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

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XIX. MEZINÁRODNÍ KOLOKVIUM O REGIONÁLNÍCH VĚDÁCH
15.–17. června 2016
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.
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*).
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

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
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**

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

*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

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

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

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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