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# ANALYSIS OF THE EFFECTIVENESS IN THE DISBURSEMENT OF THE EUROPEAN REGIONAL DEVELOPMENT FUND FOR SELECTED ENTITIES IN THE TOURISM ECONOMY

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## ABSTRACT

The aim of the article is to analyse the effectiveness of decision-making in the disbursement of funds from the ERDF for the selected tourism services. In the theoretical part of the article, the model for the assessment of the effectiveness of the ERDF management system was developed. This model is built based on the Propensity Score Matching (PSM) method, used to assess the effectiveness of community programmes. In the empirical part of the article, the verification of the model was carried out following the example of the tourism sector of the NUTS 2 region of Podlasie.

The obtained results allow concluding that the developed deadweight assessment model can be used in practice for the evaluation of the efficiency of the ERDF management. The conducted research indicates that the method of Propensity Score Matching (PSM), using the Neyman-Rubin model based on counterfactual studies, allows assessing the decision-making effectiveness in the disbursement of funds from the ERDF. Creating counterfactual situations in the models of evaluation of infrastructural actions serves for the identification of the effect of an independent event. The effect of an independent event measures the negative, unintended consequences of the undertaken decisions. It informs about the loss of alternative possibilities of allocating funds for other purposes.

## KEY WORDS

**European funds, deadweight evaluation model, public subsidies, management system**

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## INTRODUCTION

European Regional Development Fund is one of the most active regional policy instruments, including tourism policy. The effects of its implementation are measured in terms of both financial categories and the achieved socio-economic results. Experience shows that the most difficult part of the process is its evaluation. Assessment can be made using the finan-

cial outlay indicators, as well as quality indicators (Panfiluk, 2015). The advantage of qualitative indicators is the ability to capture the socio-economic changes, which are not analysed by the financial measures. With the use of qualitative measures, research was conducted on the ERDF's impact on the local tourism economy and the competitiveness of the tourist enterprise in relation to the selected effect

adopted in the political agenda. However, the conducted studies have focused on the analysis of the effects experienced by the environment; assessment from the point of view of efficiency of the ERDF management system was not attempted. The basic research problem focuses, therefore, on the need to answer the question whether, from the point of view of managerial decisions, the allocation was the best possible. Such a situation is best described by the measurement of the effect of the independent event. The effect of the independent event measures the negative, unintended consequences of the made decisions. This indicates the range of changes that would occur without bearing the costs of the realised activity. Loss of alternative possibilities of the allocation of funds for other purposes is an undesirable effect (Górniak & Keller, 2008). It occurs when the target group has been improperly identified, for which the system of management of the ERDF resources is directly responsible. The aim of the article is to analyse the effectiveness of decision-making in the disbursement of the ERDF funds for the selected tourism services. To carry out the measurement of the effect of the independent event and, consequently, the assessment of the efficiency of decision-making the *Propensity Score Matching* (PSM) method will be used.

## 1. LITERATURE REVIEW

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EU funds are among the active tourism policy instruments. Their use leads to the development of the tourism economy in the region and increase of its importance in the economic structure of the region (Panasiuk, 2014). They constitute a significant factor stimulating investment activity of investors, both in the public and the private sector (Panfiluk, 2013a; Bondareva & Zatrochová, 2014). The co-financed investments include accommodation facilities (Panfiluk, 2016b), recreational, sports and a small tourist infrastructure, such as bike paths and hiking trails (Panfiluk, 2015b). These investments have contributed to the increase in the access to recreational services, high growth opportunities for the realization of tourist and recreation activities, and transport accessibility within the region (Panfiluk, 2016a). Also, they raised the tourist attractiveness of the subsidised facilities (Nash et al., 2006). Research confirms that they have also contributed to the increase in the attractiveness of the region (Panfiluk, 2016c). They

have a direct impact on the growth of the tourist attractiveness of the co-financed facilities; however, tourism companies that could contribute to the development of tourism, have not always arisen around these tourist attractions (Nash et al., 2006). The co-financed tourist investments have created new workplaces, influencing the employment growth (Panfiluk, 2015b). It should be noted, however, that only the investments related to the construction or expansion of facilities generate jobs. Among the infrastructure facilities of public benefit, new recreational facilities have the greatest importance for employment (Panfiluk, 2013b), in particular, the ones of a supra-local and supra-regional range (Panfiluk, 2015b). Research shows that the largest number of jobs is generated by businesses (Panfiluk, 2015b).

Attempts were undertaken to study the impact of subsidies on the local tourist economy and the competitiveness of the company considering specific effects adopted by the political agenda. The results are inconclusive. Some researchers have suggested that grants produce benefits from the resulting advantage only for a short term (Branzini & De Blasio, 2006), and a positive impact on the employment effects is undermined (Gabe & Krajčik, 2002) as well as the efficiency and productivity of workers (Griscoloni, 2009). However, there is also evidence of the positive impact of investments from non-repayable grants on employment (Carlucci & Pellegrini, 2005). A detailed study of the impact of subsidies on the condition of business is conducted for the four identified outcomes, i.e. employment, profit, the productivity of work, and entrepreneurship. It confirms the positive impact on employment and short-term profits but indicates that entrepreneurship and labour productivity show a downward trend (Bernini & Pellegrini, 2011, 2013).

It should be noted that the available studies indicate that the project/objective, and, therefore, the effect of the subsidy, generates a different level of efficiency and influences the development of the tourism sector to a different degree (Crouch, 2007). On the one hand, it is pointed out that an increasing touristic attractiveness of a facility does not always automatically translate into an increase in touristic attractiveness of the region, and does not always translate into the development of tourism in the region (Nash et al., 2006). On the other hand, there are results of research that state a significant effect to the growth of the tourist attractiveness of the tourist region (Panfiluk, 2016c). In the areas of high public intervention, the growth in the dynamics of the crea-

tion of the added value and the positive influence on the inhibition of the general declining trend in employment is observed (Panfiluk, 2016b). It has also been proven that the subsidised investments generate not only direct economic effects in the form of the development of the tourism sector but also positive indirect economic impact, contributing to job creation in the para-touristic service sector (Spencer & Nsiah, 2013).

## 2. METHODOLOGICAL ASSUMPTIONS FOR THE ANALYSIS OF THE DISBURSEMENT EFFICIENCY OF THE ERDF RESOURCES

### 1.1. ASSUMPTIONS FOR THE PROPENSITY SCORE MATCHING (PSM) METHOD

The *Propensity Score Matching* (PSM) is a method classified as one of counterfactual methods, largely used to assess the social effects of the public interventions, particularly recommended for carrying out the evaluation of programs and projects implemented under the ERDF (*The Programming Period 2014-2020*, 2014; Austin, 2011; Trzciński, 2009) This method is based on causal inference, which is based on the Neyman-Rubin model (Denkowska, 2015). The basic aim of the method is to determine the impact of the measures on the status of an individual or a community after the impact of these instruments (e.g. the impact of training on employment). The hypothetical assumption states that as an individual has been subjected to the impact, it is impossible to determine the state reached by the individual following the impact that would have been impossible to achieve without the impact of the intervention. Therefore, the method assumes that two individuals with the same characteristics and performances,

behave identically under identical conditions. This means that the effect that would arise in the absence of intervention would be the same in the group of individuals subjected to the impact and the control group. This assumption was the basis for the creation of the control group, i.e., the counterfactual situation (Fig. 1).

A counterfactual situation is defined as a situation, in which the analysed impact (public intervention) would not be realized. It could, therefore, be said that the counter-factual situation tells us how many entities subjected to the intervention would have implemented their actions if they had not been affected by it. Such a situation is called the result of the effect deadweight (Fig. 2).

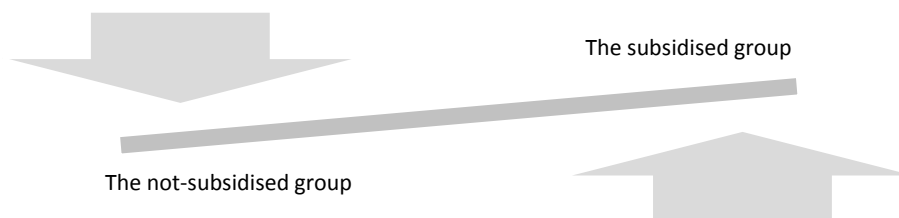


Fig. 1. Assumptions for the counterfactual situation

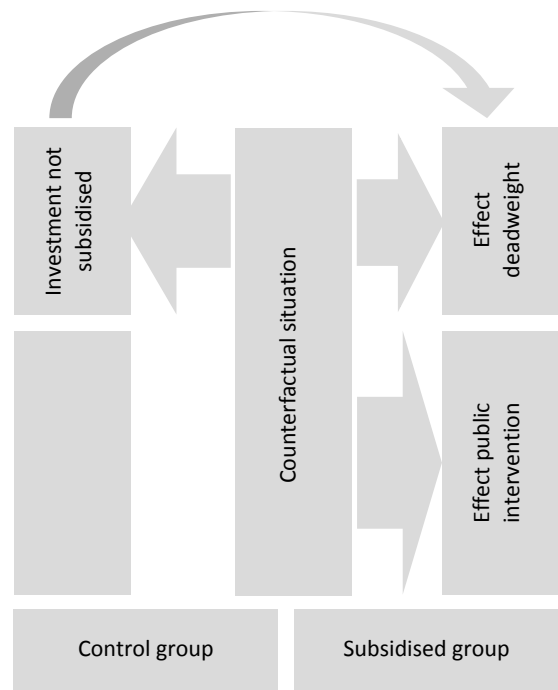


Fig. 2. Effect deadweight of the counterfactual situation

In statistical terms, the situation can be described by the following Formula 1 (Denkowska, 2015):

$$X_{ij} = E = D_1 Y_1 + (D - 1) * Y_0 \quad (1)$$

Where:

- X is a vector of observed characteristics of an individual;
- $Y_1$  – the effect in the case of implementation of the intervention;
- $Y_0$  – the effect in the absence of implementation of the intervention;
- D – the impact ( $D \in \{0,1\}$ );
- D = 1 means that the unit has been subjected to the intervention;
- D = 0 means that it was not subjected to the intervention;
- i – number of individuals with j – in elemental population only one of the two results of the output variable is possible.

Difficulties with the application of this method to social systems result from a strong differentiation and heterogeneity of the study group on the grounds of the characteristics and parameters of an individual. In the case of the ERDF management system, where intervention concerns grants for infrastructural tasks, the situation is less complex. Firstly, the support group is usually homogenous because of the purpose of the action and the assumed results. Secondly, the population can create a control group with the same characteristics and parameters with the identified same purpose of the action, the business activities, and the same area where the business operates. In addition, the control group may derive from the group of ineffective companies or the group of companies, which have not applied for a grant, or both groups of companies. Furthermore, due to the known quantity of finances, the effective enterprise is also able to determine how it would behave if it had not been subjected to the impact. The most important feature of the used method is the fact that it allows specifying the highest possible result that can be achieved due to the use of a particular instrument. Consequently, we can fully indicate a degree or level of the implementation efficiency of an organisation's objectives.

### 1.2. PROCEDURE TO BE FOLLOWED IN THE PROPENSITY SCORE MATCHING (PSM) METHOD

The procedure consists of six main phases (Fig. 3):

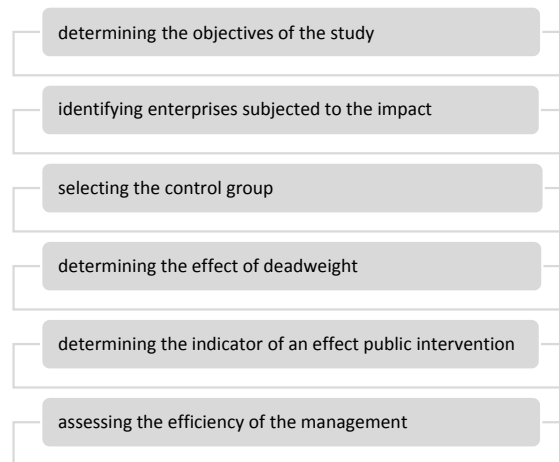


Fig. 3. Model for the evaluation of the ERDF management efficiency – the procedure to be followed

The starting point for the research is the formulation of the research objective. It sets the direction of the conducted analyses. In the second stage of the study, the subject of the research should be identified. According to the accepted research concept, the group should consist of entrepreneurs included in a public subsidy, operating in a homogeneous industry or a sector. It is important to include the entities that operate under similar socioeconomic conditions in the research. Consequently, the study should include the entities operating in regions with similar spatial and socioeconomic conditions. The control group should meet identical conditions: work in the same industry or sector, and operate under the same spatial and socioeconomic conditions. An important feature of the control group must be its uniformity and comparability with the group subject to the study. The control group is identified to determine the deadweight. The effect of an independent event determines the investment opportunities of companies in the industry, which operate in a specific socioeconomic area. Deadweight determines the counterfactual situation of the examined group. The final stage of the research procedure is the evaluation of the decision-making managers managing the ERDF. The assessment is carried out in accordance with the adopted assessment scale.

### 1.3. ASSUMPTIONS FOR THE IDENTIFICATION OF THE CONTROL GROUP IN THE PROPENSITY SCORE MATCHING (PSM) METHOD

In assessing the effectiveness of the disbursement of ERDF resources, the objective of the analysis is reduced to examining whether the ERDF resource

allocation was the best possible from the point of view of managerial decisions in achieving the objectives of the Regional Operational Programme (ROP). The analysis can be carried out considering the entities subjected to the influence of public intervention

subsidies. The second variant concerns entities subject to the impact of the ERDF intervention. The study consists of identifying the hypothetical behaviour of the entity in the event of not receiving the grant from the ERDF (Fig. 4).

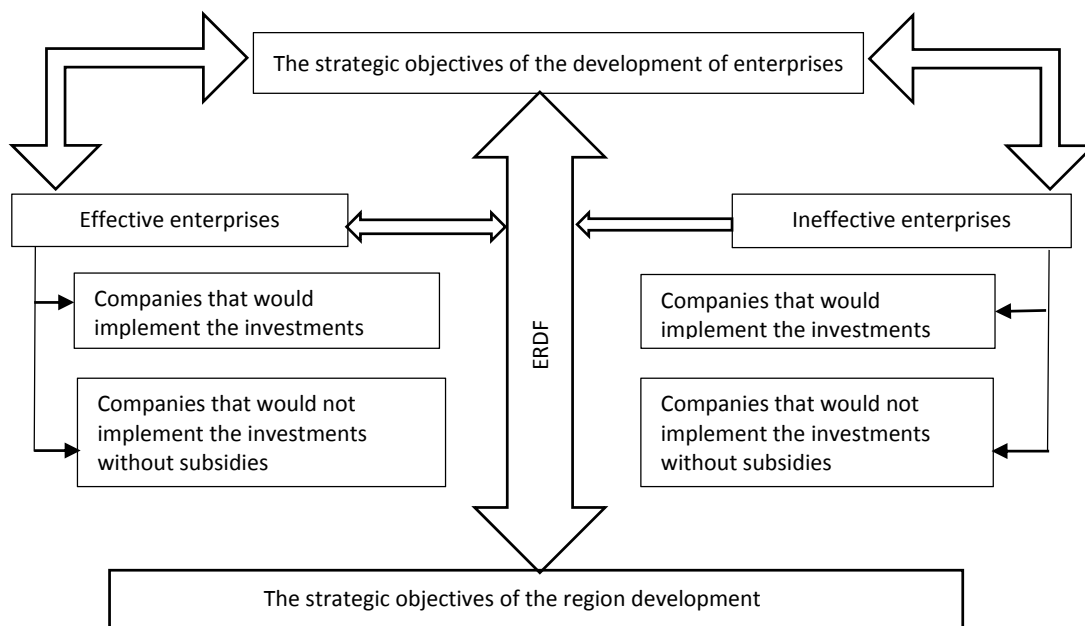


Fig. 4. Model of evaluation of the ERDF management efficiency – identification control group

of a particular sector, industry or a type of entities. Theoretically, the entities subjected to the impact due to the implementation of the ROP objectives, form a homogeneous group. Their objectives are compatible with the objectives set out in the ROP. For the identified homogeneous group of entities subject to the impact of the ERDF, a control group is selected. The control group must meet three basic criteria: the entity of the control group should pursue the same economic objectives, do business in the same industry, and operate in a similar or the same economic space. The control group is used to measure the negative effect of the independent event. The independent event is the behaviour of market actors, independent from the public intervention. On its basis, the hypothetical number of entities that would realise their goals regardless of public intervention is determined.

As a result of the theoretical analysis, it is concluded that the control group can be created in two variations. The first variant of the control group is formed by companies that applied for a grant but did not receive it (the so-called ineffective entities). In this case, the study consists of identifying whether the entity that applied for a grant for a specific purpose (the project) realised the intended purpose without

Theoretically, the third variant of the control group can also occur. The control group consists of entities that did not apply for a grant and meet the criteria of the control group. Selecting that group is carried out in several stages. The first step is the creation of a database of entities operating in the examined industry. The second stage is the compatibility analysis of provisions pertaining to the strategy objectives or the company's development programme and public intervention objectives set out in the strategy document (ROP). The control group should include only the entities whose development goals were compatible with the ROP. Then, the number of entities that have achieved objectives falling within the support from the ROP during the impact of the programme was examined in this group. Creating the control group in practice may be impossible to realize. This is because companies do not have the obligation to have a strategy or the company development programme, and, moreover, investment plans are protected. Besides, usually, companies do not provide such information.

#### 1.4. EVALUATION OF THE ASSUMPTIONS REGARDING THE DECISION EFFICIENCY USING THE PROPENSITY SCORE MATCHING (PSM) METHOD

The decision efficiency was evaluated using a five-grade scale.

Values were assigned to the % result of the study of the counterfactual situation. The value of 5 indicated a situation where more than 81% of the entities subject to the public intervention would not achieve their objectives. In this case, the effect of the independent event (independent negative effect) was from 1 to 20%. To a very great extent, the public intervention contributed to acquiring the positive socioeconomic effect. Management decisions on the selection of the target group were the best possible. This situation corresponded to the very high efficiency of the ERDF management. A value of 1 meant that only 1% to 20% of the entities subject to public intervention would not achieve their objectives. In this case, the effect of the independent event (independent negative effect) is from 80 to 100%. The public intervention did not contribute to acquiring the positive socioeconomic effect. From the point of view of resource allocation, management decisions on the selection of the target group were not properly made. This situation corresponded to the lack of effective ERDF management. The undesirable result of such a situation was a loss of alternatives for the allocation of funds for other purposes (Table 1).

Tab. 1. Assessment scale of the management system performance

SCALE	THE RESULT IN %	EFFICIENCY
1	1 – 20	Lack of efficiency
2	21 – 40	Low efficiency
3	41 – 60	Average efficiency
4	61 – 80	High efficiency
5	81 – 100	Exceptionally high efficiency

## 2. SELECTION OF A RESEARCH SAMPLE

Verification of the assessment model of the ERDF management system was carried out using the example of management applied to the Regional Operational Programme for Podlaskie Voivodeship 2007-2013 by the Department of Regional Develop-

ment of the Podlaskie Voivodeship Marshal's Office. The effectiveness of the ERDF resource disbursement was calculated for one of the six RPOWP 2007-2013 goals, namely the development of tourist facilities in the region, which was implemented by strengthening the tourism industry in the region as a result of the expansion and construction of accommodation facilities. The goal is recorded in the Detailed Description of Priority Axes RPOWP 2007-2013 as measure 3.2: *Investment support of tourism enterprises* of priority III *Development of tourism and culture*.

In 2015, this region was selected for the study by the European Commission as a representative region of Poland for the *Ex-post evaluation of Cohesion Policy Programmes 2007-2013 – WP9: Culture & Tourism* study. Analysis of the tourism potential of the Podlaskie region compared to EU regions showed that for 283 EU regions at NUTS 2 level, Podlaskie is situated among 68 regions with the lowest tourist potential. The analysis of the position of the Podlaskie Voivodeship against the background of the regions of the European Union was prepared using the method cluster analysis, the Ward method, and k-means. The analysis covered 283 European regions at the NUTS 2 level, for which data was available in the Eurostat database, concerning the following variables: the number of establishments, number of beds, total nights spent by residents, and total nights spent by non-residents. The data concerned the year 2013. The tourist potential of the Podlaskie Voivodeship was compared to the domestic and foreign regions. The focus was on the impact of projects in the field of tourism and culture on the socioeconomic development of the region. The position of the Podlaskie Voivodeship was compared to the background of the country and Europe (Dębkowska & Szymańska, 2015). It should be emphasized that comparative statistical analyses alone, without perceiving a wider range of conditions and specificity of the tested region, are not enough to draw clear conclusions. Rich in natural resources, this region is the most valuable region of Poland. Natural areas are particularly valuable worldwide and protected by law. The region boasts four national parks, three landscape parks, 83 nature reserves, NATURA 2000 sites, 13 protected landscape areas, 262 ecological grounds, a nature-and-landscape complex, three documentary stations and 1932 natural monuments. A high rank of the region is illustrated by the international status given to four of them: Białowieża National Park – the area of strict protection, including the biosphere reserve, which is the natural object of the UNESCO World

Heritage Site; and the Biebrza National Park, Narew National Park, and Wigry National Park – all protected under the international Ramsar Convention.

The Podlaskie Voivodeship has the least transfigured nature, but in terms of the proportion of the protected area, it occupies the 8th position in the country (although the percentage of the area of national parks and the SACs is the highest, and in the case of SPAs, it comes second).

Naturalness (non-substitutability) of natural resources, uniqueness, preciousness, rarity, and the impossibility of imitation causes them to be a significant resource for creating a competitive advantage of the region (Barney, 2001). According to studies conducted in the region, high natural values, clean air, low noise, attractive tourist routes, high quality of public catering establishments, low rental prices of recreational equipment and guide services are the

i.e. the so-called effective entities. The control group consisted of entities that applied for a non-refundable grant for the development of the company and did not receive it, i.e. the so-called ineffective entities. In total, the first group of entities consisted of 44 companies, while the second group of entities consisted of 68 companies. The entities were verified on account of the investment objective (expansion, construction of accommodation facilities). Further, the study concerned companies that applied for grants for the purpose associated with the development and construction of accommodation facilities, i.e. 36 successful companies and 48 ineffective businesses. The comprehensive sample was included in the study. The research material used in the analysis was collected using a questionnaire, telephone interview, and the CAWI questionnaire. The achieved rate of return of surveys is presented in Table 2.

Tab. 2. Size of the research sample

SPECIFICATION	NUMBER OF COMPANIES OPERATING IN THE AREA OF ACCOMMODATION, OVERALL	NUMBER OF COMPANIES COVERED BY THE STUDY	NUMBER OF COMPLETED SURVEYS	RETURN RATE IN %
Effective entities, which received a grant from action 3.2 (effective entities, which received a grant from the activity 3.2)	36	36	25	69.44%
Ineffective entities, which did not receive grants from action 3.2 (ineffective entities that applied for a grant from the activity 3.2 and it did not receive it)	48	48	45	93.75%

components of the tourism potential, basing on which the competitive advantage of naturally precious areas of the Podlaskie Voivodeship can be built (Borkowska-Niszczota, 2014).

In this region, the total value of the investment funds invested in tourism and culture for the projects co-financed by the ERDF amounted to 10% of the total value of the funds invested in the projects co-financed by the ERDF in the years 2007-2013 (Panfiluk, 2015b).

The study included private entities working in the area of accommodation (PKD Section I, Chapter 55) from the list of competition results announced by the ERDF, i.e. the Department of Regional Development of the Podlaskie Voivodeship Marshal's Office, the managing authority at the regional level. The starting point for the research was the creation of the database of entities. Two groups of entities were created. The first group of entities was comprised of the companies, who applied for a non-refundable grant for the development of the company and received it,

The comparability of the results and the homogeneity of the control group, were obtained through the verification with respect to the object and area of activity.

The comparability of the results and the homogeneity of the control group was achieved through the verification on account of the business activity and space of activities.

### 3. RESEARCH RESULTS

#### 3.1. RESEARCH RESULTS: VARIANT 1 – CONTROL GROUP – NON-SUBSIDISED ENTERPRISES

Detailed studies have shown that the public intervention covered 36 entities providing services related to housing. The support was granted for the implementation of the objective connected to the expansion of tourist facilities in the region. Invest-

ments connected to the expansion and construction of accommodation facilities in the region were co-financed. This means that  $Y_1$  (the effect in the case of the investment implementation) is 36 entities. The control group in this variant was made from ineffective entities, i.e. those who applied for support, but did not receive it. The examination of the control group allowed determining the effect of the independent event. It was estimated that of the 45 entities from the control group, 8 entities who applied for a grant but did not receive it, realized their goals. This means  $Y_0$  is equal 8 (Table 3).

The support was granted for the implementation of the objective connected to the expansion of tourist infrastructure in the region. Investments connected to the expansion and construction of accommodation facilities in the region were co-financed. This means that  $Y_1$  (the effect in the case of the investment implementation) is 36 entities. The control group in this variant was made from effective entities, i.e. those who applied for support and received it. The successful entities were asked whether and to what extent the ERDF resources made it possible to achieve the objective. 25 (69.44%) subsidised entities took part in

Tab. 3. Research results: variant 1 – control group – non-subsidised enterprises

SPECIFICATION	NUMBER OF SUBSIDISED ENTERPRISES	CONTROL GROUP, NON-SUBSIDISED ENTERPRISES
Number of researched enterprises	36	45
Effect of subsidies	36	0
Effect of deadweight	0	8
Structure	100%	17.77%
Effect of deadweight		17.77%
Effect public intervention	82.23%	
Assessment of the efficiency of the management system scale	80 – 100%	Very high efficiency

The effects of public intervention were calculated using the following formula:

$$E = D_1 Y_1 + (D-1) * Y_0 \quad (2)$$

Where:

- $Y_1 = 36$  (100%) entities that have made the expansion or construction of tourist accommodation as a result of the support from the ERDF;
- $Y_0 = 8$  (17.77%) out of 45 entities carried out investments connected to the extension or construction of accommodation without co-financing from the ERDF (the effect of the independent event).

Given the scale of the efficiency assessment of the management system (Table 1), the obtained result fits into the fifth class. This means that 82.23% of the entities subject to public intervention did not achieve their goals. The public intervention contributed to the achievement of the positive socioeconomic effect to a very great extent. Management decisions regarding the selection of the target group were reasonable and optimal. This situation corresponds to the very high efficiency of the ERDF management.

### 3.2. RESEARCH RESULTS: VARIANT 2 – CONTROL GROUP – SUBSIDISED ENTERPRISES

Detailed studies have shown that the public intervention covered 36 entities providing services related to housing.

the study. It was found that for 16 out of 25 respondents (64%), the grant enabled the realization of the full objective, to 32% (8 entities) the obtained grant allowed to realise a part of their objectives, and in the case of one subject (4%), the grant did not affect the implementation of objectives. This means that one of the surveyed companies would carry out the investment even without the subsidy, i.e. the effect of the independent event is:  $Y_0 = 1$ ;  $Y_0 = 1$  (4%), (Table 4).

The effects of a public intervention were calculated using the following formula:

$$E = D_1 Y_1 + (D-1) * Y_0 \quad (3)$$

Where:

- $Y_1 = 36$  (100%) entities that have expanded or constructed tourist accommodation facilities as a result of the ERDF support;
- $Y_0 = 1$  (4.00%) per 25 surveyed entities that would implement the investment concerning the extension or construction of accommodation facilities without the ERDF co-financing in whole or in part (due to the independent event).

Given the scale of the efficiency assessment pertaining to the management system (Table 4), the result obtained fits into the fifth class. A public intervention contributed to the achievement of a positive socioeconomic effect to a very great extent. Management decisions on the selection of the target group



Tab. 4. Research results: variant 2 – control group – subsidised enterprises

SPECIFICATION	NUMBER OF ENTERPRISES SUBSIDIES	CONTROL GROUP, SUBSIDIES ENTERPRISES
Number of researched enterprises	36	25
Effect of subsidies	36	0
Effect of deadweight	0	1
Structure	100%	4%
Effect of deadweight	4%	
Effect public intervention	96%	
Assessment of the efficiency of the management system scale	80 – 100%	Very high efficiency

were reasonable and optimal. This situation corresponds to the very high efficiency of ERDF management.

## CONCLUSIONS

The conducted research indicates that the method of Propensity Score Matching (PSM), using the Neyman-Rubin model, based on counterfactual studies, allows assessing the decision-making effectiveness in the disbursement of funds from the ERDF. Creating counterfactual situations in the models of evaluation of infrastructural actions serves for the identification of the effect of an independent event. The effect of an independent event measures the negative, unintended consequences of the undertaken decisions. It informs about the loss of alternative possibilities of allocating funds for other purposes.

A small variation of the control group is the essence of the construction of counterfactual situations in the models for the evaluation of infrastructural actions. The result is that the assessment must be carried out in a homogeneous group of entities, i.e. a sector, industry, or a type of entities. The basic features of the control group for the entities undertaking infrastructural activities constitute one and the same items of economic activity according to PKD and the area/space of its business activities as well as the similar size of enterprises. As a result of research, it was found that a counterfactual situation may be created by three categories of participants:

- entities subjected to influence, as knowing their financial potential may indicate the manner, in which a unit would have acted had it not been subjected to influence;
- entities not subjected to influence, and showing the need to support their business activities with an ERDF instrument;

- entities not subjected to influence and entities not interested in the participation in ERDF support.

The proposed concept of the assessment of the ERDF management system in a short period of time allows estimating the effectiveness of the management system for the implemented instrument.

From the point of view of empirical research, it was found that the best possible management decisions were made on the allocation of funds foreseen for the achievement of the objective: the development of the tourist base in the region through strengthening the tourism industry in the Voivodeship as a result of the expansion and construction of accommodation facilities in the region. The target group subjected to the influence of the ERDF was identified properly. A remarkably high efficiency of the ERDF management system was noticed in the framework of the measures envisaged for the implementation of the objectives set in the Regional Operational Programme of Podlaskie Voivodeship 2007-2013, Action 3.2. *Investment support for tourism enterprises of the Priority III Development of tourism and culture.*

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