

Spatial allocation of EU cohesion policy funding in Slovakia for 2007-2013

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XIX. MEZINÁRODNÍ KOLOKVIUM O REGIONÁLNÍCH VĚDÁCH

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Main objective:

- Analyse the distribution of EU cohesion policy funding for 2007-2013 across Slovak NUTS 3 level regions.

Partial objectives:

- 1 Analyse the **amounts obtained** from EU funds, including co-financing from the Slovak state budget, as well as the spatial allocation of operational programmes.
- 2 Analyse the **volume of submitted projects** and their success rate on a regional level.
- 3 Find out, whether the **distribution of funds** for regional projects **is proportional to the economic and social level** of NUTS 3 regions in Slovakia.

Motivation

EU funds present and important factor of regional development in SR.

- The share of investments from SF and CF plus national co-financing were at 85% of the overall public investments between 2011 – 2013. (*The Government Office of the Slovak Republic, 2015*).

The aim of EU funds is to reduce the regional disparities.

- In Slovakia, despite of cohesion policy funding, regional disparities have increased. (*Matlovič and Matlovičová, 2011*).
- Lowering of the disparities was most successful in the area of environmental infrastructure. Disparities got worse in the area of human resources (*The Government Office of the Slovak Republic, 2015*).

Motivation

Relationship between the spatial distribution of regional income and EU regional development funds

- positive relationship (*e.g. Dall'erba, 2005; Bodenstein and Kemmerling, 2012*).
- **official allocation criteria are not sufficient** determinants for explaining the final distribution of structural funds (*e.g. Bouvet a Dall'erba, 2010; Bodenstein and Kemmerling, 2012*).
- the allocation process depends on **political situation** within a country and region (*e.g., Bouvet a Dall'erba, 2010; Bodenstein and Kemmerling, 2012*), **bottom-up capacity** to attract and use the funds (*Dall'erba, 2005; Camaioni et al., 2013*)
- differences between localization of the applicants and the place of realization (*Hájek et al., 2012*).

Data sources

- web pages of the Ministry of Finance of the Slovak Republic, the Government office of the Slovak Republic
- Eurostat and the Statistical office of SR
- period 2007-2015, data available as of 7.2.2016

Object of research

- EU funds for regional projects within policy objectives 1 “Convergence” and 2 “Regional competitiveness and employment”
- NUTS 3 level - the area of 8 self-governing regions in Slovakia

Methodology

- comparisons, ranking
- regression analysis/correlation between EU expenditures per capita and social-economic level of regions at the beginning of programming period
- social-economic level of regions:
 - regional GDP per capita in PPS
 - scoring evaluation by the Government Office of the SR (2015)

Analysis of absorption of EU cohesion policy funds by NUTS 3 regions in Slovakia

- EU commitment for SR 2007-2013: 11.48 billion EUR (excluding objective 3)
- should have been co-financed by the state budget: 1.96 billion EUR
- 11 operational programmes within NSRF
- absorption rate: 90.57 % (31.1.2016), 94.24 % (30.4.2016)
- 71 % of the expenditures have been spent on regional projects

Tab. 1 Implementation of structural funds and Cohesion fund in Slovakia according to operational programmes

Operational programmes	Fund	Reported expenditures (reduced by discrepancies) in mil. EUR	Number of calls	Reported expenditures as % of commitments	Share of regional projects at reported expenditures not reduced by discrepancies
OP Transport	ERDF/CF	3 167.0	-	100.22%	82%
OP Environment	ERDF/CF	1 491.9	61	81.97%	91%
Regional OP	ERDF	1 405.4	44	90.41%	89%
OP Research and Development	ERDF	1 094.5	53	90.50%	76%
OP Employment and Social Inclusion	ESF	889.6	189	94.51%	13%
OP Competitiveness and Economic Growth	ERDF	763.6	43	78.86%	78%
OP Information Society	ERDF	730.1	77	86.54%	16%
OP Education	ESF	468.6	82	86.35%	38%
OP Healthcare	ERDF	213.1	17	85.23%	100%
OP Bratislava Region	ERDF	92.6	24	97.23%	100%
OP Technical Assistance	ERDF	83.3	-	85.37%	0%
Slovak republic		10 399.6	590	90.57%	71%

Source: own calculations and data from Čerpanie ŠF a KF k 31.1.2016, Prehľad výziev k 31.12.2015 and Zoznam prijímateľov k 31.01.2016 a prehľad pomoci podľa VÚC k 07.02.2016 za PO 2007-2013

Fig. 1: Funding from structural funds and CF in Slovakia spent on regional projects by NUTS 3 regions for operational programmes in EUR

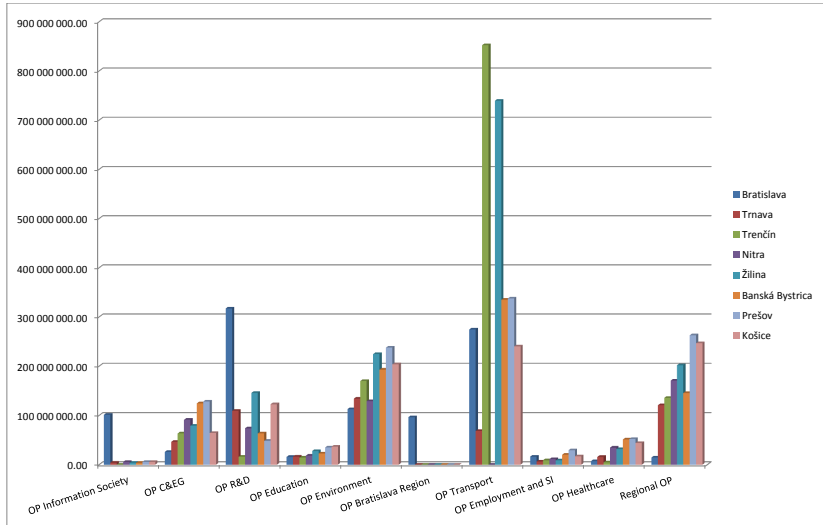
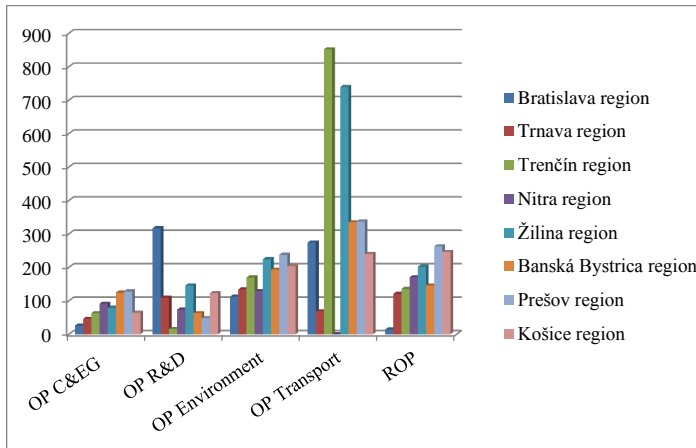
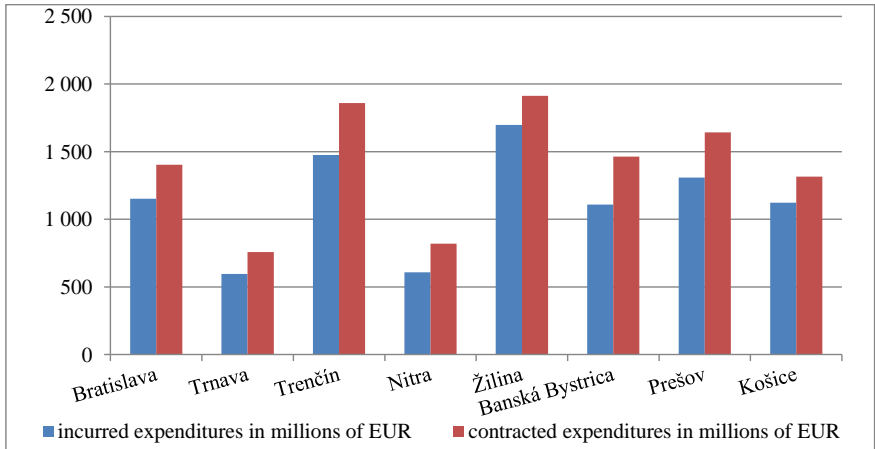


Fig. 2: Funding from SF and CF in Slovakia spent on regional projects by NUTS 3 regions for selected largest OP in millions of EUR



Source: own calculation based on the data from the Government Office of the Slovak Republic (2016)

Fig. 3: Allocation of structural funds and Cohesion fund including co-financing from the state budget by Slovak regions as of 7.2.2016 (regional projects) in millions of EUR



Source: author, based on the data from the Government Office of the Slovak Republic (2016)

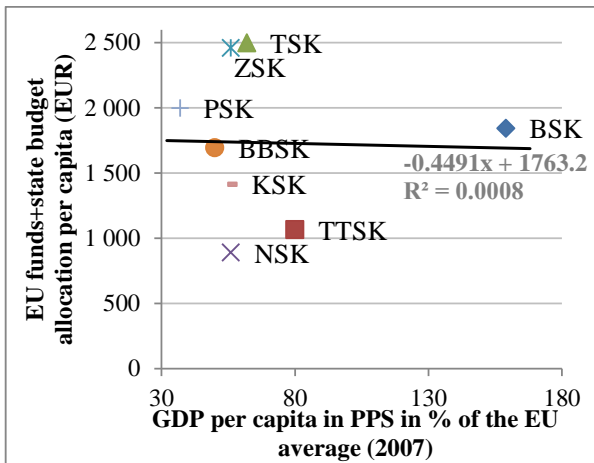
Tab.2 Number of submitted proposals and contracted regional projects per regions

NUTS 3 regions	Regions codes	Number of submitted projects (A)	Rank	Number of contracted projects (B)	Rank	Success rate in project acceptance in %(B/A)	Number of contracted projects per 1 000 inhabitants
Bratislava region	BSK	1 958	8	1154	5	58.9%	1.85
Trnava region	TTSK	2 011	7	738	8	36.7%	1.32
Trenčín region	TSK	2 026	6	759	7	37.5%	1.28
Nitra region	NSK	2 525	5	997	6	39.5%	1.46
Žilina region	ZSK	3 033	4	1201	4	39.6%	1.74
Banská Bystrica r.	BBSK	3 405	2	1357	2	39.9%	2.07
Prešov region	PSK	4 563	1	1916	1	42.0%	2.92
Košice region	KSK	3 146	3	1276	3	40.6%	1.60
Slovak Republic	SR	22 667	-	9 398	-	41.5%	1.79

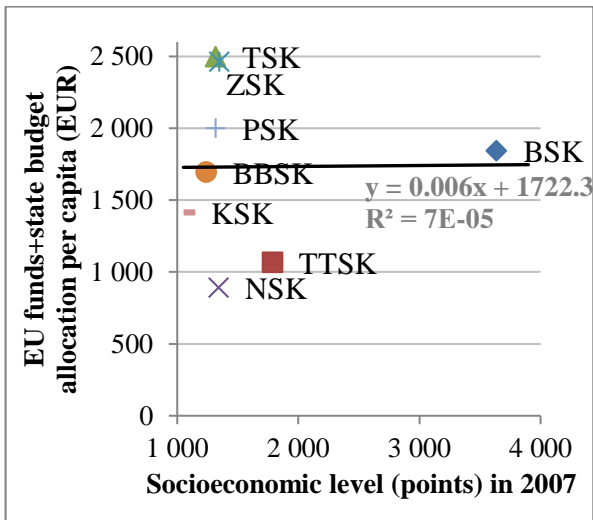
Note: This table and the following figures do not include projects within OP Technical assistance, national projects and projects realized within “European territorial cooperation”.

Source: own calculation based on the data from the Government Office of the Slovak Republic (2015b) and Statistical office of the Slovak Republic (2016)

Correlation between EU funds + co-financing expenditures per capita and social-economic level of NUTS 3 regions



Source: own, based on the data from the Government Office of SR (2015a), (2016), Statistical office of SR (2016) and Eurostat (2015)



Source: own, based on the data from the Government Office of SR (2015a), (2016), Statistical office of SR (2016) and Eurostat (2015)

Results

- expenditures in OP on regional projects differ. Reasons: setting of the cohesion policy implementation in Slovakia, political factors, different needs of individual regions, different absorption capacity ...
- NSRF - no explicit objectives on the reduction of regional disparities
- funding does not follow the socio-economic level of NUTS 3 regions
- higher EU fund spending does not guarantee an improvement in the situation of a region (Prešov, Trenčín)
- no regional convergence during the programming period, but without EU funds the regional disparities might be more significant (*KPMG, 2014*)

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