

*Bogdan Ślusarz**

**THE INFLUENCE OF STRUCTURAL FUNDS
OF THE EUROPEAN UNION ON THE REGIONAL
DEVELOPMENT IN 2004–2006 IN THE LUBUSKIE
VOIVODSHIP**

Abstract. The six founders of the European Economic Community, later the European Union, did not differ substantially in terms of an economic level. Therefore the issue of policy and the problems connected with a regional development started to be discussed along with the development of the economic integration and the enlargement of Communities with another countries, which were much different economically from the founders.

The European Regional Development Fund (ERDF) was established at the Copenhagen summit in 1975 and the resources were distributed into member states. The subsequent enlargement of the Community in 1986 with Spain and Portugal contributed to signing the Single European Act (SEA), which created the basis for a new structural policy and its reform in 1988, and the binding rules were additionally enlarged in the European Union Treaty from Maastricht. The EU Treaty signed on 07.02.1992 in Maastricht in the Netherlands established the European Union and came into force on 01.11.1993. Poland, after entering the European Union on 01.05.2004, taking into consideration the experience from the absorption of the pre-accession funds for ten years, i.e. since 1994, since the first days after the accession used well the EU resources and the Lubuskie Voivodship led the way within this range in Poland. Therefore the regional development was supported by the structural funds orientated first of all to infrastructure and the protection of natural environment. The assistance programme of the European Union for the countries of Central and Eastern Europe – Phare had its edition since 1994 in the Lubuskie Voivodship as Phare Cross Border Cooperation CBC – the Programme of Poland – Germany Cross Border Cooperation was mainly used for the implementation of investment projects on the Polish-German borderland. This experience was implemented in the effective use of the support within the Integrated Operational Programme of Regional Development in 2004–2006. Over 80 million euros granted for the Lubuskie Voivodship were orientated mainly to road, council and social infrastructure and the cross border cooperation was financed by the Community Initiative Interreg III A, whose objective was to support the integrated and sustainable development in the economic, social and cultural area on the Polish-German borderland.

Key words: economic integration, the cross border cooperation, regional development, the pre-accession funds.

* Professor, University of Zielona Góra.

The foundations of the regional policy were formulated already in the preamble to the Treaty establishing the European Economic Community. In the article 2 of the Treaty it was stated that the purpose of EEC was, among other things, a harmonious economic development, which would diminish the differences and backwardness between particular regions of the Community. The Rome Treaty did not directly require the introduction of the common regional policy, however it included a range of references to the issue of regional problems (Wysokińska Z., Witkowska J. [2001], p. 239–240). The actions conducted according to the regulations were of a short-term nature, and at the same time contributed limitedly to the realization of the regional policy.

The decisions concerning the increase of significance of the regional policy were based on the regional diversifications, which were regarded as the most serious hindrance to the development of integration processes. The essential reason was constituted by the consequences of the enlargement of the Community with three subsequent countries, i.e. Denmark, Ireland and Great Britain. In case of Great Britain it was obvious that it could not use the solutions and resources of the Common Agricultural Policy to a great extent. Therefore, the solutions which would allow to balance the payment of that state to the Community budget were searched for. Simultaneously, it should be emphasized that this country had a great range of domestic instruments of regional development before the entry. Next the membership of Ireland in the European Communities meant a substantial increase of regional diversifications. Such a state of events provoked a serious debate inside the Community on whether to approve of those regions which guaranteed the fastest and best effects, or to take care of peripheral problem areas where the effects could become slight. The government of Ireland approved of the first of the presented solutions. The key meaning for the development of the regional policy was also the decision on treating Ireland as one region by the Community. The slightest impact on the evolution of the regional policy of the Community was the admission of Denmark, where the regional problems, including diversifications between particular regions, were not so important.

An essential historical factor creating regional policy was signing the Single European Act (SEA) in 1986. It heralded the completion of the process of shaping the regional market, it created the basis for a new structural policy. On the basis of this agreement, the Treaty establishing EEC was supplemented with chapter V: „Economic and social cohesion”, which obliged the Community to implement the single European market till the end of 1992. It included the declaration for the necessity of eliminating the disproportion and backwardness in the development of some regions of the Community (Art.130 of Single European Act [1987]).

The binding rules of the regional policy were additionally consolidated and extended in 1993 along with the signing of the European Union Treaty from Maastricht. Aspiring for the guarantee of sustainable economic and social progress was considered to be one of the main objectives of the European Union. With the force of law of the Treaty the Cohesion Fund was established, with the scope of not regional actions, as in case of other Structural Funds, but national. The support from the Cohesion Fund is allocated for financing the projects for environmental protection and the investments in transport infrastructure of the states, in which the level of PNB per person is lower than 90 per cent of EU average. The criteria were then met by four member states: Greece, Portugal, Ireland and Spain.

During the European Union summit in Berlin, which took place on 24 and 25 March 1999, in the discussion on „Agenda 2000” prepared by the European Commission, it was decided to keep the general rules of structural policy for the years of 2000–2006, aspiring for the improvement of the effectiveness of the implementation of Structural Funds and the Cohesion Fund. For this reason there was the concentration of assistance for the areas of the biggest needs. The Union also aspires to improve the management of structural funds as well as to simplify their implementation and the management methods. It was agreed that the total cost of the resources received within the year by particular member states from Structural Funds (including Cohesion Fund) could not exceed 4 per cent of domestic PNB. Therefore the main changes in the structural policy of the European Union were based on:

- 7-year-old planning period, i.e. 2000–2006,
- limitation of objective numbers from 6 to 3,
- further realization of Cohesion Fund,
- reduction of the numbers of Community Initiatives from 13 to 4 (Interreg, Leader, Equal, Urban).

As a decision of the European Union summit in Berlin the number of objectives was reduced to three:

Objective 1: supporting the development and structural adaptation of the regions delayed in development (with PNB per person below 75 per cent of the average for the whole Union) and the regions included in Objective 6 in years 1995–1999.

Objective 2: supporting economic and social conversion of the regions with structural difficulties (the present Objectives 2 and 5b). The New Objective 2 includes maximum 18 per cent of the EU population.

Objective 3: support for adaptation and modernization of the policy and educational systems, vocational training and employment. The distribution of resources was on the basis of the participation of particular states in the EU population.

The distribution of resources from structural funds among member states within Objective 1 and 2 was based on the following objective criteria: per cent of people meeting defined requirements, welfare of the region, welfare of the state, the seriousness of structural problems, in particular the rate of unemployment. In case of Objective 3, among the criteria mentioned above, there was also the seriousness of social problems (e.g. social exclusion), the level of education and vocational training as well as participation of women in the work market (Sawicka J. [2004], p. 130–135).

The widest range of intervention was assigned to the European Fund of Regional Development. The resources of the European Regional Development Fund mostly served subsidizing:

- initiatives for local development, creating and protecting long-lasting work place, and also the activities of small and medium enterprises,
- production investments enabling to create or maintain long-lasting employment,
- infrastructure,
- development of tourism and investments in culture,
- protection and improvement of environment,
- research-developmental sphere,
- development of information society.

Within this fund there are also so called big projects subsidized, whose cost exceeded 50 million euro. Those projects were directly negotiated with the European Commission. The Commission evaluated the projects, consulting when necessary with the European Investment Bank, and made decisions with reference to the level of common support (art. 25–26 of Directive 1260/1999).

The Agricultural Fund for Rural Development consisted of two sections: Orientation and Guarantee. Within the EU structural policy the Agricultural Fund for Rural Development supported a permanent development of rural areas as well as the adaptation of agricultural structure of the regions developmentally delayed. Within the Fund the following were subsidized:

- investments in arable farms,
- support for young farmers and vocational training,
- support for early retirement,
- compensating support for areas with unfavourable farming conditions or the areas with environmental determinants,
- farming-environmental resources,
- improvement of processing and commercialization of arable farms,
- development and processing of forest reserves,
- development of rural areas.

The Financial Instrument for Supporting Fishing had an objective to contribute to sustaining the balance of sea resources and the expenditure of fishing fleet. It also aimed at the reinforcement of competitiveness of this sector and development of the areas dependent on it. The resources of this fund served mainly subsidizing the actions for:

- gaining the balance between the fishing expenditure and accessible regenerated resources of fish, ,
- modernization and restoration of fishing fleet,
- improving work conditions and safety on fishing ships and in the ports,
- improving the quality of fish and fish products as well as increasing the added value of fish and fish products,
- reviving the areas dependent on fishing and dependent on breeding and fish farming,
- development of aquaculture,
- protection of sea areas,
- equipment of fishing ports,
- promotion of fish products and the increase of fish consumption in Poland.

The European Social Fund supported the enterprises counteracting unemployment and developed human resources heading for the increase of the level of employment, men and women equality on the work market, permanent development and economic and social cohesion. It was an instrument supporting the actions within the European Employment Strategy and annual Guidelines for employment.

The priorities of ESF were implemented within five support areas, which defined the range of actions that could receive support from ESF. They included:

- active policy of the work market,
- counteracting the phenomenon of social exclusion,
- constant learning,
- perfecting personnel of the economy (promotion of adaptation potential) and development of entrepreneurship,
- increasing the access and participation of women on the work market.

Moreover, within ESF there were also horizontal issues supported, which concerned local development, equality of chance, development of information society and sustainable development.

An important role in the realization of the structural policy of the European Union was played by four Community Initiatives.

INTERREG III – promoting border, international and trans-regional cooperation defined as a partnership above borders, which aimed at sustainable and harmonious development of the areas located near borders of states or regions.

The resources for the implementation of the programme came from the European Regional Development Fund.

URBAN II – concentrated on supporting new strategies for economic and social restoration of urban areas endangered or affected by structural unemployment and the symptoms of social pathology. The programme was financed from the resources of the European Regional Development Fund.

EQUAL – aimed at testing and supporting – as a supra national cooperation – new ways of fighting all forms of discrimination and inequality on the work market, both towards employed people and looking for a job. The theme scope of EQUAL included eight subjects within four pillars of the European Strategy of Employment (ability to be employed, entrepreneurship, adaptation skills of companies and employees, equality of chance) as well as one subject concerning people applying for the status of a refugee. The initiative was financed from the resources of the European Social Fund.

LEADER – aimed at supporting innovative actions for the development of rural areas in poor regions of the European Union in order to prepare new local strategies of sustainable development. The actions were initiated and conducted by “Local Working Group” (LWG), in which took part the social and economic partners of public and private sector. The programme was financed from the resources of the Agricultural Fund for Rural Development (Sługocki W.[2004], p. 11–13).

The European Commission in accordance with the rules of programming, planned for the implementation of the structural policy in years 2000–2006 the amount of 286.4 billion euro (in prices from 1999). The distribution of resources agreed on the Berlin summit in 1999 is presented below.

Table 1. Predicted expenses for structural objectives in years 2000–2006 in billion euro (in prices from 1999)

	2000	2001	2002	2003	2004	2005	2006	Total
Structural Funds	29.43	28.84	28.25	27.67	27.08	27.03	26.66	195.00
Cohesion Fund	2.61	2.61	2.61	2.61	2.51	2.51	2.51	18.00
New member states	0.00	0.00	3.75	5.83	7.92	10.00	12.08	39.58

Source: Jasiński P., 2000, p. 47.

Poland in years 2004–2006 gained 11.4 billion euro from the EU funds. In order to use the EU support, Poland – as a future member state of the EU – was obliged to prepare proper programme documents, i.e. National Development Plan for years 2004–2006, Community Support Frameworks, Operational Programmes (sector and regional) and their Supplements. Thanks to this, these re-

sources according to the prices from 2004 were allocated for the implementation of seven operational programmes, i.e.:

- Sector Operational Programme Improvement of the Competitiveness of Enterprises (1251.1 billion euro),
- Sector Operational Programme Development of Human Resources (1470,0 billion euro),
- Sector Operational Programme Restructuring and Modernization of Food Sector and Development of Rural Areas (1192.7 billion euro),
- Sector Operational Programme Transport (1163.4 billion euro),
- Sector Operational Programme Fishing and Fish Processing (201.8 billion euro),
- Integrated Operational Programme of Regional Development (2968.5 billion euro),
- Operational Programme Technical Assistance (28.3 billion euro)
- and two Community Initiatives:
- INTERREG (221.4 billion euro).
- EQUAL (133.9 billion euro).

Table 2. List of operational programmes along with institutions responsible for their preparation

Programme name	Institution Preparing the Programme
SOP Improvement of the Competitiveness of Enterprises	Ministry of Economy and Work
SOP Development of Human Resources	Ministry of Economy and Work
SOP Restructuring and Modernization of Food Sector and Development of Rural Areas	Ministry of Agriculture and Rural Development
SOP Fishing and Fish Processing	Ministry of Agriculture and Rural Development
SOP Transport	Ministry of Infrastructure
Integrated Operational Programme of Regional Development (IOPRD)	Ministry of Economy and Work (in cooperation with governments of provinces)
Operational Programme Technical Assistance	Ministry of Economy and Work

Source: Narodowy Plan Rozwoju, 2004, p. 95.

Among 16 Polish regions, the Lubuskie voivodship is one of two voivodships where the seat of local governments and government are located in different cities: Zielona Góra is the seat of Regional Council of Lubuskie voivodship and the Office of the Marshal and Gorzów Wielkopolski is the seat of government administration, i.e. Governor's Office. The experience showed that this fact did not have a destructive influence on the use of the structural funds of the European Union in years 2004–2006.

The administration structure of the Lubuskie voivodship consists of 83 communes being part of 14 poviats including 12 land districts and 2 municipal districts (Zielona Góra and Gorzów Wielkopolski). The voivodship is located in the middle-western part of Poland and it borders on Germany, being a direct neighbour of Brandenburgia and in the southern part of the border of Saxonia. The population of the Voivodship amounts to a bit above a million citizens and covers the area of 13984 square km, which is 4.5% of Poland territory. The strengths of the Lubuska region are the following: border location, favourable demographic structure, moderate climate, clean environment, biggest afforested areas in the country, substantial reserves of surface and underground waters as well as resource reserves.

The day of May the first, 2004 opened for Poland and the regions a unique chance of development, which would not be possible without the European integration. The non-repayable support of the European Union created the possibility of stimulating the Lubuska intellectual and economic potential including tourism (Lubuskie - Gospodarczy Portret Regionu [2005], p. 3–4).

The experience in the absorption of pre-accession funds gained after 1994 allowed to locate the Lubuskie voivodship on the position of the leader in managing the EU resources per person up to the accession and in the period of 2004–2006, which was confirmed by the Research Institute on Economy in Gdańsk. The border location of the former zielonogórskie and gorzowskie voivodships, which presently constitute the Lubuskie voivodship, created a great chance for development, as in this region about 60% of all EU resources was allocated within PHARE CBC programme in years 1994–1999. Over 60 investment projects accepted by the European Commission gained financial support in the amount of about 150 million ECU (Euro). It is important to emphasize that the Euro regions Spewa Nysa Bóbr and Pro Europa Viadrina implemented about 370 so called soft projects (Lubuskie – Gospodarczy Portret Regionu [2005], p. 11). It was possible thanks to the involvement of the units of the local government, SME and excellently prepared office personnel.

It should be also mentioned that such a situation would not be feasible without the preparation and passing by the voivodship government in 2000 the Strategy of the Lubuskie Voivodship Development, which was universal as well as other strategic documents on the regional and local level, one of which was the Plan of Spatial Management of the Voivodship. The conception of the Strategy of the Lubuskie Voivodship Development was edited by the professors of the Warsaw University, Grzegorz Gorzelak and Bohdan Jałowiecki. The mission as a superior purpose of the voivodship development written in the strategy is: The growth of the civilization level and the assurance of a permanent competitiveness of the region through the geographical location, the values of the environment and the process of the European integration (Strategia Województwa

Lubuskiego [2000], p. 15). The value of the region is also its strategic location at the intersection of European trade routes joining the east with the west, the north with the south.

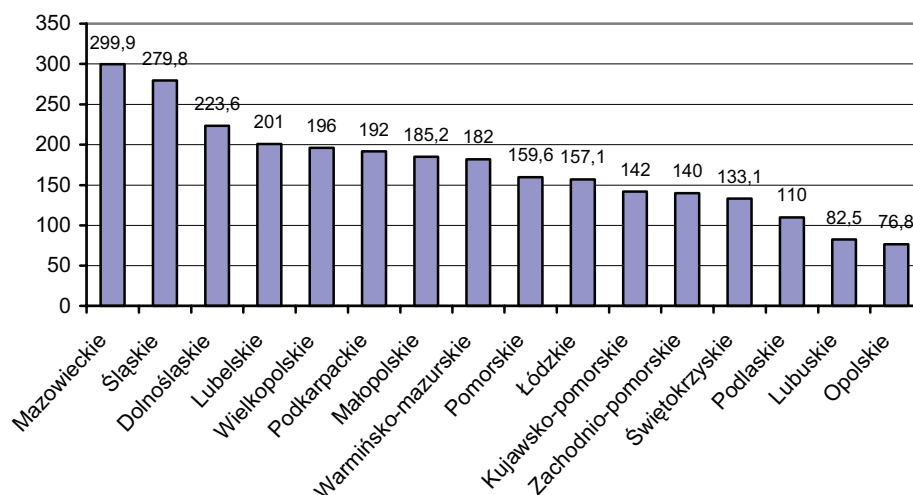


Drawing 1. Location of the Lubuska Province
Source: Lubuskie-Gospodarczy portret regionu, p. 13.

In years 2004–2006 the Lubuskie voivodship implemented a regional component of IOPRD and the Community Initiative INTERREG III A. Within IOPRD the voivodship gained 82.5 million euro, and for the implementation of the Community Initiative INTERREG III A – 30.05 million euro. Those two programmes in the present study on the example of the Lubuskie Voivodship will be of special consideration. The remaining programmes were implemented on the territory of the whole country. It was then assessed that in the Lubuskie Voivodship in years 2004–2006 the projects of a total amount of about 300 million euro could be implemented from the EU funds.

IOPRD was managed (at the end of June 2009 the Managing Institution set a deadline of completing this programme) by Ministry of Economy and Work as the Managing Institution (then Ministry of Regional Development). The programme was co-created and implemented by particular voivodships, which prepared a regional component of IOPRD – Regional Operational Programme. Moreover, in each of 16 provinces in charge of the Managing Institution acted the Participating Institutions in managing the programme – Marshal Offices, the

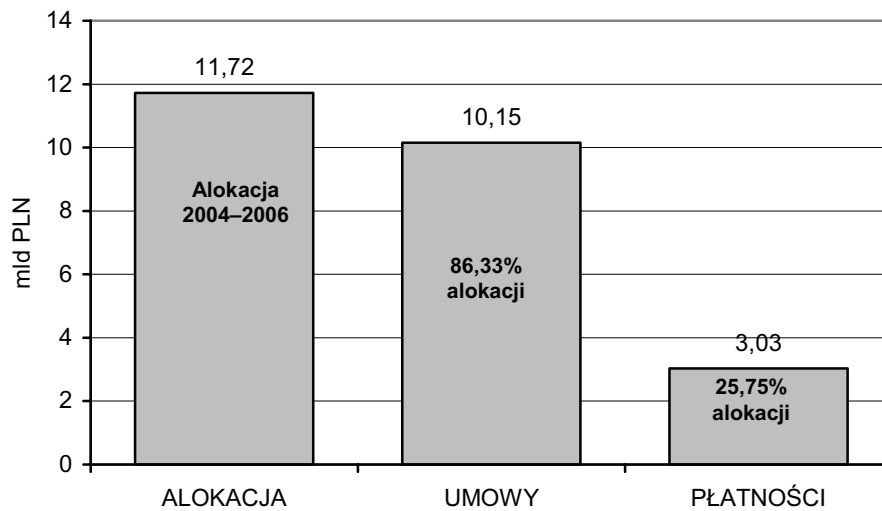
Mediating Institutions in managing the programme – Governor’s Offices, and also the Institutions Implementing particular actions of the programme – Marshal Offices, Regional Employment Agencies and Regional Financing Institutions. The implementation of IOPRD was supervised by the Monitoring Committee of IOPRD, and in each of the voivodships by the Subcommittee Monitoring a regional component of IOPRD and by 16 Regional Controlling Committees as the counselling bodies of the Voivodship Boards. IOPRD estimated the subsidy of 75% of the Project value from the structural funds, and in case of Priority 2 Reinforcement of human resources development in regions and Priority 3 Local development the subsidy from the state budget. The resources of IOPRD were distributed into regional allocations. The way of distribution was the outcome of the following criteria: the number of population, the amount of PNB per person and the rate of unemployment. The allocation with reference to particular voivodships is presented below.



Drawing 2 Regional allocations of IOPRD (million EUR)

Source: Stan wdrażania ZPORR, 2006, p. 1.

According to the situation on 30 September 2006 the progress in expanding the resources within IOPRD in the country is presented in the following drawing.



Drawing 3. State of implementation of IOPRD on 30 September 2006

Source: Stan wdrażania ZPORR, 2006, p. 4.

The Marshal Office of the Lubuskie Voivodship was in IOPRD the Implementing Institution for the actions: 1.1., 1.2., 1.3., 1.4., 1.5., 2.2., 3.1., 3.2., 3.3., 3.5. At first the Marshal Office was supposed to be responsible for the implementation of only infrastructural projects co-financed from the European Regional Development Fund, but later it became the Implementing Institution also for the action co-financed from the European Social Fund (2.2). The implementation of actions: 2.1., 2.3., 2.4. was assigned to the Regional Employment Agency, and the actions: 2.5., 2.6., 3.4. to the Regional Financing Institution. The Regional Financing Institution (RFI) was selected by the Polish Agency for Enterprise Development. It was a regional partner cooperating with the implementation of the sector policy addressed to small and medium enterprises in the region. The role of RFI in the Lubuskie voivodship was played by the Agency of Regional Development.

The government of the voivodship gave then the function of a Final Beneficiary within the actions 2.1., 2.3, 2.4. to the Regional Employment Agency. REA prepared annual outlines and submitted them to the Regional Controlling Committee. Those plans included enterprises planned to be implemented in the voivodship within these three actions. After the submission of the plans by RCC together with the recommendation, the Board of the Voivodship accepted them with a resolution and submitted to the Mediating Institution (Governor's Office).

In relation to new tasks concerning the absorption of the structural funds in the Lubuskie voivodship, the Marshal Office made preparations to use accessible resources as efficient as possible. In accordance with the directives from the Ministry of Economy and Work („Organizational structure and personnel needs of the units participating in management and implementation of the regional components of the Integrated Operational Development Programme within Marshal Offices, including Regional Employment Agencies”) the change of the organizational structure of the Marshal Office was made (Resolution of the Lubuskie Voivodship Board no. 45/482/2003 from 26.08.2003) and three separate organizational units were sectioned: Programming and Monitoring Department, Department of Project Selection in Department of Regional Policy and Department of Project Service in Department of Social Affairs. In the Department of Regional Policy 12 people were then responsible for the structural funds, in the Department of Social Affairs – 3 persons and in the Department of Treasure and Finance 2 persons.

Totally new, adjusted to the existed conditions and in accordance with the directives of MEW, procedures of conduct were also prepared. The manual of the Procedures of Implementing Institution of IOPRD is the document which describes the procedures connected with the process of using financial support offered to the Lubuskie voivodship within IOPRD. It includes detailed information concerning the role of particular implementing departments as well as the description of „the way” of the project since the submission in the Office, through factual, formal assessment, monitoring, the supervision of the implementation and the rules of refinancing of the eligible expenses.

In the first period of the implementation of the regional component of IOPRD the actions connected with promotion and information on the possibilities it created for potential beneficiaries were of a special significance. For this reason, employees of the Department of Regional Policy, responsible for popularizing the information, prepared the document systematized promoting undertakings called Plan for Communication Actions. The strategic objective of the Plan for Communication Actions was to support the implementation of the Integrated Operational Programme of Regional Development for 2004–2006 in such a way to guarantee the maximum use of the EU resources accessible for the Lubuskie Voivodship. The objective was obtained by the realization of detailed purposes, i.e. the insurance of a common access to the information about the possibilities of applying for the support from the means of the structural funds for the implementation of projects for the regional development, as well as for raising the level of knowledge and skills of the beneficiaries within taking the advantage of accessible support. Moreover, The Plan for Communication Actions contributed to the raise of awareness of the local communities as to the role

of the European Commission and the contribution of the structural resources in the process of the Lubuskie voivodship development.

The beneficiaries from the region submitting their applications for the subsidy within IOPRD had already positive experience from the pre-accession period. At the end of 2003 the Ministry of Economy and Work created on its main server so called Internet System of Project Cards' Records within the European Regional Development Fund and the Cohesion Fund (ISPCR). The base of ISPCR allowed to prepare potential beneficiaries efficiently to use the resources from the EU structural funds. The Marshal Office as the Promoter received the password to ISPCR base from MEW, thanks to which was entitled to open accounts for potential beneficiaries from the region through giving them a separate login and a password.

The projects with the granted ranking were registered in the base of MEW in order to be evaluated by the Assessing Team. MEW did not make any decisions about the selection of a particular project, but it decided whether the project could apply for the subsidy from the European Regional Development Fund. The majority of the beneficiary turned out to be the units of the local government or their organizational units. Among the submitted proposals, there were the projects of road infrastructure, the infrastructure of environment protection, social infrastructure and culture and tourism.

The base of ISPCR was an excellent training which preceded the proper submission of projects. The recruitment of the projects was prepared by the Ministry of Finance in the form of Computer System of Monitoring and Control – CSMC. Each of the submitted projects was put by a beneficiary in the system, which monitored and controlled a proper implementation of the investments subsidized by the EU. However, the implementation of this system was possible with substantial delay.

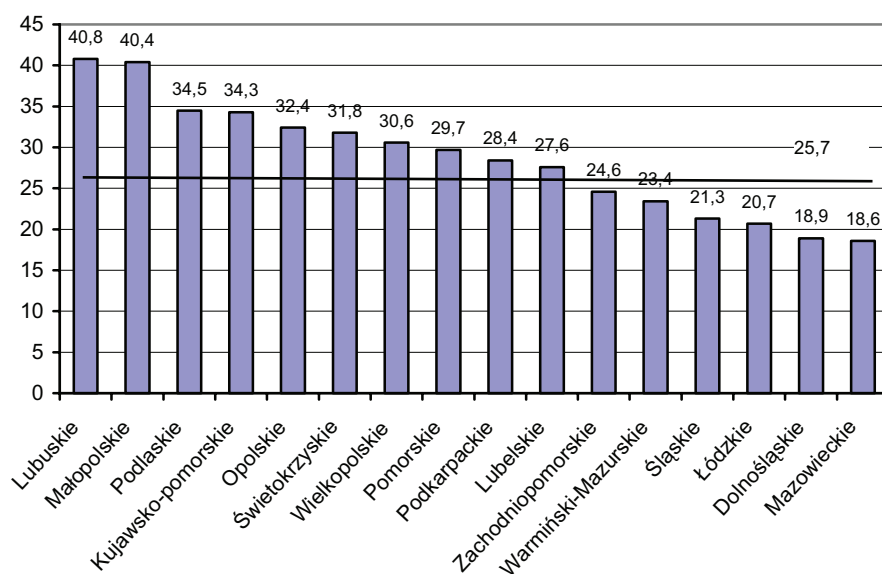
The Marshal Office of the Lubuskie Voivodship as the first in Poland began the recruitment of the applications within Priority I and III of IOPRD. Appropriate teams (panels of experts, assessing committees, controlling committees) initiated preparing work already in March 2004. In the meantime, MEW along with the group of twinning experts made an overview of the system for project evaluation in the office. A positive assessment of works conducted by the Marshal Office of the Lubuskie Voivodship allowed to start a proper process of project recruitment. Immediately after final dates of submitting the applications, i.e. after 31 May and after 15 June 2004, the employees of the Department of Regional Policy started formal assessment of the submitted projects, and then the applications were given to be evaluated by the Panel of Experts, Regional Controlling Committee and Board of the Voivodship.

As the Implementing Institution of IOPRD, the Marshal Office was observed regularly by the European Commission. On 22–23 July 2004, the Euro-

pean experts assessed the results of the actions carried out by the Marshal Office. During their visit they analyzed the procedures of the projects' selection and they got familiar with the documents, which were created for need of projects' evaluation.

The visit was an occasion for the exchange of the present experience between Polish, Italian and French officials. The effective results of work of the involved employees were appreciated by both the representatives of the Ministry of Economy and Work and the EU experts (Ślusarz B. [2004] p.8–10).

In the section of particular voivodships in terms of payment in accordance with the situation at the end of September 2006, the situation was the best in the Lubuskie voivodship, almost 41% of the allocations was spent from the programme accounts. The lowest level of payment was registered in the Mazowieckie Voivodship above 18% of accessible resources with the domestic average of 25.75 %.



Drawing 4. Payment from programme accounts on 30 September 2006

Source: Stan ZPORR, 2009, p. 7.

The Department of Regional Policy of the Marshal Office was also responsible for the implementation of the Community Initiative III A and Priority I „Expansion and modernization of the infrastructure for reinforcing competitiveness of regions” and Priority III „Local development” (excluding action 3.4 „Micro enterprises”) of Integrated Operational Programme of Regional Development (IOPRD).

The action 2.2 „Giving equal educational opportunity through scholarship programmes” within IOPRD was implemented by the Department of Social Affairs.

The Regional Employment Agency in Zielona Góra acted as the Implementing Institution for three actions of Priority II of IOPRD: Action 2.1 „Development of skills connected with the needs of regional work market and possibilities of permanent learning in the region”, Action 2.3 „Vocational reorientation of people leaving agriculture” and Action 2.4 „Vocational reorientation of people endangered with restructuring processes”.

Next for the Sector Operational Programme – „Development of Human Resources” (SOP-DHR), the Regional Employment Agency acted as the Implementing Institution for two actions: Action 1.2 „Prospects for youth” and Action 1.3 „Counteracting and fighting long-lasting unemployment”.

The Agency for Regional Development was the Implementing Institution of the Action 2.5 „Promotion of entrepreneurship”, 2.6 „Regional Innovative Strategies and knowledge transfer” from Priority II of IOPRD and Action 3.4 „Micro enterprises” of the third priority of IOPRD. Moreover, The Agency for Regional Development was responsible for the implementation of two Sector Operational Programmes: “Development of Human Resources” and “Improvement of the Competitiveness of Enterprises”.

The Sector Operational Programme – „Restructuring and modernization of food sector and development of rural areas” was served by the Department of Agriculture and Development of Country of the Marshal Office of the Lubuskie Voivodship as well as the regional Agency for Restructuring and Modernization of Agriculture, which was also responsible for the implementation of SOP „Fishing and fish processing 2004–2006”.

The Community Initiative Interreg III A implemented by the region with Brandenburgian partner went on perfectly, thanks to the fact of previously, before the accession, realized twinning agreement with the German partner. Until 12 May 2006 out of 52 applications selected by common lubusko-brandenburski Controlling Committee 37 contracts for subsidizing projects were signed for a total amount of 20 439 740.62 Euro. The example tasks are the following:

- „Building Mieszkowo-Gębice road” submitted by Trzebiechów commune for the amount of 107 336.48 Euro,

- „Modernization of a commune road in Jankowa Żagańska- I Stage” submitted by Iłowa commune for the amount of 134 750.17 Euro,
- „Continuation of building bicycle lanes in Żary” submitted by Żary commune with a town status for the amount of 38 128.18 Euro,
- „Building a bicycle lane from Marcinowice to Osiecznica along the domestic road no. 29” submitted by Krosno Odrzańskie commune for the amount of 54 089.76 Euro,
- „Redevelopment of the existing sewage treatment plant into a basin station for delivered sewage” submitted by the Municipal Council in Czerwieńsk for the amount of 74 811.40 Euro.

In the implementation of the project „Activation of unemployed youth on the Lubuska work market” 1600 unemployed people participated, including 1002 women and 598 men. The number of final beneficiaries (people participating in the project), who improved their qualifications thanks to the participation (obtained a diploma or certificate), amounted to 1189, including 754 women and 435 men.

During the implementation of the project, the final beneficiaries took advantage of the following forms of support:

- support in looking for work – 1600 people,
- trainings – 330 people,
- one-time resources for starting private business – 12 people,
- subsidized employment – 233 people,
- traineeship – 858 people.

Within the project called “The Mobilization of the unemployed youth on the Lubuska work market” the amount of 5 009 682.76 PLN was spent.

Furthermore, within the project of “Counteracting and fighting long-lasting unemployment in the Lubuska Province”, the participation in the project amounted to 1434 of the unemployed people, including 688 women and 746 men. The number of final beneficiaries (people participating in the project), who improved their qualifications thanks to the participation (obtained a diploma or certificate), amounted to 785, including 380 women and 405 men.

During the implementation of the project, the final beneficiaries took advantage of the following forms of support:

- support in looking for work – 1432 people,
- trainings – 655 people,
- one-time resources for starting private business – 50 people,
- subsidized employment – 628 people,
- traineeship – 19 people.

With reference to the project called „Counteracting long-lasting unemployment” in the Lubuskie Voivodship the amount of 3 953 860.05 PLN was spent, which makes 62.65% of the eligible expenses in total.

The tasks of the Regional Financing Institution within the contract for the service of SOP GEC meant conducting information and promotion activities, accepting the applications for granting the projects from entrepreneurs, making formal assessment of the submitted applications and their submission to PAED in order to conduct substantive evaluation. RFI mediated in signing contracts for granting the project, monitoring the implementation of the projects and submitting to PAED, after the verification, the applications for payment of the beneficiaries.

The budget of SOP GEC was not distributed into particular provinces. The financial support from the resources of the European Regional Development Fund and the state budget granted within the programme was accessible on the whole territory of Poland. The selection of programmes to be subsidized took place through the comparison of the applications submitted in the successive dates of the national competition.

RFI ran the service for two actions within SOP GEC:

- Action 2.3 „Improvement of the competitiveness of enterprises through investments”,
- Action 2.1 „Improvement of the competitiveness of small and medium enterprises through consultancy”.

For the support of entrepreneurs within Action 2.3 (for years 2004–2006) the amount of 359.03 million EUR from public resources was allocated, including 251.33 million EUR from the European Regional Development Fund and 107.70 million EUR from the state budget, however, within Action 2.1 – the amount of 33.07 million EUR.

Action 2.3 was directed to small and medium entrepreneurs who have their seat on the territory of the Republic of Poland. The action aimed at the increase of the competitiveness of small and medium enterprises through the modernization of their product and technology offer. The entrepreneur could obtain the support until 50% of (eligible) cost of the project, from 10 000 PLN to 1 250 000 PLN.

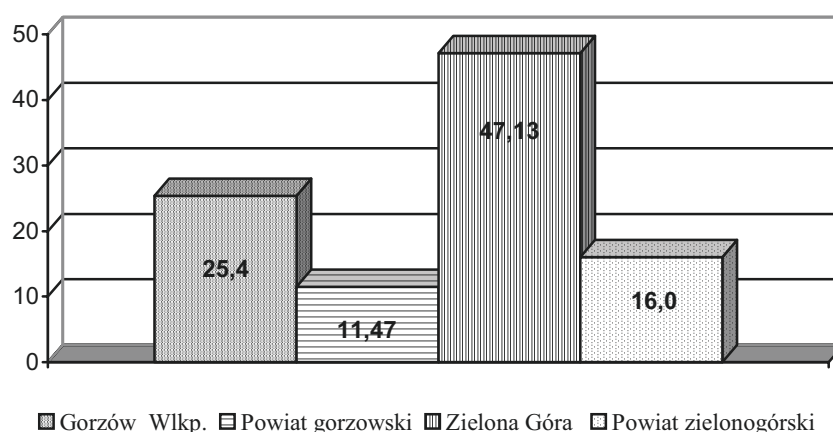
Within this action, the support was granted for the projects concerning investments in capital assets and non-material and legal values, including the ones connected with:

- 1) modernization activities in SME aiming at implementing a substantial change of a product or production process,
- 2) implementation of common investment enterprises undertaken by companies.

With reference to the Sector Operational Programme – Improvement of the Competitiveness of Enterprises Action 2.3, within 3 terms there were 491 applications submitted to the Agency for Regional Development in Zielona Góra, 421 out of which were positively evaluated and transferred to PAED. After the substantive assessment, PAED signed 36 contracts for granting, for the total support amount of – 25 482 350.00 PLN.

The biggest number of applications for granting within Action 2.3 in all terms was submitted by companies from Zielona Góra (47.13%) and enterprises from Gorzów Wlkp., (25.40%). The companies from smaller towns of the Lubuskie voivodship, such as: Szprotawa, Nowa Sól, Świebodzin, or Żary, were also very active. From a big number of towns there was only one application submitted.

The number of submitted applications in the poviats of Zielona Góra and Gorzów as well as in these cities is presented in the drawing below.



Drawing 5. The number of submitted applications

Source: Agencja Rozwoju Regionalnego w Zielonej Górze, 2006

Among all applications submitted to ARD, the biggest popularity was gained by the projects concerning the purchase of machines and devices – above 50%. Moreover, the entrepreneurs were also interested in the purchase of hardware and software. The smallest group was the entrepreneurs interested in the purchase of means of transport and fixed properties.

The Government of the Voivodship was the Institution Implementing the Actions of the Sector Operational Programme „Restructuring and modernization

of food sector and development of rural areas for 2004–2006”, which belong to priority II „Sustainable development of rural areas”:

- Action 2.2 „Joining lands”,
- Action 2.3 „Revival of village and preservation and protection of cultural heritage”,
- Action 2.5 „Managing agricultural water resources”.

In the end, during the recruitment of applications for granting the implementation of projects, there were 92 projects submitted from 55 communes (including 29 rural communes and 26 municipal communes) and 3 projects from the institution of culture. In accordance with the recommendation of the Regional Controlling Committee, the Board of the Lubuskie Voivodship selected 45 projects to be implemented for the amount of 9 153 074 zł to be subsidized.

The scopes of projects are diversified, and their implementation concerns:

- development of the centres of villages,
- modernization/building of village clubs, culture centres,
- modernization of swimming pool,
- building and modernization of sports fields and corrective halls,
- establishing a library,
- creating a botanic park,
- modernization of beaches,
- furnishing playgrounds for children,
- transferring to the open-air ethnographic museum and reconstruction of 3 historic buildings from different places, typical of the tradition of rural building in the region,
- replacement of roof covering and rebuilding of gable walls of the museum – a Renaissance palace.

Such a diversity of project objectives proves a great interest in implementing action on the one hand, and the possibilities it creates for rural communities, on the other.

Table 3. Financial resources within Sector Operational Programme „Agriculture” for the Lubuskie voivodship on 8.05.2006

Item	Action name	Financial limit in PLN	Number of submitted applications	Price of applications in PLN	Average amount per application in PLN	Number of contracts
1	2	3	4	5	6	7
1.1	Investments in arable farms	36 809 805	338	53 877 631	160 645	228
1.2	Facilitation of business activity for young farmers	11 034 270	307	15 350 000	50 000	220

Table 3 (cont.)

1	2	3	4	5	6	7
2.4	Diversification of agricultural activity	5 730 879	100	7 885 778	75 010	45
2.6.	Development and improvement of technical infrastructure	2 470 297	53	3 271 279	70 636	35
	Total	56 045 252	798	80 384 688		528
1.5.	Improvement of processing and marketing of farming articles	Domestic envelope	39	74 883 291		19
	Total		837	155 267 979		547

Source: Agencja Restrukturyzacji i Modernizacji Rolnictwa, 2006.

The Sector Operational Programme „Fishing and fish processing 2004–2006” was implemented by the Agency for Restructuring and Modernization of Agriculture, these were two actions:

- Action 3.2. „Breeding and fish farming” and Action 3.5 „Inland fishing”

Table 4. Financial resources within Sector Operational Programme „Fishing and fish processing” for the Lubuskie voivodship on 8.05.2006

Item	Action name	Financial limit in PLN	Number of submitted applications	Price of applications in PLN	Average amount per application in PLN	Number of contracts
3.2.	Breeding and fish farming	Domestic envelope	4	358 878	–	2
3.5.	Inland fishing	Domestic envelope	1	17 705	–	–
	Total		5	376 583		2

Source: Agencja Restrukturyzacji i Modernizacji Rolnictwa .2006.

The implementation of the Integrated Operational Programme of Regional Development already at the beginning of 2006 was at the level of almost 100% in the majority of actions, the following table proves earlier notes about good preparation of the Lubuskie voivodship for the absorption of the EU support.

Table 5. The situation of the implementation of IOPRD actions implemented by the Government of the Lubuskie Voivodship on 7 April 2006

Number of priority/action	Number of submitted applications	Number of applications selected for implementation	Amount of subsidy granted	Allocation from EU funds for 2004–2006	Per cent of allocation used
1.1	338	226	36 549 208.95	36 809 805.60	99.29%
1.2	307	220	11 000 000.00	11 034 270.15	99.69%
2.2	1	0	0.00	809 628.90	0.00%
2.3	92	45	8 977 802.00	8 956 068.05	100.24%
2.4	100	45	3 330 457.50	5 730 879.90	58.11%
2.5	8	0	0.00	50 909 673.52	0.00%
2.6	53	35	2 472 340.50	2 470 297.11	100.08%
Total	899	571	62 329 808.95	116 720 623.23	53.40%

Source: Urząd Marszałkowski Województwa Lubuskiego2006

The amount of 31 344 062.36 PLN was given to the Lubuskie voivodship as an additional allocation of the resources (Priority I, II and III) of the Integrated Operational Programme of Regional Development (IOPRD) for 2004–2006.

The savings in the programme appeared as a result of the increase of euro rate as well as the implementation and settlement of the projects. The Ministry of Regional Development informed the institutions responsible for the implementation of IOPRD about the possibility of using additional resources. For the Lubuskie Voivodship it was above 30 million PLN – including 23 346 661.93 PLN for infrastructure projects. The remaining amount was “consumed” by soft projects within the European Social Fund.

To summarize, it should be stated that the Lubuskie Voivodship did not miss its opportunity and managed well the EU resources within IOPRD in the financing period of 2004–2006. The per cent of exploiting the allocation of the resources for the Lubuskie Voivodship, according to the situation of concentration on 31 December 2008, was, in particular Priorities of the Programme, as follows:

Priority I – 107.70%

Priority II – 96.58%

Priority III – 106.97%

Moreover, in September 2008, the institutions involved in implementing the Programme were given permission for the increase of the acceptable extra-allocation of the resources from the European Regional Development Fund within Priority I and III of IOPRD up to 10%.

The information about the amount to be allocated in the Lubuskie voivodship was included in the document of the Managing Institution of IOPRD (DRR-II-8524-8-AD/08).

In accordance with the accepted methodology, the difference between 110% of the allocation accessible for the Lubuskie Voivodship and the value of signed contracts according to the situation on 31 July 2008, was:

9 353 322.30 PLN in I Priority of IOPRD

5 738 078.90 PLN in III Priority of IOPRD.

Taking into consideration the presented above amount of the resources possible to be contracted, the Board of the Lubuskie Voivodship passed on 19 September 2008 a resolution no. 132/838/08 concerning subsidizing the projects submitted to be implemented within Actions 1.2, 1.4, 1.5, 3.5 of the Integrated Operational Programme of Regional Development 2004–2006 (with the changed resolution no. 138/880/08 of the Board of the Lubuskie Voivodship from 14 October 2008) granting the subsidy to: 3 new projects within Priority I, 6 new projects within Priority III and increasing subsidy of 1 project implemented in Priority I.

The strategic objective of the state regional policy in years 2007–2015 is, according to the Strategy of State Development, to create conditions for the growth of the competitiveness of all regions in such a way as to support economic, social and territorial cohesion as well as to aspire to create equal development opportunity for voivodships.

In order to achieve Poland's developmental aims, it is important to:

- ensure the spatial order of the country,
- decentralize developmental processes and public finances, which increases the role of regional governments in investing in technical and social infrastructure as well as in economic development of regions and exploiting local potential,
 - develop metropolitan areas as the „engine” of progress,
 - develop rural areas, which are the area of economic, social, educational and cultural marginalization of the country (Strategia Rozwoju Kraju 2007–2015.[2006], p.44.).

In the light of the conducted research and from the summary prepared by the Ministry of Regional Development from the end of April 2006 results that the Lubuskie Voivodship belongs to the regions which best exploit the structural funds within the Integrated Operational Programme of Regional Development.

REFERENCES

- Jasiński P.: *Europa jako szansa: polityka regionalna Unii Europejskiej i jej instrumenty a władze lokalne i regionalne*, Warszawa 2000.
- Jednolity Akt Europejski* z 17 i 28 lutego 1986 r. podpisany w Luksemburgu (wszedł w życie 1.07.1987 r.).
- Narodowy Plan Rozwoju*, Ministerstwo Gospodarki i Pracy, Warszawa 2004.

- Sawicka J.: *Polska w Unii Europejskiej – wybrane polityki sektorowe*. Wydawnictwo SGGW, Warszawa 2004.
- Strategia Rozwoju Kraju 2007–2015*, Ministerstwo Rozwoju Regionalnego, Warszawa 2006.
- Wysokińska Z. Witkowska J.: *Integracja Europejska. Rozwój rynków*. Wydawnictwo Naukowe PWN, Warszawa – Łódź 2001.
- Lubuskie-Gospodarczy Portret Regionu*, Urząd Marszałkowski Województwa Lubuskiego, Zielona Góra 2001.
- Strategia Rozwoju Województwa Lubuskiego*, Zarząd Województwa Lubuskiego, Zielona Góra 2000.
- Sługocki W.: *Rola polskich instytucji regionalnych w zarządzaniu funduszami strukturalnymi i funduszem spójności europejskiej* [w:] *Nowoczesne instrumenty zarządzania w samorządzie terytorialnym: materiały pokonferencyjne*. Wydawnictwo Państwowej Wyższej Szkoły Zawodowej, Sulechów 2004.
- Stan wdrażania Zintegrowanego Programu Rozwoju Regionalnego*, Ministerstwo Rozwoju Regionalnego, Warszawa 2006.
- Region, Lubuskie Pismo Samorządowe, Regionalne Centrum Animacji Kultury, Zielona Góra 2004/3(16).