

EFFECTS OF INVESTMENT FUNDING FROM REGIONAL OPERATIONAL PROGRAMMES (AS ILLUSTRATED BY THE ROP OF THE PODKARPACIE VOIVODESHIP 2014-2020)

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Purpose: The aim of this article is to assess the importance of European Union funds in the development of the regions, with an emphasis on the benefits of obtaining funding under the Regional Operational Programme (ROP) for the Podkarpackie voivodship.

Design/methodology/approach: In collecting empirical material for the article, the method of economic and general statistics was used. The temporal scope of the research covers the years 2014-2020, some issues in the field of the effects of cohesion policy support for regional development were shown in the years 2004-2020. The rationale for the location of the research is the peripheral location of the Podkarpackie Voivodeship and the related problems concerning the low level of economic growth and development, the lowest entrepreneurship rate, the low level of income of local governments and residents.

Findings: The research has shown that the analysed province has narrowed the gap to the national average, thanks to investments in the development of technical and social infrastructure, renewable energy sources, innovation in enterprises and improvements in the quality of human and social capital.

Originality/value: The article presents the use of EU financial resources supporting cohesion policy by the Podkarpackie local government in the form of the Regional Operational Programme 2014-2020 and the effects of the support based on selected indicators, including the author's absorption indicator.

Keywords: EU funds, cohesion policy, regional development.

Category of the paper: Research paper.

1. Introduction

Today, in the world of VUCA (volatility, uncertainty, complexity and ambiguity), i.e. rapid change and uncertainty, new challenges arise in the search for and implementation of innovative solutions and tools that reconcile the conflicting interests and effects of changes at local, regional, national and global levels.

The new European Green Deal as a continuation of the Europe 2020 strategy creates a lot of hope for the search for new solutions or models of development to support sustainability (Matyka, 2019, pp. 308-314). Currently, the most important document is the new European Green Deal strategy, i.e. the European Union's growth strategy to 2050, a blueprint for building a sustainable EU economy and delivering a green and digital transformation that is equitable and inclusive. It contains many issues dedicated to the development of the regions in the form of continued financial support through regional operational programmes as tools for investment and growth¹.

The use of EU funds has provided many regions with a wide range of investment opportunities that significantly support economic growth. Skilful use of these funds makes it possible to unleash the economic potential of the region, which is a source of sustainable development. The use of the funds is a challenge faced by both the institutions responsible for implementing the programmes and their recipients. The attitudes and knowledge of these entities constitute the potential necessary to achieve success in the development of a region (Katoła, 2012, p. 176; Miś, 2008, p. 140). Funding from the European Union broadens the functioning and opportunities for economic activity as well as the creation and implementation of new and innovative ideas, and thus contributes to the economic growth of the country as a whole (Szuszkiewicz-Idziaszek, 2019, p. 89; Waniak-Michalak et al., 2020, p. 7). Financial capital from EU funds allows regions with development deficiencies in the economy to catch up with the standards imposed by the European Union. The implementation of a cohesion policy does not guarantee that support for less competitive regions will be able to eliminate their problems, while the absence of such a policy will certainly worsen the situation of these regions (Oręziak, 2020, p. 98). The Regional Operational Programme (ROP) is concerned with broadening the investment offer of companies, influencing their needs for expansion of their departments related to modernisation and research. Like the other programmes, it helps to build the competitiveness of companies and to conquer hitherto unattainable sales markets. In addition, it finances participation in numerous courses and internships, thereby creating jobs for the unemployed and intellectual capital for entrepreneurs (Kasprzak, 2014, p. 252; Sikora-Gaca et al., 2018, pp. 62-68).

Cohesion policy, does not guarantee the reduction of disparities, but stimulates changes for the efficient use of endogenous resources and the improvement of quality of life. EU funds are intended to improve indicators for assessing the socio-economic level of development of regions (Miś, 2021, p. 178). The implementation of cohesion policy priorities by regional and local communities benefiting from European funds makes it possible to expect that objectives related to global issues, including low-carbon economy, climate change prevention, poverty reduction, improved quality of life, etc., will be implemented at the regional and local level.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on an Action Plan for the Development of Organic Production, Brussels, 25, 3, 2021, COM(2021) 141.

(Holden et al., 2017, pp. 213-226; Lugo-Morin, 2016, pp. 345-356). New key elements of the European Union's cohesion policy reform signal the need to improve the quality of life by supporting local and regional development with particular attention to the role of entrepreneurship and smart specialisations (Fiaschi et. al., 2018, pp. 386-423; McCann, Ortega-Argilés, 2016, pp. 537-552). It has been indicated that smart specialisations in the Podkarpackie Region include aerospace, information and telecommunications (ICT), automotive industry and improving the quality of life of the population by allocating EU funds for activities related to infrastructure improvement and development, innovative solutions in every field, e.g. agriculture and rural areas. From the perspective of cohesion policy, these initiatives are very important. The acquisition and proper allocation of European Union funds is of fundamental importance for improving the competitiveness of peripheral regions, delayed in their development, such as the Podkarpackie region. In this context, it is justifiable to undertake research into the evaluation of the use of EU funds in this region.

2. Methods

The empirical material used in the study concerns the Podkarpackie Voivodeship in comparison to other regions and the country. The numerical data comes from the Ministry of Funds and Regional Policy and the Central Statistical Office in Warsaw. The temporal scope of the research covers the European Union's 2014-2020 programming period. Indicators for assessing the level of socio-economic development are presented for the period 2014-2020, and certain issues related to cohesion policy and the effects of support for regional development cover sixteen years (2004-2020). The collected and structured empirical material was compiled in tabular and graphical form, using the descriptive method and the comparative analysis method.

The study of the use of European Union funds by the Podkarpackie local government is justified by the fact that, apart from its biggest impact on socio-economic changes at the regional and local level, it is a significant beneficiary of these funds. In the 2014-2020 period, the participation of local governments increased to 40%; in the 2007-2013 programming period it was 25% of the total amount of EU funds in Poland.

The following indicators were used to assess the use of EU funds by the Podkarpackie local government in the implementation of cohesion policy:

- GDP per capita to assess the level of development of the regions (this is the primary indicator taken into account by the EC when assessing the socio-economic situation of a region and the possible need for funding),
- amount of investment expenditure at current prices per capita in PLN,
- amount of European Union funds per capita (in PLN),

- the level of use of funds under the ROP 2014-2020,
- the rate of change and the absorption rate.

The substantive part of the article presents the results of research illustrating changes in Gross Domestic Product and investment expenditures per capita in Podkarpackie in comparison with other voivodships and the whole country, as well as the scale of utilisation of European Union funds supporting cohesion policy by the Podkarpackie local government. Attention was mainly paid to the Regional Operational Programme, which was presented in the tables in order to clearly juxtapose the Podkarpackie region with other regions in the country. The results of the research into the absorption rate and benefits of the use of European Union funds by the Podkarpackie local government were also presented in this form.

This article proposes an indirect measure for assessing the added value created by EU funds, i.e. the absorption rate. This indicator shows the actual share of a given region in the absorption of funds in the amount of support in relation to the total funds of the whole region. It indicates the involvement of the local authority in raising funds for the implementation of activities related to improving the quality of life of the inhabitants, i.e. initiatives undertaken to mobilise endogenous human and natural resources, infrastructure, social, environmental and cultural investments, etc. The indicator should be higher than 1; if the values are below 1 it means lower absorption of funds for socio-economic improvement than the region's potential.

3. Results

One of the most important criteria adopted for the classification of individual voivodeships in Poland in terms of their level of development and the related possibility of obtaining funding from the European Union under the cohesion policy is the Gross Domestic Product (GDP) per capita. The importance of Podkarpackie in generating Gross Domestic Product (GDP) is lower, as it does not exceed the total GDP of Poland. However, it should be stated that Poland's accession to the European Union has had a significant impact on improving the situation in both Podkarpackie and the whole country in terms of this indicator. In each of the voivodeships, the value of GDP per capita increased by more than 30% over six years (Table 1), which is a positive phenomenon. It should be added that there are some differences in terms of the value of this indicator between individual voivodeships, with the highest growth in the period 2014-2020 in the Łódzkie and Małopolskie voivodeships and the lowest in the Śląskie voivodeship. The value of the GDP per capita indicator in Podkarpackie is very low compared to other voivodeships - the penultimate place in the country (after Lubelskie), with a value 56,300 PLN lower than in Mazowieckie. This confirms that the Podkarpackie Voivodeship should receive funding from European Union funds under the cohesion policy in the years 2021-2027. A study by Miś (2021) shows that in the voivodeships of Eastern Poland (including Podkarpackie

Voivodeship), the value of the GDP per capita indicator in the years 2004-2020 did not exceed the average value for the country.

Table 1.

Investment expenditures and Gross Domestic Product per capita in Podkarpackie compared to the whole country in 2014-2020

| Voivodeships | Total investment expenditure per 1 inhabitant (in PLN) | | | Gross Domestic Product per capita (in PLN) | | |
|---------------------|--|--------|----------------------|--|--------|----------------------|
| | 2014 | 2020 | Dynamics, 2014 = 100 | 2014 | 2020 | Dynamics, 2014 = 100 |
| dolnośląskie | 7 602 | 10 394 | 136,7 | 49 717 | 67 148 | 135,1 |
| kujawsko-pomorskie | 5 310 | 6 267 | 118,0 | 36 232 | 49 439 | 136,5 |
| lubelskie | 4 887 | 6 065 | 124,1 | 31 186 | 41 315 | 132,5 |
| lubuskie | 4 712 | 5 910 | 125,4 | 37 644 | 49 394 | 131,2 |
| łódzkie | 6 469 | 6 962 | 107,6 | 41 751 | 58 840 | 140,9 |
| małopolskie | 5 554 | 7 075 | 127,4 | 39 568 | 55 448 | 140,1 |
| mazowieckie | 10 316 | 12 955 | 125,6 | 71 125 | 98 237 | 138,1 |
| opolskie | 5 717 | 6 791 | 118,8 | 36 182 | 47 723 | 131,9 |
| podkarpackie | 5 339 | 6 217 | 116,4 | 31 576 | 41 937 | 132,8 |
| podlaskie | 5 758 | 7 196 | 124,9 | 32 461 | 44 522 | 137,2 |
| pomorskie | 6 574 | 7 447 | 113,3 | 42 346 | 57 669 | 136,2 |
| śląskie | 6 274 | 7 374 | 117,5 | 46 167 | 60 091 | 130,2 |
| świętokrzyskie | 3 913 | 4 930 | 125,9 | 32 613 | 43 646 | 133,8 |
| warmińsko-mazurskie | 4 634 | 5 851 | 126,3 | 31 958 | 42 566 | 133,2 |
| wielkopolskie | 6 452 | 7 924 | 122,8 | 47 679 | 66 208 | 138,9 |
| zachodniopomorskie | 6 091 | 8 822 | 144,8 | 37 423 | 50 700 | 135,5 |
| Poland | 6 516 | 8 068 | 123,8 | 44 466 | 60 663 | 136,4 |

Source: own elaboration on the basis of the data from Statistics Poland in Warsaw.

In addition to GDP per capita, investment expenditures per capita are a very important indicator, which also increased over the six-year period - the most, by nearly 45% in the Zachodniopomorskie Voivodeship, and the least, by only 7.5% in the Łódzkie Voivodeship (Table 1). In Podkarpackie voivodeship, the indicator in 2020 was more than 16% higher than in 2014, but as much as twice as low as in the Mazowieckie voivodeship.

Despite undertaking the significant investments, there are still considerable disparities between countries and their regions. The imbalance can be seen mainly within the EU Member States, where the distance between the least and most developed is widening even further (Świstak, 2018, p. 34).

For Podkarpackie, cohesion policy is a unique development opportunity, as its priorities in the 2014-2020 financial perspective are (according to the n+3 rule, the current perspective lasts until the end of 2023): smart growth, sustainable growth and inclusive growth. From the data in Table 2, it can be seen that the Podkarpackie local government has obtained slightly more funding per capita in the implementation of the European Union's cohesion policy compared to other voivodeships, but less than the national average. In comparison to other Eastern Polish voivodeships, Podkarpackie was ranked fourth, ahead of only świętokrzyskie. The highest amount of support per 1 inhabitant was obtained by local governments in the Warmińsko-Mazurskie (39% more than in Podkarpackie) and Zachodniopomorskie Voivodeships, while

the lowest amount was obtained by local governments in the Wielkopolskie and Śląskie Voivodeships.

This article proposes an indirect measure for assessing the added value created by EU funds, which is the absorption rate. This indicator shows the actual share of individual Polish regions in the absorption of funds in the amount of support in relation to the total funds of the whole region. The highest absorption level of EU funds occurred in the Warmińsko-Mazurskie voivodeship: absorption rate of 1.31 (Table 2). It is important to remember here that in this voivodeship has a low GDP per capita as well as the highest amounts of funding per capita. This is a positive phenomenon and shows that the authorities of this voivodeship exert influence on the improvement of the quality of life of its inhabitants by taking initiatives for investments financed under cohesion policy. A high level of absorption of EU funds is also found in Podlasie, Lubelskie and Zachodniopomorskie. Values of the indicator below 1 show a lower absorption of funds for socio-economic improvement than the region's potential. In Podkarpackie, the value of the absorption indicator is just below 1; still, the local authorities need to become more active in applying for EU funding for projects in the next programming period.

Table 2.

European Union funds per capita obtained by the Podkarpackie local government compared to the whole country in the implementation of cohesion policy in 2014-2020 and the absorption rate

| Voivodeships | Amount of European Union funding per capita | | Absorption rate |
|---------------------|---|-------|-----------------|
| | in PLN | w % | |
| dolnośląskie | 12 947,2 | 89,1 | 0,89 |
| kujawsko-pomorskie | 13 281,4 | 91,4 | 0,91 |
| lubelskie | 15 537,8 | 107,0 | 1,04 |
| lubuskie | 12 680,0 | 87,3 | 0,86 |
| łódzkie | 13 682,4 | 94,2 | 0,92 |
| małopolskie | 12 089,7 | 83,2 | 0,85 |
| mazowieckie | 12 248,2 | 84,3 | 0,87 |
| opolskie | 12 124,4 | 84,3 | 0,82 |
| podkarpackie | 13 886,9 | 95,6 | 0,96 |
| podlaskie | 15 490,0 | 106,6 | 1,05 |
| pomorskie | 13 228,5 | 91,1 | 0,94 |
| śląskie | 11 897,8 | 81,9 | 0,80 |
| świętokrzyskie | 13 489,3 | 92,9 | 0,90 |
| warmińsko-mazurskie | 19 304,7 | 132,9 | 1,31 |
| wielkopolskie | 10 155,9 | 69,9 | 0,71 |
| zachodniopomorskie | 17 173,2 | 118,2 | 1,17 |
| Poland | 14 525,5 | 100,0 | - |

Source: own elaboration on the basis of the data from Statistics Poland in Warsaw (as of June 14, 2022).

As Podkarpackie voivodeship financed its investments from the ROP to the greatest extent (and to a greater extent than on the national level), Map 1 shows the percentage of agreements signed not only in Podkarpackie, but in all regions of the country. The largest number of ROP projects was implemented in the Pomorskie Voivodeship. The Opolskie, Wielkopolskie and Mazowieckie voivodeships also perform well: the value of EU funds in signed agreements

reaches 74-78%. The fewest ROP projects were implemented in Zachodniopomorskie and Kujawsko-Pomorskie. Podkarpackie and Lubelskie regions signed the most agreements among the regions of Eastern Poland. The areas of ROP funding with expenditure of 30 to 32% of the available allocation are: employment, support for SME development, education and infrastructure development. The indicator shown on figure 1 is very important, as it shows the activity of the voivodeship self-governments in attracting funding, which has been low to date. Moreover, projects implemented under all 16 regional programmes reach a value of 131.6 billion PLN, including 90.1 billion PLN from the EU. The largest pool of EU money (76 billion PLN, or 32% of the value of signed contracts) was obtained to support sustainable transport. Significant amounts have also been committed to investments promoting the transition to a low-carbon economy (32 billion PLN, or 13% of the value of signed contracts), as well as to strengthening the research and development sphere and developing innovation (22 billion PLN, or 9% of the value of contracts).

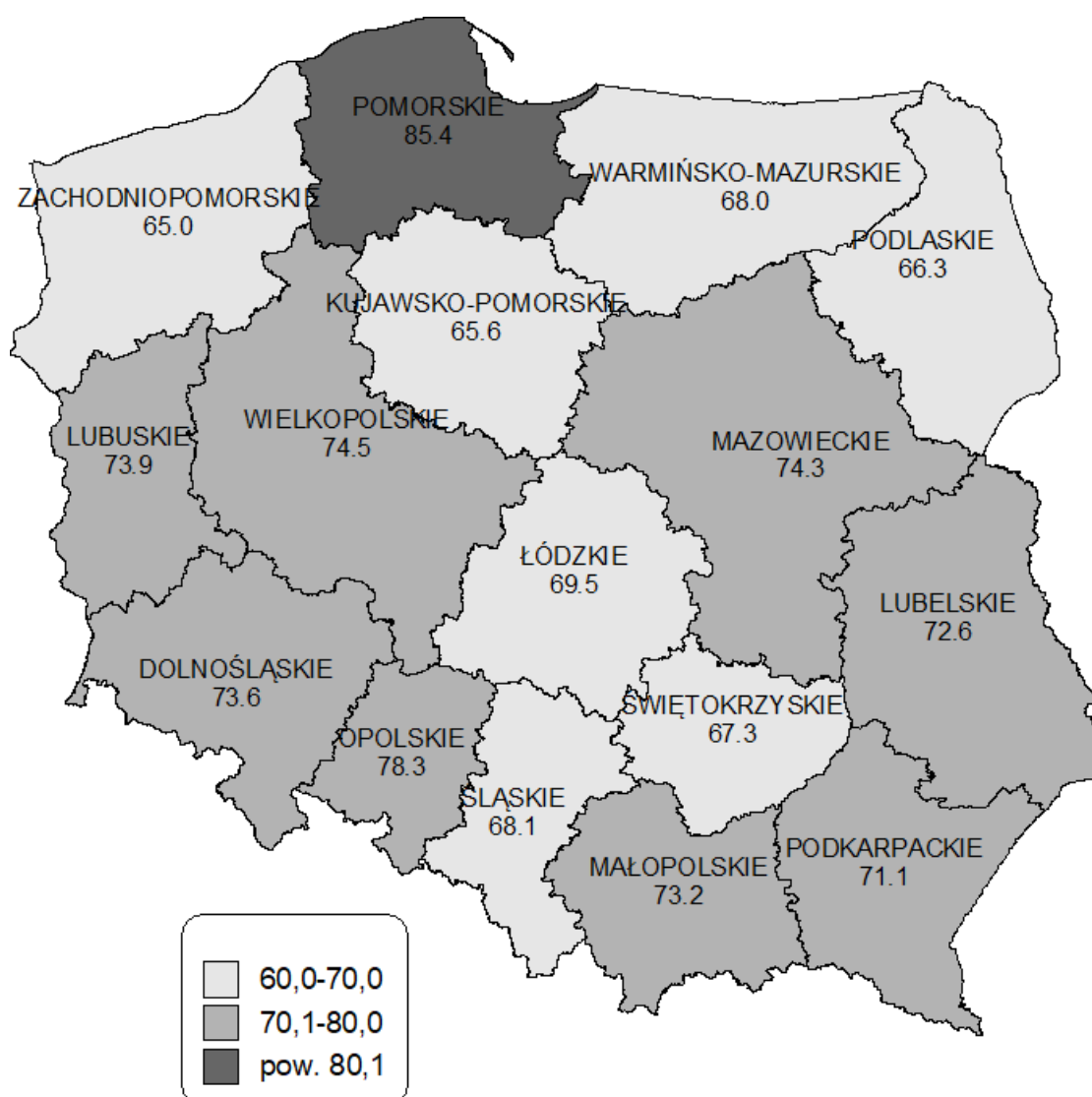


Figure 1. Level of use of funds under ROP 2014-2020, contracts signed (in %).

Source: own compilation based on data from the Ministry of Funds and Regional Policy.

Investments in improving territorial accessibility, such as the construction and modernisation of road, rail and air networks, accounted for the largest share of the money used under the ROP 2014-2020. A significant pool of EU money was also allocated to support small and medium-sized enterprises, the implementation of investments in social infrastructure and the development of human and social capital. This was followed by investments in support of innovation, research and development, and projects of environmental nature, including actions undertaken in the field of renewable energy sources, wastewater treatment, air quality improvement and waste management.

According to data from the Ministry of Funds and Regional Policy (2022), in the years 2004-2020, in the regional arrangement, the highest level of payments of cohesion policy funds per capita occurred in the Warmińsko-Mazurskie (19.6 thousand PLN) and Podkarpackie (16.6 thousand PLN) voivodeships, while the lowest in the Wielkopolskie (10.5 thousand PLN) and Kujawsko-Pomorskie (11.2 thousand PLN) voivodeships. In the ratio of funds to GDP in the years 2004-2020, the Warmińsko-Mazurskie (3.5%) and Podkarpackie (3.1%) voivodeships were the leaders. In the analysed period of sixteen years, the greatest EU support was allocated to projects in the field of basic infrastructure development, including transport infrastructure, energy, environmental protection and social infrastructure. In most voivodeships, expenditure on this category accounted for 60% of total funds (from 55.7% in the Kujawsko-Pomorskie voivodeship, to 66.6% in the Mazowieckie voivodeship). The remaining funds were earmarked for direct support for enterprises and the development of human resources. The structure of support was similar in individual regions. The share of expenditure the development of human resources ranged from 13.9% in the Mazowieckie Voivodeship to 22.4% in the Świętokrzyskie Voivodeship, and the share of expenditure for direct support for the enterprise sector ranged from 16.4% in the Lubuskie Voivodeship to 24.9% in the Podlaskie Voivodeship (Wpływ polityki..., 2022, pp. 6-7). Investments financed by EU funds constitute a significant part of public investments in the Podkarpackie Voivodeship - in 2020 their share was as high as 44% of total public investments, with the average for the country being 37.8%. In 2020 GDP per capita (in PPS) in Podkarpackie voivodeship was more than 51% of the EU-27 average. In the period 2004-2020, the distance between Podkarpackie and the EU-27 measured by GDP per capita (in PPS) decreased by 13.9%, of which 32.3% was due to the implementation of cohesion policy. Thus, thanks to EU funding, the gap in the level of economic development separating Podkarpackie from the EU-27 average has gradually narrowed. In the period 2004-2020, Podkarpackie voivodeship developed at an average rate of 3.7% (in constant prices). EU-funded infrastructural outlays and direct support to businesses contribute to a significant upturn in investment activity. It is estimated that in 2020 the investment rate (ratio of gross capital expenditures to GDP) was 4.3% higher than in the absence of EU funds. In the year of its accession to the EU (2004), the Podkarpackie Voivodeship had an employment rate of 58.9% for people aged 20-64, while in 2020 – 70.0%, and is projected to reach over 81% in 2029. Around 25% of the growth recorded over the period was due to the impact of EU funds.

The positive effect of cohesion policy can be seen in the creation of new jobs, the improvement of workers' skills and their better adaptation to changing labour market conditions. As of 2020, the number of jobs created in the Podkarpackie voivodeship as a result of investments co-financed by the EU budget is estimated at over 32,000. The positive impact of EU funds is also visible in the reduction of the unemployment rate. The unemployment rate of people aged 15+ in the Podkarpackie Voivodeship in the year of accession to the EU (2004) was 15.1%, in 2014 – 14.6%, and in 2020 – 9,1%. To a large extent, EU funds have contributed to the reduction of the unemployment rate; it is estimated that investment funding under the cohesion policy have resulted in a reduction of the unemployment rate in the region by around 1.3% in 2020 and by 1.9% on average per year in the period 2004-2020 (Wpływ polityki..., 2022, p. 44).

The specialisation of regions represents an opportunity to increase competitiveness from the supra-regional perspective. Cooperation between regions with different specialisations influences the development and greater competitiveness of regions with lower development dynamics (Camagni, Capello, 2013, pp. 355-389). Regional specialisations in Podkarpackie are implemented according to the Regional Innovation Strategy, and their effects are visible in the case of the ICT specialisation by improving the accessibility of companies to broadband Internet – in 2020 more than 97% of companies in the voivodeship were equipped with this type of Internet connection. The ICT sector received the biggest support (140 projects with funds of nearly 150 million PLN), followed by projects related to the quality of life (79 projects with funds of approximately 125 million PLN), the automotive sector (68 projects with funds of over 91 million PLN), and the aviation and aerospace specialisation the least – 35 projects with funds of over 58 million PLN. More than 2.1 billion € (9.63 billion PLN) is the value of the funds that the Podkarpackie Voivodeship had at its disposal in the 2014-2020 ROP. The closure of programme will last until the end of 2023, but the inhabitants are already benefiting from the effects of the implementation of many strategic investments, e.g. under the first priority axis 'Competitive and innovative economy', more than 1,815 enterprises have obtained support to implement innovations. To achieve climate goals, the programme has installed 180 MW of additional renewable energy capacity in the region, supported 41 waste water treatment plants, 57 cultural sites and 82 historical monuments. For social cohesion, more than 1,000 additional jobs were created in social care facilities and 1,368 jobs in social enterprises. 35,700 people at risk of poverty and social exclusion were covered by the programme's support services.

4. Discussion

The level of economic development of individual Polish regions varies both due to different urbanisation and historical conditions. In the 2007-2013 programming period, ROP in Poland accounted for nearly 25% of total cohesion policy funding, ranging from 17.3% in the Mazowieckie voivodeship to 31.2% in the Kujawsko-Pomorskie voivodeship, with a variation rate of over 40% in this share (Dubownik et al., 2019, pp. 32, 47, 162).

Data from the Ministry of Funds and Regional Policy (2022) shows that investments co-financed by EU funds constitute a significant part of public investment in Poland. In the period 2004-2020, Poland achieved the second highest cumulative GDP growth among EU Member States (by 84.6%, with an EU-27 average of 18.2%), second only to Ireland. The relatively high economic growth recorded in Poland in the 2004-2020 period (annual average of 3.7%, against 1.0% in the EU-27) was largely due to the use of EU funds. During the economic crisis, EU funds acted as a shock absorber to mitigate the effects of external shocks and helped to implement national policies to stabilise public finances. EU funds played a similar role in 2020 and now, limiting the negative impact of the Covid-19 pandemic on the Polish economy. The funds available under cohesion policy help to partially halt the process of regional differentiation. This is due to their stronger impact in poorer regions than in more developed ones, as well as to the fact that the largest per capita allocations are designated for these regions. Although the biggest determinant of the scale of impact of cohesion policy on development is the size of the funds, other factors also play a role, e.g. the internal potential of the regions and the degree to which the thematic structure of the funds matches their needs. Gross capital expenditures (in current prices) in 2020 amounted to 386.3 billion PLN and were more than twice as high as in the year of EU accession. The implementation of cohesion policy in Poland has contributed to an increase in the scale of investment in the economy. The mechanism for the impact of EU funds on investment growth consisted in stimulating public investment, with large infrastructure projects being implemented. Substantial resources were allocated to grants and investment loans for companies. In 2020, the impact of cohesion policy on gross capital expenditures were estimated at around 24% (74.3 billion PLN). Over the whole period 2004-2020, the impact of cohesion policy on the investment rate was positive (Wpływ polityki..., 2022, pp. 8-17).

The cohesion evaluation report published by the European Commission shows that cohesion policy has contributed to reducing territorial and social disparities between EU regions. Thanks to the funding provided by the policy, the level of GDP per capita in less developed regions will increase by 5% in 2023. The same investment has also helped to reduce the gap in GDP per capita between the poorest and richest regions by 3.5%. The report also points out that, thanks to its flexibility, cohesion policy has provided much-needed and rapid support to Member States and local and regional authorities during the economic downturn and the most

severe health crisis of recent years. From the 2007-2013 programming period to the 2014-2020 programming period, investment in cohesion policy increased from the equivalent of 34 to 52% of total public investment. Cohesion policy has contributed to making a real difference for many EU regions and citizens. It has helped to invest in more balanced and sustainable growth with long-term benefits. Support has been given to technical and digital infrastructure, education and training, SMEs and ecological transformation. More recently, cohesion policy has helped EU regions address the challenges of the COVID-19 pandemic and its impact. The new Cohesion Policy programmes for 2021-2027 represent further investment for the benefit of regions and citizens, in close coordination with the financial potential of the Next Generation EU package. Over the next years, Cohesion Policy will continue to support equitable and sustainable development in all EU regions and, simultaneously, green and digital transformation through: a comprehensive and targeted approach to development; funding, governance, coherence and synergies with national policies; area-based, multi-level and partnership policies that are tailored to the needs of the most vulnerable territories; and continued adaptability to new and unexpected challenges (Eighth Report on Economic, 2022, pp. 3-6). It is important to remember that each region has potential that can be exploited by four main domains: economy, science, administration, society. Regions differ in the availability of natural resources, research and development activities, technology, level of infrastructure and level of entrepreneurship. This situation indicates that some regions will develop more slowly precisely because of their poorer starting position. Such a process, however, is not the rule. This is confirmed by the so-called ‘success stories’, which describe the economic success of peripheral regions (Fabińska, 2020, p. 23). Successful regional policy requires a reorientation towards an integrated territorial approach. Such an approach is based on the assumption that each place has its own economic, social, cultural and institutional specificities, and that optimal intervention in their development factors strengthens its territorial capital. It is understood as a particular type of human capital, the quality of which depends on three interrelated factors of economic, social and environmental development (Churski et al., 2018, pp. 70-98).

According to the European Investment Bank (EIB), between 2014 and 2020, the bank supported investments, linked to the implementation of cohesion policy, worth around 630 billion € in the so-called cohesion regions, equivalent to around 16% of the EU’s GDP. The report indicates that by 2040, investments supported by the 2021-2027 cohesion policy will increase EU GDP by around 4.7 per cent and lead to the creation of an additional 3.2 million jobs (EIB Report, 2022, p. 4).

In conclusion, cohesion policy does not guarantee the reduction of disparities, but it does stimulate change for the efficient use of endogenous resources and the improvement of quality of life. EU funds are intended to improve indicators for assessing the socio-economic level of development of regions.

5. Summary

Poland's accession to the European Union has created opportunities to benefit from funds under the cohesion policy. This in turn has contributed, among other things, to an increase in Gross Domestic Product and investment expenditures per capita. Research has shown that the value of Gross Domestic Product per capita in Podkarpackie voivodeship increased between 2014 and 2020. This is a very positive phenomenon, but the value of this indicator did not exceed the average value for the country, which means that the voivodeship should continue to receive funding from the European Union as part of cohesion policy. Hence, between 2021 and 2027, the Podkarpackie local government should obtain more funding in terms of regional development. As part of the ROP 2014-2020, many investments have been made in technical infrastructure, social infrastructure, renewable energy sources, etc. The Warmińsko-Mazurskie Voivodeship self-government obtained the most funds, which is confirmed by the analysis of the absorption rate, which had the most favourable values for Warmia and Mazury. This indicator for Podkarpackie presents values very close to 1, which indicates that this voivodeship has reduced the distance to the national average, but needs further support under EU cohesion policy. It is therefore a positive development that the new EU strategy, the European Green Deal, provides substantial funding for the development of regions, including peripheral ones, such as Podkarpackie Voivodeship.

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