* will be provided with training, internships, etc. Finally, persons profiled as *distant from the labour market* will first of all receive support enabling

their social integration (under TO 9). The above mechanism will allow to avoid overlapping of support under TO 8 and TO 9.

A large number of young people entering the labour market is a great chance for the Polish economy. The nature of youth unemployment differs from unemployment in other age groups. The main problem is the lack of qualifications or professional experience and not knowing how to look for a job. Therefore, complementarity of actions aimed at young people under the ESF and the *Youth Employment Initiative*, to be financed only partially under ESF, is ensured.¹⁶²

Due to a high percentage of young persons continuing their formal education at the higher level, unemployment of young persons aged 24–30, who have recently graduated, remains a significant problem and a big challenge. Therefore, pursuant to Article 16 of the ESF Regulation, Poland decided to extend the target group of the Initiative to include persons aged up to 30.

Undertakings targeted at young people will be compliant with the *Youth Guarantee Implementation Plan in Poland*, which will be a document defining a wide range of actions aimed at improving the situation of young people remaining outside the labour market, including possible activation paths. The ESF funds will be used in a number of undertakings provided for in the document which will ensure complementarity of actions financed from national and EU funds, including the funds of the *Youth Employment Initiative*.

Efficient labour market institutions are a precondition for improving the employment opportunities of the unemployed persons. Undertakings in this area will include raising qualifications and competences of employees of public employment services, whose activities have a direct impact on the situation of persons applying for support in the area of promoting labour force participation. Due to Poland's experience in support for public employment services in the years 2007–2013, the support provided will be limited to four main areas described below, which were identified as key areas for increasing the effectiveness of the labour market and creating appropriate conditions for providing professional services in this regard. Support will be provided not only to public employment services, but also to all labour market institutions as important actors implementing the employment policy. The areas where the support will be concentrated include:

- Changes related to amendment to the *Act on employment promotion and labour market institutions* and thus the introduction of new instruments, tools and solutions of horizontal nature, which will change the method of providing labour market services to persons remaining outside the labour market;
- Individualisation of support provided by labour market institutions which will allow to better adjust the provided services to actual needs and possibilities of job seekers, which in a longer perspective will improve the sustainability of provided support;
- Professionalisation of services provided to persons particularly disadvantaged in the labour market, including the preparation of employees to provide services to such persons, at the same time eliminating the barriers to their efficient return to the labour market;
- Trainings related to provision of services within the EURES network, which are to be financed by Member States as a result of the reform of the rules governing the functioning of the EURES network. Actions in this area will allow for personalisation and improvement of the quality of provided services and for coordination of standards within the EURES network in Poland. Supplementary actions will include accreditation of the EURES units, development and implementation of solutions improving the quality of services, information activities, research and evaluation of undertakings. The said systemic solutions will be complementary to intervention at the regional level which will include direct support for persons in terms of international occupational counselling and job placement services, as well as the actions of employment services focusing on popularisation of solutions defined within the EURES network, including establishment of cross-border contacts with representatives of enterprises.

Those activities are in line with recommendations included in *Public Employment Services' Contribution to EU2020. PES 2020 Strategy Output Paper* and respond to the difficulties identified by public employment services in the process of providing labour market services.

The rules of the model for cooperation with employers, who are the best source of information on labour demand, will be redefined.

Improved adaptability of enterprises and employees is one of key factors determining the competitiveness of the economy in the face of global challenges encountered by enterprises. Dissemination of new technologies, ageing of the society and relocation of production to less developed countries force the companies to react quickly to economic developments. Therefore, investments in human capital and development of competences and qualifications of entrepreneurs and employees become the issues of key importance. Only competitive enterprises which are able to adjust to the needs of the knowledge-based economy can compete in the market and grow, and thus generate sustainable, high quality jobs. The ESF intervention in the years 2014–2020 will be targeted solely at the sector of

¹⁶² Implementation rules for undertakings related to the implementation of Youth Employment Initiative will be laid down by the minister competent for regional policy, following the final decisions on the conditions for the implementation of such undertakings at the Union level.

micro, small and medium-sized enterprises which largely determine the development of the economy and face the greatest barriers in access to trainings and education.

The system of distribution of the ESF funds intended for support for adaptability of enterprises and employees will be based on a demand-driven approach. The approach will be pursued parallel at two levels: national and regional, which will allow for better coherence of actions and for optimisation of planned fund distribution mechanisms. The essence of the demand-driven approach is the assumption that an enterprise and its needs are the central subject of support. Therefore, it is the entrepreneur, not the training institution market (supply side), that should decide about the scope of provided support. To this end, the so-called subjective systems for financing development services will be implemented under the regional operational programmes. The systems will ensure that support recipients have the possibility to make their own educational decisions and will enable quick reaction to emerging needs (so-called tailored services). Depending on the solutions adopted in the given region, such mechanisms may be based on i.a. a system of training vouchers or reimbursement of costs of the service linked to the commitment. The system also provides for the possibility to carry out comprehensive projects, combined with the diagnosis of development needs of enterprises.

This approach is totally different than solutions applied in the years 2007–2013. The demand-driven system will be regularly evaluated to ensure its high quality. The first evaluation will be carried out within the first two years of its implementation. The recommendations from that evaluation will obligatorily be used to improve its functioning in all regions. The Register of Development Services will constitute an element of the evaluation. If the added value of the Register is not confirmed, Poland will undertake relevant remedy actions.

Support will focus on services that are most efficient from the point of view of the needs of enterprise, including in particular the advisory and training services. Support will not be provided for financing of seminars and conferences. It should also be emphasized that the mechanisms of the demand-driven system, which assume that entrepreneurs will partially cover the costs of services, will encourage entrepreneurs to make economically rational educational decisions.

The demand-driven approach also enables effective implementation of strategic directions of the ESF intervention in the area of adaptability. The applied mechanism of preferences assumes that the level of co-financing of services will vary depending on the objectives of the regional policy (e.g. linking specific branches, sectors, types of economic activity, categories of support recipients with preferential co-financing levels). Thanks to the applied support addressing mechanisms, the ESF intervention will focus on sectors with the highest potential for generating new jobs (so-called fast growth companies) and on employees most disadvantaged in the labour market (e.g. persons aged over 50, low-skilled workers).

The planned system of support for enterprises should ensure universal access to information about the provided services and uniform criteria of support provision in the whole country. Therefore, the demand-driven approach will be supplemented with a quality assurance system for development services implemented at the national level. The Register of Development Services will be the central element of the national quality assurance system for development services. The Register will include information about entities providing educational services and about their offer financed from both the ESF funds and the private funds. The tool will be universal and will not be used solely for implementing the ESF projects, but will guarantee sustainability and universality of solutions applied in the broadly understood area of life-long learning. The system of registration of training entities in the Register of Development Services will be based on verification of their credibility and (substantive and organisational) capacity to provide services. The system provides for a number of solutions allowing for effective assessment of the support quality at the stage of service provision (e.g. the requirement for project participants to assess the service in terms of achieving the assumed purpose of the service, audits carried out by the Register administrator).

The Register of Development Services will also be closely linked with the Polish Qualifications Framework (PQF) and the Integrated Qualifications Register. Services registered in the Register of Development Services will be described using the language of effects which will allow to easily assign them to individual levels of the PQF and will ensure the cohesion of those two systems. The Register of Development Services will also provide information about the rules and conditions of validation (confirmation) of obtained competences. However, it should be emphasized that main actions related to the implementation of the National Qualifications System will be carried out under TO 10.

A sustainable change in the employment rate and the development of staff qualifications requires taking actions aimed at **improving the management quality of enterprises from micro, small and medium-sized enterprises sector**. The lack of enterprise development management, including emergency management, is one of the major threats to long-term competitiveness of enterprises. Actions must be taken to support owners and managers of micro, small and medium-sized enterprises in the area of strategic management (including human resources management). Strategic management and human resources management skills are decisive for building competitive advantage and for the ability of enterprises to adjust to changing economic conditions. The actions will be implemented in close cooperation with social and economic partners, as well as with the public administration at the national and the regional level.

Experience from the years 2007–2013 shows that awareness-raising actions (such as information campaigns and various promotional actions) cannot constitute the main form of support in projects co-financed from the European Social Fund. Awareness-raising actions may be financed from the ESF only if they are indispensable for implementing actions in a given project, understood as specific solutions to be applied in response to problems of the groups of beneficiaries defined in the project. The above rule applies to actions financed from the ESF under all thematic objectives.

Pursuant to Europe 2020 strategy, entrepreneurship and self-employment are a key to smart, sustainable and inclusive growth. Thus, it is crucial to concentrate the support on **development of entrepreneurship understood as starting up, maintaining and developing own economic activity** by the unemployed, job seekers and economically inactive persons, mainly those particularly disadvantaged in the labour market, i.e. young persons aged up to 30, elderly persons over 50, women, persons with disabilities, long-term unemployed and low-skilled workers, as well as enhancing the survival of newly established companies.

Such support will also be provided using financial instruments, taking into account the specificity of recipients and potential risks, which is to improve the sustainability and effectiveness of actions taken, if the need to use those instruments is confirmed by ex-ante evaluation of the market failure in terms of access to capital and based on analysed investment needs of persons planning to set up their own economic activity. Due to specificity of financial instruments, the above limit for support does not apply. At the same time, support for persons not belonging to the abovementioned target groups (i.e. the unemployed, job seekers and economically inactive) who are most disadvantaged in the labour market does not account for more than 20% of the allocation under IP 8iii.

Undertakings related to financial support are accompanied by training and advisory support preparing to pursue own business activity and assisting the support recipient at the initial stage of such activity.

Increased access to childcare for children aged up to 3 years and other **actions allowing to reconcile work and private life** will improve employment opportunities for persons who take care of their dependants. Actions in this area will also improve the chance to maintain employment by persons which find it difficult due to their family situation involving care for children aged up to 3 years.

Demographic changes and epidemiological trends in the Polish society projected for the years 2014–2020 constitute a challenge and require counteracting economic inactivity resulting from age and **health condition**.¹⁶³

Actions under TO 8 will focus mainly on extending the duration of labour market participation in good health. They will be addressed mainly at working age population and will include preventive actions aimed at improving health of the working population by means of implementing preventive and diagnostic programmes concerning most frequent diseases identified at the national level or diseases specific for a given region, affecting the situation in a given voivodeship. Furthermore, actions related to rehabilitation were planned to facilitate return to the labour market. Undertakings aimed at eliminating the factors detrimental to health at work will also be implemented. The consequences of health problems of the working age population have a significant impact on the labour market. Interventions concern *inter alia* the creation and development of programmes to prevent diseases which are a significant cause of professional deactivation, development and implementation of programmes in the area of health education and promotion of healthy lifestyle and remedial programmes minimizing health factors of occupational hazards at work. Employers will be involved in the implementation of the above actions to ensure their efficiency.

Apart from actions financed from the ESF, employment growth will also be supported - by providing conditions for creating new jobs, *inter alia* by means of self-employment - through the ERDF actions under IP 8b., consisting in **use and development of endogenous potentials** of areas (identified in the operational programme), resulting in particular from specific conditions and natural, spatial and cultural resources. Actions under IP 8b. may also consist in creating conditions conducive to economic activity in the areas where the economic activity is more difficult than in other areas due to legal conditions or requirements related to environmental protection.

In order to ensure efficiency of intervention, to obtain support the local government unit(s) (gmina, gminas or voivodeship government) will have to have an action plan based on the strategy for the given area and containing a coherent, integrated concept for development of the given territory, identifying the related projects or types of projects. The above approach, based among others on the analysis of the impact of endogenous potentials on entrepreneurship development, aims *inter alia* at enhancing sustainability of the existing or newly created jobs.

The beneficiaries of projects under IP 8b. will include local government units or entrepreneurs, if their undertakings will result from the abovementioned strategy or action plan and will be characterised by employment effectiveness.

Intervention concerning the given area, carried out complementarily by a set of single-fund projects, co-financed from the ERDF under IP 8b. and the ESF projects under other investment priorities, will focus on diagnosed potentials and will depend on the fulfilment of criteria concerning the impact on the planned undertakings on employment growth in the given territory by means of self-employment and creation of new jobs.

¹⁶³ Health problems are a cause of the lack of labour market participation of 14% of inactive persons (BAEL data for the fourth quarter of 2012).

The emphasized employment-promoting aspect of support under IP 8b. differentiates this support from interventions under IP 9b. which are aimed at eliminating deficits in access to social services and strengthening of infrastructure supporting the widely understood process of social inclusion.

As opposed to the ITI mechanisms, the purpose of which is integrated intervention under several IP (also with the possibility of using IP 8b. or TO in the urban functional area, based on cooperation of local government units constituting the area), intervention under IP 8b. will be addressed to areas that do not require multidimensional intervention and where the significant challenge is to provide conditions for creating new jobs.

The top-down approach involving local governments in defining the scope of planned intervention based on identified potentials characteristic for the given territory differentiates the support under IP 8b. from CLLD where support will result from bottom-up initiatives.

Key rules for support within the framework of cohesion policy under TO 8:

- Undertakings on acquiring and raising qualifications match the identified needs in regional labour markets;
- Undertakings on promotion of labour market participation will obligatorily take into account employment effectiveness. The minimum values of employment effectiveness will be determined cyclically and will take into account the target group specificity and territorial differentiation in unemployment, as well as previous experience, including lessons learnt from implementation of projects under OP HC. At the same time, horizontal guidelines on monitoring will specify the method of calculating employment effectiveness to ensure it is uniform and allows for comparative analyses in the abovementioned regard. For the purpose of monitoring the employment period longer than 6 months after obtaining support from the ESF, cyclical evaluations will be made to assess the career path of persons who found a job as a result of the support;
- Use of financial instruments for undertakings for the development of entrepreneurship and self-employment depends on ex ante evaluation on market failure in providing access to capital;
- Undertakings for the adaptability of employees and enterprises are implemented using the demand system;
- Stronger concentration of funds in areas and on groups with the greatest problems in the labour market is necessary in the context of intra-regional gaps and the need to achieve greater socio-economic cohesion in individual voivodeships;
- Undertakings to be implemented in the area of labour market should complement one another;
- Actions implemented at the regional level will take into account regional specificity, referring to the principles specified in the relevant national policies, to obtain synergy and cohesion of intervention and taking into account long-term conditions, including demographic and economic determinants.

Link with intervention under other thematic objectives and sectoral policies

Support under TO 8 is aimed at improving the situation of persons who require professional activation to enter the labour market, is complementary to the support provided under TO 9 to persons whose integration path with the labour market is longer and requires a number of actions in the area of social inclusion.

Interventions in the area of health care under TO 8 are complementary to actions under TO 9 which aim at increasing the quality and accessibility of health care services and to intervention targeted at persons who are socially excluded or at risk of social exclusion. They will also be related to actions for increasing the qualifications of medical personnel taken under TO 10. All actions in the health care sector, financed from the EU funds, are a part of the wider health care system reform, in line with the *Policy Paper for health care for the years 2014–2020*, and as such are closely coordinated. The above issues are described in more detail in the section on TO 9.

The ERDF support under TO 9, intended for increasing the accessibility of childcare services for children up to 3 years by means of creating new places in day care centres, complement the intervention under TO 8 allocated for actions allowing for reconciliation of work and private life. Within the framework of the ERDF, TO 8 does not provide for support for childcare infrastructure or infrastructure of health care centres.

TO 8 actions in the area of self-employment and entrepreneurship, as well as actions for building the adaptability of enterprises and their staff, are complementary to support for competitiveness of the economy and enterprise development opportunities through investments in new products and services, which will be the subject of intervention under TO 3. No separate mechanism to support microenterprises from the ERDF funds under IP 8a. is planned under TO 8. Support for microenterprises will be provided under IP 8b., taking into account the abovementioned determinants. Support for creation of microenterprises under TO 8 is possible from the ESF funds, with appropriate demarcation mechanisms with regard to support provided for the existing enterprises under TO 3 and coordination mechanisms with support to be provided under the RDP being planned.

The operational programme management system will include mechanisms allowing to avoid double financing of the same services provided for entrepreneurs under TO 3 and TO 8. In particular, the ESF intervention under TO 8 will focus on financing of the creation and establishment of new enterprises by natural persons, using repayable, non-repayable and mixed instruments. Financial support under TO 3 will be targeted directly at development of potential and innovation of the existing enterprises. Investments in human capital development to increase adaptability of enterprises (i.e. training and advisory actions) will be carried out under TO 8.

Services for entrepreneurs (which may include also training support) provided under TO 3 will be closely linked to investments (as cross-financing), while support under TO 8 will be an element of a wider strategy of company development in terms of investment in human capital and raising qualifications and competences of employees and managers of enterprises. Effectiveness of intervention under TO 8 remains largely dependent on actions aimed at adjusting education to the needs of the modern economy (TO 10).

Investments under IP 8b. related to culture (maximum value of investment: EUR 2 million) complement the interventions in this sector under TO 6.

Actions supporting increase in employment are covered by different instruments financed both from national and from the Union funds. On the one hand, it will be necessary to ensure complementarity between actions under the ESIF and other EU instruments. On the other hand, it will also be necessary to coordinate actions financed from the EU funds and actions financed from national public funds, including, in particular, from the Labour Fund, the National Health Fund and the budgets of local authorities.

Complementarity of actions aimed at young people under the ESF and the *Youth Employment Initiative*, to be financed only partially from the ESF funds, is also ensured.¹⁶⁴

The **EAFRD** (RDP) supports development of non-agricultural activities contributing to increasing employment in rural areas. In the case of support for retraining of farmers from the ESF under TO 8, the retrained persons must be transferred from the system of agricultural social insurance (KRUS) to the general social insurance system (Social Insurance Institution – ZUS).

Actions supported under the **EMFF** will include actions aimed at diversification of employment of persons working in the aquaculture and fisheries to include new activities, apart from the conducted fishing activity. The EMFF also provides for support for young fishermen who intend to work in the fisheries sector.

- Division of interventions between the national and the regional level

Actions are implemented mainly under the ESF. At the national level, in the years 2014–2020 the ESF intervention under TO 8 focuses on creating the framework for the functioning of the labour market policy, developing mechanisms supporting enterprises in strategic challenges, as well as on supporting the actions related to persons with disabilities in the labour market. An important element of support at the national level is individual support provided to young people aged 15–29, in particular those who are not in employment, education or training (NEET youth). The adopted solution is related to the need to coordinate the actions implemented under the Youth Employment Initiative.

At the regional level, support is addressed to individuals remaining out of the labour market.

Actions of the **ERDF** (under IP 8b.) are implemented at the regional level.

- **Funds and programmes implementing TO 8**

Operational Programme	Fund
OP KED	ESF
RDP	EAFRD
ROP	ESF, ERDF
OP FISHERIES	EMFF

- **Results of interventions under the funds**

¹⁶⁴ Implementation rules for undertakings related to the implementation of Youth Employment Initiative will be laid down by the minister competent for regional policy, following the final decisions on the conditions for the implementation of such undertakings at the Union level.

Interventions under the ESI Funds will bring Poland closer to the achievement of the employment rate of 71%, established under the *Europe 2020 strategy*.

Thanks to actions under the ESF, persons most disadvantaged in the labour market will have greater chances for active labour market participation. The ESF funds will contribute to reducing unemployment, including hidden unemployment in rural areas, by means of actions for retraining of farmers and their family members, support for employment of young people and for creation of microenterprises.

The intervention from the EAFRD will facilitate diversification of activity into non-agricultural activities. Entrepreneurship development in rural areas will be supported complementarily under Leader.

The EMFF intervention will improve the situation in the labour market in fisheries areas.

The financing from the ESIF will enable persons who perform tasks related to care for others to maintain their jobs. Interventions in the area of health care (ESF) will contribute to extending the duration of labour force participation or to reducing the absence in the labour market for health reasons. Support for adaptability of enterprises and their staff (ESF) will make it easier for companies to tackle the challenges of the modern economy. At the same time, intervention based on endogenous potentials and involving local authorities (ERDF) will increase the chances for maintaining the created jobs. The above actions will result in using the existing labour market resources to a greater extent.

Thematic Objective 9. Promoting social inclusion, combating poverty and all forms of discrimination

○ Links with the objectives of EU 2020 strategy and country strategy papers

According to the vision presented in *Europe 2020 strategy*, the new economic model should be based not only on innovation and sustainable development, but also on inclusive growth and reducing poverty.

The intervention planned under Thematic Objective 9 is aimed at achieving the objectives of EU 2020 strategy concerning employment and combating poverty. This issue is covered by the EU lead project: *European programme for combating poverty and social exclusion*.

Inclusive growth means supporting an economy characterized by high levels of employment and entrepreneurship. According to the NDS 2020, combating social exclusion is one of the objectives of actions in the area of improving social and territorial cohesion. By engaging in the implementation of *Europe 2020 strategy*, Poland committed to reduce the number of persons at risk of poverty by approximately 1.5 million. The leading strategic document for supporting social inclusion and combating poverty is Human Capital Development Strategy, as well as the Social Capital Development Strategy. At the operational and implementation level, the key document in this area is the *Programme for Counteracting Poverty and Social Exclusion 2020* and the *National Programme of Social Economy Development*.

The implemented activities contribute to the achievement of those objectives bringing about the direct or indirect effects in the longer run, reducing the risk of interrupting professional activity, poverty and social exclusion, including the risk of inheriting poverty.

Actions under TO 9 respond to Council Recommendation No 1 concerning the (...) reassessment of expenditure policies (...) and increasing the cost effectiveness and efficiency of spending in the healthcare sector (...).

○ Objectives and priorities of intervention under TO 9

Within the framework of the PA, social exclusion is understood as exclusion from socio-economic life caused by poverty and as exclusion from access to public services conditioning development capabilities. In this context, exclusion from access to public services can be caused, on the one hand, by their absence or insufficient quality in a given area, and on the other hand by high costs. Social exclusion is therefore determined in relation to the possibilities and conditions for the participation of an individual in social and economic life. It stands for isolation of individuals or social groups from the community and institutions of the modern state forced by internal or external factors, such as poverty, unemployment, disability or lack of access to high-quality public services.

Poverty is considered one of the main reasons why individuals remain on the margin of social life. Social exclusion and poverty usually display feedback – poverty may be the cause of social exclusion, and social exclusion increases the risk of poverty. Analysis of the phenomena of social exclusion and poverty allows concluding that they are territorially conditioned. They usually concern areas with particular intensity of problems, such as distance from the labour market and the related consequences, degradation of areas and insufficient access to high quality affordable public services.

The success of the actions undertaken under TO 9 requires comprehensive and deliberate action, in particular to influence social risks which are the main causes of poverty and exclusion. Among those risks, in particular the following should be indicated:

- Unemployment, which is the basic cause of poverty. Individuals and families experiencing the problem of long-term unemployment find it difficult to overcome increasing barriers to finding and taking up work. These barriers are very different in nature and require a high level of support individualisation.
- Illness, disability, old age – each of these situations increases the risk of poverty and social exclusion as it reduces revenue and increases costs. The problem of poverty and exclusion also concerns persons economically dependent whose situation involves, among other things, homelessness or orphanhood. Improving access to high quality and affordable services, including health care services, can reduce the risk of these phenomena and their negative impact on the situation of the individual and a family.
- Residing in degraded areas with scarcity of jobs, where living conditions deteriorate and other social problems accumulate. The communities living in such areas usually need outside help to overcome these limitations.

Poverty and social exclusion are complex and multidimensional phenomena, their causes are diverse and often interrelated. Therefore, actions will focus on inclusion of individuals experiencing poverty and social exclusion for a variety of reasons, including in particular: persons with a low income, persons from households with low work intensity, the long-term unemployed, as well as the people working poor (identified on the basis of income criteria, including farmers and members of their families), large families and single parents, persons with low social competence and low professional qualifications, people affected by long-lasting illness, disability, addictions,

homelessness and other reasons behind their poverty and social exclusion. It should be emphasised, however, that regardless of the material status, social exclusion is due to relatively low access to public services, including health care services.

Specific objective of the PA: **increased employability for persons affected by or at risk of poverty and social exclusion** will be achieved through the following priorities:

- Active social inclusion, including individualisation and comprehensiveness of support (IP 9a., IP 9i.),
- Integration of services of various public services for social inclusion and combating poverty (IP 9i., IP 9iv., IP 9v.),
- Support for social economy and jobs in social enterprises (IP 9c., IP 9i.v, IP 9v.).

Specific objective of the PA: **mitigating the risk of social exclusion caused by disproportions in access to public services** will be achieved through the following priorities:

- Supporting the quality of and access to affordable public services (IP 9iv.),
- Support for health care and social infrastructure in order to improve the quality of and access to health care and social services (IP 9a.),
- Support for persons who are excluded or at risk of exclusion with the use of non-stationary services (deinstitutionalisation of public services) (IP 9i., IP 9iv., IP 9v.).

Specific objective of the PA: **inclusion of communities living in peripheral and degraded areas** is implemented through:

- Comprehensive revitalisation of degraded areas (IP 9b. and relevant IP of the ESF, in particular IP 9i., IP 9iv., IP 9v.).

In addition, under IP 9vi. and 9d. activities will be implemented under the Community-Led Local Development (CLLD) instrument focused on supporting grassroots development initiatives through the implementation of Local Development Strategies. The principles of Community-Led Local Development are described in section 3.

○ Scope and main principles of intervention

The key to the achievement of the objective related to the reduction of poverty and social exclusion is to support the integration of people who are excluded and at risk of social exclusion, focused on **social and professional activation** using, among others, instruments for social, educational or health activation. The intervention will be carried out in connection with the process of professional activation and as a means of support for the process of deinstitutionalisation of services. The intervention under TO 9 will also cover the services of social and professional reintegration and rehabilitation resulting, *inter alia*, in increasing social activity and willingness to take up work. Due to the diversity of the needs of various target groups, such as the long-term unemployed, the disabled, the homeless, persons leaving care, formative and penitentiary institutions, the poor, in order to ensure effectiveness of support the interventions must be individualised, comprehensive and long-term. These will be accompanied by developing systemic solutions for social inclusion and poverty reduction as well as enhancing the competence of the personnel working in this area.

In order to ensure an intervention that is effective, comprehensive and tailored to the needs of specific target groups, emphasis is placed on cooperation between public and non-public services and integrating the services they offer. Therefore, within the framework of ESF interventions mechanisms of cooperation and partnership are applied which result from the experience of the 2007–2013 programming period. One of the results of this experience is the introduction of the *Activation and Integration Programme* to the amended Act on the promotion of employment and labour market institutions. The Programme consists of two blocks:

- 1) Activation – whose aim is to prepare the unemployed to manage on the labour market better (this block is implemented by poviats labour offices)
- 2) Integration – to allow solving, for example, family problems of the person covered by support (this block is implemented by social welfare centres or labour offices in the framework of reintegration services commissioned to third party institutions).

The programme *Activation and Integration* will cover persons who have been profiled as *distant from the labour market*, in accordance with the profiling of persons requiring support, described in Thematic Objective 8. The above instrument serves to comprehensively support persons distant from the labour market and requires close cooperation of labour market institutions and social welfare institutions. In the framework of interventions, mechanisms will be applied that foster cooperation of different institutions to achieve the objective that concerns combating poverty and social exclusion. At the same time, the achievement of the above plans requires the creation of an integrated system of institutions based on common operating standards, including the institutions that support actions for making groups at risk of social exclusion and poverty economically independent, including in rural areas, and for the

professionalisation of the services of public institutions, private entities and civil organizations acting for the poor and excluded.

Increasing opportunities for the employment of disadvantaged groups will be achieved by **support for the social economy sector** and ensuring its effective and efficient operation. Actions taken in the area of social economy will comply with the *National Programme of Social Economy Development* (KPRES). These actions are intended to serve creating sustainable and high-quality jobs in the social economy sector. For that purpose, in the years 2014–2020 the ESF funds will be used towards active measures to stimulate local level cooperation and activity in order to create new social economy entities (animation and incubation actions), as well as provide them with access to the necessary financial support. At the same time, the intervention will strengthen the stability of existing social economy bodies and contribute to their development by providing access to returnable capital, as well as access to education and advisory services for business.

At the same time, the undertakings implemented within the framework of the PA the use of services provided by social economy operators will be promoted. Potential infrastructure support for social economy entities can also be provided under the ERDF, if such a need will be justified by the diagnosed needs of a given entity.

Inequality in access to good quality social services is often the reason behind deepening exclusion with all its consequences. *White Paper on services of general interest*¹⁶⁵ points out that “The access of all citizens and enterprises to affordable high-quality services of general interest throughout the territory of the Member States is essential for the promotion of social and territorial cohesion in the European Union, including the reduction of handicaps caused by the lack of accessibility of the outermost regions.” The intervention under TO 9 cover actions increasing the quality of and access to public services, such as social welfare, support for families and foster care, care and health care services.

The development of social and health care services for persons at risk of poverty and social exclusion, supported by the ESF and the ERDF, is compatible with the assumptions of European rules of the transition from institutional care to community care and with the directions indicated in the *National Programme against Poverty and Social Exclusion 2020*, which includes, *inter alia*, directions for the development of social and health care services.

At the same time, apart from support for the process of de-institutionalisation, the ESF and the ERDF will support activities that set up community care in the framework of social and health care services (including stationary forms), in particular in areas with shortages of such services (e.g. long-term care, geriatric care). Support for the creation of effective community care be an element parallel to the adjustment of social and health care services to the needs of the society. Actions for the development of services each time take into account the analysis of demographic trends and needs in the area of individual services and target groups, also in territorial terms.

Preference will be given to undertakings aimed at the creation and development of community forms of care for children, persons with disabilities, people with mental health problems, the elderly, those socially excluded or at risk of social exclusion, as well as social and health care services provided in the framework of the activity of social economy entities.

With regard to the infrastructures necessary for the provision of social services, support financed by the ERDF will be associated with the process of social integration, social and professional activation and de-institutionalisation of services (including stationary forms). With regard to promoting the development of protected, assisted and training accommodation, it should be emphasised that in the framework of IP 9a. ERDF intervention will be possible beyond the common parts of residential buildings (which is not possible within the framework of TO 4 and IP 9b.).

In addition, the ERDF funds will be devoted to supporting the creation and operation of entities that provide care of children aged up to 3, including day care centres (including company day care centres), children’s clubs, day care centre branches and actions to increase the number of places in existing institutions (undertakings will be implemented that envisage providing equipment, adjustment, adaptation or modernisation of the infrastructure necessary to provide these services and, where appropriate, also the construction of new buildings).

Intervention **in the area of health care** under TO 9 matches the assumptions of Europe 2020 strategy and corresponds with the objectives concerning employment and poverty reduction. The support provided under the funds is consistent with the diagnosis and the scope of intervention indicated in the *Policy Paper for health care*. The logic of intervention in the area of health is based on the assumption that the loss of health is one of the most important factors in ceasing to work and the threat of poverty. The absence or limitation of access to health care services results in permanent and often irreversible deterioration in the ability to participate in social and economic life, including the ability to take up and maintain in employment, thereby directly contributing to increasing the risk of poverty. It is therefore justified to undertake intervention supporting the quality of health care services and increasing their availability to the public.

¹⁶⁵ COM(2004)374.

The documents which form the strategic framework for the intervention of the European Social Fund and the European Regional Development Fund in the health care sector are the Partnership Agreement and the *Policy Paper for health care* prepared by the minister competent for health as an ex ante condition evaluation for interventions in this area, which received a positive opinion of the Development Policy Coordination Committee (DP CC) – an opinion and advisory body of the Prime Minister appointed by way of an order of the Prime Minister, acting under the supervision of the minister competent for regional development.

The Policy Paper indicates the objectives, directions of intervention and tools for implementation planned for the years 2014–2020, responding to the problems, challenges and postulates in the area of health care, resulting from the assessment of the situation in health care. The document identifies the needs and specifies planned activities, including those which envisage mapping the needs and planned legislative changes aimed at the reform of the health care system in Poland. Actions in the health care sector financed by the ESIF (for the infrastructure, preventive health care, digitisation of medical services, as well as training of medical personnel) are part of the concept defined by the Policy Paper and fit into the broader context of changes in the health care sector.

The Partnership Agreement defines the rules and conditions of future investments financed from European funds for the years 2014–2020, agreed with the European Commission and complementary with the actions undertaken using national funds. The PA highlights the selective approach and focus of the support for the health care sector solely on those aspects or groups of illnesses that have the greatest impact on the employability of Poles or improving the quality of or access to these medical services and in the territories for which the analysis of deficits (referred to in the Policy Paper) shows a need to improve the situation in order to reduce or prevent social exclusion resulting from the above reasons.

The interventions undertaken with EU funds will focus on increasing the accessibility of high quality health care through actions to improve its quality (standards of care, monitoring health needs, introduction of solutions for effective coordination of the treatment process) and infrastructural investments (ERDF) in units providing services in respect of diseases that are the leading cause of professional deactivation,¹⁶⁶ as well as – in order to counteract the negative demographic trends – in the fields of medicine focused on the care of mother and child¹⁶⁷ and of elderly people (especially in the field of geriatrics).

The possible scope of support for medical rescue will be defined in a relevant programme, taking into account the conclusions from experience to-date and an in-depth analysis in this area.

In the case of the elderly, interventions for ensuring the availability of medical care in immediate vicinity of the elderly and for ensuring hospitalisation services tailored to the needs of people from this group are important.

The need to improve the efficiency of the health care sector, resulting from Council Recommendation No 1, requires strong coordination of interventions within the framework of the PA between the national and the regional level, taking into account the competence of individual levels of authority performing tasks in the area of health protection within the framework of the multi-level governance.¹⁶⁸ Coordination mechanisms introduced by the PA and the *Policy Paper for health care* are designed to provide effective and efficient (particularly cost-effective) use of European funds dedicated to health protection, tailored to the needs defined on the national scale and for individual regions. Ensuring relevant coordination mechanisms is the responsibility of the minister in charge of health in cooperation with the minister competent for regional development and voivodeship authorities.

The purpose of coordination is, in particular, to ensure proper targeting of interventions, to prevent their duplication, to ensure cost efficiency and to precisely adjust the interventions to the needs previously identified at the level of the entire country as well as the needs of individual regions. A broader perspective on investments in the sector of protection that go beyond individual voivodeships, will allow increasing cost efficiency through, *inter alia*, optimisation of scope of subjects or undertaking joint or complementary projects by several regions within the framework of regional programmes, for example using the flexibility mechanism resulting from Article 70 of the CPR.

The above approach is aimed at making only investments which have been verified with identified deficits and needs taking into account the demographic and epidemiological situation (properly identified at the level of a voivodeship or

¹⁶⁶ According to the Policy Paper, support will primarily be provided to units providing services for adults in the area of the following diseases: cardiovascular, cancers, of the bone, joint and muscular system, respiratory, mental and other conditions reflecting specific diagnosed regional needs.

¹⁶⁷ This applies to areas such as: obstetrics and gynaecology, neonatology, paediatrics, cardiology and paediatric cardiovascular surgery, paediatric surgery, paediatric neurology, paediatric psychiatry, haematology and paediatric oncology.

¹⁶⁸ Pursuant to the Act on state administration sections, the health policy lies within the competence of the minister in charge of health. In the framework of their own tasks, local government units perform specific tasks with regard to the protection and promotion of health. The possibility of using European funds for the years 2014–2020 for investments in the health care sector includes the minister competent for regional development in the process of coordinating interventions in the above area, to the extent covered by the Partnership Agreement. Entrusting the programme management function in regional governments of voivodeships imposes the obligation of coordination on voivodeship authorities at the level of planning, selection and implementation of all interventions financed with European funds implemented in the region.

the country, depending on the specifics of the medical entity and by the services it offers) and the actual demand and accessibility of health care infrastructure in a given area.

The main instrument for coordination of interventions in the health care sector from EU funds is the **Steering Committee for coordination of ESIF interventions in the health care sector**. The Committee is chaired by the minister competent for health. The Committee consists especially of representatives of the minister competent for regional development, the minister in charge of digitisation, the minister competent for labour and social policy and regional authorities, as well as other partners competent for health care.

A necessary condition for undertaking interventions in the health care sector is their compliance with the **Action Plan for the health care sector** (Action Plan) implemented using EU funds at the national and the regional level, agreed by the Steering Committee.

The Committee examines issues associated with health protection on an ongoing basis, in particular in terms of ensuring efficiency and effectiveness of interventions undertaken using EU funds, attainment of the expected results and the impact of implementation of the Action Plan on the objectives of the *Policy Paper for health care* and the objectives of the PA and the OP.

The Action Plan, which is directly related to the Partnership Agreement and takes into account the investments undertaken with national funds (including in the framework of competitions for tasks financed with public funds and contracts for services), includes, *inter alia*, recommendations for monitoring committees as to the procedures and criteria for the selection of projects within calls for proposals announced under national and regional programmes, a list of potential projects implemented at the national and the regional level created after an analysis of the proposals presented by competent MAs for complementarity and cost-effectiveness. In addition, coordination will also cover the approach to state aid in the framework of the support for the health care sector under all operational programmes. The task of the Steering Committee will also be to ensure consistency between the ESIF rules and the mechanisms applicable to national expenditure that determine the plans of health care needs.

The possibility to implement investments in health care from the regional level exclusively under the rules resulting from the Policy Paper and the Action Plan will be regulated at the level of the territorial contract.

The minister competent for regional development (National Evaluation Unit) in collaboration with the minister competent for health carries out periodic evaluation of implemented Action Plans. Their results and resulting recommendations are taken into account when developing further plans and possible modifications of the Policy Paper.

The fulfilment of the ex ante condition in terms of health care allows launching funds for the years 2014–2020 in this area. By the time Poland meets the above condition, the EC may suspend all or part of payments pursuant to Article 19(5) of the CPR.

Revitalisation activities implemented by the ERDF under TO 9 are aimed at greater involvement of the communities living in peripheral and degraded areas through comprehensive revitalisation of degraded urban and rural areas, perceived in social, economic and spatial terms. The actions undertaken within the framework of revitalisation will aim at improvement of the quality of life of the residents and economic and social revival of a given area. This will help to reduce the risk of poverty and social exclusion in these areas.

Implementation of infrastructural actions is a tool to eliminate phenomena related to social problems concerning a given area, which is reflected in the logic of intervention programming under IP 9b. Projects in the area of revitalisation must be implemented as comprehensive and integrated projects concerning all aspects of revitalisation of a given area. The complexity of revitalisation activities is envisaged in integrating of activities under different IPs. The intervention under IP 9b. will primarily be associated with solving social problems in the revitalised area through infrastructural undertakings on a smaller scale, which supplement investments necessary for the revitalisation of a given area carried out in the framework of other TOs (IP 3a., IP 4a., IP 6e., IP 6c.).

Actions in the field of revitalisation under IP 9b. financed by the ERDF will be able to concern, *inter alia*, rebuilding or adaptation of degraded buildings, facilities, sites and spaces in order to restore old or to give them new social, economic, educational, cultural or recreational functions. In the economic dimension, actions in the following areas will be implemented: support for entrepreneurship and self-employment, fostering social economy, undertaking local initiatives for employment and the promotion of employee mobility, and the social dimension: for activation of groups at risk of exclusion and poor, and for improvement of access to services.

Actions in the field of revitalisation will be implemented based on the national framework¹⁶⁹, prepared by the minister competent for regional development. At the local level, interventions in the area of revitalisation will be taken on the basis of local revitalisation programmes, taking into account the framework referred to above.

¹⁶⁹ This can be, for example, a national revitalisation plan.

Revitalised areas will be determined taking into account the spatial, economic and social criteria, with particular emphasis on the severity of the social problems in a given area, mainly related to the material and social deprivation of residents of the area, resulting *inter alia* from significant distance from the labour market or insufficient access to high quality affordable public services.

The basic rules for the implementation of actions in the framework of the cohesion policy under TO 9 are as follows:

- The undertakings related to social inclusion and poverty reduction undertaken under programmes implementing TO 9 should lead to increased opportunities for employment;
- The implementation of TO 9 is based on designated deficit areas, identified on the basis of the selected set of indicators relating to the socio-economic situation of a given territorial unit (gmina/powiat), and in particular takes into account the indicators concerning poverty, social exclusion, health condition and level of education, for example the Local Human Development Index. The intervention is correlated with territorial circumstances and specific problems confirmed by relevant indicators;
- The expected target values of employment efficiency indicators in ESF projects should take into account the specific nature of the target groups and the long term of appearance of action results;
- Stronger concentration of funds in areas with the greatest socio-economic delays is necessary in the context of intra-regional gaps and the need to achieve greater socio-economic cohesion in individual voivodeships;
- Concentration of support has not only the territorial dimension, but it also applies to the identified specific disadvantaged groups;
- Infrastructural undertakings financed by the ERDF should be linked with the implementation of objectives in the area of social inclusion and combating poverty, understood as defined in the PA;
- Revitalisation actions should be comprehensive and result from national, regional and local programmes/plans or equivalent documents, taking into account the national framework prepared by the minister in charge of regional development;
- All supported undertakings will take into account the need to adapt the infrastructure and equipment to meet the needs of persons with disabilities;
- All supported actions aimed at improving the accessibility of social services will comply with the assumptions of European principles of abandoning forms of institutional care in favour of community care (including stationary forms of care).

○ ***Link with intervention under other thematic objectives and sectoral policies***

Support for social inclusion and combating poverty is connected with the actions implemented under TO 8 for employment. Support under TO 9 is available to people socially excluded or at risk of social exclusion, and those defined as *distant from the labour market*.

Interventions within the framework of IP 9b. of the ERDF and relevant IPs of the ESF (including, in particular, IP 9i., IP 9iv.) complement the actions implemented under other TOs (IP 3a., IP 4c., IP 6c., IP 6e.). Complementary intervention under different IPs allows solving social problems in the revitalised area comprehensively.

Interventions undertaken under TO 9 are complementary with actions in the area of health care implemented under TO 8 and TO 10, and comply with the wider strategy of actions described in the *Policy Paper for health care*. In addition, actions in the area of health protection infrastructure are in connection with undertakings in the area of ICT implemented within the framework of TO 2. Actions in the health care sector are subject to close coordination described in more detail above.

In the context of access to public services, the tasks performed under TO 7, in particular with regard to increasing transport accessibility, are complementary with actions undertaken under TO 9.

The opportunities for enhancing social inclusion thanks to involvement in actions for local communities focused, *inter alia*, on improving the quality of life expressed as, among other things, good access to high quality public services, increasing the chances of employment (and thus reducing the risk of poverty) allows applying territorial instruments in the framework of the CAP, the CFP (TO 8 in accordance with the transposition of the objectives of cohesion policy to the objectives of the CFP) and cohesion policy (CLLD). Thanks to interventions undertaken in the framework of CLLD from a variety of ESIF funds, the quality of life of local communities will improve and social capital in areas implementing LDS will become strengthened.

Coordination will also cover actions undertaken within the framework of the Fund for European Aid to the Most Deprived (OP Food Aid).

○ ***Division of interventions between the national and the regional level***

Undertakings for social inclusion and combating poverty are implemented at both the national and the regional level. At the national level, actions are carried out that envisage improvement of the operating framework in the area of social assistance and integration and raising the qualifications of the staff of the institutions active in that field (OP KED – ESF). In addition, direct support for the Roma community and persons deprived of their liberty is provided at the national level. As a rule, however, support for individuals and families is provided under regional programmes.

Investments in health care infrastructure will be divided between the national and the regional level. Investments in medical rescue infrastructure and supra-regional health care infrastructure will be made at the national level (OP I&E – ERDF). ERDF support for social infrastructure, revitalisation and PES support will be provided under regional programmes.

○ **Funds and programmes implementing TO 9**

Operational Programme	Fund
OP KED	ESF
RDP	EAFRD
ROP	ESF, ERDF
OP I&E	ERDF

○ **Results of interventions under the funds**

Interventions under the ESIF will reduce the indicator of the threat of poverty and social exclusion in Poland resulting from *Europe 2020 strategy*. ESF measures will allow social integration and professional activation of people who are excluded or at risk of exclusion.

In view of the assumed ERDF and ESF intervention under TO 9, the development challenges and objectives have been described as combined, thus substantiating coherent and complementary intervention and its assumed results. Due to the scope and logic of assigning interventions to specific investment priorities in the framework of the regulations, the potential scope of interventions under certain IPs is not disjunctive, thus providing Managing Authorities with the opportunity to concentrate the scope of interventions on selected priorities, in accordance with the diagnosis of needs, without prejudice to the scope of potential intervention. The division of intervention between the ERDF and the ESF resulting from the description constitutes a direction/framework. Specific decisions as to the interventions under individual funds will be made in individual operational programmes using adequate mechanisms for the coordination and consistency of support.

Better access to public services will be achieved by support from the ESF and the ERDF. In the case of infrastructural investments, access to establishments which provide specialised services in the area of diseases that cause social and professional exclusion will be improved.

The intervention under the EAFRD will contribute to local development in rural areas, in particular through the implementation of local development strategies, support for operations in the field of renewal of rural areas, as well as the development of basic services in rural areas. Support of basic services will cover the development of water supply and wastewater removal infrastructure in gminas not included in agglomerations whose population exceeds 2,000 p.e. and development of local roads connecting settlement units with nearby urban centres, thus preventing the processes of permanent marginalisation of their residents.

Thematic Objective 10. Investing in education, training and vocational training for acquiring skills and lifelong learning

○ **Links with the objectives of Europe 2020 strategy and national strategic documents**

Increasing the level of skills and competences, enhancing access to different forms of lifelong learning and increasing the labour market relevance of education and training systems remain the most important challenges for Poland. These challenges correspond with individual assessments and recommendation of the EU Council on the implementation of Europe 2020 strategy in Poland and with results of monitoring of strategic European cooperation framework in the field of education and training, as well as with diagnoses contained in country strategy papers. It is the quality of the human and social capital, including better competences, that constitutes the foundation for smart, sustainable growth based on social cohesion understood as one of priorities of Europe 2020 strategy. Education plays a key role in the process of shaping the quality of human and social capital and support from European funds provided at national and regional level in 2014–2020 will aim at strengthening it.

Activities in the field of education are in line with the Council Recommendations on increasing pre-primary education availability, improving the quality of education and strengthening its ties with the labour market. These activities are also in line with EU flagship initiative *Youth on the Move, A project for new skills and jobs* and the *European Digital Agenda*.

The proposal for solving the issue of mismatch between education and the labour market remains in line with recommendations presented in the National Development Strategy 2020 focusing mainly on increasing soft competences and practical skills of young people, as well as on the system of career guidance and structural changes in the education system. The strategy also emphasises the key importance of raising the level of higher education in the field of educating future specialists and the importance of increasing the level of participation in life-long learning and improving the quality of human capital in the country. At national level, the Human Capital Development Strategy is the leading strategy paper for the indicated intervention areas.

In line with diagnosed reasons behind the mismatch between the structure of education and the needs of the labour market, interventions carried out in 2014–2020 are meant to improve the capacity of the education system in the field of shaping relevant competences, including interpersonal and social skills, whose deficiency on the labour market is strongly visible, as well as key competences, whose unequal distribution among the population of pupils, students and adults currently has a negative impact on the level of participation of adult Poles in learning. Activities will focus on improving the quality, accessibility, effectiveness and innovativeness of good education at all stages of educational process, taking into account achievements and good practices which have been developed and tested during previous programming periods, ensuring complementarity of support at national and regional level, including priorities, results of research and evaluation and diverse needs of the stakeholders of the system.

The effectiveness of the entire education system depends on the effectiveness of individual schools and learning providers and on their ability to respond to individual needs of every student and to cooperate with the environment, in which they function.

○ **Objectives and priorities of intervention under TO10**

Specific objective of the PA in this case is to achieve **enhanced competence of the economy sector staff**. Interventions with a view to achieving the objective will focus on the following priorities:

- Enhancing the relationship between the education system and the skills of graduates with labour market needs:
 - Developing cooperation of schools, educational establishments and universities with their environment, especially employers,
 - Improving vocational education model and promoting vocational training,
 - Increasing the number of students in the fields of study significant for the economy on the basis of analyses and evaluations,
 - Implement the National Qualifications System,
 - Increasing the number of adults participating in education and training and improving the quality of adult education.
- Better access to high quality education services for groups with special needs:
 - Increasing the number of students achieving highest educational results,
 - Increasing the number of children with special educational needs covered by support at a given stage of the education process,

- Increasing the percentage of children (aged 3-4) attending pre-primary education.

In addition, supplementarily to priorities presented above, the following support activities will be carried out:

- Improving the quality of education (including improvement of the quality, effectiveness and innovativeness of education):
 - Improving curricula at all education stages,
 - Improving education conditions, in particular in schools and universities,
 - Improving the quality of school and university teaching staff, as well as of the staff supporting and organising the teaching process,
 - Improving the system of managing school and university education.

The above-mentioned priorities and support activities will be carried out under all investment priorities of TO 10.

- **Scope and main principles of intervention**

In light of challenges facing education in Poland, cohesion policy funds in the area of education in 2014–2020 will be used mainly to support the development of skills required on the labour market and to support adult education. Activities for social cohesion and equal opportunities, that is e.g. **early childhood education** carried out also in institutions located in rural areas, which aside from functioning as centres of social activity for the local community also provide services in the field of education. High quality of school education and higher education, which constitutes a necessary prerequisite for ensuring solid general education (including the so-called key competences), as well as good preparation for functioning on the labour market (employment or individual economic activity), which is inseparably linked with readiness to continually acquire skills, increase knowledge and develop competences is appreciated. It is important to concentrate relevant activities on better adjusting higher education to the needs of the labour market, in particular by focusing on the practical aspect of education and close cooperation with employers in this field. Decisive improvement of the quality of education, especially with regard to development of key competences, constitutes a requirement for enhancing competence of the economy sector staff.

Priority areas of support in the field of education in 2014–2020 will cover **support for higher and vocational education**. The above-mentioned concentration of support will focus on these areas; supplementary, additional support for general education, limited to the development of key competences on the labour market (ICT, mathematics and natural sciences, foreign languages), experimental education and development of desirable attitudes (creativity, innovativeness, team work), which constitute the foundation for further development of competences and skills in the scope of life-long learning and ability to function effectively on the labour market, will be also provided. Therefore support for general education will focus exclusively on issues important from the point of view of future employability.

Enhancing the relationship between the education system and the skills of graduates with labour market needs is necessary in light of the current situation on the labour market, as witnessed by growing unemployment among young people, despite one of the highest enrolment rates in Europe. Aside from the impact of the economic slowdown on the employment capacity of enterprises, the results of employers' studies indicate that the graduates lack the necessary skills and attitudes¹⁷⁰. This situation is not caused by young peoples' deficiencies, but rather is a consequence of "*a systemic mismatch – discrepancy between the education sector and the labour market, which have different expectations and which do not provide appropriate support*"¹⁷¹. This situation is a consequence of both the quality of education (mismatch between learning programmes, deficits in school equipment and poor quality of teaching staff), as well as insufficient cooperation of schools and universities with the employers and their environment.

The EU Skills Panorama portal, which was created from the European Commission initiative and which contains quantitative and qualitative information about the demand for skills in the short- and mid-term perspective, as well as information about the skills available on the labour market and skill mismatch will constitute a useful tool in the context of linking the education system with the labour market. Information are developed on the basis of data and forecasts collected at EU level and by individual Member States. The portal is meant to indicate those professions, which develop in the most dynamic way, and those which are problematic and which are characterised by the largest number of vacancies. European Vacancy and Recruitment Report serves as one of the sources of information for EU Skills Panorama portal. The report is prepared once every two years. It contains, *inter alia*, information related to

¹⁷⁰ Cf. *Discrimination in recruitment? Sex and other determinants of lower market opportunities of Poles, Report from employer surveys (Dyskryminacja w procesie rekrutacji? Płeć i inne determinant zaniżonych szans rynkowych Polaków, Raport z badań pracodawców)* – vol. 8, M. Frączek, J. Górniak (ed.), M. Jelonek, K. Keler, S. Krupnik, N. Lariusz, S. Mazur (ed.), B. Worek (2010h), Pracodawcy RP, Warsaw.

¹⁷¹ The last call. How to revive Polish education? (Ostatni dzwonek. Jak ożywić polską edukację?) E. Bendyk, <http://www.polityka.pl/spoleczenstwo/artykuly/1546773,1,jak-ozywic-polska-edukacje.read#ixzz2ZJ5RiQJY>, 25.06.2013.

individual sectors and professions, as well as information about needs connected with skills. Such tools will be useful for preparing forecasts concerning the key areas and issues, which should support in particular education process and higher education. At national level, forecasts in the field of demand for specific professions and education profiles on the labour market will be based on country-wide studies and analyses, as well as regional forecasts prepared *inter alia* by regional labour market observatories. Such studies serve as a basis for defining key directions of intervention. At the same time, from the point of view of interventions in the field of education, it is important not only to predict the demand for graduates in particular areas/fields, but also to monitor their post-graduate professional career. Intervention targeting the area of vocational training and higher education will include the above-mentioned monitoring activities.

In 2014–2020 ESF activities in the field of **education system management** will focus on the development of cooperation between schools and education institutions and universities and their environment, especially with the employers and labour market institutions. Inclusion of employers in the process of vocational training and examination at central, regional and local level has a strategic (inclusion in the system for the identification of qualification and professional needs and participation in the development of educational offer) and practical (greater involvement in the preparation of teaching programmes, organising practical education activities for students and vocational courses) dimension. Employers will also take part in the process of modernising the content and methods of education and training, as well as in identifying and projecting the qualification and professional needs on the labour market.

Undertaken activities will also focus on **upgrading teachers' skills** in cooperation with universities and the labour market (e.g. teacher placements in companies), as well as on developing interpersonal and social skills, improving the ability to use modern information and communication technologies and methods of scientific experimentation in education, as well as providing psychological and pedagogical diagnostic tools and methods of individualised approach to students. The intervention should provide teachers (especially secondary vocational education teachers) with an opportunity to update their knowledge through direct contact with real workplace environment. This should be achieved by expanding the offer of traineeships and placements for teachers in enterprises, launching post-graduate studies and organising cascade training for teachers.

Activities aiming at increasing teachers' participation in the process of education, examination and vocational skills certification will be funded under the ESF at both the national and the regional level. Modernisation of vocational training curriculum planned to be carried out at national level has one primary goal – to involve employees' representatives in systemic activities aiming at ensuring that the labour market demand for jointly identified competences and qualifications will be included in the vocational training offer, and thus will contribute to reducing the mismatch between graduates' competences. It is necessary to ensure that all graduates of vocational schools possess relevant qualifications certified by means of passed exams. On the other hand regional programmes will provide an opportunity for carrying out a joint review of educational and training curriculum of schools and institutions together with employers, making it possible to effectively manage such curriculum by launching education and training programmes focusing on those professions, for which the level of demand on the labour market is highest. Activities carried out under the national programme will focus on establishing dialogue with the employers, inspiring the employers to take part in the education and examining process and in providing career guidance services in schools, disseminating good practices in this area and preparing guidelines for schools in the field of establishing and maintain an active cooperation with employers from different sectors, as well as monitoring the development of such cooperation. Development of cooperation between schools and their environment at regional level will include cooperation with employers, labour market institutions and universities. Co-financing of education costs borne as a result of employing a trainee will constitute an incentive for employers to increase their participation in organising traineeships and placements. Placement scholarships will serve as an incentive for students. Support is meant to cover especially those vocational school students, who are not juvenile workers and who do not participate in vocational training organised by the employer. This applies in particular to 40% of technical and vocational lower secondary schools students (60% of students of such schools are also juvenile workers) and to technical schools students, who should be the primary focus of support in this area. Supplementary activities will include preparing vocational schools for the provision of high quality educational and professional guidance as a follow-up to initial activities undertaken under OP HC in 2007–2013, i.e. developing diagnostic tools and methodological materials supporting the process of identifying the students' predispositions and interests.

Increasing the capacity of vocational schools through infrastructural investments is necessary in this context, as the results of studies on the functioning of the vocational education system in Poland point to the low quality of technical and didactic base of vocational education in Poland, as well as outdated facilities and equipment of workshops used for the purposes of practical vocational training. Shortage of modern equipment has a negative impact on the educational offer, the didactic process and the quality of education in such institutions. In response to expectations of potential employers and students of vocational schools it is necessary to create conditions similar to those existing in the real workplace environment in terms of equipment, workshop design, etc. Intervention aiming at supporting

vocational education will be based on the use of current infrastructure (building complexes, workshop halls), which has to be adapted in order to simulate conditions similar to those existing in the real workplace. Activities aiming at improving the infrastructure of vocational schools will be carried out in cooperation with employers in order to ensure that educational conditions correspond with market needs to the greatest extent possible and that they will lead to the education of high class specialists sought after on the labour market. Support in this area will be provided by taking into account the tools and didactic materials facilitating the modernisation of vocational training, including tools for equipping school workshops developed by the National Centre for Supporting Vocational and Continuing Education under OP HC projects.

ESF will be used to cover, aside from the so-called soft measures, investment expenditure for equipment/retrofitting activities borne under a comprehensive project, in line with ESF eligibility rules. Investment activities implemented on a larger scale, complementarily to ESF activities, will be financed under ERDF.

The demands of Polish economy in the field of education and skills, as well as tendencies observed on the European and global labour markets, constantly raise the requirements set before **higher education institutions** in terms of competences and qualifications of the graduates of Polish universities. At the same time demographic changes force the universities to re-define resources and competences. As a result, activities aiming at strengthening the competitiveness of Polish universities on the basis of the quality of education (ESF) are carried out. The adopted method of carrying out interventions at national level will constitute one of the factors having an impact on increasing competition between Polish universities. Ensuring equal and competitive access to financing will contribute to supporting those undertakings of universities, which are characterised by best quality, and as a result will help to identify those academic centres in the country, which play the leading role in terms of didactics. Such entities will have a significant impact on improving the competitiveness of higher education in Poland at international level in the future. Support for activities carried out by universities also takes into account the need for internationalisation (e.g. in response to: the need to adapt the activity of Polish universities to increasing number of foreigners studying in Poland; the need to increase the number of foreign students due to negative demographic trends observed in Poland and the need to support international mobility of the Polish academia, which still remains at an unsatisfactory level), expansion of previous activity on recipients outside of academic society, participation in life-long learning (e.g. by developing an offer of shorter forms of education) and ensuring that universities take part in initiatives aiming at increasing competitiveness of the economy at national and local level. In order to ensure effective implementation of the above-mentioned activities, an intervention supporting management systems in higher education sector will have to be carried out. Furthermore, strengthening of management processes is justified in light of observed demographic changes, which in the near future will make it necessary to carry out e.g. consolidation of universities.

Intensification of actions (ESF) to support the opening of universities to changes taking place in their environment, especially in the field of **linking higher education with the needs of the economy, labour market and society**, is justified. Cooperation between universities and employers will be supported not only during the implementation of the education process, but also during its development. Practical aspects related to higher education will be implemented primarily by developing curricula in cooperation with employers. Implementation of didactic processes at universities will be carried out in cooperation with practitioners outside of the university, while cooperation with employers in the field of organising high quality traineeships and placements for students will be especially promoted. Changes to curricula will include measures aiming at equipping students with key, from the point of view of employers' expectations, competences for future work. Activities related to provision of career guidance services for students and mediation in student – employer relations, which make it easier to start economic activity, will also be undertaken.

Development of technology, low-carbon economy, development of the creative industry and the demand for people with specialist qualifications in other fields makes it necessary to promote the development of students and PhD students in the areas of key importance for the economy and the development of the country or a given region, including smart specialisations. Training of healthcare professionals constitutes another area requiring specific intervention. Carrying out the state intervention in order to train a sufficient number of adequately educated healthcare professionals in order to ensure an adequate level and accessibility of healthcare for all citizens, regardless of their place of residence or the type of illness from which they suffer is a matter of public interest. The medical staff in Poland is characterised by a low, in comparison to the European average, number of individual groups of medical professions per 1,000 inhabitants. It is justified to allocate additional funds for interventions aiming at improving the quality and effectiveness of educational programmes and increasing the number of medical students, who will afterwards work as healthcare professionals, also by implementing mechanisms aiming at eliminating the so-called "generation gap" in certain specialisations, demographic trends observed in Poland and migration of young practitioners. Activities supporting the improvement of vocational skills of medical staff and activities aiming at increasing the number of medical practitioners will directly contribute to improving the quality and accessibility of services provided by such practitioners. Therefore, they are consistent with the intervention carried out under TO 9 and TO 8.

With regard to higher education, ESF funds can be also used to cover investment expenditure necessary to ensure effectiveness of the so-called “soft” measures, which constitute one of the elements of the comprehensive project, in line with ESF eligibility rules. ERDF support for university infrastructure will be provided exclusively for selected investments planned to be implemented in relation to directions/activities resulting from smart specializations and/or regional development strategy of a given region and in response to identified deficiencies in this regard, based on relevant analyses.

The phenomenon of significant decrease of learning activity among people after 24 years of age became widespread in Poland. Low **education activity of adults** is accompanied by low level of key and professional competences, especially among people in the second half of a typical professional career, as well as among elderly and disadvantaged people. This makes it impossible for them to fully participate in the economic and social life, and in many cases imposes additional burden on other economically active persons and on the state welfare system due to the need to support dependent persons. Taking into account the constant ageing of the population, it is necessary to propose solutions aiming at increasing the possibility of maintaining and extending the period of economic and social activity of adults.

In order to improve their situation on the labour market, it is not enough to offer them standard training enhancing their vocational skills. Due to the low level of key competences of such persons, there is a high risk that training would not produce intended results. Therefore, it is important to prepare (ESF) educational curricula for such persons which will develop their basic skills (linguistic skills used for communication, reading literacy, skills in the field of planning and achieving objectives, mathematical and technical skills) and cross-cutting competences (learning to learn, IT, social and civic competences, entrepreneurship and ability to actively participate in culture. Two of the above-mentioned phenomena are linked – low level of key competences among a large number of adults constitutes one of the important barriers to broader participation in education, while low level of participation in education consolidates unsatisfactory level of adults’ competences.

In light of the above, activities aiming at strengthening the process of raising key competences in line with the current approach to adult learning, where teachers are moving away from treating adults like pupils in traditional schools, will be carried out at regional level (ESF). These criteria include, *inter alia*, responding to observed needs of adults in the field of raising competences and qualifications, including applying methods of identifying persons with low level of key competences, using different, also active, forms of participants’ recruitment, comprehensive, implementing a comprehensive, integrated approach to services for people in need of support, integrating education curricula in order to improve key competences and combine them with education and career guidance, focusing on learning outcomes, including integration with procedures for recognition of previous experience, proving a possibility to gather educational achievements – modular approach to adult learning, ensuring organisational flexibility of education curricula, combining education with practice, including professional career and civic involvement, taking into account the shaping of key competences in offers related to professional education or the needs of the civic society, developing forms of mutual transfer of knowledge and skills among the adults, including education curricula within the quality assessment and result monitoring systems. Examples of education curricula fulfilling the above-mentioned criteria include: adult training in the field of developing key competences, including training integrated within multi-scope support of particular categories of adults, combined with forms of education and career guidance and mentoring in the framework of professional and specialist training and voluntary training in the framework of e-learning. Actions in the field of adult learning will also cover the expansion of vocational training courses carried out in cooperation with employers by organising traditional out-of-school forms of continuous education (e.g. competence-raising professional courses and courses focusing on vocational skills). The above-mentioned activities cover also the so-called poor employed.

Solutions aiming at establishing and granting qualifications and ensuring their quality provided for under the national qualifications system will contribute to adjusting employees’ competences to the needs of the labour market. Poland, similarly to many European countries, started to implement Recommendations of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework, and therefore undertook to modernise the national qualifications system and to create the common reference framework in line with European standards. Within projects implemented under OP HC proposals of solutions concerning the most important elements of the Integrated Qualifications System were developed, i.e. the Integrated Qualifications Register, Polish Qualifications Framework, validation system, quality assurance system and achievement accumulation and transfer system. The Polish Qualifications Framework model and assumptions concerning the qualifications register and other elements of the system were presented in the *Reference Report*, which was submitted to the European Commission after being adopted by the Committee for European Affairs. Proposals of substantive solutions concerning future legislation which will regulate the functioning of the Integrated Qualifications System are developed under OP HC projects. Legislative work is meant to be carried out near the end of 2015. Pursuant to the draft Act qualifications obtained within education and higher education systems will be entered in the Integrated Qualifications Register, and other qualifications obtained under other commonly applicable provisions, including “market” qualifications, will be

gradually entered into the Register at a later date. In 2014–2020 funds should be allocated to supporting the functioning of the Integrated Qualifications Register and its experts' base. Development of external qualifications quality assurance institutions is necessary in order to achieve all intended results of the qualification system modernisation. Institutions validating competences obtained in the framework of non-formal education and informal training should also be developed, which is particularly important for ensuring that “market” competences will be efficiently entered in the Register. It is also key to ensure that all proposed changes are approved by the most important stakeholders, i.e. employers and employees, therefore during the initial years in which the proposed solutions will remain in force it is important to continue dissemination activities, including activities making it easier for the system stakeholders to use its solutions in the field of developing and reporting qualifications. In order to make it easier for the employers to use implemented solutions it is also important to establish Qualifications Framework for individual sectors. Sectoral framework will be created in cooperation with sectoral Councils for Skills and Competences composed of employers' representatives.

Undertakings aiming at **improving the curricula** will focus on adjusting it to the changing economy and the needs of the labour market. On the other hand, support for changes in management systems will be provided exclusively for the purposes of introducing changes in the education system. Such activities will be carried out only at national level and will be supplementary to support for vocational and general education (limited to issues described in the PA), while the amount of allocation will not be significantly reduced in comparison to total TO10 allocation.

The **quality of teaching staff** constitutes a key element for the development of the quality of education system. Teachers' attitude and knowledge are regarded as the factors which have the greatest impact on learning outcomes and which most fully respond to the needs of the labour market. At the same time, taking into account the experiences from the implementation of teacher support programmes in 2007–2013, support in 2014–2020 will focus on deficit areas and on aspect important for areas supported under the ESF. Better quality and availability of education will be achieved *inter alia* by supplementing the teachers' competences in the field of developing interpersonal and social skills, using modern information and communication technologies, applying the methods of scientific experiment in education, as well as providing psychological and pedagogic diagnostic tools and methods of individualised approach to students. Activities aiming at raising qualifications and skills of educational system staff other than teachers, i.e. employees of education inspection services, bodies running educational establishments, teachers' trainers, etc., which are of key importance from the point of view of national education policy objectives, will be carried out at national level. On the other hand, support for teachers in the form of training and advanced vocational training as a means to improve the functioning of schools will be supported at regional level.

Removal of barriers limiting the accessibility of good quality education for children and youth from disadvantaged environments **and reduction of percentage of disabled students attending special needs schools** outside of their living environment still remains a challenge. Undertakings aiming at personalising the approach to students, also by supporting education system units in working with students with special education needs, including disabled students and students at risk of dropping out of school, including social activity centres in disadvantaged areas which also fulfil educational functions, will contribute to the achievement of this objective. Such activities will be supported under TO 9, where the scope of support covers also people outside of the education system.

As indicated in the diagnosis, there is still a need to **invest in competences and skills related to the use of modern information and communication technologies**, especially among children and youth. Governmental programme for the development of students' and teachers' competences related to the use of information and communication technologies (ICT) – “Digital school” implemented from 3 April 2012 to 31 August 2013 was a pilot project aiming at developing a model which would ensure an effective integration of ICT with learning and teaching processes. In 2014–2020 European funds will be used to continue activities implemented under the “Digital School” governmental programme for the development of students' competences in using ICT. The following components will be implemented under the “Digital school”: providing schools with additional equipment for children and youth, including modern teaching aids for special needs schools, especially mobile computer equipment compliant with the standard established under “Digital school” programme; developing teachers' digital competences, including developing their ability to use modern technologies in teaching on any subject through training adjusted to their individual needs and skills in the field of information and communication technologies and providing teachers with methodological and didactic materials to be used during lessons. There are also plans to develop and implement solutions supporting the use of modern technologies in teaching all subjects, also by developing the selection of open, electronic education resources (“e-resources”). Activities aiming at raising digital competences and the ability to use digital resources and modern technologies by the education management personnel, experts and training staff which will then train teachers in the field of using information and communication technologies in the education process.

Improving the quality of education at all stages of the process of education requires constant investment in physical base – in particular in its modernisation for the purpose of fulfilling the needs resulting from the requirements of modern didactics and the expectations set before it, and, in justified cases, also its extension. Equipping school laboratories, especially mathematics and natural sciences laboratories in primary, lower secondary and higher

secondary schools with modern tools and didactic materials or providing such laboratories with additional equipment will contribute to increasing the students' interest in natural sciences and will make it more probable for them to choose an educational path related to science, and in the longer perspective will translate into larger number of university students in this field of study.

Activities financed under the ERDF aiming at satisfying important infrastructural needs of education institutions will also contribute to improving the quality of learning conditions. This concerns *inter alia* necessary infrastructure having an impact on students' physical fitness. Activities related to the construction of new infrastructure have to take into account the demographic conditions existing in a given area.

The above-mentioned interventions will be supplemented with support for the development of didactic services provided by institutions responsible for promoting science and innovation among learners.

Activities for social cohesion and level playing field, e.g. activities in the field of **early education** of children carried out also in institutions situated in rural areas which provide education services in addition to fulfilling the role of social activity centres, will be also carried out.

Reduction of barriers in access to good quality **pre-school education**, including reduction of disproportions in its popularisation, remains a challenge in Poland. Evaluation studies¹⁷² carried out in 2012 has proven the sustainability of pre-school education centres financed under the ESF and their impact on improving the education offer. Support from the ESF has changed the existing pre-school education centres in many ways – most importantly, it contributed to the development of the didactic basis, as well as the physical basis, and supplemented the curriculum with additional classes and constant specialist supervision. The government, acknowledging the tremendous impact of early education on child development, included not only popularisation of pre-school education, but also improvement of its quality among its priorities already several years ago. Targeted subsidy from the state budget provided to gminas since 1 September 2013 serves as the source of funding for the development of pre-school education and for increasing the number of pre-school institutions and improving the quality and conditions of pre-school education. Support for pre-school education provided under the ESF will be complementary to activities undertaken by the government. Activities aiming at strengthening the role of pre-school education, including activities aiming at reducing disproportions in popularisation of pre-school education in less developed areas, including rural areas, and activities supporting the availability of pre-school education in urban areas, including in agglomerations, will be continued in 2014–2020. Such activities make it possible to increase social competences of children and to provide them with an early start in the education system, in addition to having a direct impact on the situation of women on the labour market. Those activities take into account demographic forecasts for the coming years in order to adequately satisfy the demand by using appropriate amount of funding.

Activities in the field of pre-school education financed under the ERDF will have a supplementary nature. Infrastructural support will focus on the creation of additional capacity in pre-schools and other types of pre-school education institutions, especially on the areas characterised by limited access to pre-school education. As in the case of schools and education institutions infrastructure such activities (especially those focusing on building new infrastructure) have to take into account the demographic tendencies observed on a given area; therefore, it is necessary to determine territorial deficiencies in the access to pre-school institutions.

Due to proposed ERDF and ESF intervention under TO 10, the nature of the division of interventions between the ERDF and the ESF presented below is directional. Specific decisions as to the interventions under individual funds will be made in individual operational programmes using adequate mechanisms for the coordination and consistency of support. Due the scope and logic of assigning interventions to specific investment priorities in the framework of the regulations, the potential scope of interventions under certain IPs is not disjunctive, thus providing Managing Authorities with the opportunity to concentrate the scope of interventions on selected priorities, in accordance with the diagnosis of needs, without prejudice to the scope of potential intervention. The final decision about using a particular fund for the purpose of implementing a given project will depend on its substantive scope and expenditure structure.

Basic TO 10 implementation rules:

- implemented undertakings are complementary with support provided under sectoral funds and programmes concerning education policy,
- during design and implementation of support it is necessary to take into account previously developed solutions and tools in order to ensure that undertaken actions lead to cohesion and effectiveness of support,

¹⁷² Evaluation study "Assessment of preschool institutions created or supported from the ESF funds under Submeasure 9.1.1 of OP HC" ("Ocena ośrodków wychowania przedszkolnego, utworzonych lub wspartych ze środków finansowych EFS w ramach Poddziałania 9.1.1 PO KL") – final report. 10 December 2012, Ministry of Regional Development.

- increased focus on schools and education institutions in areas characterised by largest needs in terms of education is necessary in light of intraregional diversification and the need to ensure greater socio-economic cohesion,
- due to the diversity of the needs of various target groups, in order to ensure effectiveness of support the undertaken interventions have to be individualised, comprehensive and long-term,
- the system for the distribution of funds intended for education and training of adults should be based on the demand approach,
- infrastructural support funded from the ERDF may be provided in order to supplement actions implemented under the ESF, which are necessary to achieve the objectives relating to TO 10, Actions will take into account the regional specificity and will take into account identified deficiencies and needs, referring to the principles specified in the relevant national policies in order to ensure synergy and cohesion of intervention and taking into account long-term conditions, including demographic and economic factors,
- all activities related to the improvement of education conditions will take into account the need to adjust infrastructure and equipment to the needs of disabled persons.

○ **Link with intervention under other thematic objectives and sectoral policies**

Actions related to education strongly correspond with the part of interventions for employment (TO 8) in the field of continuous education and with intervention for social cohesion (TO 9) focusing on ensuring a level playing field in the area of education among disadvantaged groups. In addition, support for medical staff will supplement the intervention under TO 9 for increasing availability and quality of health services (carried out in line with guidelines presented in Policy Paper for the protection of health) implemented from the ESF and ERDF funds. Implemented actions aiming at preparing modern didactic materials for the purpose of developing digital skills will have an impact on the quality of education (TO 2). Support for the development of workers' competences and future labour force provided under TO 10 will serve as a basis for the intervention provided for under TO 3 and TO 1, ensuring that labour forces are better adjusted to the needs of the economy.

Actions in the area of education are financed from both national and EU public funds. Therefore, it is necessary to ensure coordination between individual instruments so that interventions complement each other. Complementarity of interventions under TO 10 (including in particular international mobility programmes compliant with Erasmus+ rules) with Lifelong Learning Programme, Leonardo da Vinci project and Erasmus programme will constitute an important area subject to coordination. Complementarity of these actions will be ensured by implementing some of the undertakings under the above programmes in the framework of the national ESF programme.

Funds from the **EAFRD** (RDP) will be used for the promotion of lifelong learning and vocational training in the agricultural and forestry sectors. Training aid has a particularly strong impact on the development of agricultural and forestry sectors in Poland due to the generally low level of education of the rural population. EAFRD support will aim at ensuring that people working in the agricultural and forestry sector will have an opportunity to expand their knowledge and participate in comprehensive vocational training programmes covering issues related to organisation of agricultural and forest production, application of innovative solutions in the area of agriculture and forestry, as well as issues related to broadly understood environment. Support from EAFRD will also cover institutions located in rural areas, which fulfil the educational functions in addition to functioning as centres of social activity.

○ **Division of interventions between the national and the regional level**

Actions will be implemented mainly under **ESF**. At national level, actions aiming at improving the education policy framework, higher education (including support for individuals) and lifelong learning will be implemented.

At regional level, support focuses on individuals participating in the process of education who wish to enhance their qualifications (from pre-school education to university education and to continuing formal and non-formal education), and on schools and education institutions, their students and teachers. Actions financed under **EAFRD** will be implemented exclusively at regional level.

○ **Funds and programmes implementing TO10**

Operational Programme	Fund
OP KED	ESF
ROP	ESF, ERDF
RDP	EAFRD

- **Results of interventions under the funds**

Due to proposed ERDF and ESF intervention under TO 10, the nature of the division of interventions between the ERDF and the ESF presented below is directional. Specific decisions as to the interventions under individual funds – and therefore also their effects – will be made under individual operational programmes using adequate mechanisms for the coordination and consistency of support. Due the scope and logic of assigning interventions to specific investment priorities in the framework of the regulations, the potential scope of interventions under certain IPs is not disjunctive, thus providing Managing Authorities with the opportunity to concentrate the scope of interventions on selected priorities, in accordance with the diagnosis of needs, without prejudice to the scope of potential intervention. The final decision about using a particular fund for the purpose of implementing a given project will depend on its substantive scope and expenditure structure.

Implementation of support under TO 10 will have an impact on improving the quality of education at all levels, adjusting the educational offer to the needs of the labour market, as well as on improving access to high quality education services. Owing to **ESF** interventions, people entering and functioning on the labour market will have the skills which correspond with the demands of entrepreneurs to a larger extent. **ERDF** intervention will contribute to strengthening the educational infrastructure.

Intervention under EAFRD will contribute to increasing farmers' knowledge about conducting agricultural activity through the implementation of instruments in the field of knowledge transfer.

Thematic Objective 11. Enhancing institutional capacity of public institutions and stakeholders and efficiency of public administration

○ *Links with the objectives of Europe 2020 strategy and national strategic documents*

Interventions planned under TO 11 result from strategic national documents: NDS 2020, the Efficient State Strategy or the Strategy for Innovation and Efficiency of the Economy.

The intervention planned under TO 11 is compliant with the recommendations in the Europe 2020 strategy on the need to continue the smart regulation programme and convergent with the Better/Smart Regulation initiative implemented by the European Commission with regard to the EU law, thus responding to the OECD recommendations on regulatory quality and performance.

An efficient, responsible, open and citizen-friendly state is essential for promoting development opportunities of the country. Therefore, the national programme under the ESF will include actions to support the state in enacting and enforcement of the law and in providing administrative services, with the priority given to intervention focusing in particular on those tools and policies which have the largest impact on effectiveness of management, competitiveness and development of enterprises.

Pursuant to the Council Recommendations, further actions will be taken to improve business environment and, as a result of recommendations from the Position Paper, intervention under TO 11 will focus inter alia on improvement of regulation quality and improvement of access to the judiciary, as well as on improvement of efficiency and quality of the judiciary.

○ *Objectives and priorities of intervention under TO 11*

Specific objective of the Partnership Agreement TO 11 is to **improve administrative and legal conditions for development of the economy, including in particular for enterprise development.**

Undertakings in this area will be implemented according to the following priorities (IP 11i.):

- Improving the law in force by reducing red tape, deregulation, etc.;
- Improvement of the legislative process through:
 - Better use of regulatory impact assessment tools (e.g. regulatory impact assessment, ex-ante and ex-post evaluation);
 - Greater involvement of stakeholders (socio-economic partners) in the legislative process;
 - Providing better information about the existing, amended and enacted law;
- Improving the access and the efficiency of the justice system in civil law and economic cases;
 - Improving the management and communication processes in the judiciary and prosecutors' offices;
 - Improving the quality of decisions issued and increasing the efficiency of their enforcement;
- Improving the quality of services provided by public administration:
 - Increasing the quality of administration services important from the point of view of economic activity, including shortening of time for issuing decisions and improving their quality, reducing costs of obtaining decisions by enterprises;
- Improving the quality of spatial planning and improving the investment and construction process.

○ *Scope and main principles of intervention*

In Poland, the major factors restricting development of entrepreneurship and competitiveness of the economy are administrative and legal barriers. They result both from unsatisfactory quality of legislation, including imprecise formulation of regulations which allows for their different interpretation, and frequent changes of the law, as well as from low efficiency of its enforcement which undermines the trust of entrepreneurs and citizens in the state and significantly increases the risk and costs of economic activity.

The quality of legal environment translates into competitiveness of economic operators. This is evidenced by the cost of administrative burden imposed on entrepreneurs which has been estimated at 2.9% of GDP for Poland. Therefore, TO 11 reaches out to the expectations of the EC pointing to the need to improve the quality of regulation (both the law and the legislative process) to further reduce administrative burden.

Comprehensive **improvement of the existing law and ensuring high quality of regulations** constitute one of the main areas of intervention under TO 11.

Particular attention will be paid to improving the system of evaluation of the expected effects of implemented regulations, including their financial, economic and social effects. It will be particularly important to ensure systematic monitoring and evaluation of the functioning of the law and to reduce inconsistent enforcement of regulations. All the above actions for improving the quality of the law and reducing administrative burden will allow to limit the grey market, increase employment and tax revenues in the long term. **Modern tools of public debate in the legislative process** will also be developed. In order to increase participation in the debate, support will be provided for building the platform of cooperation between public administration and socio-economic partners. The effect of support in this area will be the contribution of TO 11 to the improvement of Poland's position in the regulatory quality ranking of the World Bank. The effects of support within the framework of regulatory reform will be measured by the number of enterprises participating in public consultation, the number of comments submitted by enterprises and the number of comments taken into account by the public partners.

Law enforcement by the judiciary and administration also requires improvement to increase certainty of economic transactions and protect the interests of entrepreneurs and citizens. Dynamic development of the economy is accompanied by an increase in the number of economic cases. With the lengthy proceedings resulting from imprecise regulations and limited human resources, this often leads to deterioration of the situation of entrepreneurs pursuing their claims in courts. Apart from the abovementioned actions aimed at improving the quality of legislation, **the judiciary must be reformed to implement modern management systems and improve competences of personnel**, in particular with regard to the principles of the modern economy. Actions planned in this area under TO 11 supplement the introduced legislative changes. Planned interventions aimed at establishing an appropriate structure of the judiciary and at rational distribution of human resources, development of the system for amicable resolution of disputes, development of joint services centres for the judiciary or development of the competences of personnel of courts and prosecutors' offices in the area of economy, including bankruptcy and reorganisation law and contract enforcement, will contribute to improving Poland's position in terms of key aspects measured in the EU Justice Scoreboard (inter alia with regard to shortening the length of judicial proceedings, increasing the percentage of resolved cases) which will allow to increase the efficiency of the justice system. The actions may also contribute to improvement of the *rule of law* index of the World Bank.

Administrative services are an extremely important area of public administration activity, influencing the effectiveness of economic activity. Therefore, **enhancement of institutional capacity of public administration offices to provide services of key importance for entrepreneurs** is planned under TO 11. Support may be granted to all public administration institutions involved in provision of a given administrative service, regardless of the progress of administrative proceedings. This approach will ensure that 'bottlenecks' will be eliminated in the case of services provided by offices at various levels of administration.

In this context, support for actions on improving quality and efficiency of strategic management at the level of the state, regions and local governments will also be important and will strengthen public administration in the area of service provision. Support for this area will result in notable benefits *inter alia* for entrepreneurs. For example, improvement of planning (including a closer link between strategic and spatial planning) will ensure greater certainty and predictability of the investment and construction process.

In order to fulfil the Council Recommendations on the National Reform Programme, TO 11 will support institutional preparation of public administration offices to provide **more efficient and effective services related to investment and construction process**. The construction sector accounts for a significant percentage of Gross Domestic Product of Poland. Its development is determined by regulatory conditions, on the one hand, and by efficiency of administration in law application and enforcement, on the other hand. A notable result of intervention under TO 11 will be its contribution to improvement of Poland's position in the Doing Business ranking in terms of obtaining construction permits.

Another priority area in need of improvement is **activity of tax administration**. It is important not only to introduce clear tax regulations or implement electronic communications tools, but also to introduce mechanisms ensuring transparent practices of tax law application, *inter alia* in the case of fiscal regulations on work in R&D sector. Although the existing legal system offers tax incentives for research and development, enterprises often refrain from using them because of concerns about unfavourable attitudes of tax offices. Therefore, TO 11 will play an important role in effective use of fiscal instruments supporting innovative activity by entrepreneurs.

Another priority area requiring urgent intervention under the structural funds is the **public procurement system**. Expectations towards this area of administration activity are enormous, since public entities, which often are the largest customer in a given market, have the possibility to exert a positive impact on the private sector by encouraging competitiveness, promoting innovation or environmentally friendly products. Improvement in this area requires not only good regulation, but also systematic building of capacity of contracting authorities and institutions that have a direct impact on the functioning of the public procurement system, such as courts and audit institutions. Improvement is necessary in particular in applying non-price criteria of bid evaluation, innovative solutions, social issues and green public procurement. Although significant progress has been achieved with regard to green public

procurement over the last several years (increase from 4% in 2006 to 12% in 2013), its level still differs considerably from the level achieved by the countries from the so-called 'green seven' and from the level specified by the European Commission in the Communication *Public procurement for a better environment* (COM(2008)400). It should also be emphasized that TO 11 allows for actions for wider use of pre-commercial procurement procedures by contracting authorities, which will contribute to development of innovative products and services. Strengthening of the public administration sector in terms of transparency, competitiveness and objectivity of public procurement is also planned, taking into account the recommendations of the European Commission (EU Anti-corruption Report, COM(2014)38).

The final list of administrative services or areas of administration activity requiring improvement under the TO 11 funds will be defined at the operational programme level, based on the analysis of barriers to pursuing economic activity and taking into account in particular the position of entrepreneurs, as well as determinants relating to links with intervention planned under TO 2. Services provided by public administration units, which are of key importance for development of entrepreneurship, competitiveness and innovation of the economy, will be given priority in financing under the TO 11 funds.

The abovementioned intervention will be supplemented with **support for public administration in ensuring spatial order**. The current financial planning system is ineffective and has an adverse impact on financial stability of local government units. In addition, the current building regulation system is poorly correlated with the spatial planning system which, combined with the poor quality of planning acts, results in the lack of legal certainty of investors with regard to their investment projects which may be undermined in numerous administrative and court proceedings.

It must be stressed that Poland plans a comprehensive reform of spatial planning and the related investment and construction process. The changes will consist mainly in comprehensive regulation of the above issues. The Building Law Codification Commission has been established for this purpose, with its tasks being to regulate the investment and construction process to enable its rational and efficient performance, while at the same time ensuring the common good.

In this context, TO 11 will support in particular the institutional capacity of public administration units to develop, proceed on and adopt planning acts, taking into account actual demand for land and forms of its management and in relation to socio-economic strategic and operational documents. Actions will also be carried out to build the system of monitoring the changes in land development which is indispensable for rational spatial management. It is expected that as the coverage of development areas in gminas with plans increases, in line with the objectives of the National Spatial Development Concept 2030, the support under TO 11 will result in spatial planning instruments performing their essential pro-development function (creation or stimulation) and contributing to stabilisation of investment processes in the economy.

○ **Link with intervention under other thematic objectives**

Actions under TO 11 will aim at improving the quality of services provided by public administration which are important for pursuing economic activity. Intervention under TO 11 will focus on services which mostly need improvement in terms of organisation, improvement of management standards and enhancing the competences of administration employees in applying the law. E-services which require construction or improvement of various IT systems will be supported as a rule under TO 2. However, taking into account the experience from observation of effectiveness and efficiency of actions financed from the structural funds in the 2007–2013 financial perspective, support should focus on selected problem areas, maintaining the uniform sources of financing. If it proves necessary to ensure comprehensive support in the given problem area, actions contributing to organisational changes and enhancing the competences of public administration employees will be supplemented with IT-related elements. However, it must be emphasized that actions under TO 11 will not overlap with actions financed from the ERDF under TO 2.

One of key issues, which must be taken into account upon launching intervention aimed at reforming the public sector to create conditions conducive for economic activity, is the fact that legislative changes play a very significant role in this process, while the possibility to finance them from the EU funds is limited. The conditions of pursuing economic activity are largely determined by ineffective regulation, e.g. complex and excessively long procedures under the bankruptcy and reorganisation law. Improvement in this area is planned within the framework of legislative work (on 11 February 2014, the Council of Ministers adopted assumptions for the draft Act – *Restructuring Law*, which will provide the basis for drawing up the draft Act). The situation is similar with regard to the reduction of the number of professions which require obtaining appropriate qualifications and meeting the requirements specified by the law. Intervention using the TO 11 funds in such areas may only be supplementary.

Actions under TO 11 will be coordinated with programmes implemented under a variety of public policies, both national and EU.

- Division of interventions between the national and the regional level
The objective is implemented only at the national level from the ESF funds.

- ***Funds and programmes implementing TO 11***

Operational Programme	Fund
OP KED	ESF

- ***Results of interventions under the funds***

Interventions under the ESF will improve conditions for pursuing economic activity. As a result of interventions, the time for issuing and enforcement of court rulings and administrative decisions will be reduced. More rational use of the judiciary resources will improve access to courts. Legislative changes in the area of spatial planning will allow to shorten the investment process. Interventions will contribute to improvement of business environment and the quality of strategic management.

1.3.2. Expected results of fund interventions and basic strategic result indicators

The expected fund intervention results will be monitored by a three-level indicator system.

Achieving strategic objectives will be measured using a set of result indicators at the level of the Partnership Agreement (see the Table below) that sets out Polish commitments resulting from *Europe 2020 strategy* and national strategic documents, including the National Development Strategy 2020. In the process of ex ante evaluation of the Partnership Agreement, the projected progress of these indicators was estimated and verified until 2020 and 2023, as well as the influence of ESIF on the projected values.¹⁷³ The actual influence of the interventions on the perceived change will be determined during ex post evaluation of the Partnership Agreement.

At the level of operational programme priorities, specific objectives will be quantified using a limited number of result indicators, consistent with the strategic objectives set out in the Partnership Agreement.

The “System of indicators for monitoring the development policy (STRATEG),” developed and maintained by the CSO, will serve monitoring the objectives of the Partnership Agreement and other strategic documents. The system will be accessed via the websites of the CSO and of the ministry of the minister in charge of regional development. The system will be fed with data from the public statistics system and from other sources, e.g. managing authorities of operational programmes, including regional ones.

The third level that serves measuring the intervention effects under operational programmes will be a set of output and immediate result indicators, adequate to the projects, selected from the Common List of Key Indicators drafted by the minister in charge of regional development and widely consulted. The list contains indicators common at the European level (“common indicators”) set out in fund regulations. Furthermore, it is possible to establish additional indicators in order to monitor the effects of the entire operational programme. Monitoring of the effects of support under the RDP will be based on a system of indicators defined at EU level and national indicators corresponding to the specific nature of the Polish RDP. A separate list of indicators will be used for OP FISHERIES 2014–2020.

1. Table 5: Strategic result indicators at the Partnership Agreement level

TO	Indicator	Unit of measure	Baseline value	Baseline year	Source of data	Measurement interval	Intermediate value (2020)	Target value (2023)	Intervention contribution
TO 1	R&D expenditure in relation to GDP (GERD)	%	0.90	2012	CSO	annual	1.70	1.94	26%
	R&D expenditure incurred by the enterprise sector in relation to GDP	%	0.33	2012	CSO	annual	0.80	0.93	30%
TO 2	Households covered by Internet access with capacity of at least 30 Mb/s (EAC)	%	44.50	2012	Office of Electronic Communications	annual	100.0	100.0	16.5%
	The percentage of people using the Internet to contact public administration	%	22.60	2013 ¹⁷⁴	CSO/Eurostat	annual	38.70	45.60	qualitative description
CT3	Gross value added per one person working in the agricultural sector in relation to the 2012 level	PL[2012]=100	100	2012	CSO	annual	130.90	144.80	0.46%
	The rate of investment in the private sector (gross fixed capital formation in the private sector as % of GDP)	%	12.30	2012	CSO	annual	13.39	13.67	18.47%
TO 4	Primary energy use	(Mtoe)	93.3	2012	CSO/Eurostat	annual	96.0	96.00	10%
	The share of	%	11.0	2012	CSO	annual	15.50	16.00	11%

¹⁷³ The detailed approach to estimating the intermediate and target values as well as the contribution of EU interventions to the achievement of strategic result indicators has been presented in the ex ante evaluation report.

¹⁷⁴ Data from a survey conducted between Q2 of 2012 and Q1 of 2013.

TO	Indicator	Unit of measure	Baseline value	Baseline year	Source of data	Measurement interval	Intermediate value (2020)	Target value (2023)	Intervention contribution
	<i>energy from renewable sources in final gross energy consumption</i>								
	Greenhouse gas emission	(1990 = 100)	86.1	2012	National Centre for Emission Management (KOBIZE)	annual	80.70	79.68	39%
TO 5	Capacity of small damming structures	(dam3)	753624	2012	CSO/MARD	annual	818134	844836	55%
TO 6	The percentage of the population connected to wastewater treatment plants	%	68.6	2012	CSO	annual	73.10	74.70	93%
	The share of municipal waste which are not disposed of in the total mass of municipal waste	%	20	2012	CSO	annual	49.00	60.00	55%
TO 7	Interbranch transport accessibility indicator	synthetic measure	0.3281	2010	MRD	ad hoc	0.375	0.328	35%
TO 8	The rate of employment of persons aged 20-64 F/M (a), persons aged 55-64 F/M (b), in rural areas (c)	%	(a) 57.6%/72.1% (b) 31.0%/51.3% (c) 50.3%	2013	CSO	annual	(a) 62.3/79.8 (b) 34.5/64.4 (c) 53.3	(a) 63.2/80.1 (b) 37.3/64.5 (c) 54.3	(a) 5%/3.2% (b) 4.7%/1.6% (c) 6.2%
TO 9	Poverty or social exclusion risk indicator	%	26.7	2012	Eurostat	annual	20.9	19.1	6.4 %
TO 10	Adults aged 25-64 who pursue education and training	%	4.30	2013	CSO	annual	6.46	7.68	27.45%
	The percentage of children aged 3-4 who attend a kindergarten	%	59.29	2012	CSO	annual	76.76	81.20	14.32%
TO 11	Ease of doing business (rank) on the basis of Doing Business	synthetic measure	45	2014 (report with data for 2013)	World Bank	annual	42	39	qualitative description
	Indicators of the quality of governance: Governance effectiveness (a), Quality of regulations (b), Rule of law (c)	synthetic measure	(a) 71.8 (b) 78.5 (c) 72.0	2012	World Bank	annual	(a) 75.0 (b) 83.7 (c) 81.4	(a) 77.4 (b) 84.1 (c) 83.3	qualitative description

* A more detailed estimate of the intervention contribution will be possible after specifying the provisions of the operational programmes.

In addition, apart from the above indicators, monitoring of additional indicators linked with the intervention under the PA will be possible in the framework of the STRATEG system.

1.4 Financing outline

The ESIF, which Poland will be able to use in the programming period 2014–2020, come from several sources. The largest part of the allocation consists in funds from three CSF policies – the cohesion policy, the CAP and the CFP. In addition, these funds will be supplemented by programmes managed directly by the European Commission.

The programme implementation principles detailed below will not apply to programmes under Objective 2 “European Territorial Cooperation” which, due to their international character, are covered by separate provisions, a.o. on thematic concentration, set out in EU regulations.

2. Table 6: Structure of funds allocated for Common Strategic Framework implementation according to EU policies

Sources of funds involved in the implementation of the Partnership Agreement for Poland for 2014–2020			
Allocation under funds covered by the CSF			Funds from the programmes managed directly by the Commission (such as CEF)
Cohesion policy (ERDF, ESF, CF)	Common Agricultural Policy – funds allocated for II pillar – rural development (EAFRD)	Common Fisheries Policy (EMFF)	

1.4.1 Distribution of EU commitments in the framework of the PA by years

3. Table 7: Distribution of EU commitments in the framework of the PA by years

Progr amme	Fund	Total	2014	2015	2016	2017	2018	2019	2020
OP SG	ERDF	8,613,929,014	1,057,644,855	1,115,966,587	1,176,731,867	1,232,382,438	1,288,162,121	1,343,845,529	1,399,195,617
OP I&E	ERDF	4,905,881,206	599,792,331	633,900,297	669,450,994	701,947,307	734,508,563	767,000,351	799,281,363
	CF	22,507,865,679	2,736,849,595	2,902,366,345	3,074,306,616	3,226,935,618	3,374,103,853	3,527,206,757	3,666,096,895
OP KED	ESF	4,436,832,033	547,676,588	576,705,943	606,936,055	634,691,932	662,524,048	690,323,157	717,974,310
OP DP	ERDF	2,172,494,670	246,862,844	268,481,606	291,112,145	311,357,404	331,568,678	351,642,314	371,469,679
TA OP	CF	700,123,363	85,131,677	90,280,194	95,628,520	100,376,155	104,953,929	109,716,305	114,036,583
OP EP	ERDF	2,000,000,000	243,432,452	257,715,223	272,607,785	286,195,259	299,805,568	313,381,360	326,862,353
ROP	ERDF	22,521,565,345	2,760,818,108	2,914,849,539	3,075,358,258	3,222,249,195	3,369,462,811	3,516,399,341	3,662,428,093
	ESF	8,755,332,205	1,072,575,561	1,132,699,571	1,195,355,601	1,252,679,029	1,310,125,551	1,367,460,356	1,424,436,536
RDP	EAFRD	8,598,280,814	1,569,517,638	1,175,590,560	1,174,010,059	1,172,398,238	1,170,756,130	1,169,026,987	1,166,981,202
	EMFF	-							
Allocation for the Youth Employment Initiative		252,437,822	141,819,001	110,618,821	-	-	-	-	-
Total		85,464,742,151	11,062,120,650	11,179,174,686	11,631,497,900	12,141,212,575	12,645,971,252	13,156,002,457	13,648,762,631

On the basis of Article 20 of the CPR a performance reserve was established, in accordance with the data below. The rules governing the performance reserve are described in more detail in section 2.4.

4. Table 8: Performance reserve

Fund	Region category	Total EU support (EUR)	Funds excluded from performance reserve calculation		EU support being the basis for calculating the performance reserve (EUR)	Performance reserve (EUR)
			Corresponding ESF contribution for the Youth Employment Initiative	Transfers within the CAP		
ERDF	more developed regions	2,629,234,488			2,629,234,488	157,754,069
	transition regions	N/A			N/A	N/A
	less developed regions	37,584,635,747			37,584,635,747	2,255,078,145
Total ERDF					40,213,870,235	2,412,832,214
ESF	more developed regions	1,148,106,277	-		1,148,106,277	68,886,377
	transition regions	N/A	N/A		N/A	N/A
	less developed regions	12,044,057,961	252,437,822		11,791,620,139	707,497,208
Total ESF					12,939,726,416	776,383,585
CF	N/A	23,207,989,042			23,207,989,042	1,392,479,343
EAFRD	N/A	8,598,280,814		0	8,598,280,814	515,896,849
EMFF	N/A				-	-
Total (all funds)					84,959,866,507	5,097,591,991

1.4.2 The total allocation for Poland under the cohesion policy

In accordance with the provisions of the *Multiannual Financial Framework* for 2014–2020, which has been adopted by the European Parliament (EP) on 19 November 2013, the total allocation for Poland before transfers except for TA EC and innovative urban actions amounts to EUR 82,177,555,129.¹⁷⁵ As part of the above amount, Poland will receive EUR 252,437,822 for support to unemployed youth (Youth Employment Initiative –YEI). This amount will come from a special budget line for regions at NUTS 2 level, with the rate of unemployment among young people (aged 15–24) above 25% in 2012, and will not be subject to the rules for determining the maximum allocation ceiling.

The total allocation for Poland before transfers, additionally taking into account the transfer for TA EC and for innovative actions initiated by the EC in the area of sustainable development of urban areas,¹⁷⁶ is EUR 82,536,555,129.

The above allocation covers the following mandatory transfers to instruments and programmes managed directly by the European Commission:

- Transfer from the CF to the CEF (EUR 4,137,214,248);
- Transfer to the Fund for European Aid to the most Deprived – FEAD; EUR 473,359,260;
- Transfer for technical assistance on the initiative of the EC, amounting to 0.35% of the allocation (EUR 287,652,997);¹⁷⁷
- Transfer for innovative actions on the initiative of the Commission in the area of sustainable urban development (EUR 71,347,003).¹⁷⁸

The above transfers reduce the allocation available for Poland by approximately EUR 5 billion, and thus the amount available for programming under the Partnership Agreement is EUR 77,566,981,621 (Objective 1 “Investment for growth and jobs” together with YEI and Objective 2 of cohesion policy – “European Territorial Cooperation”).

Under Objective 1 of cohesion policy (“Investment for growth and jobs”), for the first time in the case of Poland the financing will cover two different types of regions: less developed and more developed (this applies to Mazowieckie Voivodeship). The fact that Mazowieckie Voivodeship no longer belongs to the category of the poorest regions will change the scope of interventions and level of financing from cohesion policy funds implemented in this area.

Therefore, the total allocation for Mazowieckie Voivodeship was calculated using the safety net mechanism and it will correspond to 60% of the “theoretical” financial envelope of Mazovia for 2007–2013, resulting from the methodology¹⁷⁹ applicable at the time, and then it was increased by moving 3% of funds under the so-called flexibility instrument. Justification of the above transfer was presented in section 1 of the PA.

The structure of the financial envelope of the cohesion policy in terms of funds was determined on the basis of the required levels of thematic concentration (ring-fencing) and the minimum ESF level.

The following table presents a detailed structure of funds available under the cohesion policy in the 2014–2020 perspective for Poland broken down by funds and categories of regions.

¹⁷⁵ All amounts stated in this section are expressed in current prices and are in accordance with the information about the amount of the allocation for Poland for 2014–2020 submitted by EC on 20 December 2013.

¹⁷⁶ The allocations for both the TA EC transfer and for innovative urban actions are estimated amounts as the EC has not provided official allocations yet.

¹⁷⁷ Estimates.

¹⁷⁸ Estimates.

¹⁷⁹ After conversion into 2011 fixed prices.

5. Table 9: Total cohesion policy allocation for Poland, its components and structure, current prices

	EUR
Total allocation for Poland prior to transfers, taking into account the estimated amounts of transfers for TA EC and innovative urban actions	82,536,555,129
Total allocation for Poland prior to transfers, except TA EC and innovative urban actions	82,177,555,129
Including additional funds within the framework of the Youth Employment Initiative (YEI)	252,437,822
Allocation for Poland (except for the Youth Employment Initiative – YEI)	81,925,117,307
Allocation for Poland after transfers (CEF, FEAD)	77,314,534,799
Objective 1 – “Investments for growth and jobs”	76,614,023,515
CF	23,207,989,042
structural funds	53,406,034,473
less developed regions	51,163,601,761
Mazovia	2,242,432,712
Objective 2 – “European Territorial Cooperation”	700,520,284
Flexibility mechanism – transfer of 3% of funds within categories of regions	1,534,908,053
Allocation and its structure after all transfers and taking into account the flexibility mechanism	77,314,534,799
Objective 1 – “Investments for growth and jobs”	76,614,023,515
CF	23,207,989,042
structural funds	53,406,034,473
ERDF	40,213,870,235
ESF	13,192,164,238
less developed regions	49,628,693,708
ERDF	37,584,635,747
ESF	12,044,057,961
Mazovia	3,777,340,765
ERDF	2,629,234,488
ESF	1,148,106,277
Objective 2 – “European Territorial Cooperation”	700,520,284

6. Table 10: Transfer between categories of regions

Region category	Allocation according to the letter of the EC of 20.12.2013 (Ares(2013)3779289)	Transfer to:	Transfer amount (EUR)	of which:		Share of the transfer in the allocation for the category of regions from which the transfer was made	Allocation after the transfer (EUR)
				ERDF	ESF		
less developed regions	51,163,601,761	transition regions	N/A	N/A	N/A	3.0%	49,628,693,708
		more developed regions	1,534,908,053	1,155,760,653	379,147,400		
transition regions	N/A	less developed regions	N/A	N/A	N/A	N/A	N/A
		more developed regions	N/A	N/A	N/A		
more developed regions	2,242,432,712	less developed regions	N/A	N/A	N/A	N/A	3,777,340,765
		transition regions	N/A	N/A	N/A		

1.4.3 Breakdown of the allocation by thematic objectives and funding system – thematic concentration

In the 2014–2020 financial perspective, the European funds will be allocated for all thematic objectives defined in the CPR. However, there will be a significant concentration of funds in these areas, which will allow achieving the objectives set out in the Partnership Agreement to the fullest extent, while ensuring financing for the most effective undertakings.

The Partnership Agreement assumes an increase in allocations for objectives associated with enhancing the innovation of the economy and competitiveness of enterprises (TO 1, TO 2 and TO 3) and for objectives associated with low-carbon economy (TO 4). Almost half of the allocation of the cohesion policy was planned for support for the development of human capital (social cohesion and professional activity) as well as environmental investments and those related to efficiencies management of resources.

The biggest decline in the allocation structure is observed in respect of expenditure for network infrastructure. It should be added that this decline will be most visible in relation to interventions in local transport infrastructure. At the same time, the highest percentage increase in the allocation as compared to the years 2007–2013 (by over 80%) was planned in the railway sector.

With regard to the three major national development objectives (in accordance with the National Development Strategy 2020), the largest share of funds will be devoted to actions supporting the **increase in competitiveness**, as this is the most important priority which will result in significant added value. The actions directly ascribed to the objective of **efficiency and effectiveness of the state** will have the smallest share among these three national development objectives. However, it should be noted that these actions are also supported indirectly under programmes implementing objectives related to competitiveness and social and territorial cohesion.

The indicative allocation breakdown shows that the thematic concentration levels required for the cohesion policy have been achieved and even exceeded (TOs 1-4: 60.3% for less developed regions and 69.8% for Mazovia; TO 4: 23.1% and TO 9: 21.9%) All changes to the OP that result in a decrease in the concentration level will absolutely require a consent from the minister in charge of regional development.

7. Table 11: Minimum and assumed indicative thematic concentration levels

TO 1, TO 2, TO 3, TO 4 (ERDF)			
	less developed regions		Mazowieckie Voivodeship
indicative concentration level on the basis of the PA*	60.3%	or 22,446,852,654.0	69,8% or 1,816,936,511.0
minimum concentration level*	50.0%	or 18,606,356,467.0	60,0% or 1,561,498,669.0
TO 4 (ERDF, CF)			
	less developed regions and Mazowieckie Voivodeship		
indicative concentration level on the basis of the PA*	23.1%	or	9,189,911,741.0
minimum concentration level*	15.0%	or	5,972,281,607.0
TO 9 (ESF)			
	less developed regions and Mazowieckie Voivodeship		
indicative concentration level on the basis of the PA*	21.9%	or	2,628,616,270.0
minimum concentration level*	20.0%	or	2,401,058,383.0

* Calculated in accordance with the provisions of the Regulations concerning individual funds and Article 18 of Regulation No 1303/2013.

The minister shall ensure that any changes to the distribution of the allocation would not reduce the minimum concentration levels resulting from the package of EU regulations for 2014–2020.

In the case of TO 4 Poland decided to include also CF funds for the needs of ring-fencing. In accordance with the ERDF Regulation, this means that the level of ring-fencing in all categories of regions, including Mazovia, is at least 15%, i.e. CF and ERDF funds whose amount will correspond to at least 15% of the ERDF allocation should be earmarked for TO 4.

The provisions also allow a certain degree of flexibility between the categories of regions for ring-fencing. Therefore, the ring-fencing for TO 4 will be calculated for Poland as a whole. The ring-fencing implementation will receive support from ROP, which will allocate the minimum shares indicated by the minister in charge of regional development and selected national programmes financed by the CF and ERDF to TO 4.

8. Table 12. Indicative allocation structure of Objective 1 "Investment for growth and jobs" and RDP broken down by particular thematic objectives and funds

Thematic Objective		ERDF	ESF	CF	EAFRD	EMFF	Total
		EUR					
1	9. Strengthening research, technology development and innovation	9,920,577,133	0	0	68,720,000	,	9,989,297,133
2	Increasing the availability, utilisation level and quality of ICT	3,082,161,211	0	0	0	,	3,082,161,211
3	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural	5,608,753,712	0	0	3,792,292,519	,	9,401,046,231

Thematic Objective		ERDF	ESF	CF	EAFRD	EMFF	Total
		EUR					
	sector (with respect to the EAFRD), and the fisheries and aquaculture sector (with respect to the EMFF)						
4	Supporting the shift to low-carbon economy in all sectors	5,652,297,109	0	3,537,614,632	0		9,189,911,741
5	Promoting climate change adaptation, risk prevention and management	418,974,997	0	700,000,000	264,046,000	,	1,383,020,997
6	Preserving and protecting the environment and promoting resource efficiency	2,764,009,074	0	3,108,174,167	2,946,000,000	,	8,818,183,241
7	Promoting sustainable transport and removing bottlenecks in key network infrastructures	8,963,943,906	0	14,832,076,880	0	,	23,796,020,786
8	Promoting sustainable and high quality employment and support for employee mobility	219,214,988	5,077,446,285	0	263,383,000	,	5,560,044,273
9	Promoting social inclusion, combating poverty and all forms of discrimination	2,634,044,018	2,628,616,270	0	1,103,951,100	,	6,366,611,388
10	Investing in education, training and vocational training for acquiring skills and lifelong learning	551,234,567	3,439,718,091	0	27,361,000	,	4,018,313,658
11	Enhancing institutional capacity of public institutions and stakeholders and an efficient public administration	0	188,979,120	0	0	,	188,979,120
TO total		39,815,210,715	11,334,759,766	22,177,865,679	8,465,753,619	,	81,793,589,779
In addition:							
Technical Assistance		398,659,520	1,186,872,322	1,030,123,363	132,527,195	,	2,748,182,400
Programmes for mobility, social innovations and transnational cooperation		0	670,532,150	0	0	,	670,532,150
Total		40,213,870,235	13,192,164,238	23,207,989,042	8,598,280,814	,	85,212,304,329

* In relation to the CFP funds, the data may be supplemented after adoption of a relevant regulation.

Also the minimum concentration level for the ESF has been met. The share of the ESF in the allocation of structural funds in the 2014–2020 financial perspective, adopted by Poland, is 24.7% (the minimum share of the ESF for Poland

resulting from the regulations is 24%). The required ESF contribution to the Youth Employment Initiative has been provided.

10. Table 13. ESF contribution to the allocation of structural funds

ESF contribution to the allocation of structural funds	
ESF contribution to the allocation of structural funds (ESF and ERDF) of operational programmes for Convergence and Regional competitiveness and employment objectives in the financial perspective 2007–2013	22.3%
The minimum share of the ESF for Poland	24.0%
ESF contribution to the allocation of structural funds in the financial perspective 2014–2020	24.7%

11. Table 14. ESF contribution to the Youth Employment Initiative

Youth Employment Initiative	EUR
Special allocation for the Youth Employment Initiative	252,437,822
Corresponding ESF contribution for the Youth Employment Initiative	252,437,822
Total allocation for the Youth Employment Initiative	504,875,644
Allocation for the Youth Employment Initiative for people who live outside the regions eligible to the Initiative (Article 16 of the ESF Regulation)	N/A

Regardless of the above-mentioned minimum levels of fund concentration, Member States are obliged to allocate at least 60% (in the case of Mazovia: 80%) of ESF funds under each operational programme financed from this fund to a maximum of five investment priorities. The issue will be verified at the level of relevant operational programmes – OP KED and 16 ROPs.

Furthermore, pursuant to Article 7 of the ERDF Regulation a 5% share of the national ERDF allocation to the implementation of integrated actions for sustainable urban development, which in the case of Poland will be implemented by means of the integrated territorial investments (ITI) instrument for voivodeship capitals and areas with functional ties with the capitals, was ensured.

Under the EAFRD, the minimum level of 5% of allocation to CLLD was ensured.

In addition, it is estimated that within the framework of the cohesion policy about EUR 5.2 billion in the form of dedicated instruments in the relevant national and regional programmes may be provided for rural development actions.

1.4.4 Level of expenditure for climate objectives

Poland aims to use 20% of EU funds (including: operational programmes of the cohesion policy, RDP, OP FISHERIES, CEF and the first pillar of the CAP) for climate objectives.

On the basis of the methodology set out in EC Implementing Regulation No 215/2014, the indicatively estimated amount of climate expenditure in operational programmes of the cohesion policy climate is about EUR 11.7 billion, while in the RDP the figure is ca. EUR 3.5 billion. In the framework of the CEF, the indicative amount of climate expenditure for the implementation of rail and port investments is ca. EUR 1.5 billion. The estimated level of climate expenditure under the first pillar of the CAP is ca. EUR 6 billion.¹⁸⁰ Together, this yields the estimated amount of expenditure marked as climate expenditure of EUR 22.7 billion,¹⁸¹ equivalent to more than 20% of the total allocation of cohesion policy operational programmes, RDP, CEF and the first pillar of the CAP (of the amount of approx. EUR 112.8 billion).

The precise amount of climate expenditure will be defined after the adoption of all Ops and taking into account the allocation for OP FISHERIES.

¹⁸⁰ Due to the absence of an EU methodology for estimating expenditure for climate objectives under the first CAP pillar, it was assumed that the planned “payment for agricultural practices beneficial for the climate and the environment” of ca. EUR 6 billion match the climate objectives in 100%.

¹⁸¹ As the relevant regulation was not in force at the date of PA submission in relation to the European Maritime and Fisheries Fund, it is impossible to estimate the climate expenditure under OP FISHERIES. The data may be supplemented after adoption of the relevant regulation.

1.4.5 Programmes for the implementation of Partnership Agreement objectives

In the years 2014–2020, eight programmes financed under the EDRF, ESF, CF, EAFRD, EMFF and ETC programmes will be implemented in Poland at the national level. At the regional level, similar to the years 2007–2013, 16 ROPs will be implemented. The adopted structure of the programmes is based on the positive experience from the 2007–2013 programming period and is optimally adjusted to the implementation of the assumed PA objectives. It also takes into account the integrated thematic and territorial approach as well as the mechanisms of multi-level development policy management functioning in accordance with the Polish law.

Increasing the level of decentralisation of operational programme management means that voivodeship governments' responsibility for implementing the development policy will be increased. This forces greater financial involvement of regional (and local) authorities in the implementation of the ROPs and expansion of the capacity for cooperation with partners at the regional level.

Any programme, also a regional one, is directly involved in the implementation of PA objectives and contributes to the achievement of the assumed results, in particular those resulting from Europe 2020 Strategy, and ensures the achievement of the required levels of allocation to thematic objectives (ring-fencing).

The structure of the allocations under ROPs should ensure the concentration of ESIF funds on fields in which a voivodeship displays the greatest deviation from the national objectives of Europe 2020 strategy, taking into account the regional potential. Due to the fact that ca. 66% of the ESF is managed at the regional level, regional authorities in particular ensure that interventions of this fund are focused on the implementation of the objectives relating to improving employment rates and combating poverty.

● Operational programmes of the cohesion policy

In the years 2014–2020, both objectives of the cohesion policy: *Investment for growth and jobs* and *European Territorial Cooperation* will be implemented.

Programmes under objective 1 (“Investment for growth and jobs”) will be implemented at the national and the regional level. To that end, fund intervention will cover the following programmes:

- Three national programmes co-financed from a single fund (either the EDRF or the ESF) and one dual-fund programme (co-financed by the ERDF and the CF),
- One supra-regional programme intended for Eastern Poland (co-financed by the ERDF),
- One technical assistance programme (co-financed from the CF),
- 15 dual-fund regional programmes (EDRF, ESF) for voivodeships classified as “less developed” regions,¹⁸²
- One dual-fund (EDRF, ESF) programme for Mazowieckie Voivodeship classified as a “more developed” region.¹⁸³

¹⁸² Regions at NUTS II level below 75% of the EU average.

¹⁸³ Regions at NUTS II level above 90% (more developed).

12. Table 15: Indicative structure of allocations for individual operational programmes of the cohesion policy by thematic objectives, funds and categories of regions (EUR, current prices)¹⁸⁴

Operational programme	Thematic objective		Fund	Allocations for individual OPs*	of which:		
					Cohesion Fund	structural funds less developed regions	structural funds Mazovia
EUR							
OP SG	TO 1	Strengthening research, technology development and innovation	ERDF	7,487,031,353		6,826,148,427	660,882,926
	TO 3	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (with respect to the EAFRD), and the fisheries and aquaculture sector (...)	ERDF	829,903,402	-	787,715,925	42,187,477
	TA		ERDF	296,994,259		274,994,312	21,999,947
	Total			8,613,929,014		7,888,858,664	725,070,350
OP I&E	TO 4	Supporting the shift to the low-carbon economy in all sectors	CF	3,537,614,632	3,537,614,632	-	-
	TO 5	Promoting climate change adaptation, risk prevention and management	CF	700,000,000	700,000,000	-	-
	TO 6	Preserving and protecting the environment and promoting resource efficiency	ERDF/CF	3,575,474,167	3,108,174,167	416,540,167	50,759,833
	TO 7	Promoting sustainable transport and removing bottlenecks in key network infrastructures	ERDF/CF	18,802,383,059	14,832,076,880	3,878,324,925	91,981,254
	TO 9	Promoting sustainable and high quality employment and support for employee mobility	ERDF	468,275,027	-	400,595,249	67,679,778
	TA		CF	330,000,000	330,000,000	-	-
	Total			27,413,746,885	22,507,865,679	4,695,460,341	210,420,865
OP KED**	TO 8	Promoting sustainable and high quality employment and support for employee mobility	ESF	1,595,766,765	-	1,378,915,020	216,851,745
	TO 9	Promoting social inclusion, combating poverty and all forms of discrimination	ESF	255,302,660	-	220,607,087	34,695,573
	TO 10	Investing in education, training and vocational training for acquiring skills and lifelong learning	ESF	1,591,551,338	-	1,375,259,511	216,291,827
	TO 11	Enhancing institutional capacity of public institutions and stakeholders and an efficient public administration	ESF	188,979,120	-	163,296,858	25,682,262
	Programmes for mobility, social innovations and transnational cooperation		ESF	670,532,150	-	579,406,831	91,125,319
	TA		ESF	134,700,000		116,394,270	18 305 730
	Total			4,436,832,033		3,833,879,577	602,952,456
	Special allocation for the Youth Employment Initiative			252,437,822		-	-
	including the funds of the special allocation for the Youth Employment Initiative			4,689,269,855		-	-
OP DP	TO 2	Increasing the availability, utilisation level and quality of ICT	ERDF	2,104,826,670		1,960,506,474	144,320,196
	TA			67,668,000		62,931,240	4,736,760
	Total			2,172,494,670		2,023,437,714	149,056,956
OP TA			CF	700,123,363	700,123,363	-	-
Total			700,123,363	700,123,363	-	-	
OP EP	TO 3	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (with respect to the EAFRD), and the fisheries and aquaculture sector (...)	ERDF	769,439,927	-	769,439,927	-
	TO 4	Supporting the shift to the low-carbon economy in all sectors	ERDF	440,110,395	-	440,110,395	-
	TO 7	Promoting sustainable transport and removing bottlenecks in key network infrastructures	ERDF	756,452,417	-	756,452,417	-
	TA		ERDF	33,997,261		33,997,261	-
Total			2,000,000,000		2,000,000,000	-	
ROP	TO 1	Strengthening research, technology development and innovation	ERDF	2,433,545,780	-	2,155,328,650	278,217,130
	TO 2	Increasing the availability, utilisation level and quality of ICT	ERDF	977,334,541		846,684,675	130,649,866
	TO 3	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (with respect to the EAFRD), and the fisheries and aquaculture sector (...)	ERDF	4,009,410,383	-	3,773,090,620	236,319,763
	TO 4	Supporting the shift to the low-carbon economy in all sectors	ERDF	5,212,186,714	-	4,887,827,561	324,359,153
	TO 5	Promoting climate change adaptation, risk prevention and management	ERDF	418,974,997	-	377,485,676	41,489,321
	TO 6	Preserving and protecting the environment and promoting resource efficiency	ERDF	2,296,709,074	-	2,196,703,076	100,005,998
	TO 7	Promoting sustainable transport and removing bottlenecks in key network infrastructures	ERDF	4,237,185,310	-	3,869,899,418	367,285,892
	TO 8	Promoting sustainable and high quality employment and support for employee mobility	ERDF/ESF	3,700,894,508	-	3,537,828,670	163,065,838
	TO 9	Promoting social inclusion, combating poverty and all forms of discrimination	ERDF/ESF	4,539,082,601	-	4,316,901,781	222,180,820

¹⁸⁴ The structure of division of allocations for operational programmes in the thematic objective system is indicative. It may be changed after submission of all the draft OPs to the EC and as a result of OP negotiations with the EC.

Operational programme	Thematic objective		Fund	Allocations for individual OPs*	of which:		
					Cohesion Fund	structural funds less developed regions	structural funds Mazovia
EUR							
	TO 10	Investing in education, training and vocational training for acquiring skills and lifelong learning	ERDF/ESF	2,399,401,320	-	2,246,126,682	153,274,638
		TA	ESF	1,052,172,322		979,180,603	72,991,719
		Total		31,276,897,550		29,187,057,412	2,089,840,138
TOTAL Objective 1 (excluding the special allocation for the Youth Employment Initiative)				76,614,023,515	23,207,989,042	49,628,693,708	3,777,340,765
TOTAL Objective 1 (including the special allocation for the Youth Employment Initiative)				76,866,461,337			

* The allocation for individual OPs divided by TOs is indicative and may change as a result of negotiations on particular OPs with the EC.

** The share of the allocation for Mazovia under OP KED may change as a result of decisions concerning the method of calculating the allocation for the Youth Employment Initiative.

National programmes financed under the cohesion policy are single-fund programmes (with the exception of OP I&E, which merges the ERDF and the FS). Their focus is primarily thematic, reflecting the logic corresponding to the system of thematic objectives resulting from the Common Provision Regulation (CPR).

The structure of allocations for national programmes takes into account that there are two categories of regions in Poland. Under each priority axis of the ERDF and the ESF (apart from OP EP), a financial envelope for 15 regions and Mazowieckie Voivodeship has been signed out.

The situation in the case of priority axes covering all-national projects ("pro rata axes") and axes which may encompass projects implemented in several voivodeships, including in Mazowieckie Voivodeship ("standard axes"), is specific. Therefore, national programmes may envisage two types of priority axes of the ERDF or the ESF:

- "Pro rata axes" – with a pre-established share of the Mazowieckie Voivodeship allocation in the financing of each project under the axes;
- "Standard axes" – with the share of the Mazowieckie Voivodeship allocation in the project calculated according to investment location, i.e. in proportion to the number of regions where the project is implemented.

Pro rata axes:

- For OP KED, in the framework of the entire programme and all priority axes, the share of the Mazowieckie Voivodeship allocation for individual priority axes has been set at ca. 13.6%. This implies financing of the projects in 86.4% from the envelope earmarked for 15 less developed regions and in 13.6% for the envelope for Mazowieckie Voivodeship;
- For OP DP – in selected priority axes which envisage the implementation of all-national projects the share of the Mazowieckie Voivodeship was determined at 7%. This implies financing of the projects in 93% from the envelope earmarked for 15 less developed regions and in 7% for the envelope for Mazowieckie Voivodeship;
- For technical assistance axes under OP SG and OP DP, the share of the Mazowieckie Voivodeship allocation has been set at ca. 7%.

Standard axes:

Under other operational programmes, in standard axes (financed from the ERDF) expenditure will be assigned to envelopes of individual region categories in proportion to the number of regions covered by the project at the stage of project implementation. For example, for a project implemented in five voivodeships, including Mazowieckie Voivodeship, 80% of funds will originate from the envelope intended for less developed regions and 20% will originate from the financial envelope for Mazovia. It will also be possible to fund a nationwide project. In such case, 1/16 of funds for the project will originate from the Mazowieckie Voivodeship envelope, and 15/16 from the funds earmarked for actions in less developed regions.

This solution has been implemented in the IT system for the cohesion policy which, depending on the number and categories of regions entered as the project implementation area, attributes the allocation to the region category. It is thus justified to use it for all sectors, including transport and R&D, the more so as in the case of transport the scale of projects implemented in different categories of regions is small, and in the case of R&D it is impossible to accurately estimate the impact of such projects on various categories of regions.¹⁸⁵

¹⁸⁵ In the case of the R&D and transport sectors, the EC will be able to specify this solution in OP SG and OP I&E, respectively. Poland believes, however, that the adoption of other solutions or complication of the pro rata solution proposed above based on the number of regions which will be the place of project implementation would not be cost effective and would result in excessive administrative burden on both the beneficiaries and the managing authorities. The proposed solution is not related to Article 70(2) of the CPR since the implementation area of both OP SG and OP I&E is the whole country.

Due to their territorial orientation, **regional programmes** are financed by the ERDF and the ESF. 16 dual-fund ROPs will be implemented: 15 for less developed regions and one for Mazowieckie Voivodeship.

Dual-fund regional programmes provide an opportunity for programming development objectives instead of individual EU funds, which is conducive to enhancing complementarity and efficiency of interventions and closer strategic links between infrastructural and soft projects. Such an approach also contributes to stronger links between and coordination of actions taken in the regions by the entities involved in programme implementation.

Multi-fund programmes do not preclude the application of **cross-financing** at the implementation stage for the operations for which it is essential for their proper implementation and directly associated with the programmes (in accordance with Article 98 of the CPR). Cross-financing allows funding up to 10% (at the priority axis level) of the tasks covered by another structural fund defined in specific provisions (interchangeably the ESF with the ERDF, the ERDF with the ESF).

The managing authority of the given programme indicates the possibility of applying cross-financing in relevant priority axes. This does not stand for automatic application of this instrument to all operations implemented in the framework of the axes. At the stage of programme implementation, the managing authority makes a decision on the application of cross-financing individually for each operation according to the rules laid down in Article 98 of the CPR.

The decision to apply this instrument in a single-fund project or to implement two complementary projects financed from different funds should be determined by the scale of the necessary involvement of individual funds in the achievement of project objectives. The MA examines the rationale for the use of the most appropriate solution with a view to, *inter alia*, simplifying the implementation system for the beneficiary. **Cross-financing does not apply to dual-fund axes.**

Allocation of cohesion policy funds broken down by regional operational programmes:

ROP for 15 less developed regions.

For less developed regions, the structural funds for regional operational programmes will be the sum of the following components:

- A. Funds allocated for the regional programme as a result of applying the selected structural fund division algorithm;

In this part, funds were divided using an algorithm based on the Berlin methodology. The mechanism of dividing ROP funds is the same for all less developed regions. Calculations of allocations for individual regional operational programmes are based on statistical data on the population, GDP per capita at PPS and the number of the unemployed at the NUTS-2 level, provided by Eurostat for 2007–2009 (annual average data for the period). Distribution of allocations for less developed regions is determined in the following steps:¹⁸⁶

- Determine each region's population;
- Determine GDP per capita at PPS for each region;
- Determine the prosperity gap – the difference between GDP per capita at PPS of a given region and the average GDP per capita at PPS for EU-27;
- Determine the absolute amount (in EUR) by multiplying the population of a given region by the prosperity gap, i.e. the difference between GDP per capita at PPS of a given region and the average GDP per capita at PPS for EU-27;
- Multiply the amounts obtained for each region in the previous item by the weighting factor whose percentage value differs and reflects relative prosperity (measured by the purchasing power parity) of the Member State where a given region is located to the EU-27 average. For regions where GNI per capita is lower than 82% of the EU average (all less developed regions in Poland), the factor is 3.15%;
- Determine the number of the unemployed in each region and the theoretical number of the unemployed in each region using the average unemployment rate for all less developed regions of EU-27. Calculate the difference between the actual and the theoretical number of the unemployed in each region. Add the amount calculated in the previous item to the amount resulting from the allocation of the premium of EUR 1,300 per each unemployed person a year in relation to the number of the unemployed in a given region exceeding the number of people who were unemployed, using the average unemployment rate for all less developed regions in the EU.

The effect of applying the above methodology is the so-called theoretical allocation amount for 15 Polish less developed regions. It only serves to determine the percentage structure of the division of funds between individual voivodeships. The total amount earmarked for regional operational programmes is re-calculated using the above structure, which gives the allocation amounts for particular voivodeships.

¹⁸⁶ According to the information presented in conclusions of the European Council of 7-8 February 2013.

- B. Funds allocated to a regional programme in the process of consultations of the minister in charge of regional development with voivodeship marshals, taking into account the needs and potentials of the regions.

Pursuant to Articles 20–22 of the CPR, the pool of funds earmarked for regional operational programmes already covers the pre-allocated performance reserve of 6% of the total ROP allocation.

13. Table 16: Allocations for regional operational programmes in less developed regions, EUR, current prices

Voivodeship	Total allocation for the ROPs – current prices, EUR	of which:	
		ERDF	ESF
DOLNOŚLĄSKIE VOIVODESHIP	2,252,546,589	1,618,916,106	633,630,483
KUJAWSKO-POMORSKIE VOIVODESHIP	1,903,540,287	1,368,083,592	535,456,695
LUBELSKIE VOIVODESHIP	2,230,958,174	1,603,400,406	627,557,768
LUBUSKIE VOIVODESHIP	906,929,693	651,814,747	255,114,946
ŁÓDZKIE VOIVODESHIP	2,256,049,115	1,621,433,387	634,615,728
MAŁOPOLSKIE VOIVODESHIP	2,878,215,972	2,068,587,710	809,628,262
OPOLSKIE VOIVODESHIP	944,967,792	679,152,913	265,814,879
PODKARPACKIE VOIVODESHIP	2,114,243,760	1,519,517,194	594,726,566
PODLASKIE VOIVODESHIP	1,213,595,877	872,217,214	341,378,663
POMORSKIE VOIVODESHIP	1,864,811,698	1,340,249,168	524,562,530
ŚLĄSKIE VOIVODESHIP	3,476,937,134	2,498,891,499	978,045,635
ŚWIĘTOKRZYSKIE VOIVODESHIP	1,364,543,593	980,704,066	383,839,527
WARMIŃSKO-MAZURSKIE VOIVODESHIP	1,728,272,095	1,242,117,496	486,154,599
WIELKOPOLSKIE VOIVODESHIP	2,450,206,417	1,760,975,177	689,231,240
ZACHODNIOPOMORSKIE VOIVODESHIP	1,601,239,216	1,150,818,353	450,420,863
TOTAL 15	29,187,057,412	20,976,879,028	8,210,178,384

Regional Operational Programme for Mazowieckie Voivodeship

Funds earmarked for the Regional Operational Programme for Mazowieckie Voivodeship constitute about 55% of the allocation for the region.

14. Table 17: Allocation for the Regional Operational Programme for Mazowieckie Voivodeship, EUR, current prices

Voivodeship	Total allocation for the ROP – current prices, EUR	of which:	
		ERDF	ESF
MAZOWIECKIE VOIVODESHIP	2,089,840,138	1,544,686,317	545,153,821

Operational programmes of the Common Agricultural Policy and the Common Fisheries Policy

Under the Common Agricultural Policy and Common Fisheries Policy, two programmes will be implemented at the national level financed from the EAFRD and the EMFF. In this context, it should be noted that both pillars of the Common Agricultural Policy are complementary, as emphasised in the general MFF Regulation in which EAFRD is referred to as an integral part of the CAP, which brings about consequences for the future shape of the RDP. If a programme is funded by the EAFRD, a part of actions will be implemented at the regional level in cooperation with voivodeship authorities so that coordination between ESF, ERDF and EAFRD actions for rural areas is enhanced.

In order to ensure appropriate distribution of programme funds between individual regions of the country, the so-called “voivodeship envelope” mechanism will be applied to selected actions or sub-actions. In the framework of selected actions or sub-actions, it is also possible to differentiate certain operation selection criteria between the voivodeships, according to the specific needs of individual voivodeships.

Taking into account the experience in this respect gained in the two previous financial perspectives, it is also planned to delegate selected actions to the regional level in the years 2014-2020. Voivodeship authorities will implement the action *Basic services and the renewal of towns/villages in rural areas* and LEADER and sub-action *Investments in fixed assets – Merges*.

The funds will be divided on the basis of objective criteria based on measurable indicators. A similar mechanism was used in the previous programming periods. The parameters of division of funds for the implementation of individual projects in voivodeships will be determined in consultation with voivodeship authorities.

A number of actions will be implemented by the ARMA at the regional level (e.g. *Investments in fixed assets – Modernisation of agricultural holdings, Development of holdings and economic activity*, etc.).

In the case of agri-environmental actions, the territorial dimension will be taken into account by planning separate actions for designated areas of particular importance or environmental pressures (Natura 2000, including areas of special protection of birds, valuable natural habitats, areas at risk of soils erosion and with low content of humus in the soil, NVZs).

In the case of the EMFF, the programme will be implemented at the national level. The regional aspect will be taken into account by implementing the majority of actions by ARMA (which has regional branches corresponding to voivodeships). Another aspect of regional management of EMFF funds will be strong involvement of voivodeship authorities in the implementation of the CLLD approach. The more so as using this system it will be possible to implement a part of actions under OP FISHERIES, such as income diversification, collaboration between scientists and fishermen, etc. Thus, it will be treated in sectoral rather than in regional terms.

1.4.6 Co-financing level

It is assumed that EU co-financing at the level of a priority axis for programmes carried out under the category of less developed regions and for programmes financed from the Cohesion Fund will amount to 85%. For the Mazowieckie Voivodeship the co-financing at the level of a priority axis is 80%. In the case of European Territorial Cooperation programmes, the co-financing rate at the level of each priority axis level will not exceed 85%. The above funding levels have been adopted for the needs of expenditure certification to the European Commission. For all of cohesion policy programmes, the basis for certification of expenditure to the EC is total eligible expenditure. Programme implementation will involve public and private domestic funds.

The adoption of a maximum level of co-funding at priority axis level **does not automatically define the maximum levels of co-financing at project level.**

Co-financing at project level is determined according to relevant provisions on net revenue generating projects (pursuant to Article 61 of the CPR) or on state aid.

In the case of net revenue generating projects, the potential to generate net revenue is taken into account by reducing the eligible costs of the project, in particular through the use of flat rates which constitute a significant simplification of the implementation system worked out by the EC, the EU Council and the European Parliament. In the case of such projects, the part of project costs which is covered by net revenue generated in the course of and after implementation is financed from domestic funds. The managing authority may decide to use individual calculation of the funding gap instead of the flat rate, but it must apply a uniform approach to projects of the same type.

In the case of TO 3, for which there is no specific flat rate, the principles of state aid will be the fundamental instrument of co-financing differentiation.

This will allow to provide the optimum level of co-financing for the implementation of projects while avoiding the risks of their unjustified excessive funding.¹⁸⁷ This will contribute to enhancing the leverage effect, in particular through greater involvement of private funds, which is one of the assumptions underlying the intervention logic of the Partnership Agreement. It is also assumed that the interest of potential beneficiaries in project implementation under the PPP formula would be greater, which additionally stimulates the involvement of private capital in the implementation of European projects.

The provisions of the CPR, and in particular Article 129, ensure that regardless of the co-funding rate adopted for the priority axis in Table 18a of the operational programme, the value of funds ultimately paid by the European Commission at the time of closing the programme will never be higher than the public expenditure paid to beneficiaries. Article 130(2) additionally ensures that in the framework of interim payments the EC will always pay the lower of the two amounts: the amount resulting from multiplying the basis for certification from the payment request by the co-financing rate for the priority axis from Table 18a¹⁸⁸ or the amount of public expenditure indicated in the request. The volume of interim payments will take into account the rules related to the system of annual examination and approval of accounts, which consist *inter alia* in granting annual advance payments, paying out only 90% of due

¹⁸⁷ The experience of the 2007-2013 programming period shows that, on average, co-financing at the level of a project (as at 28 February 2014) is 59% in relation to total expenditure and 69% in relation to eligible expenditure, which means that actual co-financing is significantly lower than theoretical co-financing determined at the level of a priority axis. It can be expected that in programming period 2014-2020 real co-financing at project level may be even lower due to restrictive provisions on state aid and the application of flat rate revenue (also in the case of sectors such as ICT, R&D, energy efficiency).

¹⁸⁸ According to EC Template numbers for OPs.

payments during the year and annual settlement of accounts by balancing the annual advance of paid funds and 10% of retained interim payments.

As it is necessary to improve the condition of public finance (Poland is currently covered by the excessive deficit procedure), the following principles are introduced to ensure adequate funds for the national contribution:

- The principle of increased share of the private sector in the beneficiary structure in areas where its application is possible due to the specific character of interventions, stimulating the leverage effect;
- The principle of greater use of financial instruments (based on the results of ex ante analyses), which will allow multiple use of the same funds within a timeframe not limited to the eligibility period of a given EU perspective. Funds repaid from operations where financial instruments were used in the 2007–2013 perspective can be reinvested in the implementation of development actions in the programming period 2014–2020; they may also constitute an own contribution to operations co-financed from the 2014–2020 budget;
- The principle according to which the private sector ensures the national contribution in the case of investments carried out by entrepreneurs (without the participation of the public finance sector);
- The principle of making the transfer of national funds for co-financing projects in the field of higher education, R&D, health and culture conditional on ensuring a close link between these projects' results and market needs, and on private sector inclusion;
- The principle of using national public funds spent on the tasks identical to the cohesion policy intervention on co-financing EU projects.

In the framework of the progress reports on PA implementation, referred to in Article 52 of the CPR, an in-depth analysis will be performed of the involvement of various sources of funding (EU, domestic public and private) in the implementation of the PA and OP, on the basis of already signed co-financing agreements. Comparison of the above data with the output indicators resulting from the co-financing agreements in the context of the achievement of target output indicators assumed under the OP may be Poland's reason for requesting the EC for a possible modification of the programme, taking into account the current macroeconomic situation of the country.

1.4.7 Technical Assistance

Table 18: Financing technical assistance under cohesion policy programmes

Fund	Region category	Allocation for technical assistance	Share of the allocation for technical assistance in the total allocation (by funds and region categories)
ERDF	less developed regions	371,922,813	1.0%
	transition regions	N/A	N/A
	more developed regions	26,736,707	1.0%
ESF	less developed regions	1,095,574,873	9.1%
	transition regions	N/A	N/A
	more developed regions	91,297,449	8.0%
CF	N/A	1,030,123,363	4.4%
Total TA		2,615,655,205	3.4%

Operational Programme Technical Assistance, implemented at the national level, will be financed from the Cohesion Fund. Under dual-fund regional operational programmes, technical assistance will be financed under one axis financed from the European Social Fund. This approach is consistent with Article 119(2) of the CPR which explicitly states that each Fund may support technical assistance operations eligible under any of the other Funds.

It should be noted that the ESF will not be exclusively burdened with financing technical assistance in Poland because the national OP TA (the programme with the highest technical assistance allocation) will be financed from the CF and technical assistance axes in other national programmes (with the exception of OP KED and OP I&E) will be financed by the ERDF.

Under OP KED, the technical assistance axis will be financed from the ESF, and under OP I&E – from the CF. At the same time, supporting OP KED management (ESF) will be financed from OP TA, i.e. from the CF.

The division of interventions between OP TA and technical assistance components of the programmes is based particularly on the principle of financial efficiency and rationalisation of the use of resources, including labour resources, while maintaining subsidiarity and the establishment of uniform principles of implementation.

In the framework of OP TA 2014–2020 support will be provided primarily to horizontal institutions (e.g. coordination and strategic ones), which will not receive support under priority axes dedicated to technical assistance in other OPs. Obtaining support for such institutions under priority axes of technical assistance in other OPs is impossible since none

of the programmes supports institutions that do not perform tasks solely on its behalf because of the risk of irregularities.

In the framework of the priority axes of technical assistance, under other OPs financing will only be provided for a limited catalogue of actions whose scope does not exceed the influence area of a given OP. For example, these will be actions to ensure a project selection system in a given OP, conducting the necessary evaluations and commissioning expert opinions, or building local IT systems.

OP TA 2014–2020 will play a strategic role and under it interventions will be taken in key areas significant from the point of view of the entire system of cohesion policy implementation, indicated by the European Commission on multiple occasions during annual meetings and in the Position Paper, i.e. actions to strengthen the capacity of the institutions responsible for public procurement, state aid, public statistics, water management and environmental impact assessments, as well as educational actions and the exchange of experience in these areas.

In order to ensure rational spending of technical assistance funds, coordination will be ensured between OP TA and technical assistance available under the operational programmes. Technical assistance for 2014–2020 focuses primarily on providing an efficient system for the implementation of the cohesion policy (described in greater detail in section 2.5) and supporting beneficiaries, including building their potential for the implementation of EU projects. OP TA 2014–2020 plays the key role in this respect. The technical assistance components in the other OPs will complement OP TA 2014–2020 and will be complementary with OP TA (as the possible extent of their impact is necessarily limited to only one operational programme). The results of technical assistance will be monitored using a developed set of indicators, common to the entire technical assistance system (both national OP TA and priority axes of technical assistance in individual programmes). Thus, it will be possible to aggregate and to uniformly monitor the indicators in the entire technical assistance system. The tool to ensure application of uniform standards and rules of using technical assistance, including as regards the eligibility of expenditure, will be the guidelines of the minister competent for regional development applicable to all MAs.

1.5 Implementation of horizontal principles

1.5.1 Partnership principle

The partnership principle is consistently implemented at each stage of programming and implementing the Partnership Agreement and operational programmes. In practice, implementation of the partnership principle means including competent urban and other public authorities, economic and social partners, and relevant bodies representing the civil society in the processes of preparation and subsequent implementation of ESIF, inter alia, by: ensuring access to up-to-date information, enabling bodies representing certain circles to participate in preparation of programming documents, including within the framework of consultation.

Representatives of key partners in terms of programming the ESIF intervention – representatives of relevant ministries, regional and local authorities as well as non-governmental organisations and social and economic partners – took part in developing programming documents for 2014–2020 within the scope relevant for the type and competences of a given body. Both at the level of the PA and the operational programmes adequate solutions, which allowed the partners to engage in the programming process, were provided. Due to the use of the bottom-up approach and experience of the partners in certain areas, it enabled achieving significant added value to preparation of the Partnership Agreement and the operational programmes.

In order to ensure single approach to implementation of the partnership agreement at the stage of programming, the Inter-ministerial Team for Programming and Implementing Structural Funds and the European Union Cohesion Fund in its resolution recommended all institutions responsible for preparing the programmes to appoint working groups supporting preparation of the programmes, in consultation with the partners referred to above. Selection of the partners for the working group depended primarily on the thematic and territorial competence of the partner organisation and its representativeness.

Works in the formulae of working groups gave the partners a direct influence on arranging the programme provisions. The partners not participating in the working groups had an on-going online access to up-to-date information on programming, while comments and postulates were made in particular within the framework of broad public consultations.

Participation of local governments and local government associations (i.a. the Union of the Voivodeships of the Republic of Poland, the Union of the Gminas of the Republic of Poland, the Association of Polish Poviats, the Union of Polish Metropolises) in programming was also ensured by obliging competent institutions to submit drafts the PA and of individual programmes for approval of the Joint Commission of Central Government and the Local Government. Also the Convention of Marshals, presenting its opinions regarding the Partnership Agreement (in which i.a. the Convention expressed itself in favour of implementation of the partnership principle in the works on the above-mentioned document) and certain programmes (in particular the RDP), was highly active. The programme documents were also submitted for approval of the National Equality Body.

In accordance with the Convention on the Rights of Persons with Disabilities, organisations representing the disability community, e.g. the Association of the Blind, were included in the programming process of the new perspective.

Both the draft PA and drafts of all the programmes were submitted for broad public consultation. Structure of the process, which not only envisaged using various instruments (e.g. conferences, consultation meetings, publication of information material), but also, in case of the national programmes, their standardisation – ensuring and promoting one spot for publishing information, preparation of online forms – gave the partners the access to the documents and enabled all stakeholders to submit their observations/comments/propositions to a given part of the PA and the programme at any given moment. The form was adjusted to the needs of blind persons. Similar tools were prepared for the RDP and certain ROPs. Additionally, a leaflet was prepared regarding the assumptions to the new perspective and a brochure (summary of the draft PA) in Braille.

First public consultation on the strategy for the use of ESIF for 2014–2020 regarded the Assumptions of the Partnership Agreement, which was the basis of the draft Partnership Agreement. The public consultation on the draft Partnership Agreement took place from mid-July until the end of August 2013. In order to enable broad participation of the stakeholders various communication tools were used. The draft PA was uploaded on the website of the ministry responsible for regional development, together with a specially prepared form for submitting online comments. Formal consultation begun and ended with two nationwide conferences held in Warsaw. They were participated by the representatives of i.a.: voivodeship and local governments, socio-economic partners, non-governmental organisations representing areas such as environmental protection, social inclusion, gender equality, non-discrimination, and scientific communities. Recording of the conference interpreted in the sign language was uploaded to the website of the consultation.

Moreover, in 4 weeks the Marshals' Offices have organised 12 consultation conferences in the voivodeship capitals for over 1000 participants, participated by the representatives of the minister responsible for regional development. The network of information points under the European Funds, which after training in Warsaw began a cycle of meetings in its voivodeships, contributed actively to the consultation. A significant element of the consultation with the partners was a debriefing meeting for partners, who submitted comments, during which the comments were summarised and the draft PA with amendments resulting from the public consultation was presented. Mechanisms and tools developed during the PA consultation constituted good practice for consultation under national and regional programmes.

The partners' comments were analysed and incorporated where relevant. Efforts were made to provide the persons who submitted comments with information on position of the minister responsible for regional development regarding the issues raised by them. Due to high level of detail, exceeding the strategic nature of the PA, some comments were transferred to relevant Managing Institutions in order for them to be reflected in the operational programmes. The comments submitted during the consultation were of high importance in the programming process for the new perspective, showing the issues addressed in the PA in a broader context and extending the scope of the issues raised.

The issues, for which the requests of the partners became the reason of revision of the former concepts, include: incorporation of actions regarding local roads and investments in water and waste water infrastructure into the RDP as well as selected solutions regarding the planned division of interventions between the national and regional level. More detailed comments were submitted as regards projects under the operational programmes – information in that respect were taken into account in the programmes.

The way of reaching solutions regarding CLLD should be mentioned as a good practice of using the partnership principle at the stage of programming. Provisions regarding the CLLD instrument proposed in the PA to a large extent result from the works of the working group using the KOLAB method to develop recommendations for the system of implementation of CLLD in Poland. Representatives of the non-government (non-governmental organisations, local action groups, local fishing groups), government (representatives of the MRD and MARD) and local government (representatives of the Marshals' Offices of Kujawsko-Pomorskie and Łódzkie Voivodeships and of the Regional Centre for Social Policy in Zachodniopomorskie Voivodeship) community participated in the KOLAB workshops regarding CLLD.

On the other hand, disability organisations pointed out the problem of accessibility of the European Funds for disabled persons, while the provisions of the document entitled *Proposals of systemic solutions ensuring accessibility of the 2014–2020 cohesion policy funds for disabled persons* will be used in the process of implementing the European Funds.

Engagement of the partners is important also at the stage of implementing, monitoring and evaluating the European Funds in the 2014–2020 perspective. Therefore, methods of implementing the partnership principle will be set out in relevant horizontal guidelines of the minister responsible for regional development prepared in cooperation with the partners. The guidelines will systematize their participation in processes such as monitoring of the implementation of the OPs (in particular within the framework of Monitoring Committees), evaluating or reporting. Information on the role of the partners in implementing the Partnership Agreement will be one of the elements of progress reports, referred to in Article 52 of the Framework Regulation.

For the partners actions were also planned which allowed for increasing the institutional capacity as well as improving and gaining new skills for example by trainings, workshops etc. For the purposes of implementing the partnership principle and increasing capacity of the partners actions were planned under TA OP and OP KED.

1.5.2 Promoting equal opportunities for men and women

Principle of equal opportunities for men and women is one of the main horizontal policies of the EU and respecting it ensures that men and women are given equal rights and obligations as well as equal access to resources (financial resources, development opportunities) they could use. In particular, "promoting equality" should be understood as taking actions conducive to enhancing permanent participation of women and men in employment and to their career development, reducing segregation on the labour market, combating sex-based stereotypes in education and training, and promoting reconciliation of work and family life. This is reflected in the precise scope of support: promotion of employment and labour mobility, reconciliation of work and family life, and promotion of social inclusion and combating poverty – i.a. by combating discrimination based on sex, race or ethnic origin, religion or beliefs, disability, age or sexual orientation.

Moreover, it should also be taken into account that this principle should be applied in other areas (e.g. ICT, entrepreneurship, R&D, climate change) covered with ERDF and CF support. It is of particular importance to take actions aimed at increasing female labour market participation in the R&D sector as well as at popularization and practical application of flexible forms of employment among employers.

When analysing the socio-economic situation, the MA examines the situation of men and women in the areas that will be supported by a given fund. The analysis of women and men's situation should be based on a range of documents such as the European and national strategies, including in particular the *National Action Plan for Equal Treatment for 2013–2016*, available studies, analyses and statistical data.

When analysing the socio-economic situation, the MA examines the situation of men and women in the areas that will be supported by a given fund. The analysis of women and men's situation of should be based on a range of documents such as the European and national strategies, available studies, analyses and statistical data. This will also be one of the elements discussed during ex ante evaluation, as will be adequacy of the planned undertakings aimed at promoting equality between men and women and preventing discrimination.

The content of an OP must include:

- description of the OP contribution to promotion of equal opportunities for men and women in relation to particular challenges in that area;
- description of the planned projects aimed at integrating a gender equality perspective at the operational level, including all initiatives aimed at applying that principle to project selection and implementation;
- description of monitoring and evaluation projects.

If the MA deems that promoting equal opportunities for men and women is not adequate in the context of the OP thematic scope, the programme should include justification of such a position.

In case of the implementation system regarding actions carried out under ESF at the national and regional level, evaluation of the application for funding in terms of respecting the principle of equal opportunities for men and women will be made on the basis of the so called minimum standard – a set of questions/points which determine the minimum conditions that a project has to meet under this principle.

In case of monitoring, it is recommended that all the indicators regarding persons were also monitored according to gender. This requirement is obligatory in case of indicators required by the Annex No. 1 and No. 2 to the ESF Regulation. It will enable ongoing monitoring of the support addressed to women and men. Annual reports on implementation of the OP filed in 2017 and 2019 will include the information set out in Article 111 (4) of the framework Regulation, including specific undertakings aimed at promoting gender equality and preventing discrimination, and arrangements implemented to ensure integrating the gender perspective in the OP and its projects.

Additionally, it is justified, at least once during the programming period – especially in case of the ESF-financed operational programmes – to perform an evaluation of the implementation of the principle of equal opportunities for men and women, which will enable the MA to assess the effectiveness of actions taken. In line with the principles of the management system of the recommendations from the evaluation studies, conclusions from these studies will be included in the recommendation table that will determine both the nature and addressees of the recommendations as well as how and when they are to be implemented. The recommendations will be subject to consultation and after the OP MC approves/gives its opinion they will be included in the recommendation database from all the studies and thus state of their implementation will be systematically monitored. The recommendations will be also subject to annual reviews aimed at updating state of their implementation. Conclusions and recommendations will serve to introduce necessary changes in order to enhance the effectiveness of implementing the principle of equal opportunities for men and women within the framework of the programme.

The MC analyses the implementation of the principle of promoting gender equality, equal opportunities and non-discrimination, including availability to the disabled. In accordance with Article 48 of the Framework Regulation, the MC includes entities representing civil society, including partners responsible for promoting equality and non-discrimination (Article 5 of the framework Regulation).

A broader description of applying the principle of equal opportunities for men and women under all funds which implement the cohesion policy will be covered in two documents: *Agenda for equal opportunities for men and women under the 2014–2020 European funds* and *Horizontal guidelines on the principle of gender equality and equal opportunities and non-discrimination under operational programmes for 2014–2020*. Provisions of both these documents comprehensively cover the obligations and recommendations for institutions engaged in the OP implementation. The *Agenda* responds to the expectations set out in the ex ante condition regarding the administrative capacity that will ensure implementation and application of the EU gender equality law and policy as regards the Structural and Investment Funds. It presents detailed solutions regarding raising awareness of gender equality among i.a. institutions engaged in implementation of the EU funds as well as among employees of the institutions which implement the above-mentioned funds and among the potential beneficiaries. The *Agenda* contains information on the main challenges in the context of raising awareness of gender equality among the employees of institutions engaged in ESIF implementation, whereas the guidelines rather indicate issues that should be taken into account while carrying out a public intervention aimed at preventing discrimination, address main problems and gaps

in the area of equal opportunities for men and women, and show potential beneficiaries possibilities of implementing gender equality initiatives under specific thematic objectives. The guidelines also contain an evaluation mechanism for the ESF-co-financed projects (minimum standard) in order to ensure coordination and full incorporation of gender equality in various operational programmes, and they indicate solutions that will be adopted in the implementation system (including the above-mentioned project selection, monitoring, funding, evaluation or informing and promoting).

By implementing the above-mentioned provisions of the documents and in particular by taking actions aimed at introducing gender equality solutions to the implementation system or by planning specific types of support, the operational programmes co-financed from various EU funds will contribute to the implementation of the principle of equal opportunities for men and women. In particular this principle will be supported under the operational programmes co-financed from the ESF (in areas such as the labour market or social inclusion), and under other funds such as ERDF, by practicable actions aimed at gender equality in business (e.g. R&D) or within the framework of support for creating education infrastructure.

1.5.3 Sustainable development

The sustainable development principle in programming and implementation includes financing of undertakings that reduce to the minimum the environmental impact of human activity, including those focusing on compliance with the *acquis* in the area of the environment. It should also be noted that the implementation of such projects does not lift the obligation to take into account the impact and optimisation of the implementation of each OP in terms of sustainable development. When planning actions under each programme the aim should be synergy of economic, social and environmental objectives, and protection of the environment.

Application of the sustainable development principle, at the level of both the OPs and the projects, should primarily consist in:

- Seeking consensus between the strive to maximise the economic effect of the project and enhancing the efficient use of resources (e.g. energy, water and mineral resources), and reducing negative environmental impact;
- Perceiving waste as a source of resources (i.a. replacing primary raw materials with secondary raw materials obtained from waste), including:
 - Striving at maximisation of the use of waste as raw materials, waste management in compliance with the waste hierarchy, and focus on preventing waste generation;
 - Optimisation of the supply chain;
- Aiming at closing raw material circulation, and maximisation of water and energy savings;
- Reducing pollution released into the environment, including in particular air and water, as early as at the stage of designing technological solutions;
- Supporting the increase in energy efficiency and obtaining energy from low-carbon sources, with making maximum use of local raw material resources;
- Low-carbon and sustainable transport; promoting collective, public and intermodal transport;
- Energy-efficient construction;
- Spatial planning and infrastructural investments taking into account the need to adapt to climate change, environmental protection and resource savings, which in turn results in restricting urban sprawl.

It should be noted that there is a need to ensure professional skills and qualifications necessary for smart growth of the Polish green economy, i.e. the process of creating green jobs in relation to introducing sustainable production models that envisage reducing the environmental pressure when pursuing and developing economic activity. Educational measures will also be important in shaping new behaviour, social attitudes and even lifestyles necessary for implementing sustainable, responsible consumption models.

As to financing infrastructure, particular attention is devoted to the “polluter pays” and “user pays” principle which must be applied to programmes and individual projects on a regular basis. This means that, as a principle, users should be charged the costs of meeting the environmental requirements (e.g. waste water treatment). At the stage of investment planning, e.g. in the field of transport infrastructure, it is necessary to take into account funds for the preventive measures and for mitigation of infrastructure environmental impact. Exceptions from those rules are inevitable due to high costs of undertakings protecting the environment in confrontation with low incomes households (particularly in water and wastewater management). Nonetheless, for each programme under which the infrastructural projects are funded the above principles must be clearly referred to even if they may not be fully implemented for well-grounded reasons.

Due to the overriding importance of mitigation of and adaptation to climate change under Europe 2020 strategy, this topic should be adequately reflected by every programme. The monitoring of and reporting on expenditure related to the achievement of climate change objectives will be ensured¹⁸⁹ using the system of intervention categories prepared by the Commission. In addition, the climate change issues include the aspect of infrastructural investments resilience to climate change effects and the related risk of natural disasters (higher risk of floods, drought, heat, extreme floods). The practical and measurable method of introducing the sustainable development principle into each operational programme consists in defining the minimum requirements, or, possibly, to introduce the appropriate bonuses into the project selection criteria, e.g. related to efficient use of natural resources and energy, for all undertakings, as well as introducing environmental management systems. When selecting investments to be supported, not only the criterion of investment costs should be taken into account, but also the investment whole life cost. It is necessary to promote selecting solutions, which in the long-term perspective will take into account operating costs of the investment, by choosing an energy efficient investment option that minimizes costs necessary for maintaining the infrastructure (i.e. for example in the road sector – using solutions which ensure maintaining proper characteristics of the pavement in the longest term, with longer resistance to ruts and cracks, in buildings – promoting solutions that reduce the use of resources, including energy/water).

Examples of criteria related to sustainable development may be assigned to four main categories:

1. Rational resource management – using solutions in the project which enable rational resource management, including for example preferences for the use of degraded land, brownfield sites for investments; use of recovered or recycled materials, use of water, energy, raw materials saving technologies, use of technology verified under ETV, actions aimed at protection of biodiversity;
2. Reducing pressure on the environment – taking actions reducing pressure on the environment covering i.a. reduction of emission of substances and energy to the environment, reduction of waste generation and of discharge of sewage into waters or soil; use of technology verified under ETV; development of green infrastructure;
3. Incorporation of environmental effects in management – having an environmental management system in place in the organisation which meets for example the requirements of EMAS or ISO 14001; implementing the cleaner production strategy; keeping green accounting;
4. Raising environmental awareness of the society – taking actions contributing to raising environmental awareness by educating and informing project recipients and stakeholders of environmental impact of a project and of possibilities to reduce its negative impact on the environment by distributing educational materials, organising meetings with local communities etc., environmental education of the project recipients.

These criteria should also apply to selection of non-environmental projects. In this context, this is energy efficiency and energy savings that come to the fore, especially for all infrastructural projects that envisage construction or modernisation of the buildings. Ensuring real (not only declared) preference mechanisms for the projects which lead to maximum energy savings and energy efficiency is an example of good practice in the horizontal application of the sustainable development principle as it brings about benefits for the environment (lower emissions of greenhouse gases and other pollutants), for the economy (it stimulates the development of the construction sector and enhances energy security) and for the society (labour market, preventing energy poverty).

Preferences for projects that bring about positive effects in the field of energy savings applied when providing support from European funds constitutes one of implementing actions in the framework of implementing the Energy Policy of Poland until 2030. For this it is not sufficient to single out priority axes or actions that serve improving energy efficiency; moreover, energy efficiency should be treated as a horizontal issue that constitutes the practical dimension of applying the sustainable development principle and should be reflected by project selection criteria.

Moreover, obligation of the Managing Authority to obtain, in case of aid from ESIF granted to a large entrepreneurs, a declaration that the financial contribution from the funds will not result in considerable job losses in the existing locations of this entrepreneur within the European Union in relation with the implementation of the co-funded project will contribute to applying the principle of sustainable development, understood as seeking economic growth and equitable benefit-sharing, aimed at achieving responsible, long-term growth in which various communities will participate.

¹⁸⁹ Possibilities of using the available tools for monitoring and evaluation of the impact of public interventions on the climate change, including CO₂ emission reduction, i.a. the Commission's CO2COMPARE model, will be analysed (http://ec.europa.eu/regional_policy/newswroom/detail.cfm?LAB=PO&id=673&lang=pl).

1.5.4 Other horizontal principles

● Observing spatial policy principles

Implementation of each operational programme under the PA to an extent relevant to its thematic scope will ensure achievement of spatial objectives resulting from national strategy papers: NSDC 2030, NSRD 2010–2020, and NDS 2020.

The principles and objectives of the national spatial development policy do not directly fit the thematic objectives and investment priorities, but constitute an integral part of actions focused on integrated territorial development (inter alia in functional areas of cities) that takes into account certain aspects of sustainable development. Thus, measures that fit the thematic objectives and investment priorities defined in each operational programme will take into account the following spatial development factors:

- Actions to reintroduce and consolidate spatial order in accordance with objective 6 of the NSDC 2030,
- Sustainable approach, especially in its low-carbon aspect, and approach conducive to social inclusion.

Particular emphasis will be placed on compliance with the following principles:

- To stop dynamic urban sprawl, to prevent dispersion of buildings and deeper spatial chaos,
- To shape resident-friendly and low-carbon public space to the maximum possible extent,
- To include the issue of climate change adaptation in spatial policy, to locate powerful traffic generators in the areas serviced by high-efficiency urban transport,
- Preference for land re-use and increasing development density instead of an expansion to non-developed areas (priority of brown-field over green-field),
- Care for the aesthetics of undertakings and adjusting them to the surroundings, with respect for the natural, cultural and social context,
- To ensure wide social participation in spatial planning and investment preparation processes.

The MA, IB and support beneficiaries will exercise due diligence so that the undertakings they prepare and implement match the directions of actions that are convergent with the above principles.

The above principles will be taken into account in an adequate way in the project selection rules and criteria under individual operational programmes. In practice, it will mean e.g. additional promotion which will particularly contribute to restore spatial order, preference for project selection using the architectural or urban contests, promoting complementary projects, etc.

● Preventing discrimination

The operational programme will include a description of specific undertakings intended to prevent discrimination on the grounds of sex, racial or ethnic origin, religion or beliefs, disability, age or sexual orientation. The undertakings should refer to particular stages of OP preparation and implementation (including access to financing) and take into account the needs of particular target groups exposed to such discrimination and of persons with disabilities.

The description must include, but not be limited to, the following:

- Identification of individual target groups with a limited access to the support or at risk of discrimination, and identification of means of mitigating these threats;
- Projects aimed at preventing discrimination, including providing access to support granted to marginalised groups under the programme; any initiatives to include the non-discrimination principle in the process of project selection and implementation, e.g. unified requirements for availability of new or rebuilt public utility buildings;
- Specific undertakings in the area of monitoring and evaluation planned to ensure continuous application of the said principle.

In order to promote the principle of equal opportunities and to prevent discrimination, all OPs should ensure educational actions addressed both to the employees of institutions engaged in the OP implementation and to the project developers and OP beneficiaries. In order to monitor the horizontal principle, in accordance with Article 5 of the framework Regulation, the MC includes bodies representing civil society, including partners responsible for promoting equality and non-discrimination.

In projects under TOs 8–10 participation of disabled persons and support in the form of adjusting facilities to people with disabilities will be monitored. The following obligatory indicators will make it possible: number of disabled persons covered with support under OP and number of facilities adjusted to people with disabilities.

Moreover, when a disabled person appears in the project it should be possible to determine in the IT system, which collects personal data of the project participants, the characteristics of this person such as age, education or labour status.

An important element of monitoring the principle will also be actions carried out by the MC, which is responsible for examining and approving in particular the projects aimed at promoting equal opportunities and non-discrimination, including accessibility for the disabled persons within the meaning of the *European Disability Strategy 2010–2020: A Renewed Commitment to a Barrier-Free Europe* (COM(2010)636 final).

Within the framework of evaluation studies partly or fully dedicated to evaluation of the implementation of the principle of equal opportunities and non-discrimination recommendation tables will be developed that will determine both the nature and addressees of the recommendations as well as how and when they are to be implemented. The recommendations will be subject to consultation and after the approval of the OP MC they will be included in the recommendation database from all the studies and thus their implementation will be systematically monitored. The recommendations will be also subject to annual reviews aimed at updating state of their implementation. Conclusions and recommendations from the studies on the principle of equal opportunities and non-discrimination will serve to introduce necessary changes in order to enhance the effectiveness of implementing this principle within the framework of the programme.

Organisations representing groups most vulnerable to discrimination (i.a. persons with disabilities) and acting in their favour should be involved in creating and monitoring the implementation of an OP. It is recommended to consult the programme with the National Equal Treatment Authority.

If the MA considers that preventing discrimination is not adequate for the scope of intervention under the OP, the programme should justify that position.

The principle of equal opportunities and non-discrimination is a horizontal principle of the cohesion policy, which means that it has to be applied both under ESF and ERDF and CF. Within the framework of implementation of the principle of non-discrimination particular emphasis will be placed on actions related to ensuring access to all services, goods and infrastructure covered with ESIF intervention for all persons, in particular for persons with disabilities, which means it is necessary to apply the principle of universal design and reasonable accommodation in the process of implementation of projects financed from the European funds.

It should be highlighted that ensuring access for persons with disabilities cannot be limited only to physical access for persons with motor disability. In this context, an important document is an EU's draft directive of the European Parliament and of the Council on the accessibility of public sector bodies' websites, which sets out requirements as regards ensuring accessibility of websites for all people. At the same time it should be underlined that by ratifying the UN Convention on the Rights of Persons with Disabilities Poland undertook to ensure disabled persons, on an equal basis with others, access i.a. to information and communication technologies as well as to take relevant measures aimed at promoting access of such persons to the new technologies and information and communication technologies and systems, including the Internet.

A broader description of applying the principle of equal opportunities and non-discrimination to persons with disabilities under all funds which implement the cohesion policy will be covered in the document: *Agenda for equal opportunities for men and women under the 2014–2020 European funds*. Provisions of this document will comprehensively cover the obligations and recommendations for institutions engaged in the OP implementation, i.a. by indicating solutions to be used in various areas of support, in the system of implementation including monitoring, financing, evaluation, information and promotion as well as by raising awareness of equal opportunities among employees of the institutions (MAs, IBs) which implement the above-mentioned funds.

The scope of the Agenda covers the following areas:

- Establishing programme basis and institutional setting for implementing the principle of equal opportunities and access for persons with disabilities to all products and services as well as to infrastructure funded from the European funds (as regards the proper way of preparation and implementation of the operational programmes);
- Raising awareness of employees of the institutions engaged in the implementation of the operational programmes of the principle of equal opportunities and non-discrimination (horizontal and specific trainings for employees and experts);
- Raising awareness of the project developers and the institutions engaged in the implementation of the operational programmes of the principle of equal opportunities and non-discrimination of persons with disabilities (including accessibility);
- Establishing an equality system of implementation under the operational programmes and including equal opportunities and non-discrimination of persons with disabilities within the framework of specific types of support;
- Monitoring the progress in the implementation of the *Agenda*.

Horizontal guidelines on the implementation of the principle of gender equality and equal opportunities and non-discrimination, including accessibility for persons with disabilities will be developed – they will constitute operationalization of the Agenda and will indicate how the principle of equal opportunities and non-discrimination should be applied at the level of projects implemented under the Structural Funds.

In order to raise awareness of non-discrimination, in accordance with the Agenda, actions will be taken aimed at increasing knowledge and awareness of employees of the institutions engaged in the implementation of the EU funds as well as of the project developers themselves as regards equal opportunities, including ensuring access for persons with disabilities. Trainings organised by the minister responsible for regional development regarding equal opportunities and non-discrimination, including accessibility for persons with disabilities, will cover also the employees of the Managing Authorities.

2 CONDITIONS FOR EFFICIENT IMPLEMENTATION OF THE PARTNERSHIP AGREEMENT

2.1 Coordination system

2.1.1 Coordination bodies and their competence

At the stage of intervention programming and implementation under the Partnership Agreement, efficient coordination is essential to ensure complementarity and to maximise the effects of these interventions at the same time. Appropriate coordinating mechanisms serve the achievement of PA objectives and related indicators, in particular those related to the achievement of the Europe 2020 strategy objectives. The strategy will be implemented from the stage of programming, to implementation, to winding up of the assistance.

Entrusting the minister responsible for regional development, by way of an act, with competence to prepare the Partnership Agreement and issue opinions on all the programmes implementing the PA for compliance with the Agreement and any amendments thereto, as well as competence to negotiate programmes implementing the PA, is a key instrument for ensuring a coherent and complementary system of programming documents for 2014–2020 and the mechanisms and rules for their implementation. In addition, the exercise by the minister responsible for regional development of the strategic function in relation to the development policy ensures coordination of development interventions undertaken from a variety of sources, with particular regard to the ESIF.

Coordination at the level of the Partnership Agreement, which constitutes a reference point for all documents related to the 2014–2020 financial perspective, takes place at two basic levels: strategic and management.

- **Strategic coordination at the PA level**

- **Scope of coordination**

Strategic coordination at the level of the PA is focused on ensuring adequate implementation of PA objectives.

Strategic coordination includes, in particular, the following issues:

- Preparing the package of programme documents for 2014–2020,
- Negotiating the package of programme documents for 2014–2020,
- Achieving PA objectives, thematic objectives and related indicators,
- Coordination of regional programmes, including in the area of complementarity with national programmes, with particular emphasis on OP EP and technical assistance,
- Coordination between the funds and in the framework of the funds (with particular regard to the ESF),
- Ensuring common standards for ESF interventions at the regional level,
- Focusing programmes on the implementation of the objectives of the Europe 2020 strategy,
- Monitoring the consistency of actions achieving the objectives of various PA-covered policies,
- Monitoring the consistency of actions within the framework of OPs with the actions under other EU instruments (e.g. CEF, EUSBSR, Horizon 2020, COSME, Erasmus),
- Strategic monitoring and evaluation,
- Allocation of the scopes of intervention; rules designed to help achieve complementarity of interventions and coordination of support under various operational programmes with national sectoral policies (e.g. labour market, social inclusion, education, transport, environmental protection),
- Coordination of implementing the development policies supported by the ESIF within the framework of OPs and ROPs between the country and the region,
- Ex ante conditionality,
- Macroeconomic conditionality,
- ITI implementation,
- Analysis of links between ESIF interventions with CSR implementation on the basis of, among others, data from monitoring of CSR implementation by the minister responsible for the economy,
- Performance framework and reserve.

○ **Coordinating entity**

At the Pa level, coordination is ensured by the minister responsible for regional development who plays the role of a Member State within the meaning of the Framework Regulation (save for the competence reserved for the Council of Ministers).

In connection with the above competence, the minister responsible for regional development in particular:

- Coordinates programming and negotiations on programme documents for 2014–2020,
- Coordinates the PA, save for the leading role of the minister responsible for agriculture, rural development and fisheries in the field of the EAFRD and the EMFF,
- Coordinates ROPs,
- Grants designations to institutions within the framework of cohesion policy programmes.

Concentration of coordination functions in the hands of the minister responsible for regional development, while ensuring partnership mechanisms for cooperation with other ministries, regions and partners, serves efficiency and effectiveness of achieving PA objectives.

Due to the greater decentralisation of structural fund management for the regions, enhanced coordination of programming and implementation of regional operational programmes by the minister responsible for regional development has been ensured. It includes both vertical coordination with sectoral policies, among others through the very PA provisions, the PA Coordinating Committee described below and the Interministerial Team for Programming and Implementation of EU Structural Funds and Cohesion Fund, as well as horizontal coordination to ensure uniform standards and rules, mainly through binding guidelines of the minister responsible for regional development.

The minister ensures appropriate instruments to assist him/her in the performance of the tasks associated with provision of effective and efficient coordination at the PA level.

○ **Strategic coordination tools**

A. PA Coordinating Committee (PA CC)

The main entity supporting the process of strategic coordination is the PA CC, whose chair is the minister responsible for regional development, deputy chairs being: the minister responsible for agriculture, rural development and fisheries (as he/she is responsible for the RDP and OP Fisheries) and additionally the minister responsible for the economy as the coordinator of the Europe 2020 strategy. The PA CC is composed of representatives of all the institutions managing the programmes that serve the implementation of the PA, ministers responsible for the scope of the PA, the minister responsible for public finance, the minister responsible for the economy, the President of the CSO, as well as the social and economic partners and representatives of local authorities, nominated by the Joint Commission of Central Government and the Local Government. The PA CC also works together with the representative of the National Focal Point (NFP) for the EUSBSR.

This PA CC makes the key decisions related to PA implementation as regards the coordination of the PA and thematic objectives; interventions under the cohesion policy, CAP, CFP; coordination with other EU instruments, national instruments and the EIB.

B. Territorial contract

The contract specifies, *inter alia*, in accordance with the regulations at the level of an act, the amount, manner and terms of financing regional programmes, including how the minister responsible for regional development controls and monitors their implementation,

C. The institution of designation for cohesion policy programmes (described further in the PA);

D. Horizontal guidelines of the minister responsible for regional development;

Legal solutions for the new financial perspective strengthen the role of horizontal guidelines of the minister responsible for regional development applicable to all national and regional operational programmes financed by the cohesion policy. They concern, in particular, issues such as: eligibility of expenditure, monitoring of OP implementation, certification conditions, procedure and scope of reporting and monitoring material progress of OP implementation, evaluation, using technical assistance funds, project selection procedures, terms of the collection and submission of data in the electronic form, OP information and publicity.

A special form of guidelines are thematic guidelines concerning the ESF in areas such as: education, employment, social inclusion and adaptability, and horizontal guidelines concerning the selection of undertakings implemented using ESF funds. Due to the specific nature of the ESF, as well as high degree of fund decentralisation, they ensure the necessary standardisation of actions and focus of ESF interventions on achieving Europe 2020 strategy and PA objectives.

E. National and regional territorial observatories

Current monitoring of achievement of PA and programme objectives will be ensured, both thanks to institutionalisation of the monitoring process – national and regional territorial observatories, as well as to ensuring advanced tools that allow access to the necessary statistical data, and as far as possible at the level of the NUTS2 – the STRATEG database.

With a view to significantly linking PA interventions with the objectives of the Europe 2020 Strategy, at the level of coordination monitoring will concern progress in achieving the objectives of this strategy both within the framework of individual programmes and the entire PA, against the background of all the actions undertaken in Poland in order to deliver on the commitments resulting from the strategy.

Regular analyses of this effect by the national territorial observatory and the national evaluation unit will provide the minister responsible for regional development with the reason to introduce, at the initiative of Poland, any possible reallocations at the stage of implementation in order to achieve better adjustment of the scope of intervention of programmes and the PA to the strategy. An assessment of impact of the PA and OP the achievement of Europe 2020 strategy objectives will be an element of the progress reports referred to in Article 52 of the Framework Regulation.

F. National Evaluation Unit

The assessment of the impact of PA implementation on socio-economic changes in Poland and the effectiveness of interventions will be carried out in the framework of the evaluation system coordinated by the National Evaluation Unit.

G. Common List of Key Indicators

At the level of material progress monitoring, including the performance framework, there is a list of output and immediate result indicators common to all national and regional programmes, which allows the aggregation and comparison of the results of individual OPs in respect of the outputs delivered in the framework of interventions, which subsequently translate into results.

H. Strategic framework for specific intervention types

The documents which constitute the strategic framework for the interventions, drafted within the framework of ex ante conditionality, such as the Implementation Document for the Transport Development Strategy, the Polish Roadmap for Research Infrastructures, and the Policy Paper for the health care sector. These documents form a framework for taking coordinated interventions under various programmes, thus ensuring the necessary concentration and coordination of interventions.

I. Integrated Territorial Instruments for voivodeship capitals and areas having functional ties with the capitals

This Instrument is coordinated by the PA CC. It is a mechanism for intervention coordination already at the stage of programming of actions and development of project concepts under various operational programmes, combining national and regional level intervention in urban functional areas. The implementation of this instrument ensures real complementarity of interventions, ensuring the implementation of integrated project bundles based on the ITI strategy, thus enhancing the effectiveness of intervention.

● **Management coordination**

○ **Scope of coordination**

Management coordination is carried out at two levels: at the level of the PA and individual operational programmes.

At the level of the PA, it covers aspects such as:

- Analysis of the current status of implementation of all OPs for the n+3 rule,
- Monitoring of the achievement of the assumed objectives/expenditure projections of all OPs,
- Monitoring the implementation of ex ante conditions,
- Analysis and solving implementation problems at the level of the PA, including suggesting appropriate simplifications,
- Analysis of the administrative capacity necessary for the achievement of PA objectives.

At the level of the programmes, the above-mentioned issues are analysed in detail for the needs of day-to-day management of a given programme. Management coordination at programme level is provided by the managing authority responsible for the preparation of procedures for efficient and effective programme implementation, as required by EU and national regulations. In justified cases the institution may delegate some tasks to intermediate or

implementing bodies, bearing full responsibility for the programme. The recommendations and decisions of the Managing Authority are binding to all the institutions covered by the programme implementation system.

○ **Management coordination tools at the PA level**

A. Interministerial Team for Programming and Implementation of EU Structural Funds and Cohesion Fund

At the level of management coordination, the minister responsible for regional development is supported by the Interministerial Team for Programming and Implementation of EU Structural Funds and Cohesion Fund, composed of representatives of the Mas of all programmes covered by the PA, the ministries involved in PA implementation and representatives of the NFP for the EUSBSR.

B. Comments, recommendations, manuals, instructions, benchamarking, regular coordination meetings

Carrying out coordination functions, the minister responsible for regional development may issue ordinances and guidelines. He/she can also apply the so-called soft coordination tools allowing, *inter alia*, to ensure unified interpretation of the regulations: manuals, comments to provisions, compliance with common standards, exchange of the best practices and experience – coordination meetings.

C. actions to ensure consistency of the system, e.g. a common model of a detailed description of the priority axes (Detailed Description of the Priorities), verification of the descriptions of management and control systems (DMCS), regular analyses of the administrative potential

○ **Management coordination tools at the OP level**

A. Monitoring Committee

The MC is appointed by the Managing Authority within three months from the date of notifying the Member State of the decision on programme adoption.

Each Monitoring Committee will take the form in accordance with Articles 47–49 of the Framework Regulation.

The minister responsible for regional development performing the tasks of the Member State is responsible for issuing and updating the guidelines on the appointment and functioning of operational programme Monitoring Committees. The guidelines will determine common standards for recruitment of the committee members, rules of attending committee meetings and other procedural solutions for all the committees.

B. Programme guidelines, detailed description of priority axes, implementing instructions, inter-institutional agreements on entrusting the function of the IB or IA, manuals

Performing its role as the leader steering the process of programme management and implementation, the Managing Authority issues programme guidelines for individual programme and implementation processes, which are applicable to all institutions involved in the programme implementation system.

C. Actions to ensure complementarity with other programmes

- Coordination of contest dates,
- Organisation of synchronised contests for operations, understood as groups of projects from different axes/funds,
- Harmonised or unified project selection criteria,
- Procedures to allow joint/synchronised processes for calls for proposals and project selection,
- Joint meetings of monitoring committees, working groups and task forces, in particular concerning Eastern Poland and technical assistance.

○ **Solutions to ensure intervention complementarity**

Effective coordination of interventions is closely linked with the possibility of ensuring complementarity of interventions. Examples of coordination instruments that ensure complementarity of interventions at different stages of management are presented in the following table. They can be applied to ensuring complementarity between the ESIF, but also in the case of complementarity between the ESIF and other national and EU instruments, referred to in section 2.1(2).

Table 19: Examples of instruments that ensure complementarity of interventions at different stages of management

<p>Programming – Identification of complementarity and synergy with other instruments</p>	<ul style="list-style-type: none"> • Identification of common/overlapping areas of intervention, categories of beneficiaries, target groups; • Identification of the possibility to carry out complementary operations in a given thematic area or on a given territory, identification of complementary priority axes in different programmes; • Division of scopes of interventions (dividing line); • Territorial instruments facilitating complementarity in geographical terms (ITI, CLLD).
<p>Management and implementation – establishing mechanisms and structures</p>	<ul style="list-style-type: none"> • Identification of structures responsible for coordination in particular programmes; • Cooperation of the institutions responsible for particular instruments in the context of complementarity of actions; • Establishment of joint bodies, groups, task forces (which specify, for instance, the scope of interventions under complementary priority axes); • Organisation of contests for operations (understood as a group of projects under different inter-linked axes, funds, thematic objectives); • Common selection criteria for similar intervention types, such as complementarity as an additional selection criterion, selection mechanisms which include complementarity, possibilities regarding key projects); • Common List of Key Indicators; • Procedures for parallel settlement and conclusion of agreements for funding of complementary projects; • Schedules for joint meetings of the Managing Authority, Implementing Body/Intermediate Body, Monitoring Committee and evaluation bodies; • Selection, management and settlement of expenditure under the projects – schedule for joint or synchronised process of calls for proposals and examination of the projects; • Rules for funding (advance payments) and settlement (eligible expenditure, possibilities to apply simplified methods for settlement of expenditure); • List of areas with a potential for funding from different instruments or programmes, “project banks” (identification of complementary projects/operations that serve specific purposes, e.g. in the area of R&D, identification of complementary projects/operations under the ERDF/ESF – cross-financing); • “Matching” projects, beneficiaries; • Panels of experts which are to identify contact points of the projects and possibilities of their integration into broader ‘bundles’ of projects (e.g. under ITI or umbrella projects). • Common IT solutions for the beneficiaries; • Joint information and promotion actions, common guidelines for the beneficiaries on the above actions; • IT tools that allow potential applicants to find the right path of applying for funds, optimally adjusted to the planned undertaking.

○ **Subcommittees/task forces for the PA CC, Team and MC**

Depending on the needs, the work of the PA CC, the Team and the MC can be supported by work of subcommittees/task forces that deal with the functioning of a separate process that serves PA implementation, selected TOs/TO groups, selected funds or cross-sectional issues, such as social matters, the territorial dimension, coordination between national and regional programmes in specific areas, e.g. between OP EP, NPO and five Eastern Poland ROPs, coordination of ESF interventions in the regions, technical assistance.

Ensuring effective functioning subcommittees/task forces is key to the success of the entire system and requires precise definition of the scope of their tasks, competences and expected work results. In line with the ‘monitored’ processes or issues, each subcommittee/task force has a task to perform systematic reviews of the implementation process and to recommend appropriate actions in the light of the PA CC/Team’s decision. Their members are selected from among entities of the PA implementation system co-responsible for a given subject, thematic objective or fund and, if justified, the nature of the process, social and economic partners; however it is important that the limited size of the group and its composition reflect task-oriented work and enable decision-making.

The work results of particular groups will be used on an on-going basis by particular participating institutions, and will be a contribution to the work of the PA CC/Team.

2.1.2 Coordination and complementarity between policies and instruments

Ensuring complementarity of interventions undertaken under various policies and financed from a variety of sources is one of the factors behind success in achieving the development objectives of the country. In accordance with the definition adopted by the Working Group for Coordination and Complementarity for the Coordination Committee of the NSRF 2007–2013, complementarity of policies, strategies, programmes, actions and projects is understood as complementing interventions leading to the achievement of a particular objective. The synergy effect that is brought about by complementarity of interventions contributes to faster and more efficient achievement of expected results, which will be possible to demonstrate in evaluation studies. Ensuring complementarity is closely related to the coordination of interventions, described in greater detail in section 2.1 (3).

The Common Strategic Framework (CSF), included in the Annex I to the Framework Regulation, establishes strategic guiding principles facilitating the programming process as well as **sectoral and territorial coordination** of the interventions under ESIF and between ESIF and other EU policies and instruments, national instruments and EIB – in accordance with the Europe 2020 strategy objectives. The following Table presents potential areas where scopes of interventions which may be undertaken within particular priorities of the thematic objectives overlap with the scopes of interventions under particular EU financial instruments.

Table 20: Potential areas where scopes of interventions which may be undertaken within particular priorities of the thematic objectives overlap with the scopes of interventions under particular EU financial instruments

Investment priorities of the thematic objectives	Horizon 2020	PPP Initiatives in the framework of ERA ¹⁹⁰	COSME	NER 300	CEF	LIFE	Erasmus	PCSI	EGF	EF PNP	EFMDIA Migrations Asylum	IPA/ ENI	COFUND M. C Skłodowska	PPP Initiatives Article 187 of TFEU ¹⁹¹
Thematic Objective 1.														
IP 1a. Strengthening the R&D infrastructure (...)		x											x	x
IP 1b. Promoting business R&I investment, (...)														
Thematic Objective 2.														
IP 2a. Increasing broadband access														
Thematic Objective 3.														
IP 3a. Promoting entrepreneurship, (...)														
IP 3b. Developing and implementing new business models for SMEs (...)														
IP 3c. Support for creating and expanding advanced skills regarding development of products and services														
IP 3d. Support for SMEs capability to participate in innovation growth processes														
Thematic Objective 4.														
IP 4a, IP 4i. Promoting production and distribution of renewable energy sources														
IP 4g., IP 4vi. Promoting high efficiency cogeneration of heat and power (...)														
Thematic Objective 5.														
5b. Promoting investments targeted at particular types of risk ensuring disaster resilience														
Thematic Objective 6.														
IP 6a, IP 6i. Addressing the significant needs for investment in the waste management sector (...)														
IP 6c. Protecting, promoting and developing cultural and natural heritage														
6d., 6iii. Protecting and restoring biodiversity (...)														
Thematic Objective 7.														
IP 7a., IP 7i. Supporting development of a multimodal Single European Transport Area (...)														
IP 7c., IP 7ii. Developing environment-friendly and low-carbon transport systems (...)														
IP 7d, IP 7iii. Developing and restoring comprehensive, modern and interoperable														

¹⁹⁰ Initiatives in the framework of the ERA (European Research Area) include Joint Programming Initiatives, initiatives on the basis of Article 185 (e.g. Eurostars).

¹⁹¹ The initiatives on the basis of Article 187 of TFEU include Joint Technology Initiatives, such as: Innovative Medicines Initiative (IMI), Clean Sky, Single European Sky ATM Research (SESAR), Fuel Cells and Hydrogen (FCH), and Embedded computing systems (ARTEMIS) and Nanoelectronics (ENIAC).

Investment priorities of the thematic objectives	Horizon 2020	PPP Initiatives in the framework of ERA ¹⁹⁰	COSME	NER 300	CEF	LIFE	Erasmus	PCSI	EGF	EF PNP	EFMIA Migrations Asylum	IPA/ ENI	COFUND M. C Skłodowska	PPP Initiatives Article. 187 of TFEU ¹⁹¹
railway system														
7e. Developing smart systems of distribution, storage and transit of gas and electricity														
Thematic Objective 8.														
8b. (ERDF) Supporting employment-friendly development by developing endogenous potentials (...)														
8i. (ESF) Providing access to employment for job-seekers and inactive people														
8ii. (ESF) Sustainable integration into the labour market of young people not in employment														
8iv. (ESF) Gender equality and balancing work and family life														
8v. (ESF) Adaptation of workers, enterprises and entrepreneurs to change														
8vi. (ESF) Active and healthy aging														
Thematic Objective 9.														
IP 9b. (ERDF) Support for physical, economic and social regeneration of deprived urban and rural communities														
IP 9c. (ERDF) Support for social enterprises														
IP 9iv. (ESF) Facilitating access to affordable, sustainable and quality services (...)														
IP 9vi., IP 9d. Community-led local development strategies (...)														
Thematic Objective 10.														
10i. (ESF) Reduction of early school leaving (...)														
10ii. (ESF) Increasing quality, efficiency and accessibility of tertiary education (...)														
10a. (ERDF) Investing in education, skills and lifelong learning (...)														

- **EAFRD complementarity with other ESIF**

EAFRD complementarity with other ESIF

In the area of TO 1, to complement the actions that are aimed at intensifying the links between science and the economy under the ERDF, the Rural Development Programme (RDP) will support the creation and functioning of operational groups for innovation of the European Innovation Partnership (EIP). Agriculture or processing, marketing or development of agricultural products covered by Annex I to the Treaty will be the subject of actions taken by innovation groups. Support will cover creation of new products, practices, processes and technologies in the agri-food sector as well as pilot projects concerning putting the solutions thus obtained into practice. In addition, within the framework of the RDP demonstration projects in the field of agricultural or forestry production, or agri-food processing will be implemented that serve to promote innovation, as well as actions disseminating good practices or innovative solutions in this regard. Farmers will be covered with comprehensive advisory assistance, the extent of which should be connected with at least one rural development priority of the EU. Forest owners may also obtain advisory support. Such consultancy may also cover the introduction of innovative solutions. It should be stressed that innovation as a horizontal objective is to be implemented under all priorities of rural development.

Under the rural development programme funding will be provided for trainings aimed at developing knowledge and occupational skills of farmers or forest owners in the area related to agricultural activity and connected with agriculture or forestry. Under the cohesion policy, TO 8 will support trainings in the field of upskilling targeted at taking up non-agricultural activity. Trainings for farmers will also contribute to the implementation of other objectives, especially those related to competitiveness and environment.

As to ICT (TO 2), the cohesion policy will support providing access to broadband networks, mainly within the so-called blank spots. Preferences in the framework of support for basic services from the EAFRD, comprehensive operations with investments for the creation of passive broadband infrastructure or implementation of infrastructural operation using the so-called technological channels will ensure complementarity of support for access to broadband networks with the cohesion policy. Under the rural development programme additional support will be provided for the use of ICT i.a. under LEADER, in the area of pursuing an economic activity, farm products marketing or creating electronic tools that serve collecting and making available information on tourism and leisure. In terms of popularisation of ICT

use, the cohesion policy funds will be used primarily to support entrepreneurs (including agricultural producers) in the area of the development of ICT-based products and services, support the development of electronic public services (projects managed by local government units), digitisation of resources and increasing access of citizens to services offered through ICT.

In the framework of TO 3 under the EAFRD, actions will focus mainly on facilitating the restructuring of agricultural holdings (including holdings with low market participation), setting up of young farmers and development of agricultural services. Under the rural development programme, the support for micro, small and medium-sized enterprises involved in the processing of agricultural products listed in Annex I to the Treaty is assumed, if the final product is listed in Annex I to the Treaty. Coordination of support for agri-food processing will be necessary. For better integration of producers with the food chain, the EAFRD will provide support to the development and improvement of trade infrastructure, including construction or modernisation of markets, and establishment of producer groups.

As to improving the competitiveness of SMEs, within the framework of the cohesion policy it will be possible to support international economic cooperation of enterprises (including agri-food producers) and the promotion of enterprises on international markets (including a.o. the agri-food sector). Advisory and training projects will be implemented to increase the ability of enterprises to build and enhance their competitive advantage on the market.

In addition to the support for increasing the share of renewable energy sources, the support for RES micro-installations and as an element of farm restructuring leading to an increase in farm gross value added will contribute to the implementation of TO 4 from the EAFRD funds. The support for investments in modernisation of farms and support for agri-food processing may contribute to increased energy savings in the production process.

Apart from the measures concerning water management, prevention and risk management under the cohesion policy (TO 5), the support provided under EAFRD may cover operations aimed at preventing flood damages in farms and in special sectors of agricultural production, and at restoring the potential of plant or animal production destroyed by natural disasters (including animal diseases), adverse weather phenomena and catastrophic events.

In the case of small holdings, TO 8 under EAFRD will support the development of non-agricultural activities contributing to employment growth in rural areas. In order to promote structural changes in the agricultural sector and in rural areas, retraining of farmers and their household members who intend to take up non-agricultural activity will be supported under the cohesion policy. To increase the effectiveness of actions, under the cohesion policy, under the cohesion policy it will be possible to implement actions ensuring professionalisation of the services provided by agricultural advisory centres. As to promoting employment and mobility of employees (TO 8), support for rural areas within the framework of the cohesion policy will be provided through grants or repayable instruments for setting up economic activity or consultancy related to setting up and running a business. All these activities are focused on professional activation of individuals, including farmers and members of their families who are interested in departing from agriculture. In addition, supported will also be provided to comprehensive projects for areas with specific problems (e.g. former collective farms).

Under TO 9 complementary actions of the EAFRD and of the cohesion policy concern improving access to public services and the inclusion of communities living in problem areas by improving accessibility of public services. In the case of cohesion policy, this includes services such as social assistance, care and health care services. As part of this Thematic Objective, undertakings will be implemented in the area of water supply and wastewater collection projects and local roads, complementary with ERDF and FS investments undertaken in the framework of TO 6 and TO 7.

The second area of complementarity under TO 9 is support for local development within the framework of CLLD. The implementation of CLLD may contribute to the achievement of other thematic objectives, depending on the scope of individual local development strategies. The rules for the coordination of this instrument's implementation are described in the part of the PA dedicated to territorial development instruments, in section 3.1 of the PA.

As to investment in education (TO 10) – the support for rural areas from the cohesion policy will primarily concern the equalisation of educational opportunities and investments in the development of educational and training infrastructure, complementary to these activities. Support will also be provided for access to preschool education in rural areas, as well as continuous education other than farming education of the rural population. The EAFRD will support consultancy for farmers and forest owners as well as vocational training.

Depending on the funds involved in the implementation of the LDS in the framework of CLLD, coordination and complementarity of support will be ensured between individual funds to the extent covered by the LDS. Common rules, as far as possible, will be developed for all funds (with the exception of the CF).

- **Complementarity of the 1st and 2nd CAP pillar**

Inclusion of EAFRD into the scope of the Common Strategic Framework makes coordination of the rural development policy with cohesion policy actions easier. Nevertheless, the EAFRD remains an integral part of the CAP and as such it should complement actions funded under the European Agricultural Guarantee Fund (EAGF).

The EAFRD and the EAGF, two pillars of the CAP, constitute complementary instruments for the implementation of the same objectives covering: 1) profitable food production; 2) sustainable management of natural resources and climate action, and 3) sustainable territorial development.

Both pillars have a common feature – the necessity to promote resource efficient use of the resources of EU agriculture and rural areas with a view to smart, sustainable and inclusive growth, in line with the *Europe 2020 strategy*. The reformed rules for direct payments contribute to increasing synergy between the 1st and 2nd CAP pillar (flexibility of transferring funds between the pillars (up to 25%), direct support scheme for young farmers, greening of direct payments).

The EAFRD forms an integral part of the Common Agricultural Policy and as such it complements actions under the European Agricultural Guarantee Fund (EAGF), which ensures direct support to farmers and market support.

- **Complementarity of the EMFF with other ESIF, with the Common Fisheries Policy and the Integrated Maritime Policy**

As far as EMFF is concerned emphasis is placed on long-term strategic objectives of the CFP and IMP, including sustainable and competitive fisheries and aquaculture, a coherent political framework enabling further development of the IMP as well as balanced and inclusive territorial development of fisheries areas. In line with the *Europe 2020 strategy*, these general objectives for the years 2014–2020 translate into the following six Union EMFF priorities:

1. Promotion of environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries,
2. Supporting environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture;
3. Supporting the implementation of the CFP,
4. Increasing employment and territorial cohesion,
5. Supporting trade and processing,
6. Supporting the implementation of the IMP.

The main area of EMFF support is the fishing sector along with the socio-economic aspects related to its restructuring and the administrative capacity necessary for the implementation of the CFP. The purpose of EMFF interventions is to structurally strengthen the sector and to increase the value of fisheries products.

The primary criterion for the division of interventions between the EMFF and other ESIF is the degree of intervention links with the fisheries sector and protection of aquatic resources.

As the primary instrument of the CFP and one of the five ESIF objectives, the EMFF will implement four out of the 11 thematic objectives.

As to TO 3, the EMFF will support particularly innovative projects in the area of sea and inland fisheries and aquaculture, investments in fishing ports, landing sites and terminals only in terms of technological development and improvement of safety and health at work, raising product quality and added value of fisheries and aquaculture products, including production investment, supporting the search for new forms of revenue of fisheries and aquaculture sector entities. An important aspect of the implementation of the CFP reform will be developing and implementing plans for production and placing on the market, storage subsidies, actions relating to placing on the market and processing of fisheries and aquaculture products, as well as the promotion of human capital and networking in the fisheries sector, partnerships between scientists and fishermen.

As to investments in fishing ports, the EMFF will finance investments in devices for fishing activities and construction elements working with these devices in fishing ports, terminals and landing sites, with a view to improving the quality of landed products, increasing energy efficiency, contributing to the protection of the environment or improving the safety and working conditions.

In the framework of TO 4, in the area of energy use efficiency investments will be implemented by entities pursuing fisheries activity. Investments for the diversification of energy sources, *inter alia* in wind power plants and others, for the needs of a fisheries undertaking will be financed within the framework of the ERDF. In addition, efforts will be aimed at climate change mitigation, including the replacement of fishing vessel engines and investments on board ships, as well as at improving the management and conservation of the environment, including NATURA 2000 sites.

TO 6 will be implemented within the framework of the EMFF, *inter alia* by: reducing the impact of fisheries on the marine environment, protection and restoration of marine biodiversity and marine ecosystems within the framework of sustainable fisheries, including innovative technologies. In addition, support will cover investments in inland fisheries to protect the environment, investments in aquaculture to provide services in the field of environmental protection, as well as actions for animal health and welfare.

In the framework of the IMP, support will be provided for contributing to the achievement of the objectives of integrated maritime surveillance and, in particular, to the achievement of the objectives of the Common Information Sharing Environment (CISE). As to the implementation of the CFP reform, it will be particularly important to implement the EU control, inspection and enforcement system, collect original biological, technical, environmental and socio-economic data, as well as manage and use the data.

TO 8 will be implemented within the framework of the EMFF by introducing the CLLD approach, including preparatory support and the implementation of local development strategies prepared by the community making up local action groups in fisheries areas. In addition, complementary financing will be provided for actions for cooperation, as well as the current costs and activation of local communities.

As an element of the CSF system, the European Maritime and Fisheries Fund (EMFF) is an instrument for the implementation of a majority of the objectives of the reformed Common Fisheries Policy (falling within the EU's exclusive competence) and of the EU Integrated Maritime Policy (IMP).

The Common Fisheries Policy covers: (a) conservation, management and exploitation of living aquatic resources; (b) mitigation of the environmental impact of fisheries; (c) terms of access to waters and resources; (d) structural policy and fleet capacity management; (e) control and enforcement; (f) aquaculture; (g) common organisation of the markets; and (h) international relations.

2.1.3 Coordination with national Instruments – territorial contract

Effective coordination of interventions under the Partnership Agreement requires a close connection between cohesion policy instruments and the instruments of these of national policies which have a strong territorial impact. Coordination of these instruments will be possible as a result of introducing the territorial contract (TC) in Poland.

The TC develops the concept of a voivodeship contract, implemented in the 2007–2013 perspective, which was limited only to co-funding operational programmes with funds from the state budget, state special-purpose funds or from foreign sources.

The instrument introduced by the NRDS¹⁹² constitutes a contract between the Council of Ministers, represented by the minister responsible for regional development and the authorities of a given voivodeship, setting out the development objectives and priority undertakings which are essential for the development of the country and a given voivodeship defined in the contract, their financing as well as coordination and implementation. Priority investments for the voivodeship which will be financed from EU funds implement the objectives of the Partnership Agreement and the operational programme under which they are funded.

Thus, the TC is in addition a document regulating the flows of funds for the financing of programmes that serve PA implementation in the field of the cohesion policy, drawn up by voivodeship authorities, from the state budget to local governments of voivodeships, to the extent in which it is not subject to negotiations.

The minister responsible for regional development is responsible for coordination of the whole TC negotiation process on the part of the government. The final product of TC negotiations consists of a list of undertakings carried out in a given territory, which are necessary for its development and are of strategic significance to Poland's development. These undertakings are implemented through projects of a defined thematic and financial extent which complement each other. Thematic areas to be covered by a given TC are selected on the basis of a set suggested by the minister responsible for regional development. The selection process takes into account socio-economic conditions in a given voivodeship. The TC also defines, *inter alia*, the following:

- Bodies responsible for the arrangement and implementation of undertakings at the national and regional level,
- Arrangement schedule and subsequently an implementation schedule for the undertakings, in particular for the key stages which will provide a basis for the future assessment of the possibilities for such undertaking to be carried out in line with the schedule,
- Financing rules for the priority undertakings (sources of funding under ESIF, sources of funding under national instruments),
- The extent and manner of involvement of the regional level in the fulfilment of the thematic fund concentration rule, i.e. finding the extent to which a given voivodeship intends to contribute to the fulfilment of thematic fund concentration rule through the priority undertakings implemented through the TC,
- Possible derogations from the assumed state-region division.

ESIF are the main source of financing for the priority undertakings within the framework of the TC. Regardless of the above, one of the main objectives of introducing this instrument is to include in the process of development policy financing also the funds available at the national level, other than those earmarked for national co-financing, which

¹⁹² The document was approved by the Council of Ministers in July 2010.

supplement EU funds. Therefore, the TC also covers the national funds that may be spent only upon the decisions issued by respective ministries or their subordinate institutions. Arrangements on involving such sources of financing in undertakings implemented in the framework of the TC will be made in the process of negotiations.

For each priority undertaking selected to be covered by the TC, the impact of the task on the implementation of the development policy will be presented by identifying at least the following:

- a) Strategic documents and their thematic objectives, under which the undertaking falls,
- b) Programmes, funds, sources of financing (EU and/or national) under which the undertaking is carried out (when the undertaking consists of several projects, a source of financing will be precisely assigned to each of them),
- c) Indicators from the programmes referred to in point (b) which are carried out under a given undertaking, and their extent,
- d) The mechanism ensuring complementarity of the projects making up the undertaking,
- e) The ERDF and ESF integrating mechanism, if the project requires it.

2.2 Implementation of the principle of additionality

In accordance with the principle of additionality, ESIF funds do not substitute national public funds, but rather supplement them. The EU funds provide a ‘leverage effect’ in the country, i.e. they are conducive to involvement of the public and private sectors in the implementation of the EU-co-financed actions. At the same time the additionality principle is intended to prevent crowding out of the national funds by the Union funds.

In accordance with the definition in Article 95 of the Framework Regulation, ‘public or equivalent structural expenditure’ stands for gross fixed capital formation of the general government. In the years 2014–2020 a level of public or equivalent structural expenditure should be maintained at least at the level equal to the reference level set out in the Partnership Agreement.

The reference level on average per year of public or equivalent structural expenditure for the years 2014–2020 will be set out in consultation with the European Commission, taking into account the general macroeconomic situation or exceptional circumstances, such as privatisation processes, or an exceptional level of public or equivalent structural expenditure incurred by a Member State in the period 2007–2013 and changes in other indicators regarding public investments.

In the case of Poland, the principle of additionality is verified only at the national level.

Table 21: Expenditure of the general government in relation to GDP in 2007-2013

	2007	2008	2009	2010	2011	2012	2013
Gross fixed capital formation of the general government in relation to GDP	4.2	4.6	5.2	5.6	5.7	4.6	3.9

Source: Eurostat, General government gross fixed capital formation (ESA95 code P.51).

According to historical data from the period 2007–2013, the annual average gross fixed asset formation of the general government was ca. 4.8% of GDP. The record-high levels (of this indicator) recorded in 2009–2011 (above 5% of GDP), belonging to the highest in the EU, were the consequence of considerable public outlays earmarked for infrastructural investments and investment expenditure associated with preparations for the EURO 2012. However, such significant capital expenditure would not have been possible without the efficient absorption of EU funds, complemented with necessary national co-financing,

In accordance with the estimates of the minister responsible for finance included in the *Convergence Programme. 2014 Update*, a decrease in infrastructure investments both at the central and at the local level has been forecasted since 2014. It is assumed that after reaching the record levels in 2010 and 2011 the share of public investments in GDP will be decreasing in the subsequent years to an annual average of ca. 3.6% of GDP. Despite a slight decrease in the share of public investments in GDP, they will remain among the highest in EU countries.

The structure of beneficiaries of the EU funds will also change in favour of the private sector. Private investments will gradually replace public investments in generating economic growth. This process has been observed since 2011, when the share of GDP in gross fixed capital formation of the market sector started to increase systematically.

Table 22: Planned expenditure of the general government sector in relation to GDP in 2014–2020

	2014	2015	2016	2017	2018	2019	2020
Gross fixed capital formation of the general government in relation to GDP	3.9	3.9	3.6	3.5	3.5	3.5	3.5

Source: 2014–2017: Ministry of Finance projection included in the *Convergence Programme. 2014 Update*; 2018–2020: MID assumption on the basis of the trends forecasted by the Ministry of Finance.

The factors referred to above should be taken into account while establishing the reference level of structural expenditure for the purpose of verification of the additionality principle.

The level of public sector investments will also be determined by assumed limitation of investment expenditure in the local government sub-sector, linked with the need to improve its financial situation resulting from the Act on public finance. We should also have in mind that Poland must meet strict fiscal criteria in the near future in connection with the excessive deficit procedure.

Data from the above table will serve as a reference level for public or equivalent structural expenditure, which is to be continued in 2014–2020.

2.3 Assessment of the fulfilment of ex ante conditionalities¹⁹³

Pursuant to Article 19 of the CPR, the implementation of the ESIF requires the fulfilment of specific ex ante conditionalities. Ex ante conditionalities apply only within the scope in which they are applicable to specific objectives pursued within the priorities of the given programme, observing the principle of proportionality with regard to the amount of granted support.

The Partnership Agreement sums up the self-assessment of the fulfilment of ex ante conditionalities, both those general and assigned to individual investment priorities (annex).

The minister competent for regional development monitors the activities of relevant entities, aimed at fulfilling specific ex ante conditionalities. The report on the monitoring of these works and the resultant recommendations are presented to the Council of Ministers' Committee on European Affairs until all conditionalities are fully fulfilled.

2.4 How to ensure coherent operation of the performance framework for the European Structural and Investment Funds

The rules of operation of the performance framework and performance reserve for all ESIF programmes presented in the Partnership Agreement were conceived based on relevant provisions of the CPR and the relevant implementing and delegated regulations, and supplemented with additional national solutions aimed at increasing the efficiency of operation of the performance framework. On their basis, the Coordinating Institution of the Partnership Agreement ensures their coherent operation under the ESIF programmes at the stage of programming and performance.

The rules concern three components of the operation of the performance framework and reserve system:

- I. Allocation of the performance reserve during programming and reallocation of the reserve during the review of the results in 2019;
- II. Establishing milestones and targets for the performance framework during programming;
- III. Solutions ensuring actual achievement of these objectives during implementation.

These rules, supplemented with additional practical recommendations, were included in the comments of the Ministry of Infrastructure and Development to the operational programme template.

The minister competent for regional development specifies the mechanism for monitoring the progress in the area of performance framework and reserve in the reporting guidelines.

Ad I. Rules for allocation of the performance reserve during programming and for reallocation of the reserve during the review of the results in 2019

During programming, a performance reserve of 6% of the total allocation for each fund and each region category was provided for each programme (exception concerns OP I&E and TA OP, as described further in the document). At the level of each priority axis (each priority in the case of RDP), the reserve should amount to 5% to 7% of the value of the EU co-financing. The priority axis concerning *Youth Employment Initiative* (hereinafter: YEI) under the OP KEP is also excluded from the reserve (detailed list of exclusions is presented in Article 20 of the CPR).

Technical assistance priority axes/priorities under programmes are excluded from the performance reserve and it should be assumed to be 0% for them. Thus, to maintain 6% share of the reserve under a programme, compensation should be provided and to this end the reserve for each axis/priority not related to technical assistance should be proportionally increased, taking into account the share of the fund concerned in technical assistance under the programme. In accordance with the rule adopted under the Partnership Agreement that the technical assistance is

¹⁹³ Information on the degree of fulfilment of ex ante conditionalities will be updated upon receipt of official Polish language versions of the EU regulations.

covered only under ESF in the case of programmes financed under two funds, the share of the reserve for the remaining ESF axes of these programmes should be increased over 6% (proportionally for all or only for some) and it should not exceed 7% in any of these axes. For the axes supported under the EMFF, the reserve will amount to 6% of their allocation, with the acceptable fluctuation between 5% and 7%. Thus, the total reserve for a given programme from all axes and under all funds will account for 6% of its total allocation. National programme TA OP financed under CF is entirely excluded from the performance reserve mechanism. As for OP I&E, where technical assistance is fully financed under CF, the share of the performance reserve in the remaining axes financed under CF (proportionally in all or only in some) will be increased over 6%, taking account of the fact that no reserve is provided under TA OP and technical assistance axes of OP I&E. For OP I&E axes financed under the EMFF the reserve will amount to 6%, with the acceptable fluctuation at the axis level of 5% to 7%, because the technical assistance is not financed under the fund for this programme.

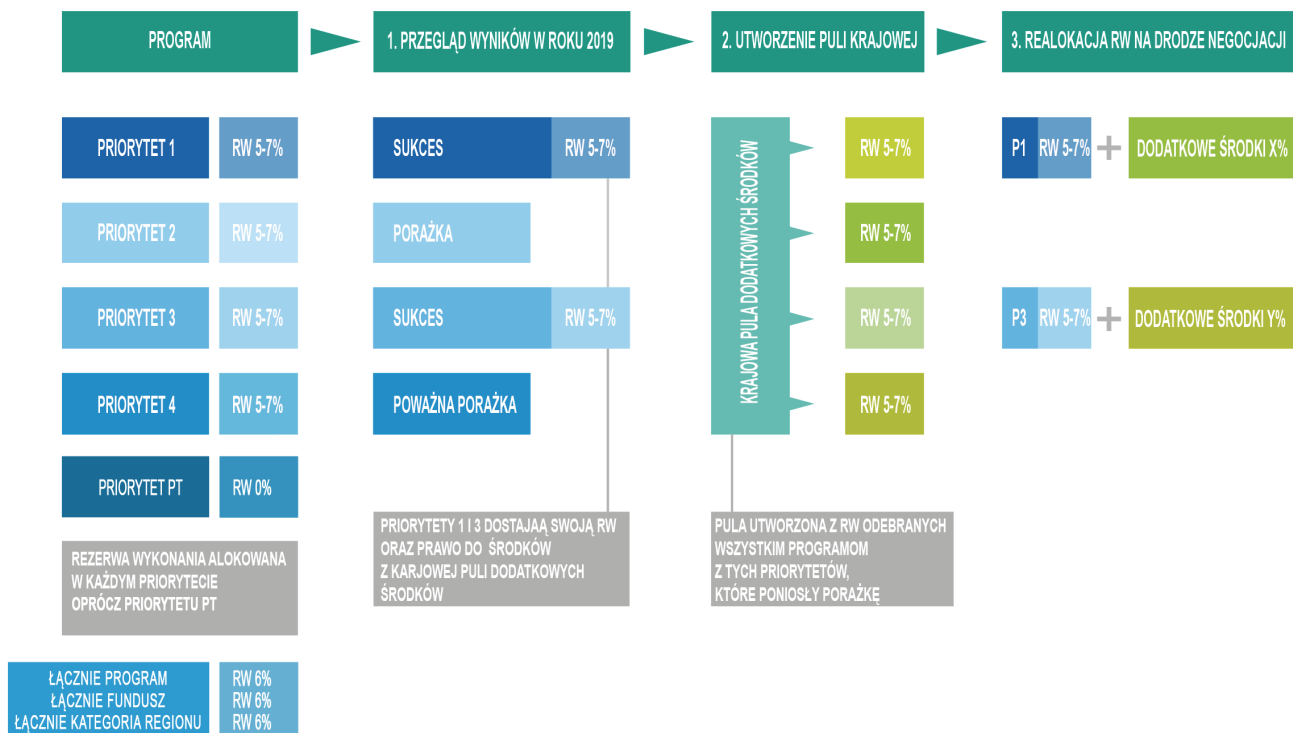
Reallocation of the performance reserve in 2019 will take place pursuant to the EU legislation, including Article 22 of the CPR. During the review of the results in 2019, the performance reserves of axes/priorities which failed to achieve the milestones will create a pool of funds at the national level.

The Rural Development Programme 2014–2020 (RDP 2014–2020) and the Operational Programme Fisheries and the Sea will constitute exceptions, where funds will be transferred only between priorities of the given programme. The MA will review the priorities and will propose to the EC the appropriate transfer of funds of the performance reserve to priorities specified in the Commission decision.

It will be allocated in the form of additional funds to axes/priorities where the milestones have been reached in accordance with the following rules:

- a. Analysis of possible allocations of the reserve among individual thematic objectives and categories of regions will be carried out, subject to Union restrictions in this area;
- b. Allocation of additional funds will take place through negotiations between the coordinating institution of the PA and the managing authorities, during which the following selection criteria for priorities and the criteria for the amount of additional funds will be the most important:
 - Compliance with policy objectives under the PA;
 - Appropriate substantive justification of increased allocation for an axis/priority and thus of a respective increase in the value of targets;
 - Conclusions from the existing reports, evaluations and analyses concerning the implementation, changes to the socio-economic situation and relevant forecasts, development needs, administrative and absorption capacities.
- c. First, the possibility to leave the allocations for the given programme will be considered – funds from the performance reserve lost in one axis/priority under a given programme may be transferred to another axis/priority under the same programme (if its milestones have been reached) provided that the managing authority submitted a convincing subjective justification based on the above mentioned criteria.

15. Scheme 3: Functioning of the performance reserve in Poland



Program	Programme
1. Przegląd wyników w roku 2019	1. Review of the results in 2019
2. Utworzenie puli krajowej	2. Establishment of the national pool
3. Realokacja RW na drodze negocjacji	3. Reallocation of PR through negotiations
Priorytet	Priority
RW	PR
Rezerwa wykonania alokowana w każdym priorytecie oprócz priorytetu PT	Performance reserve allocated to each priority, except for TA priority
Łącznie program	Programme in total
Łącznie fundusz	Fund in total
Łącznie kategoria regionu	Region category in total
Sukces	Success
Porażka	Failure
Poważna porażka	Serious failure
Priorytety 1 i 3 dostają swoją RW oraz prawo do dodatkowych środków z krajowej puli dodatkowych środków	Priorities 1 and 3 receive their PR and the right to additional appropriations from the national pool of additional funds
Krajowa pula dodatkowych środków	Total national additional appropriations
Pula utworzona z RW odebranych wszystkim programom z tych priorytetów, które poniosły porażkę	The pool created of PR withdrawn from unsuccessful priorities under all programmes
Dodatkowe środki	Additional funds

Ad II. Rules for establishing milestones and targets for the performance framework during programming

1. Milestones and targets are identified with the use of indicators (or corresponding key implementation steps) selected from the Common List of Key Indicators. This ensures that they remain consistent for the programmes and priorities, as well as their transparency and verifiability. For RDP, the EU indicators will be used.

Financial indicator and output indicator must be provided for the purpose of performance framework and reserve of a given priority axis. When it is necessary to ensure the required representativeness (over 50% of the allocation under the priority axis), a larger number of output indicators is selected.

- Financial indicator (obligatory element) - the milestone and the target for total certified eligible costs, entered into the accounting system of the certifying institution and the certified entities, must be determined. The method of estimating the minimum level of the indicator was presented in the comments of the MID to the template of the operational programme, but the values for the milestone and the target will be determined by managing authorities individually for each axis/priority based on historical data for specific types of intervention;
- Output indicator (obligatory element)¹⁹⁴ – in the case of the cohesion policy it should be selected from among the indicators in Table 5 and from the Common List of Key Indicators. Pursuant to the EU regulations, in the case of the ERDF, the CF and the EMFF, it refers to fully implemented operations, in the case of the ESF it may also refer to only partially implemented operations and in the case of the EAFRD it refers to completed operations, taking into account the exceptions listed in Article 5(2) of the Commission Implementing Regulation on i.a. performance framework.¹⁹⁵ For this indicator, the milestone to be achieved at the end of 2018 (it may even be “0”, but then the key implementation step must be included in the framework) and the target to be achieved at the end of 2023 should be established;
- Key implementation step (optional element) applied when e.g. the value of milestone estimated for the output indicator is small or close to zero, or difficult to estimate at this stage of implementation, then the key implementation step, linked directly to this output indicator, may be used.

2. Ex ante evaluation of programmes under the European Structural and Investment Funds or additional analyses by the MA to check whether the milestones and targets for actions for individual priorities are representative, whether the indicators have been selected correctly and whether they can be reasonably achieved within the deadlines set and with the specified financial outlays. Pursuant to the model developed by the MID, managing authorities present (in the annex to the programme) the information on selected indicators and calculation of their milestones and targets for all performance frameworks of the given programme, resulting from Article 4 of the Commission Implementing Regulation on the performance framework, as well as additional information to ensure coherent operation of the performance framework under all programmes.

As III. Solutions which ensure that the objectives will be actually achieved during implementation

1. Prioritisation of the evaluation of the investment impact on the achievement of milestones and targets when selecting the project.

Managing authorities and the Monitoring Committee must give preference to projects implementing directly and to the greatest extent the indicators adopted for the performance framework and reserve.

2. The identification by the managing authority, during the programming, of the types of investments which faced serious implementation problems in the years 2007-2013, e.g. delays in project implementation, cost overruns, lack of absorption capacity of the sector, subsector or beneficiaries. For these types of investment, the managing authority will apply an enhanced mechanism of supervision over timely implementation of projects.

3. Complementing the EU system for performance framework monitoring with information on the progress made in achieving milestones in 2016, 2017, 2019–2022 and targets in 2019–2022. The data will be used for national purposes. If the annual report on performance framework shows that the achievement of milestones in 2018 or of targets in 2023 is at risk, the managing authority must present a corrective action plan by the set deadline (including an analysis of the problems and a timetable for the actions) aimed at addressing the identified problems. The managing authority will inform on the plan implementation every three months.

¹⁹⁴ Alternatively a larger number of indicators ensuring the coverage of 50% of the allocation of the priority axis. In order to ensure transparency of the performance framework, the aim should be to select the smallest possible number of indicators.

¹⁹⁵ Article 5 of the Commission Implementing Regulation No 215/2014 of 7 March 2014 specifies to which stage of project implementation the output indicators should refer in the performance framework for individual funds as follows: “For all ESI Funds, except for the ESF and the EAFRD, the milestone and target for an output indicator shall refer to operations, where all the actions leading to outputs have been implemented in full, but for which not all the payments have necessarily been made. For the ESF and for the EAFRD for measures according to Articles 16, 19(1)(c), 21 (1)(a) and (b), 27, 28, 29, 30, 31, 33, 34 of Regulation (EU) No 1305/2013, they may also relate to the achieved value for operations which have been started but where some of the actions leading to outputs are still ongoing. For other measures under the EAFRD, they shall refer to the completed operations in the meaning of Article 2(14) of Regulation (EU) No 1303/2013.”

4. Regular notification of the Interministerial Team, the Coordination Committee for the Partnership Agreement and the Council of Ministers on the performance of milestones and targets, possible delays, problems and the implementation of corrective plans.

The ex ante evaluator positively assessed the mechanism for coherent operation, monitoring of the performance framework and reallocation of the performance reserve.

2.5 Evaluation of institutional capacity of the Partnership Agreement implementation system – general assessment of institutional capacity

2.5.1 Cohesion policy

○ Structure

The structure of the proposed institutional system for PA implementation was largely planned on the basis of the experience from the 2007–2013 financial perspective. Primarily thanks to effective use of technical assistance funds both within the framework of Operational Programme Technical Assistance and the technical assistance components in operational programmes, the system has proved effective. The above can be proven by both highly successful winding-up of the 2004–2006 programmes and the existing material and financial effects of programmes under the NSRF, as well as by the low level of irregularities found by the national and Union audit services. Despite its complexity (a total of 116 institutions), the existing system performed well in practice and is evaluated positively both in terms of the number of institutions, distribution of tasks among them and staff resources.

For the years 2014–2020 a model of an institutional system similar to the system functioning in the years 2007–2013 is planned. At the same time, on the basis of experience and taking into account the efficiency and effectiveness of implementation of the programmes implementing the PA, the system was adjusted to the structure of the programmes and regulations for the years 2014–2020, among others in some areas the programme implementation structure was flattened, thereby eliminating these entities whose functioning within the system is not bring about the expected added value. Issues related to the institutional system of the cohesion policy are described in greater detail in section 5.1.

○ **Human resources**

For the purposes of PA implementation, it is planned to use the personnel involved in the implementation of the 2007–2013 perspective as much as possible (as at March 2014: 12,064 people employed at 10,603 FTEs). A detailed analysis of the institutional capacity of particular PA implementing institutions will be carried out to designate the institutions as well as for the needs of subsequent controls of compliance with designation criteria.

Similar to the 2007–2013 perspective, the institutional capacity will be subject to permanent monitoring by the minister responsible for regional development. The monitoring results in regular reports (drafted every six months) which provide a diagnosis of the institutional capacity of all institutions involved in the cohesion policy implementation system in the context of selected implementation processes, such as selection and evaluation of projects, the appeal procedure and payment requests. The reports may provide a basis for appropriate actions to enhance work within the system as they provide information on the scale of tasks, workload in particular institutions and pace of implementing individual processes.

Similarly as in the years 2007–2013¹⁹⁶ the ministry that supports the minister responsible for development will prepare an *Action plan in the area of human resources involved in the implementation of cohesion policy in the years 2014–2020*. The Action plan will define, in particular, the following:

- Estimated demand for personnel in the institutions involved in the implementation of the cohesion policy in 2014–2020,
- The model (recommended) structure of employment in the institutions involved in the implementation of the cohesion policy in 2014–2020 (due to the implemented processes), along with recommendations on the possible personnel shifts necessary in view of the dynamics of the process of implementing the cohesion policy in 2014–2020,
- The division of tasks in the area of financing remunerations between OP TA and priority axes under other national programmes.

The Plan proposes solutions based on the experience from the implementation of the previous financial perspectives, taking into account the determinants of the 2014–2020 perspective. As a result of preliminary analyses it has been estimated that at the level of the Partnership Agreement, in the case of institutions involved in the implementation of individual operational programmes of the CP, employment should increase slightly compared with the 2007–2013 financial perspective. It should be noted that this change should include a reduction of employment in the institutions involved in the implementation of national programmes, while increasing employment for regional operational programmes. These changes are related to the decentralisation of the fund management process and increasing the role of the regions in the 2014–2020 perspective. They include the changes in the size of the allocations that will be available under individual programs in the 2014–2020 perspective and the need for increased emphasis on the effectiveness of the activities and the fact that some of the institutions that participated in the implementation of programmes for the years 2007–2013 will not be incorporated into the system of programme implementation for the period 2014–2020 or their role will be greatly reduced. A diagnosis will be based on the analysis of the institutions' burden with tasks. It should be noted that the key tasks, from the point of view of the implementation of individual programmes, will be those directly related to project handling and control. They include processes such as calls for proposals and project assessment, contracting (signing and amending agreements), exercise of the function of the so-called project coordinator, and control processes. It is assumed that these processes constitute the core of the tasks related to the implementation of the cohesion policy, and their scale stems directly from the size of the allocation, as well as the number and size of projects. The other processes (a.o. evaluation, information and promotion actions, monitoring) are derived from the key tasks – firstly, they may not function in isolation from the handling of projects, and secondly, their scale depends on the number and budget of the projects.

The recommended approach will advocate departure from strictly reactive actions in favour of a long-term HR policy for the institutions handling the funds. Thanks to the experience of the previous financial perspectives, it is possible to formulate recommendations for the entire implementation period, taking into account the dynamics of the implemented programmes, as well as shifting of employees between two financial perspectives.

The implementation of the Action plan in the area of human resources involved in the implementation of the cohesion policy (national operational programmes) will be financed from OP TA. The Action plan will relate mainly to the staff of the institutions involved in the implementation of national programmes, i.e. where OP TA support applies. In addition to use for the needs of determining the desired level of employment in the institutions implementing national programmes, the Action plan will also be used as a source of recommendations for planning human resources in the

¹⁹⁶ Introduction of the *Action plan in the area of human resources involved in the implementation of cohesion policy in the years 2014–2020*, financed from OP TA, led to employment stabilisation and reduced fluctuation of the cohesion policy system staff (to 4%). A high level of employee turnover in the institutions was a serious problem still in the 2004–2006 financial perspective. In the initial period of implementation, it was up to ca. 20%, and in some cases even up to 40 or 60%.

institutions implementing regional operational programmes. ROP MAs are responsible for ensuring an adequate institutional capacity. To that end they use funds from technical assistance for the programmes.

In order to ensure the optimal functioning of the system, the funds of technical assistance (both the national OP TA as well as the technical assistance of individual programmes) will be used for numerous actions aimed at raising the capacity of the institutions involved in the implementation of the PA.

These are, among others, improving the capacity of the institutions implementing the large railway and road projects (PKP PLK and the General Directorate of National Roads and Motorways), improving the capacity of the institutions implementing water management projects (National Water Management Authority) – source of funding: OP TA, support for the process of exchanging experience and information between participants of the cohesion policy implementation system and strengthening of the partnership principle.

○ **Implementation tools for improving institutional capacity**

In order to ensure an efficient PA implementation system, a number of implementation tools financed by technical assistance were planned (both OP TA and priority axes of technical assistance under individual operational programmes, in accordance with the adopted division of tasks). The tools were developed on the basis of the experience from the two previous financial perspectives. This includes in particular:

1. The Action plan for human resources involved in the implementation of the cohesion policy in the years 2014–2020 (referred to above);
2. The Common Guidelines for the use of technical assistance that regulate issues such as:
 - Eligibility of expenditure,
 - Monitoring the effectiveness of interventions undertaken within the framework of technical assistance along with a common list of indicators for the entire system,
 - Common rules on fair competition and equal treatment of contractors,
 - Common rules on the financing of the participation of partners in the work of the monitoring committees, working groups, thematic networks and other bodies involving partners from outside the public administration.

It should be noted that the development of uniform rules concerning technical assistance for the entire system will significantly reduce the administrative burden for the beneficiaries, especially those who benefit from technical assistance under more than one operational programme. This need was pointed out in the framework of the study *Evaluation of the scope of technical assistance support in terms of preparing OP TA 2014–2020*.¹⁹⁷ The participants of the above study pointed to the need for harmonisation of the rules of technical assistance under individual operational programmes, and for establishing a common set of eligible expenditure and indicators. A similar recommendation, concerning closer coordination and the development of uniform rules for using technical assistance under all operational programmes than in the 2007–2013 perspective, was formulated in the study *Evaluation of the system of management and implementation of Priority X Technical Assistance of Operational Programme Human Capital 2007–2013*.¹⁹⁸

3. Co-financing of the necessary personnel, administrative and organisational costs necessary to ensure adequate institutional capacity of the entities involved in the implementation of the ESIF, defined in the Guidelines referred to in point 2, with technical assistance funds (in the framework of OP TA or technical assistance components or of regional programmes, respectively), on uniform terms.
4. The financing of thematic networks modelled on the network Partnership: Environment for Development (i.e. the Polish equivalent of ENEA-MA).

The work of the network will be managed by leading institutions in a given area, and their focus will depend on, *inter alia*, current needs in the implementation of European funds. For example, networks can be created for climate change, urban policy, complementarity of ESIF interventions with the Integrated Maritime Policy, smart specialisations and other issues arising among others from the *Europe 2020 strategy* and national strategies conditioning the implementation of the cohesion policy in Poland, e.g. the NSRD, NSDC. Further development and streamlining of existing network involving citizens, enterprises, non-governmental organizations and other partners for initiatives necessary for effective implementation of operational programmes was one of the recommendations for Poland included in EC PP.

5. The use of the new instrument of ITI territorial development at the level of voivodeship capitals and optionally at the level of subregional cities.

Poland decided to use the positive experience of other states on the functioning of integrated projects, which combine actions financed from the ERDF and the ESF, in this financial perspective. OP TA will support ITIs from

¹⁹⁷ Performed by PSDB in 2013.

¹⁹⁸ Performed by PSDB in 2013.

voivodeship capitals in terms of operating costs reimbursement and deepening cooperation in the framework of functional urban areas.

Extension of the national IT system in order to adapt it to the requirements of the new legislation (EU regulations), so-called e-cohesion and cooperation with the CSO in order to speed up the collection of better quality data to allow result-oriented management. In addition, an IT tool that will allow better coordination of technical assistance will be built for the technical assistance implementation system at the national level (excluding the ETC).

6. The continuation of the mechanisms applied within the framework of the NSRF aimed at preventing fraud, including corruption, and efficient detection and elimination of fraud, which include:
 - Provision of data on the beneficiaries of EU funds to analysts and officers of the Central Anti-Corruption Bureau by providing them with access to the electronic data collection system, on the basis of a relevant Agreement;
 - Cooperation with the General Prosecutor's Office in the framework of which the public prosecutor's offices conducting proceedings concerning offences in which EU funds are involved notify the minister responsible for regional development of all cases in which the funds involved exceed PLN 1 million;
 - A mechanism planned to be implemented still in the 2007–2013 perspective, which consists in the provision of data on the beneficiaries of EU funds to Police officers by providing them with access to the electronic data collection system – on the basis of a relevant Agreement;
 - It is planned to implement a mechanism whereby the Designation Committee, which is the body recommending the institutions to be designated to the minister responsible for regional development, would be also composed of the representatives of the head of the Central Anti-Corruption Bureau and Head of the Internal Security Agency as observers.

In the framework of the management and control system, the managing authority will ensure the implementation of Article 125(4)(c) of Regulation 1303/2013 by introducing effective and proportionate anti-fraud measures taking into account the risks detected by the analysis. This applies to the MA for cohesion policy programmes and the CFP. In the case of the CAP, Article 72(h) applies.

7. Systematic evaluation studies of the PA implementation system.
8. Support offered to specific types of beneficiaries (continuation of the project pipeline).

This is a continuation of the project pipeline implemented in the years 2007–2013 as part of OP TA, but in altered form. The support offered to the beneficiaries within the framework of the project pipeline in the previous financial perspective had a very wide scope and covered a number of actions, ranging from the verification of the project documentation to extensive educational measures. The study entitled *Analysis of the status of the implementation of project pipeline objectives*¹⁹⁹ has shown that the support was provided at a level too far removed from the final beneficiary. In the light of the above, when designing the 2014–2020 financial perspective, it has been decided to prepare and review the documentation closer to the final beneficiary, and thus under individual OPs.
9. Under OP TA there will be additional possibility to provide support for specific groups of project promoters. In particular, these are local government units (which have a lower potential compared to other beneficiaries)²⁰⁰ and other project promoters having a key role in the European fund implementation system. It is anticipated that the support will take the form of grants for projects (including pre-defined, pilot and partner projects) in key areas from the point of view of the implementation of the cohesion policy (e.g. functional areas, urban policy, territorial dimension, revitalisation). The listed areas serve illustrative purposes only. Each decision on project selection in a contest will be preceded by an analysis of the needs of European fund beneficiaries.
10. Training and educational actions aimed at the most complex implementation processes with potential risk of irregularities, such as public procurement (including green public procurement), the investment process, smart specialisations, state aid, environmental impact assessments, financial engineering, public-private partnership, spatial planning and revitalisation. The results of the project pipeline evaluation (referred to in point 8.) showed high adequacy and effectiveness of the training actions and other educational activities, such as conferences and manuals. In addition, within the framework of OP TA regular quality checks of trainings were conducted, which confirmed their effectiveness.

2.5.2 RDP

It is envisaged that the programme will largely be implemented by institutions experienced in the implementation of programmes funded from EU funds, which have staff and technical resources as well as adequate organisational

¹⁹⁹ Performed by PSDB in 2011.

²⁰⁰ This conclusion was formulated in the framework of the study *Evaluation of the scope of technical assistance support in terms of preparing Operational Programme Technical Assistance 2014–2020*, PSDB, 2013.

structure, thereby, it may be assumed that such entities have the administrative capacity sufficient for the implementation of the Programme.

Initial and interim assessments of this capacity are planned to be carried out. Upon receiving the results of the initial assessment, actions enhancing the organisational capacity will be identified, if necessary. Technical Assistance is planned to be applied in case administrative capacity of the institutions involved in the implementation of the Programme needs to be strengthened.

Assessment of the administrative capacity will allow, *inter alia*, the following:

- Identification of threats which may affect effective implementation of the programme,
- Analysis of changes and trends in these changes in terms of the administrative capacity of the institutions concerned,
- Impartial comparison of these institutions, their efficiency and effectiveness compared to their capacity,
- Taking actions aimed at enhancing the effectiveness of the implementation of the Programme.

It is assumed that the institutional actions in the area of RDP implementation will be, in the majority of cases, financed from technical assistance funds which is a part of the Programme. Programme component – technical assistance – plays a key role in its implementation as it allows its implementation in a proper and effective manner.

The evidence for the existence of an efficient and effective institutional system consists in a successful process of winding up 2004–2006 programmes, as well as the effects of implementation of the 2007–2013 perspective so far. The current system has worked well in practice and its evaluation is positive, therefore it is not planned to introduce significant changes to the institutional system in terms of its actors. Despite the fact that final decisions on delegating individual tasks have not yet taken yet and it is not possible to define an exhaustive list of institutions that will be responsible for Programme implementation, as referred to above, the system will be based on the MA, the Paying Agency and the entities to which they delegate their tasks.

The current implementation of an effective and efficient institutional system was possible largely thanks to the actions undertaken in 2007 on the basis of a strategy to stabilise the employment system and to reduce personnel fluctuations in public administration involved in the implementation of the Rural Development Programme for 2007–2013 (RDP 2007–2013). These actions were possible mainly thanks to technical assistance funds– it was possible to offer raises and, as far as possible, to harmonise the remuneration system in the entire RDP implementation system, which resulted in a reduction in staff turnover and to increase the number of employees necessary for smooth operation of the institutions involved in RDP implementation. Low remunerations and lack of development opportunities were the main reasons behind staff turnover in the institutions at the initial stage of RDP 2007–2013 implementation.

○ **Structure**

The assumed structure of the institutional system in the framework of RDP 2014–2020 is based on the experience from the implementation of the previous financial perspectives. When making final decisions in this area, the experience, knowledge and existing resources of individual institutions will be crucial.

○ **Human resources**

A detailed analysis of the institutional capacity of individual institutions involved in RDP implementation will be carried out on the basis of information and data obtained from the entities involved in the implementation of the RDP. Any changes to the number of employees in this area will depend, *inter alia*, on the results of this analysis.

The institutional capacity of individual entities will be subject to monitoring. In addition, it is planned to introduce structured and uniform action plans in the area of human resources involved in the implementation of RDP for 2014–2020 aimed at, *inter alia*, correct orientation of spending technical assistance funds.

○ **Implementation tools for strengthening institutional capacity**

In order to ensure an effective RDP implementation system and bearing in mind the experience to-date and programme regulations, it is planned to introduce a number of implementation tools financed from technical assistance funds. This includes in particular:

1. Action plans for technical assistance, referred to above, relating to the area of human resources involved in the implementation of the RDP,
2. Guidelines for beneficiaries in the use of technical assistance regulating, *inter alia*, eligibility of expenditure, the manner of monitoring technical assistance, the rules on fair competition and equal treatment of contractors,

3. Educational and training actions – including those focused on individual needs of particular institutions, covering the most complex implementation processes, concerning detection and combating fraud and abuse, prevention and detection of corruption, with a potential risk of irregularities (it is assumed that information on the planned training actions will be part of the action plans for technical assistance and will be subject to verification).
4. Financing of the National Rural Network (NRN), including information and promotion actions. The purpose of NRN under the new perspective will be to increase the participation of stakeholders in the implementation of rural development, enhance the quality of rural development programme implementation, inform the public and potential beneficiaries about the rural development policy and financial support and to promote innovations in food production in rural areas and in forestry.

2.5.3 Operational Programme “Fisheries and the Sea”

It is envisaged that the programme will largely be implemented by institutions experienced in the implementation of programmes funded from EU funds, which have staff and technical resources as well as adequate organisational structure, thereby, it may be assumed that such entities have the administrative capacity sufficient for the implementation of the Programme.

Initial and interim assessments of this capacity are planned to be carried out. Upon receiving the results of the initial assessment, actions enhancing the organisational capacity will be identified, if necessary. If it is necessary to strengthen the administrative capacity of individual institutions that are supposed to be involved in the implementation of OP FISHERIES 2014–2020, it is planned that the achievement of an adequate level of administrative capacity of these institutions will take place with support from the technical assistance budget.

Assessment of the administrative capacity will allow, *inter alia*, the following:

- Identification of threats which may affect effective implementation of the programme,
 - Analysis of changes and trends in these changes in terms of the administrative capacity of the institutions concerned,
 - Impartial comparison of these institutions, their efficiency and effectiveness compared to their capacity,
 - Taking actions aimed at enhancing the effectiveness of the implementation of the Programme. It is assumed that the actions of the institutions involved in the implementation of OP FISHERIES 2014–2020 will be, in the majority of cases, financed from the budget of technical assistance of OP FISHERIES 2014–2020.

The evidence for the existence of an efficient and effective institutional system consists in a successful process of winding up 2004–2006 programmes, as well as the effects of implementation of the 2007–2013 perspective so far. The current system has worked well in practice and its evaluation is positive, therefore it is not planned to introduce significant changes to the institutional system in terms of its actors.

○ **Structure**

The assumed structure of the institutional system in the framework of OP FISHERIES 2014–2020 is to be based on the experience from the implementation of the previous financial perspectives. When making final decisions in this area, the experience, knowledge and existing resources of individual institutions will be crucial.

○ **Human resources**

A detailed analysis of the institutional capacity of individual institutions involved in OP FISHERIES 2014–2020 implementation will be carried out on the basis of information and data obtained from the entities involved in the implementation of OP FISHERIES 2007–2013. Any changes to the number of employees in this area will depend, *inter alia*, on the results of this analysis. The institutional capacity of individual entities will be subject to monitoring. It is planned to introduce an Action Plan in the area of human resources involved in the implementation of OP FISHERIES 2014–2020 that will define, *inter alia*, the following:

- Estimated demand for personnel in the institutions involved in the implementation of OP FISHERIES 2014–2020,
- The structure of employment in the institutions involved in the implementation of OP FISHERIES 2014–2020, along with recommendations on the possible personnel shifts necessary in view of the dynamics of the process of implementing the Programme.

○ **Implementation tools for strengthening institutional capacity**

Building the institutional capacity of OP FISHERIES 2014–2020 will be achieved through technical assistance interventions focused, *inter alia*, on support for preparations, management, monitoring, evaluation, information and

communication, handling complaints, controls and inspections as well as audits in the framework of Programme implementation.

In addition, in order to ensure an effective OP FISHERIES 2014–2020 implementation system, bearing in mind the experience from the implementation of OP FISHERIES 2007–2013, it is planned to take up the following actions that will be financed from the technical assistance budget:

- Development and implementation of an Action Plan in the area of human resources involved in the implementation of OP FISHERIES 2014–2020, referred to above,
- Educational and training actions, including those targeted on the individual needs of particular institutions, involving complex implementation processes.

2.6 Planned simplifications for the beneficiaries

2.6.1 Action plan for the beneficiaries of cohesion policy funds

The Polish government is continuously working on reducing the bureaucratic burden imposed on the citizens and economic operators. Particularly, these efforts are for the benefit of enterprises and entrepreneurship. The actions are undertaken to provide conditions conducive to the development of enterprises and entrepreneurship, for example through increasing competitive advantages, and consequently at achieving sustainable economic growth in the long run. These actions are mainly intended to improve enterprises' access to capital, strengthen entrepreneurial attitudes, strengthen the business environment from the institutional, organisational and financial point of view as well as to bridge the information gap by making available the analyses on the competitiveness of the industry sectors. The actions bring about tangible outcomes which result in a steady improvement of Poland's rank in the World Bank's *Doing Business*.

The economic activity in Poland is also positively influenced by European funds – including the funds under the cohesion policy, as proven by numerous evaluation studies. Therefore, it is necessary to work out the rules which will allow the beneficiaries to apply for EU funds without having to bear undue administrative burden.

Under the 2014–2020 financial perspective, the institutions responsible for the implementation of the cohesion policy in Poland will continue to introduce as broad selection of simplifications for EU fund beneficiaries as possible. In 2012, the Supreme Audit Office conducted parallel audit in Poland (that also took place in 12 Member States) concerning the simplification of the implementation rules of structural funds. The audit has been ordered by the Contact Committee Presidents of the Supreme Audit Institutions of the European Union and the European Court of Auditors. It should be noted that the results of the audit are positive.²⁰¹ **Poland has introduced all the simplifications provided for in EU regulations, not only the mandatory, but also the discretionary ones. This approach will be continued in the 2014–2020 financial perspective.**

It should be noted that a vast majority of duties imposed on the beneficiaries results directly from and is the consequence of EU legislation (the Framework Regulation and fund regulations). Draft delegated and implementing acts presented by the Commission must frequently result in an increase in the bureaucratic burden (such as the scope of the data collected in the IT system proposed by the EC). Therefore, the room for reduction of burdens in this regard is rather small. The administrative burden may be reduced only in the areas that are governed by the national regulations of the Managing Authority or Intermediate Body. It should be emphasised that the implementation system of EU funds for 2014–2020 was planned so as to continue with positive actions aimed at reducing the burden on beneficiaries and improving their institutional capacity (e.g. a system of advance payments for beneficiaries being local government units and SMEs which, in the 2007–2013 perspective, allowed them to maintain liquidity during economic slowdown).

Moreover, the responsibilities of the beneficiaries have been clearly defined. Pursuant to national recommendations, when developing operational programmes, the relevant institutions involved in their preparation had to include in the operational programme a summary assessment of key administrative duties on the part of the beneficiaries related to the implementation of the programme and to indicate their source.

It was also recommended that the source be indicated in the description of the key duties of beneficiaries – Union and national law, their objectives and potential consequences of a failure to implement them.

²⁰¹ Simplifying the structural fund implementation rules. Post-audit feedback, Supreme Audit Office, 03.06.2013. The audit showed that the institutions involved in the implementation of national operational programmes have introduced the mandatory changes resulting from amendments to the EU regulations covered by the audit. They have also taken action in order to introduce discretionary changes. *Inter alia* simplified methods of expenditure settlement under the project have been introduced, the requirements for advance payments for project implementation have been reduced, and the acquisition of guarantees has been facilitated.

Simplifications in the implementation of funds under the cohesion policy in 2014–2020 which do not result directly from the planned EU regulations include in particular:

- Bringing the funds closer to potential beneficiaries by enhanced decentralisation of the implementation system through increasing the share of ROPs in the total allocation; compared to the years 2007–2013, voivodeship authorities were also entrusted with partial ESF management – in the framework of dual-fund operational programmes,
- Incorporation of integrated support mechanisms to be implemented by urban centres (ITI) into programmes,
- Flexible forms of project financing with an extensive advance payment system,
- Providing access to repayable support covering more thematic areas,
- Providing easy access of possible beneficiaries to comprehensive information via one of the information point networks,
- A standard format of a payment request – as far as possible within the framework of all operational programmes,
- Reducing the reporting burden on the beneficiaries by including a part containing material progress indicators for the project in the payment request,
- In order to allow proper preparation and planning of own activities by applicants, the competent institutions will be required to publish schedules of contests planned for the next year by 30 November of each year and any changes in the schedule immediately,
- Until conclusion of all contracts for project funding with the applicants, the competent body will be bound by the published contest documentation in such a way that any changes will not be able to deteriorate the situation of the applicants, impose new obligations on applicants or change the project implementation terms,
- Continuation of using declarations in lieu of certificates within the framework of application documentation to confirm fulfilment of the requirements for applicants, which will lessen the burden on entrepreneurs as well as their costs associated with fees in this regard,
- Precise definition of the principles of the procedure of appealing against the results of the evaluation of funding applications in national legislation.

The following simplifications resulting from the Framework Regulation have been, *inter alia*, applied in Poland:

- As to income-generating projects – as wide application of flat rates as possible,
- As wide application of flat-rate financing under operational programmes as possible.

It should be emphasised that the above-mentioned simplifications have already been assumed at the programming stage of the support and will be introduced at the time of launching 2014–2020 operational programmes. The range of simplifications was developed on the basis of evaluations of operational programmes from the 2007–2013 financial perspective, for which MAs were responsible, and on the basis of ex ante evaluations of operational programmes, which allowed to adequately profile individual simplifications in terms of the type of beneficiary, the fund, and the scope of support under the operational programme concerned. The rules of their application will be reflected in relevant provisions of operational programmes (or programming documents drafted by the MA), provisions of acts or guidelines of the minister responsible for regional development. As for all other problem areas identified during the implementation of operational programmes, MAs of operational programmes will take actions on an ongoing basis (based on the reporting system and evaluations, as well as MC recommendations) to eliminate the sources of the problems (as was the case during the previous financial perspectives).

2.6.2 Action plan for Rural Development Programme beneficiaries

The draft regulation on support for rural development from the EAFRD stipulates that Member States must ensure that all the rural development actions they intend to implement are verifiable and controllable. A vast majority of responsibilities imposed on the beneficiaries results from or is a consequence of the EU legislation. The administrative burden may be relieved only through national law regulations or the provisions of support agreements. Therefore, the aim to reduce the administrative burden on the beneficiaries, without prejudice to regulations or the quality of projects, will be taken into account when developing the Programme or national regulations. It should be borne in mind that the reduction of administrative barriers on the beneficiaries may increase the burden on the institutions responsible for the implementation of actions and payment of funds, so that administrative strengthening of these institutions will be needed. An assessment of the administrative burden on the beneficiaries and, if necessary, actions for its further reduction are planned to be carried out during the implementation of the Programme.

Actions aimed at reducing the burden will be taken also as a result of identifying problem areas in the course of Programme implementation, as a result of recommendations from other external entities, e.g. MC of RDP 2014–2020 or reports from potential beneficiaries.

Therefore, as it is required to reduce the administrative burden, the planned simplifications for the beneficiaries are presented below, albeit they are initial and may be modified at a later stage of work on the programme. Simplification for the beneficiaries will be reflected in the programme, provisions of acts, provisions of ordinances, instructions for the beneficiaries and guidelines of the minister responsible for agriculture and rural development. Some of the planned administrative reductions are likely to be implemented upon initiation of individual actions. In the remaining cases the implementation date will depend, *inter alia*, on the extent and date of legislative amendments, the date of putting in place the necessary IT infrastructure that will allow the exchange of information or provide access to public databases. Thus, it should be assumed that some solutions will start functioning upon the launching of an action, while others will be successively implemented during the implementation of the Programme, as possible.

The following issues will, where possible, be considered during the development of the Programme.

- State informatisation and introduction of the possibility of electronic exchange of information between the beneficiaries and the bodies responsible for the implementation, and ensuring electronic correspondence among individual bodies involved in the implementation of the Programme.
- Possibility to submit applications using an application form available on a website.
- Reduction of the number of annexes to the application by verification of information with the use of electronic/on-line tools; abandoning the requirement to submit certificates in favour of declarations, elimination of the obligation to submit valid certificates, provided that the required information can be cross-checked against databases made available by other entities (e.g. data in the National Court Register, Central Register and Information on Economic Activity – CEiDG, information made available by the Agricultural Social Insurance Fund, Social Insurance Institution, Tax Office, information found in the register of agricultural producer groups kept by voivodeship marshals).
- Simplification of the documentation related to support applications, including limiting the required documents to a minimum.
- Introduction of a single application covering, apart from direct payments, also payments for less-favoured areas, agri-environmental payments, as well as payments for afforestation. Continuation application, which would also be available in an electronic version.
- Elimination or reduction of the obligation to submit a monitoring questionnaire (in all cases, as possible, where the use of a questionnaire is advisable for the gathering of data on the achievement of indicators at the closure of operations – together with the request for the final payment, if the use of a questionnaire is advised, it is suggested that the number of questionnaires be reduced to one instead of several cyclical questionnaires).
- Reduction in the number of bodies “implementing” actions addressed to beneficiaries from an LDS area.
- Introduction of the concept of a so-called “umbrella project” whereby the existing beneficiaries of the assistance provided for the implementation of projects with a small budget, in addition to having to submit to control by the implementing entity, will not have to contact the entity, any formalities handled directly by the LAG.
- Introduction of a broad range of possible operations, dedicated only to the Leader approach, with a clear demarcation line between the operations and other actions under the Programme.
- Making use of the possibility to grant flat-rate support (including standard unit costs, lump sums, flat-rate).
- Introducing the possibility of using the advance payment system.
- Introduction of the possibility to implement of a project under the “design & build” system.
- Introduction of a clear and binding schedule for calls for projects as early as at the beginning of a new programming period.

2.6.3 Action plan for the beneficiaries of Operational Programme “Fisheries and the Sea”

With the objective of reducing the bureaucratic burden, the MA in consultation with the IB will implement appropriate solutions in the form of provisions eliminating possible difficulties in access to funds from the EMFR already at the stage of programming and preparing national legal acts. The simplifications for the beneficiaries will be set out in Operational Programme “Fisheries and the Sea,” provisions of acts, implementing ordinances and instructions for the beneficiaries.

When constructing the contents of OP FISHERIES 2014–2020, legal acts and instructions, account will be taken of the following issues:

- Discretion in submitting applications using an application form available on a website,
- **Reduction of the number of annexes to the application** by verification of information with the use of electronic/on-line tools; abandoning the requirement to submit certificates in favour of declarations, elimination of the obligation to submit valid certificates, provided that the required information can be cross-checked against databases made available by other entities (e.g. data in the National Court Register, Central Register and

Information on Economic Activity – CEiDG, information made available by the Agricultural Social Insurance Fund, Social Insurance Institution, Tax Office),

- Simplification of the documentation related to support applications, including limiting the required documents to a minimum,
- Reduction in the number of bodies “implementing” actions addressed to beneficiaries from an LDS area,
- Introduction of the concept of a so-called “umbrella project” whereby the existing beneficiaries of the assistance provided for the implementation of projects with a small budget, in addition to having to submit to control by the implementing entity, will not have to contact the entity, any formalities handled directly by the LAG,
- Using the advance payment system,
- Introduction of the possibility to implement of a project under the “design & build” system,
- Introduction of a clear and binding schedule for calls for projects as early as at the beginning of a new programming period,
- Introducing of the **contest procedure** instead of the current so-called “Olympic system” in the case of more complex operations, such as pilot projects or environmental actions – this will allow to choose projects that are the most valuable and important to the fisheries sector (so far, the most important element in the verification of this type of operation was the date of submission of the application for funding, in addition to the fulfilment of formal requirements and cost eligibility),
- In close cooperation with the sector fisheries and scientists, the MA plans to single out strategic projects from individual fields of fisheries – such projects would be implemented under a separate procedure and covered by special MA supervision,
- A simplified path for the verification of applications as to the measure on data collection will be applied,
- A closed list of annexes to applications for funding and payment requests will be introduced, which will be regulated by national implementing provisions – in effect it will prevent implementing bodies from extension of the list of the documents required from the beneficiaries,
- As regards the implementation of measures for aquaculture and fisheries, the MA in cooperation with the IB (ARMA) will draft a list of key problems and conclusions from their implementation. At the stage of programming and development of national legal acts, further work in this area will allow to develop solutions and provisions to eliminate possible difficulties in access to the funds under EMFF. Depending on the type of adopted solutions, they will be regulated by an act, ordinances or MA guidelines. It should be noted, however, that deadlines for the development and implementation of the above documents will depend on the completion of the EU legislative process on the draft EMFF Regulation.

3 TERRITORIAL DIMENSION OF THE INTERVENTION

The efficiency of programming and implementation of social and economic development measures is dependent on appropriate adaptation of intervention to the characteristics of individual areas. Numerous studies and evaluations show that the 'one size fits all' development policy does not bring the expected results, since the universal scope of intervention does not sufficiently account for potentials and barriers in individual territories. Intervention based on areas of strategic interventions (ASI)²⁰² is the main principle of Poland's development policy and their delimitation was preceded by analyses performed over many years. The territorial approach is based on the assumption that regions should not be perceived from the perspective of administrative borders any more, but rather from the perspective of their individual potentials, barriers and interdependencies. These interdependencies may occur both on the institutional or programme plane, as well as at the level of specific infrastructural, social and educational interventions which increase mutual positive effects between the regions. Therefore, territorial dimension is regarded as one of the major programming principles for the period 2014–2020, having its practical reflection in both a greater decentralisation of the EU funds management through regional programmes and territorial concentration of national and regional intervention on ASI of the country.

The territorial approach does not supersede horizontal approach, which served at the basis for the intervention logic resulting from the EU regulations and focusing on 11 thematic objectives. A large part of actions co-financed under the ESIF will be still mobilised as horizontal activities. Aside from horizontal activities, a certain part of these actions, however, is aimed at additional specific interventions of integrated nature in a few defined geographical areas. Focused actions with respect to ESIF in a spatial dimension will take place in five selected national areas of strategic interventions (ASI), aiming to support the achievement of thematically defined objectives of the Partnership Agreement. These ASI will include A: Eastern Poland, B: Voivodeship cities and their functional areas, C: Cities and urban districts in need of renovation, D: Rural areas, especially with the lowest level of residents' accessibility to goods and services which determine development opportunities, E: Border areas. It is, however, also conceivable – depending on the decision of the Managing Authority (MA) – that certain integrated actions will be implemented in other geographical areas in order to exploit specific potentials and/or solve certain territorial difficulties present at a regional level, in urban areas, rural areas or at their borders (see point F: Other areas of intervention from a territorial perspective). Irrespective of these specifically selected ASI, rural and fishery-related areas will be an important area of support provided under ESIF. In these areas actions will be implemented taking into account provisions of the Sustainable Development Strategy of Rural Areas, Agriculture and Fishery (SZRWRiR).

In the case of the programme on the development of rural areas, financed under EAFRD, the support will cover all types of rural areas, taking into consideration their spatial differentiation and functions in line with the premises of the SZRWRiR. Some of these instruments are of horizontal nature connected with the development of agriculture sector, and in the case of other actions, spatial dimension is determined based on other criteria and functions (e.g. Nature 2000, less-favoured areas – LFA). As far as the improvement of social cohesion is concerned, it is important to plan not only horizontal activities but also actions dedicated specifically to (mainly rural) areas of low availability and quality of public services.

Operational programmes²⁰³ include information on the implementation of an integrated territorial approach, including, where justified by the characteristics of the programme, support for ASI and applied territorial instruments. This includes in particular:

- Justification for applying specific territorial instruments, such as ITI, CLLD and other instruments identified in the programme;
- Identification of actions which aim to achieve the objectives concerning the ASI under the given programme;
- Providing information on the manner in which the operational programme refers to the development of rural and urban areas;
- In the case of regional programmes, rules of selecting individual areas to which special territorial instruments will be dedicated and information on the identified scale of needs and the expected results of the planned intervention.

²⁰² Geographical areas with respect to which the objectives of the national regional policy are implemented, based on the analysis of specific potentials and territorial problems, described in Section 1, in line with the NSRD 2010–2020 adopted by the Council of Ministers on 13 July 2010.

²⁰³ Excluding the Operational Programme Technical Assistance.

3.1 Areas of strategic intervention

3.1.1 Eastern Poland

Eastern Poland is a macroregion characterised by a concentration of social, economic and infrastructural barriers to development, which contribute to its peripheral nature. Promotion of labour force participation and improvement of the human capital quality, building socio-economic links with the more developed environment, as well as increasing territorial accessibility, reducing depopulation and enhancing innovation and entrepreneurship in the macroregion are preconditions to reduce the distance of the Eastern Poland voivodeships to more developed regions of Poland.

Higher incidence of development problems than elsewhere requires complementary actions at the regional level (under regional programmes of the voivodeships constituting the macroregion) and at the national level. While the support under ROP is aimed at improving the competitiveness and social and territorial cohesion of individual voivodeships, national programmes implementing the territorial dimension of the cohesion policy contribute to achievement of development objectives of the Eastern Poland macroregion. The Operational Programme Eastern Poland (as the continuation of the special dedicated support for the macroregion) is aimed directly at solving specific problems identified at the level of the macroregion in the Strategy for socio-economic development of Eastern Poland. Interventions under other national programmes, complementary to the actions in OP EP, will be carried out mainly as part of their basic interventions, but in some cases, e.g. in OP I&E, OP SG, also by means of identifying support dedicated for Eastern Poland as ASI. Interventions under OP I&E aimed at supporting the building of the basic (road and partially railway) transport network and energy security are of particular importance in the context of identified needs of the macroregion. Support under OP SG will respond to problems related to low innovation level of enterprises in Eastern Poland and will strengthen their links with research units.

The key instrument for supporting ASI Eastern Poland is the implementation of the abovementioned separate supra-regional programme as a tool of regional policy by the minister competent for regional development in the macroregion, which supplements and strengthens the support (synergy) from other national programmes and relevant ROP.

Thanks to using the economies of scale, intervention under OP EP allows to efficiently focus on supra-voivodeship and interregional challenges which cannot be addressed sufficiently effectively and efficiently within one region and where the specific nature of the problem does not allow to assign universal national importance to the said problem. Interventions under OP EP will support the creation of conditions conducive for establishment of innovative SMEs and increasing the competitiveness of enterprises, in particular by means of internationalisation. The Programme will also include investments contributing to improvement of transport accessibility of voivodeship capitals and their functional areas as the centres of diffusion of economic growth and increasing the internal cohesion and external accessibility of the macroregion which determine the improvement of its competitiveness.

The achievement of the development objectives set out for the macroregion in the Strategy for socio-economic development of Eastern Poland requires cooperation and efficient coordination to enable effective implementation of undertakings at the national and regional level. The cooperation will focus on undertakings ensuring complementarity of all interventions in Eastern Poland carried out under ESIF. Coordination will be based on the principle of partnership between the stakeholders, i.e. managing authorities of ROP of the voivodeships constituting the macroregion and the managing authority of the OP EP and other competent managing authorities of national programmes. Selected tools and mechanisms of coordination, described in more detailed in Section 2 of the Partnership Agreement will be used, in particular the working groups at the PA Coordination Committee, joint monitoring committees and harmonisation of relevant procedures. Detailed solutions concerning coordination and complementarity of OP EP actions with other programmes and initiatives will be ensured at the level of this programme and relevant OP.

It is expected that as a result of the enhanced intervention in the years 2014–2020, the regions of Eastern Poland will join the group of more developed Polish regions. The expected changes of the socio-economic situation of Eastern Poland should allow to implement the regional policy after 2020 without the need to establish a special territorial support mechanism dedicated to the voivodeships of the macroregion.

3.1.2 Voivodeship capitals and their functional areas

Voivodeship capitals and their functional areas are supported under various operational programmes. Except for actions which are implemented under a traditional system, the functional areas of voivodeship capitals are developed through special support instruments. First and foremost, part of the interventions under each Regional Operational Programme is dedicated to these areas and implemented through ITI supported from the ERDF and ESF funds.²⁰⁴ At the same time, the national operational programmes, especially the OP I&E and the OP EP, also through the Cohesion

²⁰⁴ The scope and principles of ITI implementation are described in subsequent part of the document.

Fund, provide support for complementary actions favouring implementation of projects which are essential to achieve development objectives in 18 voivodeship capitals and their functional areas.

Major courses of actions, the aim of which is to increase competitiveness of functional regions of voivodeship capitals, attractiveness of their labour markets and attractiveness for investments cover, *inter alia*, development of sustainable, efficient transport connecting a city with its functional area and improvement of transport accessibility with regard to major urban centres in the country, implementation of low-carbon economy plans, renovation of degraded districts, improvement of the natural environment status, as well as strengthening of research, technological progress, innovations and cities networking in terms of social and economic development. Equally important are actions aiming to build a partnership culture and improve coordination of management in urban functional areas for the purpose of solving common problems (e.g. access to services for residents, entrepreneurs, or effective use of resources). They are supplemented by actions of TA OP regarding the strengthening of partnership in those cities and building sustainable cooperation between the partners from local government units implementing projects in voivodeship capitals and their functional areas.

3.1.3 Cities and urban districts in need of renovation

The identification of cities in need of renovation will take place at the regional level, based on strategic documents of a voivodeship (voivodeship development strategy, voivodeship spatial development plans), in close cooperation with city authorities and social and economic partners. A dedicated pool of funds should be allocated under ROP for support of renovation of cities constituting the given ASI.

The national renovation programme will create the framework for renovation measures. The documents which will constitute the instruments for its implementation will include local renovation programmes. Actions related to renovation will include integrated actions for comprehensive social economic and spatial renovation. Social issues will cover, *inter alia*, actions aimed at promoting the activity of communities at risk of exclusion and poor communities and at improving the access to services. Economic issues will include support for entrepreneurship and self-employment, support for social economy, local employment initiatives and support for labour force mobility. Spatial renovation includes tasks relating to optimisation of spatial management and environmental resources, mainly by prioritisation of brownfield investments, instead of greenfield investments, profound reconstruction and adaptation of degraded facilities to perform new functions, e.g. cultural, recreational, social and economic functions, and recultivation of degraded areas for environmental purposes. The selection of an appropriate set of actions depends on the situation in a given urban area in need of renovation.

Regional operational programmes will focus on renovation actions resulting from investment priorities of TO 9, mainly the investment priority 9b. financed from the ERDF and complementary investment priorities financed from the ESF under TO 9 and TO 8. Projects supporting renovation, mainly under TO 4 (energy efficiency, low-carbon urban transport), TO 6 (regeneration of brownfield sites), TO 7 (bypass roads, roads, railway in agglomerations) will be implemented at both the national and the regional level. Support at the national level will have the form of support for complementary projects, mainly with regard to investment priorities 4c., 4e., 6e. and 7d.

3.1.4 Rural areas, especially with the lowest level of residents' access to goods and services which determine development opportunities

Support under ESI Funds addressed to rural areas will have an impact on their multifunctional and sustainable development, particularly by means of using the endogenous potential of these areas. Development perspectives of numerous rural areas in Poland are determined by their territorial accessibility and living conditions (including, *inter alia*, quality and availability of basic public services and goods), along with the possibility to run business activity. Therefore, the support under ESI Funds should be concentrated particularly on these rural areas in which the accumulation of infrastructural, social and economic barriers leads to permanent marginalisation, and thereby excludes the possibility for a large group of residents to participate in development processes. Infrastructural support will take into account ongoing demographic changes and criteria of economic effectiveness so that the investments contributed to increasing the tax base of local government units and not constituted an excessive burden on their budgets.

Intervention under the cohesion policy in rural areas will focus on entrepreneurship development and more efficient use of human capital, including retraining of farmers (TO 3 - estimated amount of approximately EUR 1.5 billion), social and infrastructural renovation (TO 2, TO 4, TO 7, TO 8, TO 9, TO 10 – approx. EUR 2 billion), water supply and sewage infrastructure (based on estimates in NPMWWT)²⁰⁵ and flood protection (TO 5, TO 6 – approx. EUR 1.7 billion,

²⁰⁵ The analyses of the NPMWWT show that over 60% of agglomerations with the population exceeding 2,000 p.e., which require intervention, include rural gminas and rural-urban gminas.

of which EUR 1.2 billion for water and waste water management and EUR 0.5 billion for water-related issues, flood protection and water retention, with except for land improvement). Thus, total support for rural areas under the cohesion policy is estimated at EUR 5.2 billion.

Specific objectives will be set, concepts of integrated actions prepared and areas delimited at the voivodeship level (Voivodeship Executive Board) based on voivodeships strategy papers (Voivodeship Development Strategies, Voivodeship Land Use Plans – current or drafted), 9 integrated strategies, including in particular NSRD and the *Sustainable Development Strategy of Rural Areas, Agriculture and Fishery*, as well as other documents e.g. NPMWWT.

Interventions in different rural areas and the implementation of integrated approach depend on the coordination of appropriate public policies, in particular CAP and CFP with the cohesion policy with respect to ESF, ERDF, EAFRD, and EMFF.

3.1.5 Border areas

When it comes to solving these problems and supporting development based on different resources and needs of particular border areas, cross-border cooperation programmes co-financed under the ERDF and projects implemented as part of the objectives of the EU Strategy for the Baltic Sea Region (EUSBSR) will be of particular importance. It will be necessary to provide coordination between national programmes financed under the cohesion policy, CAP and CFP (supporting actions to counteract their peripheral nature, support development of non-economic functions and stimulate economic cooperation), and in particular between regional programmes supported under the ERDF and the EFS which will provide special preferences for border areas. For this reason, support targeted at border areas will require an appropriately coordinated multi-level intervention, taking into account cross-regional approach.

3.2 Other areas of intervention from a territorial perspective

In addition to the above-mentioned five key ASI resulting from the NSRD 2010–2020, in order to ensure achievement of the objectives identified in the PA, management authorities of national or regional programmes may indicate additional areas of intervention from a territorial perspective which are of particular importance for the thematic scope or area covered by a particular operational programme. It is important to diversify actions directed at different types of rural areas, determined in line with the typology identified in the *Sustainable Development Strategy of Rural Areas, Agriculture and Fishery*.

The list below contains a few other examples of such types of intervention areas identified on the basis of the NSDC 2030:

- Sub-regional cities (requiring interventions in areas other than renovation);
- Extremely peripheral areas;
- Areas endangered by floods in the scale of river basins;
- Żuławy;
- Coastal zone;
- Mountain areas.

The management authority decides on the manner in which interventions are concentrated in the additional areas, as well as on the action coordination methods. The actions for these areas are programmed as separate priority axes/actions or will be targeted by using special selection criteria for projects. This applies in particular to regional programmes which reported the need to identify specifically additional areas of strategic interventions, e.g. sub-regional cities, at the stage of PA drafting.

Cross-regional undertakings which result from cross-regional agreements or strategies serve as an additional element to support the territorial dimension. Their operationalisation will take place at the stage of project selection in individual operational programmes, both national and regional programmes. In order to increase the effectiveness of support under ESIF, preferences will be introduced in the project selection criteria in national programmes, where applicable, for projects with cross-regional impacts resulting from the existing cross-regional strategies. Similar preferences will be used in ROP for agreed projects implemented at the same time in two or more voivodeships. At the regional level, the implementation of such projects is facilitated by the **possibility to apply solutions provided for in Article 70 of the CPR which allow to implement projects under ROP outside the administrative borders of the voivodeship** that determine the area of the programme implementation.

3.3 Territorial development instruments

3.3.1 Community-Led Local Development (CLLD)

CLLD is a new territorial instrument building on the LEADER approach applied under the CAP and the CFP. Application of the CLLD instrument under the cohesion policy (ESF and ERDF) and the CFP (EMFF) is discretionary, but it is mandatory for the CAP (at least 5% of EAFRD funds).

CLLD allows local communities to initiate and implement development measures in a participative way by establishing LAGs within a specific territory, as well as to conceive and implement LDS. CLLD will be implemented using the EAFRD and the EMFF. CLLD is a new instrument under the cohesion policy and its application is not obligatory. However, this instrument deserves special attention mainly due to its participative nature, reflected in involvement of local communities and local partners – local governments, business and the non-governmental sector – in the creation and implementation of LDS. Therefore, solutions supporting CLLD under the cohesion policy are adopted in the PA.

The principles of CLLD implementation were developed as a result of consultation and cooperation with partners participating in the programming of the cohesion policy, the CAP and the CFP for the years 2014–2020 in Poland.²⁰⁶

In order to ensure appropriate implementation of CLLD, the method and conditions for its implementation under all funds will be specified in detail in legal regulations, operational programmes and programme documents, i.e. guidelines. Due to the lack of full harmonisation of rules under policies and funds at the EU level, the scope of the legal regulations may vary depending on a fund.

● Major challenges of CLLD

CLLD contributes in particular to improvement of social and territorial cohesion of the country. Cooperation and joint defining of needs and problems, as well as their proposed solutions, results in an integrated/coherent and sustainable development of a given area thanks to better mobilisation of potential at the local level. In addition, increased participation of local communities in programming and managing the development of the given area by means of CLLD will contribute to increasing the level of social capital – **increased social participation or widely understood civic activity** in Poland. Building of social capital is the basis for building civil society and determines the socio-economic development of the country, region and local communities. As an instrument pursuing an integrated and territorial approach, CLLD may also be used to implement actions in ASI – “Cities and urban districts in need of renovation” and “Rural areas, especially with the lowest level of residents’ access to goods and services which determine development opportunities.”

During the selection of specific thematic objectives and priorities, it should be borne in mind that **CLLD should complement and not replace the activities of local authorities** and as such should be used to implement objectives and actions where the bottom-up approach proved to be efficient and may generate higher added value than if they were implemented in a traditional, top-down way or only at the initiative of public entities. The thematic scope of support in the form of CLLD will be further specified under individual programmes, based on analyses and evaluations.

● ESIF, types of territories, programmes supporting CLLD

Within the framework of the EAFRD, CLLD will be implemented under the RDP 2014-2020, within the framework of the EMFF under the OP FISHERIES, while within the framework of the ESF and the ERDF, depending on the decision of the voivodeship government, under ROP.

The proposed national framework of CLLD implementation allow for its implementation in different territories. Depending on the territory they concern, the actions implemented under the instrument may be financed from the following funds:

- EAFRD in rural areas (i.e. in the entire country, excluding the cities with the population exceeding 20,000);²⁰⁷
- EMFF in fisheries areas;²⁰⁸

²⁰⁶ A series of workshops organised in cooperation with the Unit for Social Innovation and Research – Shipyard based on KOLAB method was an important element thereof. This method allowed a wide range of partners: representatives of government administration (MRD, MARD) and local government administration (regions, local government units), existing LEADER groups, the third sector and experts, to get involved, as well as for gathering knowledge and experience (including LEADER, URBACT, OP HC, EQUAL).

²⁰⁷ This definition of rural areas is wider than for other actions of RDP 2014-2020.

²⁰⁸ The proposal for the EMFF Regulation stipulates that CLLD support from the EMFF will be directed to geographically coherent areas, focused around maritime areas, lakes, fish ponds between rivers and estuaries with a significant documented level of employment in the fisheries sector, i.e. the number of people working in the fisheries sector per 1,000 population of the area. The gminas covered by an LDS will need to have a sufficiently high ratio fish employment.

- and, depending on the decision of individual voivodeship authorities: ESF and ERDF (under ROP) across the whole country, while in rural and fisheries areas as supplement to the support from the EAFRD and the EMFF, respectively.

Under the EAFRD and the EMFF, CLLD will always be implemented using a direct method, under the RDP 2014-2020 and the OP FISHERIES, respectively.

CLLD may be supported from the ESF and the ERDF, depending on the decision of the voivodeship authorities, under the ROP using the three following methods:

1. Direct method – implementation of single-fund or multi-fund LDS in the entire territory of a voivodeship, in line with the rules laid down in the EU regulation, the PA, the future Act of the MARD and the common regulation. LDS may be financed from multiple funds, assuming that the final decision on involvement of individual funds in the LDS implementation is made at the regional level where the functions of the entity implementing CLLD for the RDP and the intermediate body of OP FISHERIES with regard to CLLD and the MA ROP are focused, based on the analysis of LDS and financial capacity of the programmes. In the case of ROP, CLLD is implemented under investment priority 9vi (ESF) or/and 9d. (ERDF);
2. Indirect method – support for LAGs in rural and fisheries areas, selected for support from the EAFRD and the EMFF, as beneficiaries of regular axes, actions/sub-actions under ROP (other than those implementing IP 9vi. or/and 9d.) without specifying (at the moment of LDS selection) the indicative budget for projects implemented under LDS from the ESF and/or ERDF funds and without the ESF share in financing the preparatory costs, running costs and animation costs. LDS/LAG will not be established using this method in urban areas with the population exceeding 20,000. Two types of direct support under ROP are possible: (1) dedicated calls for proposals only for LAGs (for projects complementary to the LDS approved in the RDP or OP FISHERIES) or (2) selecting LAG as one of possible beneficiaries in regular calls for proposals addressed at a wider group of potential applicants. In the case of dedicated calls for proposals, the MA ROP should take into account, as a formal criterion, also the project compliance with the LDS, apart from the criteria provided for in the ROP.
3. Mixed method (if no separate calls for proposals are organised, LAGs are treated as regular beneficiaries) combining two options:
 - (3a) support for LAGs in rural and fisheries areas as beneficiaries (method 2) under IP other than 9vi. and 9d.;
 - (3b) possibility of CLLD in urban areas with the population exceeding 20,000 or in districts of such cities (using method 1) under IP 9vi. and IP 9d.

The method and amount of support are defined by the voivodeship management and should be specified in the ROP. All those options provide for support for the existing or emerging LAGs. The direct method is the most complete implementation of CLLD in line with the CPR.

● Objectives and priorities to be implemented under CLLD

The thematic scope of CLLD is not limited to TO 9, although investment priorities relating to CLLD are included under this objective. The thematic scope to be implemented by the instrument will be specified in the ROP, RDP and OP FISHERIES. These programmes or programme documents will determine the maximum size of projects to be implemented by means of CLLD.

Thematic scope of CLLD

If CLLD is implemented using method 1 (direct) from the ESF under IP 9vi., actions within the scope of other IP may be implemented, but it is recommended that they are limited to the following investment priorities:

- IP 8i. Access to employment for job-seekers and inactive people, including long-term unemployed and distant from the labour market, also through local employment initiatives and support for labour mobility;
- IP 9i. Active inclusion, including to promote equal opportunities and active participation and increasing employability;
- IP 9iv. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest;
- IP 9v. Support for social entrepreneurship and occupational integration in social enterprises and for social and solidary economy to facilitate access to employment.

If CLLD is implemented using method 1 (direct) from the ERDF under priority 9d., actions within the scope of other IP may be implemented, but it is recommended that they are limited to investment priority 9b. *Support for physical, economic and social regeneration of deprived urban and rural communities.*

The EAFRD will pursue the CLLD approach mainly within the focus area 6B - *Fostering local development in rural areas.* In order to simplify the monitoring and management process, the entire budget of the EAFRD allocated for CLLD (i.e.

for LEADER) will be assigned to this focus area. In addition, the EAFRD will support the CLLD approach within the following focus areas:

- 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations. Under the LEADER approach, support will be provided for small-scale processing and networking in relation to short supply chains and local markets, as well as for promotional and marketing activities.
- 6A Facilitating diversification, creation and development of small enterprises, as well as job creation. Under the LEADER approach, operations relating to entrepreneurship will be implemented, as well as investments in infrastructure for the provision of services for citizens (technical infrastructure, in the area of tourism, recreation, culture, cultural and natural heritage).
- 6C Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas. Under the LEADER approach, support will be provided for operations related to using information technologies to create non-agricultural jobs or providing access to cultural, natural and tourist resources of rural areas.

The EMFF will implement CLLD under the Union priority 4. Increasing employment and territorial cohesion through the following objectives:

- Promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal and inland communities depending on fishing and aquaculture;
- Diversification of fisheries activities into other sectors of maritime economy.

The following sub-chapters concern the implementation of CLLD using method 1 and 3b.

● **Basic CLLD implementation rules**

It is allowed to implement single-fund or multi-fund strategies, yet in compliance with the basic principle 1 LAG – 1 area – 1 LDS. An exception can be made for areas where the fisheries sector dominates and where in particularly justified cases the voivodeship executive board may allow for functioning of two coherent LDS, a general one and a sectoral one for fisheries. The basic LDS implementation area, with only one LAG, is a gmina.

In the case of large cities, LDS may be developed and CLLD implemented in a single gmina or in smaller areas – districts or parts thereof (smaller than a gmina). Therefore, in the cities with population exceeding 20,000 in the case of implementing revitalisation actions described in more detail under TO 9 of the PA, the basic LDS implementation area with one LAG can be formed, as an exception, by one district or a group of districts, within the meaning of gmina auxiliary units created pursuant to Article 5 of the *Act of 8 March 1990 on gmina self-government*.

In the case of LAGs in rural and fisheries areas, the population covered by the LDS should be at least 30,000 and 150,000 at most, while the LDS implementation area must cover at least two gminas. In the case of LAGs in urban areas, the minimum population covered by the LDS is 20,000, regardless of whether it concerns the entire city, district or a group of districts. The area covered by a LDS must be characterised by territorial cohesion and must have sufficient fund absorption potential, while preserving its local nature at the same time.

Apart from being correct in terms of expenditure, projects implemented within the framework of CLLD must allow to achieve the objectives and indicators adopted in individual programmes. The indicators must directly correspond to the relevant programmes aimed at implementing the PA.

● **LDS financing**

The agreement of LDS implementation specifies the contribution of each fund. This is not tantamount to provision of funds for the LDS. Co-financing is granted by the MA for specific projects under the LDS and not for the strategy in general. Three methods of project implementation under the LDS are available:

1. Projects implemented individually following applications filed by beneficiaries other than LAGs and selected by a LAG decision-making body, and then submitted for verification to the Marshal's Office;
2. Umbrella projects under which the LAG as the beneficiary organises call for proposals for microprojects, ensuring their settlement and monitoring, and accounting for correctness of expenditure and achievement of indicators resulting from the umbrella project co-financing agreement to the voivodeship executive board;
3. "Own" projects of LAG, resulting from the LDS, where the LAG is a beneficiary.

Although the strategy may be implemented under multiple funds, the projects implemented under the LDS must always be financed from a single fund.

In the case of the ERDF and the ESF, the maximum project co-financing from the EU funds amounts to 85% (80% in the Mazowieckie Voivodeship) and the lacking contribution must come from own funds of the beneficiary, final recipient or LAG. Co-financing from the EAFRD and the EMFF is specified in the RDP and the OP FISHERIES.

Pursuant to the CPR, co-financing may be provided for:

- a) The costs of preparatory support provided at the stage preceding the selection of LDS concerning the establishment or strengthening of partnership and drafting of LDS.²⁰⁹

In order to simplify the settlements for beneficiaries, those costs, for the purpose of drafting one LDS, will be covered by one fund only. Financial envelopes from individual funds will be assigned at the level of voivodeship government, thus creating available funds allocated for this purpose. The decision on the selection of the source of financing for a given selected beneficiary will be made by the voivodeship executive board to ensure proportional participation of individual funds in the costs of preparatory support at the regional level, compared to the contribution of those funds into the entire CLLD implementation. If the LDS concerns solely:

- o rural areas, the financing will be provided from the EAFRD;
- o fisheries areas, the financing will be provided from the EMFF;
- o cities with population exceeding 20,000, the financing will be provided from the ESF.

If the LDS is to cover various areas (rural and/or fisheries and/or cities with population exceeding 20,000), the support will be provided from the lead fund, designated by the voivodeship executive board from among the funds under which the given LDS is to be selected.

The settlement of preparatory support requires the submission of the LDS in the LDS contest and obtaining at least a positive result from the formal evaluation.

- b) Running costs linked to the management of the implementation of the strategy and animation of the LDS in order to facilitate exchange of information between partners and to promote the strategy and to support potential beneficiaries with a view to planning and implementation of projects and preparing applications.²¹⁰

Running costs and costs of animation are financed from only one fund under each LDS. The EAFRD aid intensity amounts up to 95% of eligible costs of operations. However, if a lower aid intensity is planned in a given voivodeship under the programmes co-financed from other ESI Funds, the EAFRD aid intensity will be reduced to that level. The fund financing the running costs and the costs of animation is selected by the Marshal's Office, taking into account the significance of individual funds for the financing of LDS. The remaining funds are provided by the LAG.

Other projects are financed to the level not exceeding the maximum level stemming from individual programmes and funds. In the case of projects selected by the LAG (method 1) and umbrella projects, own contribution should be provided by the beneficiary or the final recipient, respectively.

● **Tasks and role of LAGs**

The minimum tasks of LAGs were defined in the CPR.²¹¹ LAGs will also be able to carry out other tasks delegated by the managing authority, but the role of LAG will depend on its institutional capacity, experience and appropriate organisational capacity.

A LAG must ensure own contribution for its functioning under projects related to running costs and costs of animation and the implementation of own projects of the LAG where the LAG is the beneficiary, in line with the provisions of the relevant programmes. In the case of umbrella projects implemented by the LAG as the beneficiary, own contribution should be provided by the entities implementing microprojects or from the LAG's own funds, as in the case of projects of beneficiaries other than LAG and submitted to the Marshal's Office for verification.

● **Coordination mechanisms and administrative CLLD implementation framework**

The basic coordination role in a voivodeship will be played by the voivodeship executive board, acting as the MA of the ROP and the implementing authority of the RDP and OP FISHERIES in terms of the CLLD approach. It allows adopting common implementation rules for all funds. They will cover, *inter alia*, the following:

²⁰⁹ Preparatory costs concerning only the CLLD implementation using the direct method, i.e. 1 or 3b.

²¹⁰ Running costs concerning only the CLLD implementation using the direct method, i.e. 1 or 3b.

²¹¹ The tasks of LAGs must include: (a) building the capacity of local actors to develop and implement operations; (b) drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure; (c) ensuring coherence of the LDS with the selected operations, by prioritising those operations according to their contribution to meeting the LDS's objectives and targets; (d) preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria; (e) receiving and assessing applications for support; (f) selecting operations and fixing the amount of support (and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval); (g) monitoring the implementation of the LDS and the operations supported and carrying out specific evaluation activities linked to the LDS.

1. A joint **selection committee** at the regional level, composed of competent managing authorities or intermediate bodies/implementing authorities for the programmes under which CLLD will be implemented, as well as the representatives of the civil society. Apart from LDS selection, the committee will coordinate the implementation of the entire CLLD in a given region. The selection committee may be supported by an advisory committee composed of experts. The committee's meeting may be attended by the representatives of the minister competent for agriculture, rural development and fisheries and of the minister competent for regional development;
2. Coordination of the implementation of preparatory support under individual funds;
3. Common LDS selection criteria.

At the national level, the coordination of CLLD implementation is ensured by cooperation of the minister competent for regional development and the minister competent for agriculture, rural development and fisheries upon defining of the rules of programming and implementation of CLLD and cooperation with regions under coordination mechanisms and instruments described in Chapter VIII.2. Coordination system.

In order to ensure efficiency and monitoring of expenditure, the conditionality mechanisms will be applied during the LDS implementation. It will consist in providing financing to subsequent projects under the LDS, depending on achievement of the assumed results/milestones specified in the project and the LDS, and on correctness and efficiency of spending. In the case of a negative evaluation result, the initial budget of the LDS for the entire period is reduced. The amount thus 'released' can be, depending on the decision of the MA, used for additional tasks for the best groups or reallocated to other instruments.

The participative nature of the CLLD instruments constitutes its added value compared to the traditional form of support for local development consisting in direct support for projects submitted by beneficiaries, i.e. gminas, poviats, enterprises, non-governmental organisations, etc. CLLD is not the only local development instrument and support for local development will also be provided in the traditional form.

It must be emphasized that CLLD differs from the ITI instrument in terms of the scope of intervention, beneficiaries and the management structure. The fundamental difference consists in the fact that the ITI is a top-down mechanism that will be implemented by local governments, while CLLD is a bottom-up mechanism initiated and implemented by tri-sectoral local partnerships (local social and economic partners, residents, representatives of authorities). Therefore, the rule is that ITI and CLLD must not exclude each other in territorial terms. However, the scopes of LDS and ITI support in territories covered by both these instruments should be coherent and coordinated. The coordinating role in this regard belongs in particular to local authorities involved in the implementation of those instruments.

3.3.2 Integrated Territorial Investments

Integrated Territorial Investments (ITI) are a new tool for implementation of the territorial strategies. In Poland, the ITI instrument will be used in particular to implement integrated actions aimed at sustainable urban development referred to in Article 7 of the ERDF Regulation. Depending on the MA's decision, the ITI may be used to implement territorial strategies covering other types of areas (including urban areas) and a wider set of actions. ITI will also cover rural areas functionally connected to the urban centres which are implementing ITI.²¹²

● Area of Integrated Territorial Investments in Poland and EU funding

ITIs are implemented:

- mandatorily in voivodeship capitals and areas having functional ties with the capitals, constituting one of key areas of state strategic intervention described above. The basis for determining the implementation area of the "voivodeship ITI" is the document prepared by the competent Minister for Regional Development entitled *Criteria of Delimitation of Urban Functional Areas of Voivodeship Centres* provided to voivodeship authorities in February 2013. Thus, the ITI implementation area does not depend on the results of work on delimitation functional urban areas and their final extent determined by voivodeship authorities. At the same time, in order to implement ITI in voivodeship capitals and areas having functional ties with the capitals, the territories covered by the "voivodeship ITI" must include: the voivodeship capital, all cities at the core of the functional area and other gminas from the functional region – at least half of the gminas determined on the basis of the above document. The "voivodeship ITI" implementation area is determined by way of a resolution of the voivodeship authorities, taking into account the above and the arrangements with the local government units interested in cooperation. In the case of

²¹² Detailed guidelines on the implementation of the ITI instrument are included in the MID document entitled *Principles of Integrated Territorial Strategies in Poland*.

Lubuskie Voivodeship, due to absence of spatial continuity between functional regions of both voivodeship centres, there are two functional regions for both voivodeship capitals. Therefore, the voivodeship has two ITI Strategies (see: point B below) and two ITI Associations (see: point A below).

In Kujawsko-Pomorskie Voivodeship, there is one coherent functional region which includes both Bydgoszcz and Toruń. Thus, the voivodeship has one ITI Strategy and one ITI Association.

In the case of Mazowieckie Voivodeship, due to the vast functional region of the voivodeship capital and a specific situation resulting from the fact that the voivodeship belongs to the category of more developed regions, the criterion of at least half of its gminas shall not apply to delimiting the ITI implementation area.

In voivodeship capitals and areas having functional ties with the capitals ITIs are mandatorily financed from the ROP allocation. In total at the level of all ROPs the allocation earmarked for this purpose in relation to the total allocation of particular funds for Poland is at least 5.2% of ERDF allocation and 2.4% ESF allocation. Detailed information on the mandatory allocation under ROP for implementation of the “voivodeship” ITI are presented in the table below.

16. Table 23 Basic allocation earmarked for the “voivodeship” Integrated Territorial Investments that was included in the allocation under regional development programmes

Voivodeship	Voivodeship ITIs cumulatively, current prices (EUR million)*	of which:	
		ERDF ITI	ESF ITI
DOLNOŚLĄSKIE	173.0	155.9	17.0
KUJAWSKO-POMORSKIE	153.8	135.7	18.1
LUBELSKIE	105.4	93.3	12.1
LUBUSKIE	66.6	58.9	7.7
ŁÓDZKIE	203.5	180.2	23.3
MAŁOPOLSKIE	229.9	201.5	28.4
OPOLSKIE	46.0	40.9	5.1
PODKARPACKIE	70.8	62.8	8.0
PODLASKIE	75.8	67.2	8.6
POMORSKIE	215.8	189.4	26.4
ŚLĄSKIE	484.0	421.7	62.3
ŚWIĘTOKRZYSKIE	62.3	56.5	5.8
WARMIŃSKO-MAZURSKIE	45.2	42.1	3.1
WIELKOPOLSKIE	178.6	158.4	20.2
ZACHODNIOPOMORSKIE	109.1	97.9	11.2
TOTAL 15	2220.0	1971.2	248.8
MAZOWIECKIE	164.8	141.1	23.7
TOTAL 16	2384.9	2112.3	272.6

The table shows the basic amount that should be increased to the extent considered necessary by the regional authorities; ITI should be financed both from ERDF and ESF, and the allocation for ESF may be smaller than the one given in the table provided that the ERDF resources are increased.

Additional source of support for the ITI Strategies of the voivodeship capitals and areas having functional ties with the capitals will be funds from OP I&E 2014–2020 and OP EP 2014–2020 serving as the source of support to selected essential complementary projects resulting from the ITI Strategies arranged between ITI Association and competent MA.

It will be optional in cities of a regional and sub-regional nature and in areas having functional ties with the cities. Implementation of ITIs in these urban areas depends on the decision of individual voivodeships’ authorities. In that case the area, where the ITI instrument is implemented, is agreed upon jointly by the voivodeship authorities and the gminas interested in ITI implementation, and is precisely defined in a relevant resolution of the voivodeship authorities²¹³.

²¹³ In addition, according to the draft regulations, ITI may be implemented in other areas which require an integrated approach. However, a territorial strategy or a territorial pact, referred to in Article 36 of the CPR, must be implemented in the selected area. Decision to implement ITIs in areas other than urban ones depends on the ROP MA’s decision.

In the case of ITI implementation in cities of a regional and sub-regional nature, in areas having functional ties with the cities and in other areas it will be financed from the ROP allocation as far as the ROP MA decides to implement ITIs in these areas and earmarks additional resources under the available ROP allocation (optionally).

Implementation of Integrated Territorial Investments in Poland is intended to:

- promote a partnership model of cooperation of various administrative units in functional urban areas;
- increase effectiveness of the interventions undertaken by implementation of integrated projects responding to the needs and problems of cities and areas having functional ties with the cities in a comprehensive way;
- increase the influence of cities and areas having functional ties with the cities on the shape and manner of implementation of actions supported in their territory under the cohesion policy.

Support for urban functional areas with the use of the ITI instrument is complementary to actions carried out by the Polish Government aimed at introducing new legislative solutions that facilitate cooperation between the local government units in the urban functional areas. Currently National Urban Policy is being developed and in 2013 the competent minister competent for public administration and informatization published the White Paper on Metropolitan Areas which is a continuation of the process of preparing legal and organisational changes aimed at improving the functioning of the urban agglomerations.

● **Conditions of ITI implementation**

Certain criteria listed below must be met for the funds to be disbursed for ITIs of voivodeship capitals and areas having functional ties with the capitals. Failure to meet these conditions will result in decreasing the ROP allocation by the resources earmarked for the voivodeship ITIs listed in Table 17. These resources will be transferred to the national level in order to be reallocated by the competent minister competent for regional development.

A. An institutionalised form of partnership (establishment of ITI Association)

One of the conditions of ITI implementation is establishment of an institutionalised form of partnership – the so called ITI Association. ITI Associations will play the role of a joint representation of authorities of cities and areas having functional ties with the cities towards national and regional authorities.

There are different possible partnership forms, such as:

- a gmina association or powiat association;
- an association of local government units;
- a gmina agreement;
- a company established jointly by local government units.

The ITI Association may comprise gmina local governments, poviats and voivodeship local government – depending on the extent of the Association activity. The tasks of the ITI Association and its' legal form largely depend on the extent to which the tasks are entrusted to management under ROP. If all tasks are delegated, the ITI representing institution should have strong legal grounds – it may assume the form of e.g. an inter-gmina association.

The ITI Associations of voivodeship capitals is funded under the national OP TA, while other ITI Associations may be funded under technical assistance components of regional programmes.

B. ITI Strategy preparation

The ITI Strategy is the key document concerning the support under actions/priorities implemented as ITIs within the framework of ROP. In particular, the ITI Strategy plays the role of a “strategy setting out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas” referred to in Article 7 of the ERDF Regulation. Depending on the MA's decision, the ITI Strategy shall cover other types of areas where integrated actions using the ITI formula will be taken. Therefore, it should include the diagnostics based on territorial and demographic analyses that highlight the development potential of a given area, especially in respect to the challenges identified under the *Europe 2020 strategy*. For the ITI Strategy to meet the above Commission requirements, it must include a coherent set of interrelated actions intended for long-term improvement of social, economic, environmental, climatic and demographic conditions in a given functional urban area or another ITI-covered area. The ITI Strategy will refer to all of the above-mentioned fields, however, actions to be supported by the Cohesion Policy can only address specific problems.

The ITI Strategy provides a basis for participation of the ITI Association in the process of ROP management and implementation to the extent agreed with the ROP MA.

In order to prepare the ITI Strategy correctly, the key issue consists in applying such an approval procedure that would not lead to an excessive domination of a voivodeship capital and marginalisation of other gminas covered by the ITI. Therefore, the ITI Strategy should take into account joint strategic selections agreed by units making up the ITI Association – the ITI Strategy should be signed by all entities comprising the ITI Association. The ITI Strategy should be

agreed with the ROP MA and the competent Minister for Regional Development should give his opinion on the Strategy in terms of compliance with the PA and the rules of ITI implementation in Poland. In the **case of projects implemented using the ITI formula, regardless of the project selection mode, the projects proposed will have to meet project selection criteria established by the ROP MC.** Therefore, within the ITI Strategy it is important to prepare project selection rules that will be agreed upon between the ITI Association and the ROP MA and will **constitute the basis for developing detailed project selection criteria.** The project selection criteria in the ITI formula will be accepted by the ROP MC. Measures of the implementation effects of undertakings selected for implementation under ITI formula should be tied/consistent with the ROP indicator system and should be an inherent part of the system of monitoring the progress and ROP implementation effects.

The ITI Strategy identifies the intervention areas in which projects complementary to the undertakings intended for implementation under the ITI formula are planned to be implemented, for the financing of which the ITI Association will apply to other sources (outside the ITI formula), e.g. from a national operational programme. Identification of the complementary projects under the ITI Strategy does not guarantee that they would be implemented and funded from the resources of regional and national operational programmes. However, the complementary projects (especially under investment priorities 4c., 4e., 7d.), on which the competent MA under the ITI Strategy and the competent Minister for Regional Development have given a positive opinion, may enjoy a priority during their selection for implementation. This may take place, *inter alia*, by:

- incorporation of preferences into the project selection criteria under a given operational programme for the complementary projects resulting from the ITI Strategy;
- incorporation of a negotiation path into the selection mode for non-contest projects for a given operational programme (confirmed with provisions of Territorial Contract in case of a national programme).

The boundary condition is that such projects must meet the project selection criteria of the regional and national OP, as well as allocation availability.

The ITI Strategy should in particular:

- be consistent with Polish and EU strategic and planning documents,
 - indicate the ITI Strategy's support area,
 - include a synthetic diagnosis of the support area,
 - define the territorial dimension of support,
 - define developmental objectives to be achieved under the ITI,
 - identify the priorities,
 - identify the project selection rules and a list of undertakings to be implemented in the ITI formula,
 - define a list of complementary strategic undertakings plausible outside the ITI formula,
 - show how the planned undertakings would affect the achievement of the assumed indicators,
 - show reference to financial instruments,
 - include strategic environmental impact assessment, where necessary,
 - include a financial plan,
 - describe the implementation system,
 - include a report on progress of work and involvement of partners from the functional region, and describe the way in which they will be included in ITI Strategy implementation.
- C. Having relevant institutional capacity;
- D. Signing an agreement for ITI implementation in the voivodeship between the ITI Association and the ROP MA;
- E. Incorporation of the relevant provisions into the Regional Operational Programme that meet the requirements of the European Commission and comply with the provisions of the PA.

Implementation of ITI within the framework of ROP takes place by singling out dedicated actions/sub-actions under at least two ROP priority axes financed from at least two thematic objectives and Structural Funds.

ROPs include information on ITI implementation in the region, including in particular:

- expected ITI implementation area(s),
- indicative value of EU funds (ERDF and ESF) from particular ROP priority axes (assigned to thematic objectives and investment priorities) intended for the implementation of each ITI.

● ITI Association's tasks connected with ITI implementation

The detailed scope of tasks of an ITI Association is determined in the agreement or contract concluded between the ITI Association and the competent MA. These tasks include at least participation in the project selection. The ITI Association prepares an ITI Strategy that includes project selection rules for the ITI that are transferred to MA for verification in terms of objectives and rules of the programme.

Support under the ITI based on ESI Funds appropriations under thematic objectives will focus on the following intervention areas:

- development of sustainable and efficient transport between the city and its functional region (TO 4, TO 7),
- restitution of socio-economic functions of degraded areas of functional urban areas (TO 6, TO 8, TO 9, TO 10),
- improving the condition of the environment in functional urban areas (TO 4, TO 6),
- supporting energy efficiency and promoting low-carbon strategies (TO 4),
- strengthening the development of symbolic functions that build the international nature and supra-regional rank of a functional urban area, and improving the accessibility and quality of public services in the entire functional region (TO 1, TO 3),
- improvement of the labour market situation, *inter alia* by actions aimed at active job search assistance, improvement of professional skills and adapting skills to the labour market needs (TO 8, TO 10),
- improvement of access to public services, *inter alia*, connected with education, health protection, social assistance (TO 8, TO 9, TO 10),
- services connected with health protection and preventive care as well as with social services (TO 8, TO 9).

The above areas of intervention address challenges defined in the first section of PA and thematic objectives and investment priorities proposed by the European Commission. These areas were also chosen due to the fact that action within the framework of ITI are to be implemented in cooperation with gminas which constitute the urban functional areas.

The final arrangements concerning the selection of thematic objectives and investment priorities to be implemented using the ITI instrument may cover a thematic set that is wider than the one referred to above. The ITI Associations have the opportunity to select the ITI thematic scope by deciding to select at least two of the above-mentioned intervention areas (covering at least two thematic objectives). If the ITI Strategy envisages actions under investment priority 4e. and 4c., 4iii., they must (in the context of the provisions of proposals for ERDF/CF Regulations) be justified by reference to strategy papers on low-carbon economy (e.g. low-carbon economy plans). If the gminas have relevant provisions on transition to low-carbon economy in the existing strategic papers or planning documents, the ITI Strategy should include relevant references. Having low-carbon economy plans in place conditions the possibility to apply for the support under investment priorities 4c., 4e., 4iii. within the framework of OP I&E and OP EP.

3.3.3 How to take the urban dimension into account

The urban dimension of operational programmes for 2014–2020, which constitutes a part of the territorial dimension, is reinforced significantly due to designation of cities as areas of state strategic intervention, i.e. (1) voivodeship capitals and their functional areas; (2) cities and urban districts in need of renovation, and due to assigning special instruments to this end, e.g. ITIs or complex renovation measures. Support for cities concerns all types of urban centres, i.e. according to the classification proposed by the NSDC: voivodeship centres, regional centres, sub-regional centres and local centres. This support is provided at the national level, mainly OP I&E, and at the regional level.

In the new programming period, the functional approach to development is of growing importance, including the approach to the urban areas, which assumes shifting from addressing problems and challenges solely on the basis of administrative borders (e.g. city administrative borders). While implementing the above approach, the support for urban centres is addressed, on the one hand, to the cities and areas having functional ties with the cities and, on the other hand, to the designated urban centres, e.g. districts or their degraded parts.

Also the strategic dimension is reinforced by support within the frameworks of ITI “strategies setting out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas” referred to in Article 7 of the ERDF Regulation. Resources that constitute the necessary level of 5% of ERDF will be earmarked for the ITI implementation. The minimum allocation for the “voivodeship” ITIs was presented in the PA section on the ITI instrument.

In addition, the cities and their functional regions have the possibility to use new instruments prepared specifically for them, such as the Urban Development Network Programme and Innovative Actions for Sustainable Urban Development prepared and managed from the European Commission's level. Furthermore, implementation of

instruments that have already existed in the current programming period –URBACT (Urban Development Network Programme) and financial instruments like JESSICA – continues.

Within the framework of the URBACT projects the cities together with local actors develop the so called local action plans showing how to solve a given problem in the city in a comprehensive manner – e.g. supporting entrepreneurship or renovation of a degraded district. In the next programming period it is advisable to enable within the framework of ROPs financing of projects which implement the URBACT local action plans and at the same time are in line with the objectives of the operational programme.

3.3.4 Territorial cooperation and macroregional strategies

● European Territorial Cooperation

European Territorial Cooperation programmes with Poland's participation are intended to, on the one hand, contribute to socio-economic development of the areas covered by the support and, on the other hand, promote integration and cross-border cooperation. They are implemented under three components:

- Cross-border cooperation of the regions of neighbouring countries,
- Cross-national cooperation of several/several dozen states,
- Inter-regional cooperation within the entire EU.

The essence and specific nature of ETC programmes is to promote international cooperation, consolidate integration, support really common cross-border actions and support developmental processes by merging the potentials of different regions. The investment projects implemented within the framework of cross-border and trans-national cooperation are also conducive to solving local problems and, at the same time, allow initiating conceptual and planning activities. This, in turn, translates into implementation of further large-scale projects which frequently include the investment element and are financed from funds other than the ETC so that consistency and continuity of undertakings is ensured.

The thematic objectives of cooperation, along with the selection of detailed investment priorities that will be funded from the ETC programmes and from the Polish budget, are agreed in cooperation with foreign partners. This will result in support under ETC programmes for the common actions which will benefit all parties involved in the cooperation and implemented in real partnership of institutions from two or more countries. The underlying assumption consists in selecting thematic objectives and investment priorities that would respond to specific challenges and problems of a given territory best.

Poland considers the following to be the most important thematic areas of territorial cooperation:

- Improving transport accessibility (in cross-border terms) (TO 7),
- Promoting environmentally-friendly socio-economic development, including: preventing negative social processes (such as depopulation), building social capital, including learning the languages of the neighbouring countries, improving access to public services, improving access to and joint use of network infrastructure, and supporting the transition to low-carbon economy (TO 4, TO 6, TO 7, TO 9, TO 10),
- Environmental protection, efficient resource managements (including the management of cultural resources), preventing the effects of climate change, supporting joint management of natural resources, preventing natural threats, improving security through cooperation of public services (TO 5, TO 6),
- Cooperation of public administration offices, supporting small projects that concern cooperation of local communities (primarily under the cross-border component) (TO 9, TO 11),
- Supporting entrepreneurship and innovation (primarily in the framework of the trans-national and inter-regional ETC components) (TO 1, TO 3),
- Supporting development and adaptation changes in urban and rural areas, including adaptation to demographic changes (primarily under the cross-border and inter-regional components) (TO 8, TO 9, TO 10).

Under **cross-border ETC programmes**, support is intended for **border areas** which, due to their location in relation to the country's administrative centre and major regional growth centres, are considerably peripheral. The peripheral location is understood in many dimensions because the areas have lower transport accessibility (external and internal) and communication accessibility, lower supply of public services (including high quality services in areas such as education, health care, care for vulnerable people, culture), and a deficit of good jobs and qualified staff. These factors seriously reduce the attractiveness of borderland as a place to live and work. Therefore, with minor exceptions, there is a significant outflow and an unfavourable change in the structure of the population in those areas: the number of seniors increases, the number of people in the working age decreases (economic migration and migration to study), and the number of births decreases. On the other hand, these areas have vast natural assets (mountains, forests, coast, river areas) which constitute considerable development potential (e.g. tourism), but at the same time a source of natural threats. Thus, it is necessary to make sustainable use of these resources and protect them. Creating an offer of products and services on the basis of rich natural and cultural heritage is an opportunity for border areas. The programmes will facilitate international promotion of the regions, including the creation of local brands and further economic and tourist development of the supported areas.

As the challenges described above frequently concern areas on both sides of the border (a.o. due to poor accessibility and unfavourable demographic trends), cooperation developed under the ETC constitutes a real opportunity for joint actions to improve the status quo. In border areas, especially as concerns the above problems, it is particularly important to ensure complementarity with the actions implemented under national and regional programmes (e.g. large infrastructural investments should be implemented from funding sources complementary with the EWT).

In the framework of cross-border ETC programmes, it is assumed that further support will be provided for actions contributing to international cooperation of local communities. It will be achieved through Small Project Funds (SPF), for which a part of the budget of a given programme can be used. This instrument will be used primarily in thematic areas such as: environmental protection and efficient management of resources, promotion and development of the natural and cultural heritage, education, lifelong learning, improving the institutional capacity of the public administration and better cooperation between the institutions and the citizens. This range results from the thematic objectives intended to be implemented under cross-border programmes and is in line with the principle of support concentration. Further implementation of the SPF will allow strengthening cross-border contacts of local communities. It will also contribute to increasing the visibility of ETC programmes among the borderland population – thanks to support for a large number of microprojects, awareness of ETC programmes among local communities increases.

The nature of individual cross-border ETC programmes with the participation of Poland results from the length and diversity of particular borders. The selection of actions that will be able to obtain support under ETC programmes implemented in border areas is based on the experience gained during multiannual cooperation and an analysis of the current situation. Final decisions concerning the areas to be supported will be made on the forum of international working groups responsible for preparing the programmes.

The **Polish-German border** is a border between an old and a new EU Member State where cross-border project financing started the earliest. However, the different nature of the areas on both sides of the border is an important factor affecting cooperation because of large investment projects (e.g. improving transport accessibility) that have been carried out on the German side since the 1990s so that now there is a different perception of development priorities of the joint support area. In Polish-German borderland areas there are positive stimuli of economic growth, international cooperation and exchange of experience and good practices. On the other hand, however, these areas are exposed to negative phenomena related, *inter alia*, to unfavourable demographic trends, such as ageing of the society or depopulation. At the same time, the potential of this border lies in its cultural and natural heritage, and the presence of “twin cities.” This justifies implementation of actions aimed at reducing barriers, also linguistic barriers, enhancing economic cooperation, political and intercultural dialogue and enhancing the competitiveness and attractiveness of border regions in economic and social terms. Therefore, it is important to continue and deepen cooperation through, *inter alia*, support for the following areas: environmental protection (flood prevention), natural and cultural heritage (including support aimed at the development of border rivers: Oder and Nysa for tourist purposes), improvement of cross-border transport (for example an optimisation of the transfer system).

In connection with Poland’s involvement in the implementation of four territorial cooperation programmes at the Polish-German border, the minister responsible for regional development will endeavour to ensure the widest possible harmonisation of the rules applicable under individual programmes (three programmes at the Polish-German land borders will implement similar thematic objectives). Coordination between ETC programmes will be ensured by locating the functions of the Managing Authority/National Coordinator for all programmes in the ministry that supports the minister responsible for regional development.

The application of harmonised provisions on expenditure eligibility has been guaranteed by Article 18 of the ETC Regulation, while as to the remaining implementation rules for EWT programmes (e.g. calls for proposals) all decisions are made jointly with the representatives of the states covered by the cooperation and Polish local governments. Therefore, it is not possible to standardise the rules for all programmes at the Polish-German border.

Poland also assumes the introduction of mechanisms to apply the 20% rule that allows project implementation outside the area of programme support, provided for in the ETC Regulation.

The **southern border** runs between countries with comparable development level and objectives. As a result, in recent years the cross-border cooperation with Czech and Slovak institutions has been very active, and the interest in joint projects has been high. The strongest asset of Polish regions located along the southern border are vast natural and cultural heritage resources, most of which are cross-border in nature. A network of cooperation in the field of their use and protection at the level of local government units is constantly being expanded. The potential lying in natural and cultural heritage will continue to be amplified under ETC programmes. Cross-border barriers to the development of the southern voivodeships and their cooperation with the neighbouring countries, in particular at the Slovak-Polish border, are insufficient functional ties and absence of transport infrastructure. At the Czech border there is a fairly good road network, but its quality requires further investment. The problems the Polish-Czech borderland include also relatively high threat to the environment resulting from proximity of large industrial centres. Average age in the

southern voivodeships lower than in entire Poland, correlated with unadjustment of education levels to the needs of the labour market and economic migration trends is a threat to these voivodeships and, at the same time, provides room for the implementation of remedial actions within the framework of ETC programmes. It is planned to take up actions aimed at improving the professional qualifications of the population from the above regions on both sides of the border.

The **northern border** is a sea border and the only one where Poland neighbours areas that belong to the highest developed countries in the EU (Scandinavian states) as well as countries and regions with a development level similar to Poland's, i.e. Lithuania and German land Mecklenburg-Vorpommern. Such a diversity provides favourable conditions for the transfer of knowledge and for reinforcement of the development potential of the supported area. The potential of the regions along the Polish northern border consists in natural and cultural heritage, as well as a common body of water connecting the countries situated around its coastline in a natural way. In the future financial perspective, actions are planned to build a common Baltic Sea identity through closer cooperation between local authorities and SMEs. As to the Baltic Sea, these will also include research/strategies/analyses of current water protection and the concepts of multimodal transport connections around the sea. The tourism potential of the borderland, currently not used in full, should be reinforced. At the Polish-Lithuanian border, additionally we should prevent depopulation of the border area through support for initiatives that contribute to the creation of new jobs and strengthening the network of cooperation between economic operators from both sides of the border. Local authorities should seek to improve the quality of life of the population by enhancing access to health care and social welfare. They should also invest in the development of cross-border tourist services and common regional products, which will improve the image of the region and attract potential tourists and investors. Cross-border barriers to the development of the northern voivodeship's cooperation with the neighbouring countries consist in, *inter alia*, linguistic diversity and large gaps in the levels of development of the neighbouring states. It is important to strive for the improvement of conditions for economic development of the region based on the exchange of experience, increasing competencies and adjustment of traditional and innovative sectors to the needs of foreign markets.

As the Polish **eastern border** is the external border of the European Union, it is rather tightly controlled (due to the mutual visa requirement in relations with the Russian Federation and Belarus). It makes direct contacts at the cross-border level much more difficult. It should be noted that the interest of Polish institutions in implementing projects with partners from outside the EU is very high.

ETC trans-national programmes allow addressing supra-regional challenges and make better use of cooperating regions' potentials. Continuing cooperation in this area with countries from northern and central Europe, Poland will seek integrated development and improving competitiveness of support areas that cover Member States as well as our non-EU neighbours. Participation in the programme for the Baltic Sea Region will facilitate the achievement of the objectives associated with "blue growth" and actions for the environment indicated in the EUSBSR. The programme will support research, technological development and innovation, environmental protection and efficient resource management, sustainable transport, as well as coordination activities connected with the implementation of the Baltic Sea macrostrategy. Participation in Central Europe programme will allow to strengthen the links of Polish regions in the southern direction. Cooperation will focus on actions related to innovation and innovation flow to the SME sector, effective and sustainable use of natural and cultural resources, sustainable commodity and passenger transport, and the promotion of actions for low-carbon economy. Participation in transnational programmes will allow to strengthen the role of Poland as an area of creating links between two macroregional strategies.

Further participation of Poland in the **ETC inter-regional cooperation programme** will allow regional policies to be modernised in terms of supporting innovation, SME competitiveness, low-carbon economy and the environment thanks to access to information and good practices proven in other parts of Europe. Dissemination of good practices, experience and solutions, also in the area of achieving thematic objectives, acquired through international partnerships, will contribute to more effective and more coordinated absorption of EU funds, especially thanks the possibility of their transfer to national and primarily regional operational programmes.

Complementarity of the interventions under ETC programmes with actions in the framework of relevant regional programmes will be ensured thanks to general strategic coordination and management mechanisms as described in section 2, as well as thanks to the participation of voivodeship marshals in groups preparing ETC programmes.

The **European groupings of territorial cooperation (EGTC)**, created with the participation of Poland, should participate in the ETC programmes more actively. As institutions set of supra-national nature, the groupings allow to carry out highly institutionalised international activities. The EU law defines the potential range of EGTC activities very broadly – as extending well beyond the ETC objective. In the framework of ETC programmes with the participation of Poland, the role of groupings will be to implement projects; it is also possible to entrust the EGTC with umbrella project management to allow the implementation of microprojects.

- **ESIF complementarity with the Integrated Maritime Policy (IMP)**

The Integrated Maritime Policy (IMP) supports a coordinated and coherent decision-making process and contributes to maximisation of sustainable growth, economic growth and social cohesion of the Member States, in particular as regards coastal, island and outermost regions as well as maritime sectors, through coherent maritime policies and proper international cooperation. The IMP is implemented on the basis of the three cross-cutting instruments. They are: knowledge of the sea, integration of maritime surveillance systems, and marine spatial planning. The actions taken within the framework of the IMP are consistent with the principle of Integrated Coastal Management – ICM.

The ESIF objectives are largely consistent with the areas indicated in the IMP, in particular as to elements such as blue growth and jobs (in accordance with the “Blue Growth” initiative) and with the EU Strategy for the Baltic Sea Region. “Blue Growth” is a new element of the IMP and is supposed to include maritime policy in the implementation of the Europe 2020 strategy. In the Communication *Blue Growth opportunities for marine and maritime sustainable growth* – COM(2012)494, the European Commission has identified five areas for prospective development of the maritime economy. They are: renewable energy of seas and oceans, aquaculture, blue biotechnology, coastal tourism and extracting minerals from the seafloor. The achievement of the objectives of the “Blue Growth” initiative will contribute to economic growth and improving competitiveness, and will create the potential for new jobs in the EU.

The actions undertaken in the framework of the ESIF will take into account the need to develop Maritime Spatial Plans. The Operational Programme “Fisheries and the Sea,” funded by the EMFF, and ETC programmes South Baltic and Baltic Sea Region, funded under the ERDF, are strongly associated with the implementation of the IMP. Also programmes of the cohesion policy and Horizon 2020 will contribute to the achievement of the objectives of this policy.

In terms of blue growth and blue jobs as elements of the IMP, particular importance is attached to coordinated interventions undertaken, in accordance with the principles of the division of interventions, both from the national level and in the relevant regions (mainly coastal regions), in particular with regard to port infrastructure and access to ports, wind energy, innovation, environmental protection, fisheries and tourism. Some of the actions taken in the area of tourism and protection of the natural heritage may contribute to the dissemination of knowledge about the sea. ESIF actions will complement legislative, planning and investment actions taken from funds other than ESIF, in the framework of the implementation of the Integrated Maritime Policy of the EU by Poland.

The EMFF intervention will be very important to the achievement of the objectives of integrated maritime surveillance, in particular the objectives of the Common Information Sharing Environment (CISE).

From Poland’s perspective, an important IMP document is the macroregional EU Strategy for the Baltic Sea Region (EUSBSR).

- **Complementarity of ESIF with the EU Strategy for the Baltic Sea Region (EUSBSR)**

The implementation of the EUSBSR under the cohesion policy began already during the 2007–2013 programming period (from 2010). Objectives and priority areas of the EUSBSR are implemented directly and indirectly under national programmes, regional programmes and the ETC of the cohesion policy, as well as under the EAFRD and the ERDF.²¹⁴ Those actions will be continued under the 2014–2020 perspective and strengthened based on lessons learnt.

Thematic objectives of the EUSBSR and their priority areas and the ESIF objectives partly overlap as presented in the following table.

Table 24: Complementarity of the EU Strategy for the Baltic Sea Region with the European Structural and Investment Funds

Thematic objectives of the Partnership Agreement	Priority areas of EUSBSR		
	Objective 1: Save the sea	Objective 2: Connect the region	Objective 3: Increase prosperity

²¹⁴ The main programmes implementing the objectives of the EUSBSR under the 2007–2013 programming period include: Operational Programme Infrastructure and Environment, Operational Programme Development of Eastern Poland, Operational Programme Innovative Economy, Operational Programme Human Capital, Baltic Sea Region Programme and South Baltic Cross-Border Cooperation Programme and Cross-Border Cooperation Programme Poland (Lubuskie Voivodeship) – Brandenburg.

	Agri	Bio	Hazards	Nutri	Safe	Ship	Secure	Crime	Energy	Transport	Culture	Education	Health	Innovation	Market	SME	Tourism
TO 1: Strengthening research, technology development and innovation	x											x		x		x	x
TO 2: Increasing the availability, utilisation level and quality of ICT											x	x	x				
TO 3: Enhancing the competitiveness of small and medium-sized enterprises (...)														x		x	x
TO 4: Supporting the shift to the low-carbon economy in all sectors	x								x	x							
TO 5: Promoting climate change adaptation, risk prevention and management	x		x														
TO 6: Preserving and protecting the environment and promoting resource efficiency		x		x							x						x
TO 7: Promoting sustainable transport (...)									x	x							
TO 8: Promoting sustainable and high quality employment (...)												x		x		x	x
TO 9: Promoting social inclusion, combating poverty and all forms of discrimination												x	x				
TO 10: Investing in education, training and vocational training (...)												x					

The ESIF will therefore finance the actions under all three general objectives of the strategy, i.e. to save the sea, to connect the region and to increase prosperity, with the focus being on improvement of competitiveness of the Baltic Sea region, implementation of Europe 2020 strategy, adaptation to climate change, transport and power networks and improvement of biodiversity and clear water. The areas of particular interest for Poland in terms of its development needs, which allow generating added value and the synergy effect, include: research and development (especially regional smart specialisations in the context of the entire Baltic Sea region), technology and innovation transfer, climate change and environmental protection, culture, transport, energy security, building human and social capital, labour market, as well as blue growth and implementation of maritime policy. Those preferences were confirmed already at the stage of drafting the Action Plan for the EUSBSR (February 2013), according to which Poland is the coordinator of three EUSBSR priority areas: Innovation – Exploiting the full potential of the region in research and innovation (in cooperation with Sweden), Nutri – Reducing nutrient inputs to the sea to acceptable levels (jointly with Finland) and Culture – Developing and promoting the common culture and cultural identity (in cooperation with German land Schleswig-Holstein). Reinforcing the efficiency and sustainability of actions conducted in the Baltic Sea region and building networks of international strategic partnerships provide EUSBSR added value. Therefore, the above areas are at the same time the areas where Poland wants to cooperate with other countries from the region.

As a Baltic Sea region country, the entire territory of Poland has been covered by the EUSBSR. Actions implementing the strategy will be carried out under the relevant ETC programmes²¹⁵, as well as under national operational programmes and regional operational programmes. National programmes which will cover the objectives and priority areas of the EUSBSR to the greatest extent will include OP I&E, OP DEP, OP IE and OP KED. As regards the ETC, the Cross-Border Cooperation Programme "Baltic Sea Region Programme" and the "South Baltic" Cross-Border Cooperation Programmes.

In order to ensure the EUSBSR implementation under ESIF operational programmes for 2014–2020, including to enable cooperation between the countries of the region, it is recommended that the definition of specific objectives and the scope of support of the given ESIF programme should take into account the objectives, priority areas and horizontal measures of the EUSBSR and undertaking defined in the EUSBSR Action Plan.²¹⁶ In addition, links should be

²¹⁵ The situation is specific in cross-border programmes implemented at southern borders of Poland, where the Polish part is covered by the EUSBSR, while the Czech and Slovak part is covered with the EU strategy for the Danube Region and the Transnational Programme for Central Europe.

²¹⁶ According to the updated version of the EUSBSR Action Plan.

established between the managing authorities of operational programmes and the steering committees of individual areas to ensure project cohesion and the interventions implementing the EUSBSR should be jointly discussed and planned with the partners from the Baltic Sea region at the earliest possible stage, which will allow for macroregional approach to development. The minister responsible for regional development coordinates the provisions enabling the implementation of the EUSBSR projects under the ESIF operational programmes (*inter alia* in the form of guidelines for drafting an operational programme), with the method of implementing the EUSBSR measures to be selected by the managing authority taking into account the specific characteristics of the given operational programme.

According to the EUSBSR Action Plan, the implementation of the Strategy may be direct when the status of a flagship project or its component is obtained, or through the operations that indirectly affect the achievement of objectives and indicators defined under the EUSBSR. Depending on the objectives and priorities of a given programme, it is possible to introduce actions that particularly support the EUSBSR implementing initiatives, e.g. organise contests targeted at such projects, grant them additional points during evaluation, make practical use of the provisions on operation eligibility depending on its location.

The National Contact Point (NCP) within the ministry providing services to the minister responsible for foreign affairs is responsible for the EUSBSR implementation in Poland. The working party for the EUSBSR implementation at the NCP is a forum for exchange of information and experience between the representatives of various institutions involved in the implementation of the Strategy. Due to the important role of ESIF in the financing of the actions of the Strategy and the necessity to ensure better coordination and complementarity of the EUSBSR implementation at the level of ESIF programmes and to link them with other EU financial instruments (e.g. ENI, Horizon 2020, CEF, LIFE, Bonus), a representative of the NCP will be a member of the Coordination Committee of the Partnership Agreement and the Team.

The monitoring of the EUSBSR implementation under the cohesion policy under the 2014–2020 programming period will be largely based on the existing IT system launched in 2010. The system identifies the categories of intervention of funds that are thematically adequate/complementary to the EUSBSR priority areas and is used for drawing up annual reports on programmes which are submitted to the European Commission. The system will be modified to adjust it to changes resulting from the legislative package of the cohesion policy for the years 2014–2020 and from revised EUSBSR Action Plan (of February 2013). At the same time, due to the obligation to take into account the contribution of ESIF interventions to the implementation of the relevant EU macroregional strategies in operational programmes, the reports will follow a qualitative approach, identifying specific projects/actions/priority axes that contribute directly to achievement of indicators listed in the EUSBSR Action Plan. Interventions compliant with actions under individual priority areas (e.g. flagship initiatives or their individual elements/stages), as well as projects whose impact covers other countries from the Baltic Sea region (e.g. environmental programmes to improve the condition of the Baltic Sea) or cross-border projects involving foreign partners will have a direct impact on the implementation of the Strategy.

The special potential to achieve the EUSBSR objectives stems from Article 70 of the Regulation No 1303/2013 which will be used, on mutual terms between the involved countries, to develop cross-border cooperation, thanks to the possibility to implement operations outside the programme area. Inclusion of the so-called cross-border component in the programmes under the objective *Investment for growth and jobs* will provide an incentive to implement projects that not only fall within the scope of the EUSBSR, but also contribute to accomplishment of its objectives.

The possibility to grant special preferences to initiatives related to the EUSBSR at the stage of project selection by the monitoring committee will also constitute an incentive to pursue the EUSBSR objectives under the programmes co-financed from the ESIF.

The analysis of the impact of the PA and operational programmes on the accomplishment of the EUSBSR objectives will also be subject to evaluation during the programming period to assess whether the European Structural and Investment Funds are an adequate instrument to implement the EUSBSR assumptions and to achieve the indicators adopted therein.

- **Inter-regional and supra-national cooperation under Objective *Investment for growth and jobs***

Territorial cooperation also includes inter-regional cooperation (EDRF) and supra-national cooperation (ESF) under objective *Investment for growth and jobs* that takes the form of joint actions with beneficiaries who have a registered office in at least one other Member State. In the case of ETC, such cooperation may be bilateral or in a network. It should be noted that apart from international cooperation, there is also a possibility of supra-regional cooperation that involves only Polish territorial areas.

In the programming period 2014–2020, joint actions transgressing Member State borders will constitute an additional tool for achieving the EU, national and regional objectives. Identification of thematic areas and priorities to be implemented under cooperation actions, building reliable international partnership and possibly joint undertakings will help achieve better results of interventions and will be conducive to more effective achievement of PA and OP objectives. Such cooperation will also constitute added value in itself, as it will constitute considerable contribution to

the exchange of experience and good practices between the EU regions, and the results thus achieved will be not only of higher quality, but also more permanent. Thanks to including the cooperation and internationalisation components in projects, it will be possible to enhance competitiveness of involved entities and to disseminate their results and products in a more efficient way and on a larger scale.

Selection of the priority thematic areas for international cooperation will always depend on the objectives and priorities of a given national and regional problem, and will be made at the stage of defining programme content so that they match individual needs of their territorial areas. Nonetheless, there are thematic areas where inter-regional and supra-national cooperation under objective *Investment for growth and jobs* may bring about additional benefits and value added for involved territories: research and development, innovation and technology transfer, enhancing SME competitiveness, environmental protection, tourism, education, trainings and the labour market, reinforcing the institutional potential and efficiency of state administration.

Keeping in mind the possible benefits from cooperation with foreign partners in the implementation of many issues, with particular emphasis on the above priority thematic areas, it is advisable to allow beneficiaries to implement cooperation actions under individual operational programmes (e.g. through relevant provisions of the programme document – depending on the specific nature of the OP, these may be horizontal provisions that allow this form of project implementation or more specific provisions, e.g. a separate priority axis or action; applying provisions on project eligibility depending on their location) and their appropriate promotion. At the same time, we should remember that successful implementation of international cooperation actions depends on their adequate planning (including building a permanent partnership) and ensuring the required funds for implementation.

Inter-regional and supra-national cooperation under the Objective *Investment for growth and jobs*, within the areas covered by the EU Strategy for the Baltic Sea Region, will be one of key instrument for implementing the EUSBSR objectives.

3.3.5 Areas where the problem of poverty is particularly intensive

By engaging in the implementation of Europe 2020 strategy, Poland undertook to reduce the number of persons at risk of poverty by approximately 1.5 million. The issues related to poverty and risk of poverty were included in a number of national strategic documents referring to Europe 2020 strategy, i.e. NDS 2020 along with HCDS and SCDS.

The studies by the Central Statistical Office prove that the social map of poverty risk in Poland has remained unchanged for years. The place in the labour market determines the material status of individuals and their families. Low employment in conjunction with reduced mobility, no access to high quality services and no possibility to reskill result in impoverishment of not only individuals, but also entire communities.

The risk of poverty is particularly high for the unemployed and their families and for working persons with very low incomes. Youth unemployment is a serious problem in this regard. In 2010, approximately 16% of the population lived below the statutory subsistence level in households consisting of at least one unemployed person, while approximately 5% in households without unemployed persons. In June 2013, the highest unemployment rate was recorded in the following voivodeships: Warmińsko-Mazurskie (20.2%), Kujawsko-Pomorskie (17.3%), Zachodniopomorskie (16.6%), Świętokrzyskie (15.6%), Podkarpackie (15.5%) and Lubuskie (15.2%).

The highest at-risk-of poverty or social exclusion rates were recorded in the following voivodeships: Lubelskie (40.6%), Lubuskie (37.1%), Świętokrzyskie (34.3%), Zachodniopomorskie (33.9%), Podkarpackie (30.5%). Social groups at particular risk of poverty and its consequences include families with many children (according to the Central Statistical Office, already among the families with more than two children, regardless of the adopted poverty threshold, the percentage of persons living in poverty is higher than the average), children and youth (according to the GUS study, in 2010 approximately 12% of children aged up to 18 years lived in households with the spending level lower than the statutory poverty threshold), people with disabilities and families with disabled or chronically ill family members, as well as national and ethnic minorities. However, it must be stressed that belonging to a minority is not a factor determining poverty and the related exclusion.

Poverty has a clear territorial aspect and overlaps with the financial condition of inhabitants of individual voivodeships. However, attention should be paid to intraregional differences in terms of location of poverty areas. The Mazowieckie Voivodeship provides an excellent example of this issue. On the one hand, the Warsaw agglomeration is the most economically developed area of the country. On the other hand, the southern and eastern part of the region is characterised by very high employment rate and low wealth level. The obvious division into poorer and richer voivodeship is reinforced by another division - into poor rural areas and richer urban areas (the at-risk-of poverty or social exclusion rate fluctuates around 23% in urban areas and almost 34% in rural areas). This regards largely the areas of former collective farms, as well as the areas peripheral with respect to larger cities. The largest number of poor, usually agricultural, gminas may be found in Lubelskie, Małopolskie, Mazowieckie and Świętokrzyskie Voivodeships. The differences in favour of urban areas concern primarily large agglomerations. In small town, the risk

of multidimensional poverty is similar to the risk recorded in rural areas. The situation is particularly difficult in the voivodeships with numerous brownfield sites in urban areas, e.g. in Dolnośląskie and Łódzkie Voivodeships.

Poverty is one of key reasons for social exclusion. Poor persons often find themselves on the fringes of society, i.e. a place from which they cannot get out without help. This results in inter-generational poverty and lack of perspectives which in turn lead to various pathologies and non-adjustment to living in the society.

Exclusion and poverty are addressed under ESIF by means of preventive actions aimed reducing poverty caused by low income, mainly through employment growth, and by means of promoting social and vocational activity aimed at social inclusion. The actions will be adjusted to the needs of target groups and will also take into account territorial characteristics and conditions.

Interventions will take place primarily within the ESF under TOs 8, 9 and 10. They will include both systemic interventions to improve the efficiency of social policy, labour market or education policy and actions aimed at providing direct support to poor persons and those at risk of poverty and the related social exclusion.

Actions to increase employment will take place under TO 8 and will consist in both direct support for persons particularly disadvantaged in the labour market in the form of, *inter alia*, actions facilitating starting up own business activity and creation of new jobs and increasing the professional mobility (including retraining of farmers) and territorial mobility, and to increase the effectiveness of operations of labour market institutions. Interventions under TO 10 (*inter alia* promotion of lifelong learning, adjustment of qualifications to the labour market needs) will also contribute to improving the education level and providing equal educational opportunities. Interventions under TO 9 dedicated to combating poverty and social exclusion are aimed at promoting social and professional activity among groups at risk of poverty and social exclusion and at preventing social exclusion. The emphasis will be on increasing the access to high quality services, including educational, health care, social or cultural services. This will concern in particular the rural areas where the problem is particularly severe. Comprehensive revitalisation actions will involve reduction of poverty and social exclusion. Funds from the ERDF will complement measures to address social problems which are covered by regeneration measures and measures supporting the potential of territories undergoing restructuring and will support investments in the area of access to social and health care services. Interventions for digital inclusion of marginalised groups (TO 2) will be carried out from the ERDF complementarily to actions aimed at improvement and adjustment of qualifications. Funds from the EAFRD and the EMFF will be allocated for the support of local development in rural and fisheries areas. Funds from the EAFRD (RDP) will be allocated for the support of local development in rural areas, also by the implementation of local development strategies (including those for promoting small processing, development of entrepreneurship or renovation of villages). The actions will be aimed at combating poverty, as well as levelling development opportunities between rural and urban areas and preventing depopulation of rural areas.

The territorial dimension of interventions aimed at combating poverty consists in identification of specific areas at the level of an operational programme and in undertaking actions that allow to solve the problems using internal potential. The success of actions for social inclusion and combating poverty in rural areas will primarily depend on ensuring complementarity of actions taken under different sources, i.e. cohesion policy funds, CAP and CFP, European food aid programme for the most deprived persons in the Community, as well as the national public funds.

Table 25: Role of European Social and Investment Funds and their contribution to the implementation of an integrated approach to combating poverty among the target groups

Target group or territorial concentration	Brief description of needs	Fund	Main intervention groups	Programme
Unemployed persons	The main need is to minimize the risk of income poverty among the unemployed. This requires systemic actions to support efficient functioning of employment services and actions promoting activity which allow to adjust professional and social competences to the needs of regional and local labour markets. It is also important to support self-employment and creation of new jobs.	ESF	Support for unemployed persons, in particular those most disadvantaged in the labour market, in order to reintegrate them with the labour market and to support employee mobility. Support for the development of entrepreneurship, including self-employment and the creation of new jobs. Increased participation in life-long learning, including better adjustment of education to the needs of aid recipients. Increased effectiveness and efficiency of actions taken by labour market institutions for most disadvantaged persons.	ROP OP KED
		ERDF	Support for entrepreneurship and employment by using and developing	ROP

			endogenous potentials of a given territory, identified in development strategies and resulting in particular from specific conditions and natural, spatial and cultural resources.	
		EAFRD	Development of non-agricultural activity contributing to an increase in employment in rural areas.	RDP
		EMFF	Employment and mobility, facilitation of business diversification and job creation in fisheries areas and for persons leaving the fisheries industry.	OP FISHERIES
Persons at risk of poverty and social exclusion	The main need is to improve chances for social inclusion/social integration of persons particularly disadvantaged in the labour market, affected by poverty or other factors that exclude them from social and professional life. Actions must be taken to prevent inheriting poverty and to prevent poverty and social exclusion. An important need is to ensure access to high quality health care, social and public utility services, which will be conducive to social inclusion and reduction of poverty.	ESF	Active social inclusion, including individualisation and comprehensiveness of support. Improving accessibility of high quality social services. Improving accessibility and quality of aid for children and families at risk of dysfunction or experiencing difficulties.	OP KED ROP
		ERDF	Improving access to high quality public services through investments in health care and social infrastructure. <ul style="list-style-type: none"> • Actions for comprehensive social economic and spatial renovation. • Actions for social integration through investments in the development of social economy entities. 	ROP
		EAFRD	Support of local development in rural areas, also by the implementation of local development strategies (including those for promoting small processing, development of entrepreneurship or renovation of villages).	RDP
		EMFF	Support of local development in rural areas, also by the implementation of local development strategies.	OP FISHERIES

3.3.6 Areas where demographic problems are particularly intensive

One of the main factors decisive for the development and competitiveness of a country is the (qualitative and quantitative) potential of human capital. Demographic factors affect human capital development in a negative way. Poland experiences, and will experience in the decades to come, significant demographic changes that will condition its socio-economic development. The Long-Term National Development Strategy (LTNDS) provides that by 2030 Poland will face two important phenomena: the process of depopulation and significant changes in the population structure – population ageing and reduction of labour resources. Those problems are also addressed by the NDS 2020 and by integrated strategies, in particular the HCDS.

In the context of demographic challenges, the following are of the greatest importance to human capital development: low birth rate, increasing number of people past working age in the population, negative migration balance, and low labour force participation of seniors (NDS 2020).

Territorial diversification of the above demographic trends will be more and more pronounced. The problems have different level and intensity in particular regions, depending on specific economic, social and cultural conditions. The majority of Polish voivodeships face the problem of depopulation resulting mainly from low birth rate, and in some cases also a negative migration balance (e.g. eastern Poland voivodeships, Łódzkie Voivodeship). An analysis by the Central Statistical Office (CSO) shows that by 2035 the population will increase only in three voivodeships: in Mazowieckie by ca. 4%, in Pomorskie by approx. 1% and in Małopolskie by less than 0.6%. All other voivodeships will face serious decreases. The situation will be the worst in Lubelskie (decline by almost 17%), Świętokrzyskie (approximately 15%) and Łódzkie (almost 14%) Voivodeships.

Demographic problems are strongly related to or constitute an outcome of other problems, such as: low chances for finding a job (economic migration), inability to reconcile work and family (low birth rate) and low access to high quality public services (labour market problems related to mismatch or lack of qualifications). Hence, from a territorial

perspective, the demographic problems are particularly acute in the areas that face also other specific problems, such as eastern Poland voivodeships, cities and urban districts in need of renovation, or rural areas (identified as ASI according to the NSRD).

Demographic problems affect both urban and rural areas. However, their origins and characteristics differ. In rural areas, in particular those with the lowest accessibility of services of key importance for development opportunities, the decreased birth rate and thus the lower number of children, as well as mass migration to cities, will be the most pronounced. This creates a high risk of depopulation of rural areas and, due to the outflow of human and social capital, of increasing poverty in peripheral areas.

The European funds will finance actions supporting the development of regional and local labour markets, including self-employment and SME (TO 3), as well as actions aimed at providing equal access to high quality public services, including services in the area of education, health care and culture (TO 8, 9). By improving the quality of life and generating development opportunities, they will contribute to reducing the scale of depopulation.

More intensive migrations to cities increase the overall economic expansion in highly developed metropolitan areas, on the one hand, but may also contribute to an increase in infrastructural, environmental and social problems in those areas, on the other hand. In order to reduce and avoid the growing exclusion of some social groups in the cities, apart from job offers for qualified personnel, employment opportunities should also be created and educational or social offer for non-privileged groups should be improved, in particular when they are concentrated in degraded districts.

An OECD report *Demographic transition and an ageing society: Implications for local labour markets in Poland*: from January 2013 recommends to address demographic challenged by actions aimed at attracting of new immigrants and their settling down, improvement of transport accessibility, creating family-friendly local communities, supporting entrepreneurship, SME and the research and innovation sector and strengthening the creation of local jobs.

Decreasing birth rate and the resulting decrease in the working age population, accompanied by ageing of the society, influence the public policies, in particular health care, education and social policy. The key to address demographic challenges in the labour market primarily consists in maintaining and promoting good health of the workforce and in stimulating labour force participation which results in making maximum use of available labour resources, especially of the elderly (TO 8). Actions aimed at enhancing labour force participation of seniors (aged 55+), especially in the context of the pension scheme reform, should be accompanied by emphasis on preventive measures to reduce the scale of their professional deactivation. To that end, age management strategies should be popularised among employers, healthy and active lifestyle should be promoted among employees, investments should be made in healthier and friendlier working conditions, access to disease prevention, diagnostics and therapeutic rehabilitation should be improved (TO 8), and lifelong learning should be promoted, which will allow to adjust the qualifications of seniors to the needs of the economy (TO 8 and 10). It is also necessary to adopt a strategic approach to development of services for seniors – in “silver”, “green” and “white” economy sectors. In this context, it is also necessary to reinforce certain economy sectors, such as health care, tourism and leisure, *inter alia* by development of service quality and standards (TO 10, TO 3).

The birth rate, which is currently below the generation replacement level, will be increased thanks to initiatives aimed at supporting families, *inter alia* by creating conditions for reconciling work and family functions (e.g. improving access to care for children aged 0–3 and dependent adults – TO 8). Developing support, such as access to high quality public services (TO 9), flexible forms of employment and jobs (TO 10), is of fundamental importance to promoting family values. Equalling opportunities of parents and people who have no children in the labour market will be stimulated by promoting solutions such as flexible working time and improving access to health care services (TO 9).

Demographic transformations will also have an impact on educational institutions which will have to address a decreasing number of children and youth, on the one hand, and a growing demand for adult education and lifelong learning, on the other hand (TO 8). The reduction of the working age population also requires improvement of education quality in order to ensure that well-educated graduates will enter the labour market directly after graduation (TO 8) and better adjustment of education to labour market needs, taking into account specific regional characteristics (TO 8).

It should be emphasised that analysis of the current situation and demographic projections must be an important argument in favour of the location and extent of infrastructural investment in individual territories.

Depending on the source and intensity of demographic problems, as well as their specific nature, adequate actions will be undertaken at the regional level. At the national level, the policy frameworks will be created in response to demographic challenges and complementary actions will be taken. The method to identify geographic concentration areas will be defined in the course of work on ROP.

4 OUTLINE OF THE CENTRAL ELECTRONIC SYSTEM FOR COMMUNICATION WITH THE BENEFICIARIES

4.5.1 Cohesion policy

Due to the obligation to provide the beneficiary with the possibility to exchange information with the relevant institutions using electronic means, stemming from Article 122(3) of the Framework Regulation laying down implementing rules for the EU funds under the financial perspective for the years 2014–2020, the functionalities available to the beneficiaries by means of the IT systems will have to have a broader scope than in the years 2007–2013. *National Information System* (SIMIK 07–13), i.e. the central information system used under the 2007–2013 financial perspective does not provide for electronic information exchange between beneficiaries and the competent institutions. The situation looks alike in the case of other information systems integrated with SIMIK and used by institutions implementing the National Strategic Reference Framework, the so-called local information systems (LIS) which are mainly designed to collect and store data on the on-going projects. In general, the extent of communication between a beneficiary and an institution is very limited. It boils down to providing information on the status of the applications submitted or on supplementary information to be delivered, with the beneficiary being most often forced to submit new applications on paper. In order to fulfil the requirements of the EU law, the obligation of ensuring electronic exchange of information between the beneficiary and the competent institution is directly provided for in the legislative acts, i.e. in the draft *Act on implementing rules for the Cohesion Policy operational programmes for the years 2014–2020 and amending certain acts*. According to this legal act, **the payment request processing, i.e. both its submission by the beneficiary and verification by the institution, will be carried out under the information system.**

The central information system will be prepared by the minister responsible for regional development. The system will be designed, in particular, to support the following processes:

- Servicing the project throughout its lifecycle, including payment request processing from the project funding agreement signature or project funding decision delivery under the national operational programmes and the ETC programmes;
- Recording of operational programmes data;
- Expenditure certification process handling.

An IT support tool, which will ensure more efficient coordination of technical assistance, will be created for the purposes of the technical assistance implementation system at the national level (excluding the ETC).

Compared to information system for the years 2007–2013, the data to be collected under the ESF-funded projects have changed in terms of their extent. In this respect, the 2014–2020 system introduces an obligation to collect personal data of the project participants to monitor and evaluate the operations co-financed from the ESF funds.

For the regional operational programmes, the competent local authorities at the regional level may decide to build their own LIS for servicing the project through its lifecycle, provided that:

- The minimum data set is fed into the central system;
- Payment requests handling processes are fully computerized.

The construction of the central information system builds on experience from implementation of the National Information System SIMIK 07-13. In order to deliver the fully operational system on time, the relevant training and information actions, addressed to the future users, will be undertaken, mainly to show them the benefits of the system which is a modern tool supporting the implementation of the EU funds and, on the other hand, an important element of computerization of the services offered by the public administration in Poland. The system will be implemented by 31 December 2015.

The above requirement to provide beneficiaries with the possibility to exchange information with the competent institution using electronic means does not concern the RDP 2014–2020.

4.5.2 Common Agricultural Policy

Under the new financial perspective, the IT system providing services to beneficiaries of the EAFRD will be further developed and improved. A dedicated interoperable platform will be built to ensure effective services for farmers and external institutions using electronic means. In particular, the stress will be put on interoperability functions aimed at:

- a. A qualitative change of the main mechanism of communication with farmers, i.e. subsystem Online Application (*Wniosek przez Internet – WPI*), by building a universal application register covering all aid applications; and
- b. Building alternative channels of access to information resources, including independent registration of applications under the EAFRD, as well as an extended channel of web services, closer integration with the Electronic Platform of Public Administration Services (ePUAP) and expansion of the scope of available services (including information stored at the Paying Agency).

Actions planned under the 2014–2020 perspective will focus primarily on issues of interoperability with both the IT systems of other public administration units (ePUAP, reference register) and between the units reporting to or supervised by the minister responsible for agriculture and rural development (e.g. GIW, KRUS, ANR). Providing the possibility of automatic data exchange between owners of individual processes in the public administration may help reduce the costs of maintenance of such systems, on the one hand, and will significantly reduce the time of handling administrative procedures and will simplify the contacts with administration. It should be noted that the maturity of the e-services offered will increase along with the number of public administration systems which will be able to exchange the data. This means that work on simplification of certain procedures by means of electronic exchange of data depend on the activities of other units than those reporting to the minister of agriculture.

Taking into account the experience related to development of the application platform and its mechanisms of electronic exchange of information, an assumption was made to undertake actions under the new financial perspectives in the two following areas: (i) development of the application platform and e-services provided through the platform; (ii) support for dissemination of generated e-services as one of the major factors conducive to an increase in competitiveness of the agricultural sector (in view of insignificant interest of farmers in this communication channel).

The extension of the application platform will focus on its interoperability and openness to electronic exchange of data with other systems, with which it already cooperates or will cooperate. The WPI subsystem will be reconstructed by means of creating a universal application register covering the majority of aid applications used. Alternative channels of access to information resources will be launched, including the channels for independent registration of cases and applications (by farmers, external institutions). A closer integration with the ePUAP platform is also planned through extension of the scope of available information and transactional services.

4.5.3 Common Fisheries Policy

In the case of OP FISHERIES (EMFF), pursuant to Article 122(4) of the Framework Regulation, the system of electronic communication with beneficiaries, referred to in Article 122(3), is not planned.

5 OUTLINE OF THE IMPLEMENTATION SYSTEM

5.1 Institutional system for implementation of the Partnership Agreement

5.1.1 Institutional system of the cohesion policy

Under the cohesion policy implementation system, there are managing and controlling authorities, as well as certifying and audit authorities:

- Managing authorities,
- Intermediate bodies,
- Implementing authorities,
- Audit authority,
- Institution responsible for receiving payments from the Commission.

○ *Managing authority*

The managing authorities are responsible for operational programming and efficient and effective functioning of the programme management and control systems. The minister responsible for regional development plays the role of the managing authority for national operational programmes, whereas the voivodeship governments play the role of managing authorities for regional operational programmes.

The managing authority of the national or regional operational programme is responsible for all issues related to the programme management within the scope specified by Article 125 of the Framework Regulation, in accordance with the principle of sound financial management. In order to ensure the proper execution of the programme implementation tasks, the managing authority draws up and issues documents, such as a detailed description of operational programme priorities and description of the management and control system. The documents govern the programme implementation rules and specify the competence of institutions involved in the programme implementation and the relationships between them. The managing authority may also issue programme guidelines regulating the specific issues for particular national or regional operational programme and other documents. The content of documents drawn up by the managing authority cannot be contradictory to the provisions of horizontal documents, such as horizontal guidelines (which govern the issues relating to different aspects of implementation applicable throughout the entire implementation system of the cohesion policy programmes and are issued by the minister responsible for regional development).

Apart from the management and control functions the managing authorities have been also entrusted with certification of expenditure, i.e. submitting declaration of expenditure and payment claims to the European Commission, pursuant to Article 123 of the Framework Regulation. Separation of management and control from certification is a necessary condition to carry out certification tasks by the managing authority under the operational programme.

○ *Intermediate bodies*

Pursuant to Article 123(6) of the Framework Regulation, the managing authority may designate one or more intermediate bodies to carry out certain management, control and monitoring tasks under the programme at the priority axis level. A public or a private entity acts as intermediate body under the national or regional operational programme.

Powers are delegated based on an agreement concluded between the managing authority and the intermediate body. The agreement lays down the tasks of the intermediate body as well as the rights and responsibilities of both parties. Delegation of powers cannot include the tasks related to expenditure certification for the European Commission. Delegation of powers does not release the managing authority from its full responsibility for the entire implementation of the programme.

If the intermediate body is a private entity, powers will be delegated in a contract, as in the case of the implementing authority being a private entity.

○ *Implementing authorities*

In order to ensure a smooth implementation of the operational programme, the intermediate body may entrust some programme implementation tasks (at the level of measure or sub-measure) to one or more implementing authorities. The public or private entity may act as an implementing authority under the national or regional operational

programme. Delegation of a part of competences takes place by way of an agreement (when a public entity acts as implementing authority) or a contract (when a private entity acts as implementing authority) with the consent of the managing authority, but under the full responsibility of the latter for the entire programme. The scope of delegated powers mainly encompasses activities carried out in connection with the projects implementation, such as selection of projects for funding (based on the operation financing criteria accepted by Monitoring Committee), control of projects' implementation and verification of beneficiaries' payment requests.

○ **Audit authority**

The audit authority is designated pursuant to Article 123(4) of the Framework Regulation. As under the 2007–2013 perspective, the role of audit authority for all national and regional operational programmes of the cohesion policy is entrusted to the General Inspector of Treasury Control who delivers his duties through one of the organisational units (departments) in the ministry serving the minister responsible for public finance and 16 treasury control offices.

○ **Authority responsible for receiving payments from the European Commission**

The minister responsible for public finance is responsible for receiving payments from the Commission. Funds paid by the European Commission as pre-financing, interim and final payments will be included into the state budget as revenues. Next, the state budget will provide funds for project financing.

As regards the ETC, the minister responsible for regional development is the authority responsible for receiving payments from the Commission under the programmes where the Republic of Poland is the managing authority and with regard to the ENI. Funds transferred by the Commission to the accounts administered by the minister responsible for regional development are not the revenues of the budget from the European funds.

○ **Designation**

The national designation system provided for in Article 124 of the Framework Regulation is a guarantee of proper functioning of the operational programme implementation system, both at the institutional and the procedural level. The aim of the process is to verify whether the managing authorities and intermediate bodies have necessary institutional capacity and whether the services for necessary implementation processes is ensured in line with the common requirements stemming from the above regulation.

The managing authorities performing also the functions of certifying authorities are subject to designation. When a part of the operational programme implementation tasks of the managing authority is delegated to another authority, all institutions entrusted with such tasks, i.e. intermediate bodies and implementing authorities, must be designated.

As a coordinator of the Partnership Agreement and of the cohesion policy in Poland the minister responsible for regional development, who also has the function of the Member State within the meaning of the Framework Regulation, designates the institutions or bodies. Procedures and organisational solutions will be introduced for the programmes where the minister responsible for regional development is both the designating body and the managing authority to ensure independence of the designating body and the separation of functions of the designating body and managing authorities.

Designation should be understood as a decision issued by the minister responsible for regional development to confirm that a given institution has met the conditions ensuring the appropriate implementation of the operational programme. In order to be designated, it is necessary to meet the criteria set out in Annex XIII to the Framework Regulation, including the development and implementation of management and control procedures and conclusion of relevant contracts or inter-institutional agreements.

The minister responsible for regional development is assisted by the Designation Committee composed of representatives of the minister responsible for regional development and the representatives of the minister responsible for public finance

Designation is necessary to start the certification process under the operational programme, understood as the submission of the first payment request to the European Commission. The designation is an ongoing process, i.e. during the entire period of operational programmes implementation the fulfilment of designation criteria will be verified by means of systemic audits, as well as based on the outcomes of the audit authority's work and results of audits carried out by other authorised bodies. The designation will be suspended, if the institution concerned fails to fulfil the designation criteria, or will be withdrawn, if the designated institution does not implement corrective actions to meet the designation criteria again. Suspension or withdrawal of designation results in a partial or total suspension of notification of the certification of expenditure to the European Commission. The minister responsible for regional development notifies the European Commission of any suspension and withdrawal of designation.

5.1.2 Institutional system in the European territorial cooperation programmes

In the European territorial cooperation (ETC) programmes under which Poland is responsible for programme management, the minister responsible for regional development performs the role of the managing authority. The managing authority is responsible for managing and implementing the operational programme in accordance with the principle of sound financial management.

In the ETC programmes where Poland is responsible for managing the programme and the minister responsible for regional development is the managing authority, the said minister receives the payments made by the European Commission and makes payments to the lead beneficiary.

The managing authority establishes the Joint Secretariat following consultation with the states participating in a given programme. The Secretariat is to assist the managing authority and the Monitoring Committee in their tasks and to inform the potential beneficiaries about the funds available under the ETC programmes and to help the beneficiaries in implementing the operations.

As in the case of other programmes co-financed from the ERDF funds, apart from the managing and auditing functions, the managing authority deals with notification of the certification of expenditure to the European Commission in accordance with Article 123 of the Framework Regulation.

When the managing authority for the European territorial cooperation programme is not located in Poland, an ETC coordinator is established to perform the Member State tasks defined in the ETC Regulation – in the Polish implementation system this role is performed by the minister responsible for regional development.

The audit authority is responsible for auditing all operational programmes which are under control of the managing authority located in Poland. The audit is carried out on the country territory, therefore, given the international character of the ETC programmes, the group of auditors will be established and will include the representatives of relevant institutions from all EU Member States participating in the programme.

The managing authority, the Joint Secretariats, institutions implementing the ETC and a national controller (i.e. entity referred to in Article 22(4) of the ETC Regulation) are to be designated.

5.1.3 Institutional system for the Rural Development Programme

Pursuant to Article 72(2) of the Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), the following bodies operate within the RDP implementation system:

- Managing authority,
- Paying agency,
- Certifying body,
- Implementing bodies.

○ Managing authority

The function of the managing authority is performed by the minister responsible for agriculture and rural development. The tasks of the minister as the managing authority include managing and implementing the programme in an efficient, effective and correct way. In order to appropriately manage the Programme, the Managing Authority is responsible for, *inter alia*, specifying the operation selection criteria under all measures (except for the criteria to be defined by LAG), monitoring the quality of the Programme implementation, drawing up annual reports on progress in the Programme implementation and ensuring that the Programme evaluations are carried out.

The managing authority may delegate its tasks to another entity, but the managing authority retains full responsibility for the efficiency and correctness of management and implementation of those tasks.

○ Paying agency

The Agency for Restructuring and Modernisation of Agriculture (ARMA) acts as the paying agency based on the obtained accreditation. The paying agency is responsible for managing and controlling the expenditure. The tasks of the paying agency include managing operations linked to public intervention, for which it is responsible, and ensuring the control of such operations (the Agency retains an overall responsibility in this regard), making payments to beneficiaries, drawing up annual accounts for the expenditure effected, a management declaration as to the completeness, accuracy and veracity of the annual accounts and the proper functioning of the internal control systems, as well as to the legality and regularity of the underlying transactions; drawing up annual summaries of the final audit reports and of controls carried out and drawing up of expenditure statements.

The paying agency may delegate its tasks, with the exception of payment, to other entities. If the tasks are delegated, the paying agency retains overall responsibility for efficient management of the EAFRD.

○ **Certifying body**

As under the 2007–2013 perspective, the role of certifying body is performed by the General Inspector of Treasury Control based on the treasury control provisions, who is assisted in his tasks by separate organisational units within the structure of the office providing services to the minister responsible for public finance.

○ **Implementing bodies**

In order to ensure efficient implementation of the Programme, the managing authority and the paying agency may delegate a part of the tasks related to the Programme implementation to implementing bodies. If a part of the tasks is delegated to another entity, the managing authority and the paying agency retain full responsibility for the efficiency and correctness of management and implementation of those tasks. The measures of the Programme will be implemented by the ARMA, the Agricultural Market Agency, voivodeship governments and the Foundation of Assistance Programmes for Agriculture (FAPA).

5.1.4 Institutional system for the Operational Programme “Fisheries and the Sea”

Under the OP FISHERIES, for the management of which Poland is responsible, it is planned to take advantage, to a maximum possible extent, of the experience of implementing authorities acquired during the 2007–2013 programming period and to continue their actions, taking into account the changes envisaged in the implementation system in the EU legal acts.

The minister responsible for fisheries acts as the managing authority. The managing authority is responsible for managing and implementing the operational programme in accordance with the principle of sound financial management.

The role of the institution responsible for distributing funds will be performed by the Agency for Restructuring and Modernisation of Agriculture (ARMA), based on the obtain designation. The ARMA will be audited by the General Inspector of Treasury Control, acting as the audit authority based on treasury control provisions. The audit authority is assisted in its tasks by separate organisational units within the structure of the office providing services to the minister responsible for public finance and the Treasury Control Offices. The General Inspector of Treasury Control will also be entrusted with the task of notification of the certification of expenditure to the European Commission.

It is assumed that the following will act as the entities implementing individual priorities of OP FISHERIES: the ARMA and a public finance sector unit or a foundation with its only founder being the State Treasury.

5.2 Principles of project selection

5.2.1 Cohesion policy

● **General principles**

In order to ensure uniform basic principles of project selection under operational programmes for 2014–2020, all national and regional institutions involved in the implementation of the programmes must apply horizontal guidelines on project selection procedures issued by the minister competent for regional development. The guidelines include provisions on basic principles of project selection and detailed rules of applying contest and non-contest procedure. The regulation of the project selection procedures in the guidelines of the minister competent for regional development ensures a uniform approach to this issue and enables the minister competent for regional development to monitor the compliance with the above principles. The guidelines include instructions on applying statutory provisions regulating the project selection procedures which provide for two types of procedures: contest and non-contest procedure.

The competitiveness of project selection under both contest and non-contest procedure means that the applicant must meet clear and transparent criteria for formal and substantive project selection, approved by the monitoring committee, which guarantee that the projects selected contribute to the greatest extent to the achievement of objectives and indicators identified in the operational programmes. Projects will be selected in line with the principles resulting from the general regulation, based on the selection criteria adopted by the monitoring committee.

The contest procedure is the basic method for selecting projects for the EU co-financing in the years 2014–2020.

The possibility to use the non-contest procedure is limited compared to the years 2007–2013 and should be justified directly in the text of the operational programme approved by the European Commission. The contest procedure may be abandoned only in justified cases, when it is ineffective (also in terms of costs) or impossible to apply. Such cases include:

1. Legal obligation to carry out specific tasks by a given entity or group of entities, resulting from legal regulations or strategy papers, in particular in the case of competence monopoly;
2. Previous direct identification of specific projects, in a way ensuring the transparency of their identification, in the operational programme (the list of major projects in an operational programme (the list of major projects in line with Article 100 of the CPR, projects negotiated in the territorial contract, development strategy, prepared documents and the needs of ex ante conditionalities, projects identified in the ITI strategy and projects with a positive opinion of the relevant managing authorities, based on the criteria identified by the managing authorities).²¹⁷

Identification and analysis of projects under the non-contest procedures allows to:

- Present the list of projects in line with the requirements of ex ante conditionalities;
- Optimally target assumptions of the projects planned by various entities at achievement of the programme objectives and indicators;
- Identify projects with high added value, the selection of which would be ineffective under the contest procedure;
- Evaluate the integrated nature of the planned undertakings;
- Launch monitoring and support during the preparation for implementation.

● **European Social Fund**

The situations where non-contest projects may be implemented are limited to cases specified in point 5.2.1., however, the specific nature of the European Social Fund measures requires the adoption of specific solutions described in this section. In the case of projects financed from the ESF, traditionally understood systemic projects are abandoned and the non-contest procedure is limited to implementation or coordination of tasks specified in legal regulations applicable to a given entity or group of entities.

All non-contest projects will be implemented in line with the following principles:

- i. Providing a detailed justification for using non-contest procedure of project selection in each case;
- ii. Direct and explicit links of the projects with the objectives and assumptions of the operational programme and monitoring of those links;
- iii. Clear definition of target recipients of actions under each projects;
- iv. Clear definition of both objectives and expected results of the project; objectives of the projects must be defined in line with the SMART principle (S – specific, M – measurable, A – acceptable/accurate, R – realistic, T – time-bound);
- v. Measurement and evaluation of the achievement of specific objectives and expected results of the project, including the measurement of sustainability of the results;
- vi. Full compliance with the principles of financial regularity;
- vii. Financial transparency and efficiency; and
- viii. Selection of the beneficiary of a non-contest project must be transparent to the public and the information about the selected beneficiary must be revealed to the public within 3 months from the date of selection.

It must be emphasized that the non-contest procedure will be used only in justified cases, analysed each time according to the abovementioned principles.

Non-contest ESF projects belong to only two following types:

1. Non-contest conceptual projects consisting in identification, development, testing and permanent implementation of specific solutions contributing to increasing the effectiveness of public policies will be implemented solely at the national level. Actions financed under such projects will contribute to improvement of legal and organisational framework of the relevant public policies.

However, experience from the 2007–2013 programming period points to the need to reduce such actions and improve their effectiveness, to ensure sustainability of developed solutions and to link them more closely and markedly with the objectives laid down in individual operational programmes. Therefore, the mechanisms of strategic planning will be implemented for non-contest conceptual projects, which will include the monitoring of

²¹⁷ ITIs provide for the selection of projects under both contest and non-contest procedure.

compliance of the indicators assumed in non-contest projects with specific objectives laid down in operational programmes. Schedules of actions necessary to achieve the assumed objective of the project will be drawn up.

Prior to the implementation of non-contest conceptual projects, a coherent vision of links between individual non-contest projects and systemic changes to be introduced as a result of those projects must be presented. The above requirement will ensure that co-financing will be granted only to those projects which are necessary to achieve specific objectives laid down in the programmes and which will contribute the most to the achievement of those objectives.

In addition, undertakings with long time horizon will be divided into short stages, the implementation of which will depend on the achievement of results assumed at an earlier stage (milestones). In order to strengthen the objectivity of decisions on implementation of non-contest conceptual projects, independent external experts will be employed to evaluate the proposed non-contest projects (externalisation of evaluation). Moreover, extensive participation of all stakeholders, including representatives of monitoring committees and socio-economic partners, will be ensured in the process of identification and monitoring of non-contest conceptual projects. Ex ante and ex post evaluation mechanisms will also be applied to actions under the non-contest procedure.

Furthermore, the transparency of selection of the non-contest (conceptual) beneficiary, the sustainability of developed solutions and changes, as well as elimination of overlapping with projects implemented in the years 2004–2013, must be ensured and demonstrated in the case of non-contest conceptual projects.

2. Non-contest implementing projects consisting in provision of services, such as labour market services, social integration and education for final recipients of support.

The non-contest beneficiary of such actions is a public entity defined by the law which is responsible for coordinating the given policy at the national, regional or local level, e.g. a labour market institution administering the resources of the Labour Fund, a social assistance institution or gmina authorities having statutory responsibility for organisation of care for children aged up to 3 years and for kindergarten education. The scope and implementation rules of such non-contest projects will be limited to undertakings specified in the applicable horizontal guidelines of the minister competent for regional development.

- **European Regional Development Fund and Cohesion Fund**

Projects under the ERDF and the CF will be selected in line with general principles laid down in point 5.2.1, as well as the general principles described in the part concerning the ESF (point 5.2.2, i-viii). In addition, principles specific for project selection under the ERDF are presented below.

Identification of projects co-financed from the ERDF under the non-contest procedure means in fact that the applied procedure is logically similar to the negotiated procedures in the public procurement system.²¹⁸ Non-contest projects are identified by the managing authority (or the institutions to which the MA delegated the relevant tasks) which invites the relevant entities to submit project proposals, taking into account their relevance in a given area of intervention and the impact of potential projects on achievement of indicators adopted in the operational programme. Project proposals are evaluated initially by the managing authority, possibly also with the involvement of external experts, and are preliminary classified as project eligible for support under the programme on specific conditions. Co-financing is eventually granted only to those projects which meet the project selection criteria adopted by the monitoring committee and obtain the acceptable score (if the scoring model of evaluation is used).

- **Technical Assistance**

Non-contest procedure may be used for selection of projects where, due to the project's characteristics or objective, the applicants may only include entities clearly specified before the submission of an application for project financing or projects involving the performance of public tasks. The principles of eligibility of expenditure under technical assistance are laid down in applicable and horizontal guidelines of the minister competent for regional development.

5.2.2 Rural Development Programme

Under the EAFRD, operations are selected pursuant to Article 49 of the Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), i.e. in line with pre-defined selection criteria, except for several actions where it is not required, if available funds are sufficient to meet the demand resulting from all eligible applications.

²¹⁸ E.g. negotiated procedure with publication, negotiated procedure without publication, competitive dialogue.

5.2.3 Operational Programme Fisheries and the Sea

Under the EMFF, operations are selected pursuant to Article 12 and 13 of the Regulation on the EMFF, determining the admissibility of applications for co-financing under the fund. Depending on the type of action, the contest procedure or the procedure where the selection is made based on the order of submission of complete applications for financing. Detailed principles and criteria for application selection will be developed at the national level.

5.3 Financial management

5.3.1 Cohesion policy

The essential mechanism of financial flows under the Structural Funds and Cohesion Fund will be based on the European fund budget, i.e. a separated part of the state budget for the funds transferred by the Commission (revenue of European fund budget) which is used to pay the fund amounts granted to the beneficiaries (expenditure of European fund budget).

Bank Gospodarstwa Krajowego (BGK) is the paying authority. The payment order prepared against a verified payment request of the beneficiary by the institution with which the beneficiary concluded an agreement for funding the project, and submitted to BGK will provide a basis for payment on behalf of the beneficiary. Thus, as a rule the implementation system institutions (MAs and intermediate bodies) will be excluded from the system of EU funds flow: actually, the Structural Funds and Cohesion Fund will not pass through the accounts of these entities.

Due to the specific types of certain projects or beneficiaries it is possible, where appropriate, to derogate from the above principles and to adopt different regulations for the financial flow system.

Basic principles and mechanisms of applying for funding from the Commission will be similar to those applicable under the two previous financial perspectives.

Settlement of eligible expenditure incurred by the beneficiary will be based on a payment request submitted to the relevant authority. Using the verified payment requests, the implementing authority will prepare statement of expenditure with the aggregated values and data from particular projects and will submit it to the intermediate body or directly to the managing authority. Based on the received documents the MA will prepare and submit the declarations and statement of expenditure and interim payment request to the Commission. The total eligible expenditure referred to in Article 120(2) of the Framework Regulation will be used for calculation of the EU contribution.

5.3.2 Rural Development Programme

In case of DEP 2014–2020, in accordance with the provisions on launching funds from the EU budget earmarked for financing CAP, the funds from EARFD will be accumulated on a separate bank account at the disposal of the minister responsible for public finance in the Narodowy Bank Polski.

Pursuant to the Act on public finance the above-mentioned funds will be transferred from the bank account at the disposal of the minister competent for public finance to the account of the paying agency in BGK and from the funds of the part of the budget administered by the minister responsible for agriculture and rural development based on the demand voiced by this agency.

The system of cash flow earmarked for financing the programme through the bank accounts will be transparent and described in adequate procedures.

This system will ensure separating the flow of public funds corresponding to the EU contribution and public funds from the national co-financing, taking into account deadlines for their transfer.

The minister responsible for public finance in the cash flow system of EARFD funds is particularly responsible for financial supervision as regards the EARFD funds; he/she operates the account where the EARFD funds are accumulated.

Pursuant to the regulations on launching the funds from the EU budget earmarked for CAP, the state budget expenditure earmarked for co-financing the expenditure from the EARFD funds will be transferred to the paying agency by the minister responsible for agriculture and rural development based on the demand voiced by the paying agency.

Due to their specific character, under certain actions and the technical assistance, funds for performing operations may be transferred to the local government units in the form of a grant for advance funding up to the amount refunded from the EARFD funds and state budget expenditure earmarked for co-financing the expenditure made from the EARFD funds.

Pursuant to the provisions on CAP funding, the paying agencies will prepare and submit via the coordinating unit, the role of which is played by the minister responsible for agriculture and rural development, statements of expenditure within the deadlines set out by the Commission.

Under RDP 2014–2020 the beneficiaries may be granted advance payments for carrying out operations in accordance with the rules set out in the EU specific provisions.

5.3.3 Operational Programme “Fisheries and the Sea”

The basic mechanism of financial flows will be based on the European fund budget, i.e. a separated part of the state budget replenished by the funds transferred by the Commission (revenue of the European fund budget) which is used to make payments to beneficiaries in amounts equal to the EU funding they have been granted (expenditure of the European fund budget).

BGK and the Agency for Restructuring and Modernisation of Agriculture (budget of the national funds) are the paying authorities.

The basic principles and mechanisms of applying for funding from the Commission will be similar to those applicable under the previous financial perspective.

5.4 Reporting and monitoring

The monitoring system should include achievement of the assumed programme and PA objectives, as well as fulfilment of the thematic concentration requirements and maintaining of the minimum level of allocation for employment, social exclusion, education, as well as the amounts allocated under the climate change objective. Moreover, jobs created directly as a result of implementing a project will be monitored at the level of projects under the programmes implementing the PA. In case when the jobs indicator is not the indicator adopted in the programme of a given IP under the priority axis, the jobs are monitored for information purposes.

The MAs prepare progress reports for the programmes in accordance with principles set out in the Framework Regulation. The Framework Regulation provides for the OP implementation assessment in 2019, which will consist in verification of the achievement of previously set milestones (value of indirect indicators) at the level of particular priority axes, and priorities in the case of RDP. The process will be particularly based on the output indicator and financial indicators. Therefore, there is a need to determine the interim values of indicators (for 2018) which will be included in the programme review process.

However, the degree of milestones achievement will already be monitored starting from the annual report submitted to the Commission in 2017 (for 2016). Furthermore, the Member State has been committed to submit progress reports on PA implementation in 2017 and 2019. The reports will include detailed information on the achievement of the indicators set for each priority axis and priorities in the case of RDP, taking into account the pursued milestones. In the Polish system, the reports on PA will be prepared on an annual basis – starting from 2016 until 2024. Reports prepared in 2017 and 2019 will additionally meet the requirements of Article 52 of the Framework Regulation.

At the national level, the horizontal issues related to reporting (types, scope, deadlines) carried out in relation to OPs of the cohesion policy will be regulated in the guidelines of the minister responsible for regional development. Reporting will be carried out systematically at all levels of OP implementation, while the MA will be responsible for setting the reporting rules under the OP.

In the case of RDP information used for programme monitoring will be systematically gathered by all institutions involved in the implementation of the programme and by the paying agency, while the MA will be responsible for setting the reporting rules (including types, scope, deadlines) under the RDP.

5.5 Evaluation

At the general level the provisions of regulations and guidelines of the Commission determine the requirements for the evaluation system. The detailed decisions and functioning principles of evaluation system for the cohesion policy in Poland will be addressed in the relevant guidelines of the minister responsible for regional development.

5.5.1 Institutional structure of the evaluation system for 2014–2020

The evaluation process will be carried out by the evaluation units established in the public administration institutions implementing the cohesion policy, CAP and CFP. In particular they include the following entities:

- National Evaluation Unit (NEU)²¹⁹ – the central unit placed in the ministry serving the minister responsible for regional development, responsible, among other things, for coordination of the evaluation process (including the evaluation plans) within the framework of the entire cohesion policy, horizontal evaluations at the level of the PA and meta-analyses and meta-evaluations, development of standards, guidelines and manuals, building of evaluation culture, monitoring of the evaluation process implementation, including in particular the use of evaluation studies results, coordination of international cooperation etc.;
- Evaluation Units appointed by the MAs of particular OPs to carry out the evaluation process. Their duties include, a.o.: coordinating and implementing the OP evaluation process (including developing the OP evaluation plans), cooperation with the National Evaluation Unit, active participation in the thematic groups work aimed at methodology development and implementation of cross-sectional research in the thematic areas, animation and monitoring of the use of evaluation studies results related to the given OP, reporting the most important evaluation results to the Commission, the MC and the National Evaluation Unit, building the evaluation capacity and culture at the level of OP and others in relation to launching the dual-fund programmes both in the operational and institutional terms;
- Evaluation Units operating within other institutions of the cohesion policy system, which carry out evaluation based on the guidelines and standards developed by the National Evaluation Units and Evaluation Units at the OP level.

The MCs functioning at the level of operational programmes and the PA will play an important role during the evaluation process. The MCs will approve the evaluation plans²²⁰ (including amendments thereto) and analyse the progress in their implementation. The MCs will also be responsible for discussing the evaluation results and their use. Due to MCs' participation in the evaluation process, and in particular due to participation of their members representing the social partners, application of the partnership principle in the above-mentioned process will also be ensured. The evaluation studies should be conducted by the internal or external experts, who are functionally independent of the institutions responsible for programme implementation. In order to ensure the integrity of the evaluation process each Evaluation Unit must have the adequate resources, particularly the adequate human resources capacity.

5.5.2 Implementation of the evaluation process in the period 2014–2020

o Evaluation plans

The evaluation process of the PA and OP will be implemented based on the evaluation plans prepared by the National Evaluation Unit (evaluation plan of the PA including also the cross-sectional and horizontal research for ESIF) and by the Evaluation Units based on the recommendations of the National Evaluation Unit (evaluation plans of OP).²²¹ The framework concept of the evaluation process prepared for the entire programming period should be closely based on the intervention logic and should include mainly the following elements:²²²

- The list of topics for the evaluation studies and justification for their implementation,
- Methods intended for future studies and indication of requests for data,
- Methods which ensure providing a relevant data coverage for the planned evaluations,
- Schedule of the evaluation process,
- Methods of communicating the results of the planned evaluations,
- Human resources needed for implementation of the evaluation process,
- Budget,
- Actions to foster evaluation culture (including a training plan).

Evaluation plan for RDP will be included directly in the programme (Article 9 of the EAFRD Regulation) and will include the following elements:

- Objectives and tasks of the evaluation plan,

²¹⁹ Formerly the National Assessment Unit. The change of name is in line with the draft Act on the principles of implementation of the PA and the cohesion policy for 2014–2020.

²²⁰ It does not concern the RDP. In accordance with Article 9 of the EAFRD Regulation the evaluation plan of RDP is an integral part of the programme.

²²¹ Recommendations of the National Evaluation Unit in this respect will both concern the rules for creating evaluation plans and include specific topics for strategic evaluation studies, which must be included in the evaluation plans of the OPs.

²²² Indicated in the document: EC DG Regional Policy, Programming Period 2014–2020. Monitoring and Evaluation of European Cohesion Policy – European Regional Development Fund and Cohesion Fund – Concepts and Recommendations. Guidance document, March 2013. (http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf).

- Management and coordination,
- Evaluation topics and actions taken,
- Description of the data collection system,
- Timetable of work,
- Communication and dissemination of the evaluation results.

The minimum requirements concerning the evaluation plan of RDP will be set out by the Commission.

Implementation of the evaluation plans is subject to monitoring by the Commission and additionally by the MC and the National Evaluation Unit. The MA is obliged to report to the above-mentioned entities on the progress of evaluation plan implementation, including the extent of the implemented recommendations.

○ **Types of evaluation studies**

Considering the phase of the intervention implementation process during which the evaluation under the 2014–2020 financial perspective will be carried out, the following types of evaluation will be implemented: ex ante, current and ex post.

- The ex ante evaluation, referred to in Article 55 of the Framework Regulation, is carried out by the National Evaluation Unit at the level of the PA. For OP the ex ante evaluation is carried out on behalf of the evaluation units assigned to the particular OP. In order to coordinate the evaluation work conducted by various units, the National Evaluation Unit prepared a detailed recommendations on the methodological approach and organisation of ex ante evaluation of OP for the years 2014–2020.²²³
- Current evaluations of the accuracy, efficiency and effectiveness of a given intervention will be carried out during the programming period in accordance with the accepted evaluation plans.
- Ex post evaluation will be conducted no later than three years after the end of programming period (pursuant to Article 57 of the Framework Regulation by 31 December 2024). It will be carried out by the Commission in cooperation with Member State and the OP MA. It will include evaluations carried out during the programming period. It will be carried out by the independent experts and its scope will cover the effectiveness and efficiency of intervention, as well as its contribution to *Europe 2020 strategy*. Ex post evaluation of RDP will be carried out by the Member State and submitted to the Commission by 31 December 2024 (Article 85 of the EAFRD Regulation).

Taking into consideration the recommendations of the Commission, the above studies will be conducted with the use of adequate methods, including, where appropriate, the so-called rigorous evaluation methods.²²⁴

○ **Use of evaluation study results**

According to the Commission guidelines, more emphasis will be put on the use of the evaluation studies results in the 2014–2020 perspective. Considering this, the National Evaluation Unit will make the results of all evaluations carried out under the cohesion policy available to the public. RDP MA and EMFF MA will make the results of all evaluations carried out under relevant programmes (RDP and OP Fisheries) available to the public.

The National Evaluation Unit will also conduct strategic monitoring of the use of recommendations from the evaluation studies.

5.6 Information and promotion

In 2014–2020 information and promotion actions will concentrate on providing the beneficiaries and potential beneficiaries with comprehensive information on the possibilities and rules of project implementation, suited to their specific needs. At the same time, in order to maintain a high level of awareness of the role and importance of ESIF funds for the achievement of the national development objectives, promotion and information actions targeting the general public will be carried out.

Information and promotion actions carried out under all ESIF are implemented in cooperation with competent institutions. The cooperation concerns the following action:

- The campaign opening the new financial perspective,
- Information system (information centres),

²²³ Document available at: http://www.ewaluacja.gov.pl/Ewaluacja_ex_ante_2014_2020/Documents/Zalecenia_ex_ante_listopad_2012.pdf

²²⁴ Cf. Point 1.2.2.1, EC DG Regional Policy, Programming Period 2014–2020. Monitoring and Evaluation of European Cohesion Policy – European Regional Development Fund and Cohesion Fund – Concepts and Recommendations. Guidance document, March 2013.

- Providing comprehensive information via standardised websites,
- Intensive promotion actions addressed to the public,
- Harmonisation of minimum guidelines regarding the responsibilities of the beneficiaries.

The minister responsible for regional development will coordinate information and promotion actions carried out under all funds and programmes of the cohesion policy and will ensure complementarity and cohesion of these actions. Coordination takes place *inter alia* by formulating horizontal guidelines on information and promotion. Description of the objectives, actions concerning the information and promotion of the cohesion policy and the way of their implementation will be included in the horizontal document – *Communication Strategy of the Cohesion Policy*. The minister responsible for regional development is responsible for the implementation of this strategy. The *Communication Strategy of the Cohesion Policy* will describe the competence and scope of information and promotion actions conducted by particular institutions. It will also indicate actions to be carried out horizontally. The MAs will develop communication strategies for individual programmes based on the *Communication Strategy of the Cohesion Policy*. While conducting the information and promotion actions under the 2014–2020 perspective it is crucial to strengthen the coordination of actions with a view to maintaining high cohesion of the message and complementarity of communications and tools. The primary challenge underlying effective communication consists in drafting documents intended for potential beneficiaries and beneficiaries, as well as materials intended to be communicated in the media, using clear and universally understandable language. The network of information points under the European Funds will provide potential beneficiaries and the beneficiaries with knowledge on all of the cohesion policy programmes profiled in accordance with their needs.

Moreover, within the framework of technical assistance various actions addressed to the beneficiaries are envisaged, including:

- Training and education actions regarding the horizontal topics, *inter alia* public procurement (including green public procurement), investment process, State aid, EIA, financial engineering, public-private partnership, spatial planning, revitalisation – source of financing: TA OP,
- Training and education actions regarding topics related to a given OP (e.g. trainings for beneficiaries on the rules of project implementation under a given OP) – source of financing: technical assistance priority axis under a given OP,
- Diffusion of the best practices and experience as regards improving the process of drafting, managing and implementing projects, including twinning actions which enable exchange of experiences with international experts – source of financing: TA OP.

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ARMA	Agency for Restructuring and Modernisation of Agriculture
ESE	Strategy for Energy Security and Environment
BGK	Bank Gospodarstwa Krajowego
CEF	Connecting Europe Facility
CISE	Common Information Sharing Environment
CSR	Country Specific Recommendations
TO	thematic objective
LTNDS	Long-term National Development Strategy. Poland 2030. Third Wave of Modernity
EIB	European Investment Bank
EIF	European Investment Fund
EMFF	European Maritime and Fisheries Fund
EAGF	European Agricultural Guarantee Fund
ERDF	European Regional Development Fund
EAFRD	European Agricultural Fund for Rural Development
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ENI	European Neighbourhood Instrument
ERTMS	European Rail Traffic Management System
ECA	European Court of Auditors
ETC	European Territorial Cooperation
FEAD	Fund for European Aid to the Most Deprived
SPF	Small Project Fund
CF	Cohesion Fund
GDDKiA	General Directorate for National Roads and Motorways
CSO	Central Statistical Office
AA	audit authority
PA coordinating institution	Partnership Agreement Coordinating Institution
CI	coordinating institution
BEI	business environment institutions
IB	intermediate body
ITS	intelligent transportation systems
IA	implementing authority
MA	managing authority
Commission	European Commission
NEU	National Evaluation Unit
PA CC	Partnership Agreement Coordination Committee
MC	Monitoring Committee
NFP	National Focal Point
NOP	National Operational Programmes
NRP	National Reform Programme
NSDC	National Spatial Development Concept 2013
NSRD	National Strategy of Regional Development 2010–2020: Regions, Cities, Rural Areas
NRN	National Rural Network
TC	Territorial Contract
FLAG	fisheries local action group
LRP	local revitalisation plans

LDS	local development strategy
MSMEs	micro, small and medium-sized enterprises
SMEs	small and medium-sized enterprises
NEET	young people not in employment, education or training
NFEP&WM	National Fund of Environmental Protection and Water Management
NSRF	National Strategic Reference Framework 2007–2013
LFA	less-favoured area
EIA	Environmental Impact Assessment
ASIS	areas of strategic intervention of the state
SPA	special bird protection area
RES	renewable energy sources
SCI	sites of Community importance
EP	European Parliament
PKP PLK	PKP Polskie Linie Kolejowe S.A.
OP HC	Operational Programme Human Capital
OP EP	Operational Programme Eastern Poland
OP Fisheries	Operational Programme “Fisheries and the Sea”
OP DEP	Operational Programme Development of Eastern Poland
OP I&E	Operational Programme Infrastructure and Environment
OP ID	Operational Programme Smart Growth
OP DP	Operational Programme Digital Poland
TAOP	Operational Programme Technical Assistance
OP KED	Operational Programme Knowledge, Education, Development
OP	operational programme
Commission’s PP	Position Paper of the European Commission
MDP	Programme for the Most Deprived Persons of the Community
PPP	purchasing power parity
PPS	purchasing power standard
RDP	Rural Development Programme
WFD	Water Framework Directive
CLLD	Community-Led Local Development
p.e.	population equivalent
ROP	Regional Operational Programmes
RIS	Regional Innovation Strategies
SIEE	Strategy for Innovation and Efficiency of the Economy – Dynamic Poland 2020
SIMIK	National Information System SIMIK 07-13
SEIA	Strategic Environmental Impact Assessment
SAP	Strategic adaptation plan for sectors and areas sensitive to climate change up to 2020 with a perspective to 2030
NDS	National Development Strategy 2020 – Active Society, Competitive Economy, Efficient State
HCDS	Human Capital Development Strategy
SCDS	Social Capital Development Strategy
NSS	Strategy for Development of the National Security System of the Republic of Poland
SSEDEP	Strategy for Socio-Economic Development of Eastern Poland until 2020
TDS	Transport Development Strategy until 2020 (with a prospect until 2030)
ESS	Efficient State Strategy
EUSBSR	EU Strategy for the Baltic Sea Region
SDRAAF	Strategy for Sustainable Development of Rural Areas, Agriculture and Fisheries for 2012–2020

TEN-T	Trans-European Transport Network
ICT	information and communication technologies
EU	European Union
UKE	Office of Electronic Communications
PA	Partnership Agreement
CLKI	Common List of Key Indicators
CAP	Common Agricultural Policy
CFP	Common Fisheries Policy
CSF	Common Strategic Framework
YEI	Youth Employment Initiative
ITI	Integrated Territorial Investments
IMP	EU Integrated Maritime Policy