



cutting through complexity

PUBLIC SECTOR

EU Funds in Central and Eastern Europe 2011

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Foreword

EU Funds in Central and Eastern Europe – Progress report 2007-11, has been compiled by KPMG's Public Sector team in Central & Eastern Europe (CEE) based on the input gathered from all KPMG practices within the Region which are present and operate in the Member States.

Since CEE region countries joined the European Union in 2004 and in 2007, it has become apparent that effective utilisation of EU support offers the opportunity to foster the success of their economic performance. Accordingly, the responsibility of the Member States includes the utilisation of the offered support in an appropriate manner thus enhancing the level of cohesion.

Developing an appropriate, focused strategy for the allocation of EU funds constitutes the first element only, though at the same time constituting the basic step in the implementation of the EU cohesion policy. The successful implementation and absorption of EU funds is contingent not only upon the effectiveness the Member States' administrative systems, but also with regards to the activity of the potential beneficiaries.

The purpose of this report is to provide an overview of the progress of the National Strategic Reference Frameworks in the second period of the programming period 2007-13. It is the time during which all Member States are in the process of preparation of plans for the upcoming programming period of 2014-2020. Successes and experiences from the current programming period constitute a good foundation and source of knowledge for the every country. Drawing appropriate conclusions from the gathered experiences should be applied in the process of drawing up strategies thus also to be able to prove to the European Union that the given Member State will consume the funds in a more productive manner within the upcoming European Union financial perspective.

We believe that this report will assist stakeholders in the process of elaboration of a comprehensive picture of the status of implementation within the every CEE country as well as within the whole Region and that will be applied as the supporting ground for the elaboration of future strategies.

The hereby publication was prepared between the period of March-June 2012, involving 10 KPMG practices in CEE. We would like to thank all those who provided country level inputs and constituted the part of the whole process.

Introduction

This document introduces Community co-financed programmes covered by each Member State's National Strategic Reference Framework. Therefore, within the framework of this document, we concentrate on the implementation of Operational Programmes co-financed by the following Structural Funds:

European Regional Development Fund (ERDF)

The ERDF aims to promote economic and social cohesion by addressing main regional imbalances and participating in the development and conversion of regions, while ensuring synergy with assistance from other Structural Funds.

- Investment which contributes to creating sustainable jobs
- Investment in infrastructure
- Support for local and regional investments (SMEs, R&D, information society, etc.)
- Financial instruments (JEREMIE, JESSICA, JASPERS, JASMINE)
- Investment in education and health

Cohesion Fund (CF)

The purpose of the CF is to co-finance actions in the fields of environment and transport infrastructure of common interest, with a view to promote economic and social cohesion and solidarity among Member States.

- Investment in major infrastructure projects (e.g. TEN-T)
- Investment in major environmental projects
- Support renewable energy
- Investment in sustainable transport

European Social Fund (ESF)

The ESF has been set up to reduce differences in prosperity and living standards across EU Member States and regions. In order to promote employment conditions, the ESF supports companies so that they are equipped better to face new challenges.

- Improving human resources
- Increasing the adaptability of workers and firms, enterprises and entrepreneurs
- Improving access to employment and sustainability
- Improving the social inclusion of less-favored persons
- Strengthening institutional capacity at national, regional and local levels
- Mobilization for reforms in the fields of employment and inclusion

Definitions

Countries covered by this presentation:

- Bulgaria
- Czech Republic
- Estonia
- Hungary
- Latvia
- Lithuania
- Poland
- Romania
- Slovakia
- Slovenia

Population of the CEE region (2011)

101.8 million

Annual GDP of the CEE region (2011)

EUR 937.9 billion

GDP per capita of the CEE region (2011)

EUR 9,214

Available budget 2007-13

“Available budget 2007-13” is the sum of EU co-financing and national public contribution (i.e. the amount accessible for applicants or potential beneficiaries). This budget had been set in each country’s National Strategic Reference Framework and has been approved by the European Commission.

Contracted grants

Contracted grants are the amounts for which the contract has been signed by the competent authority (Managing Authority or Intermediary/Implementing Body) and the final beneficiary by 31 December 2011. The amount of contracted grants includes the EU co-financing and national public contribution together.

Paid grants

Paid grants are the amount of grants (including advance payments) which have been disbursed to the final beneficiaries by 31 December 2011. The amount of paid grants includes the EU co-financing and national public contribution together.



Contracted ratio

Contracted ratio equals the amount of contracted grants until the end of 2011, divided by the budget available for 2007-13.

Payment ratio

Payment ratio equals the amount of actual paid grants until the end of 2011, divided by the budget available for 2007-13.

Intervention type

Intervention types used in this presentation are not based on any official classification; they rather provide a useful tool that is based on generally applied terms (such as transport or healthcare).

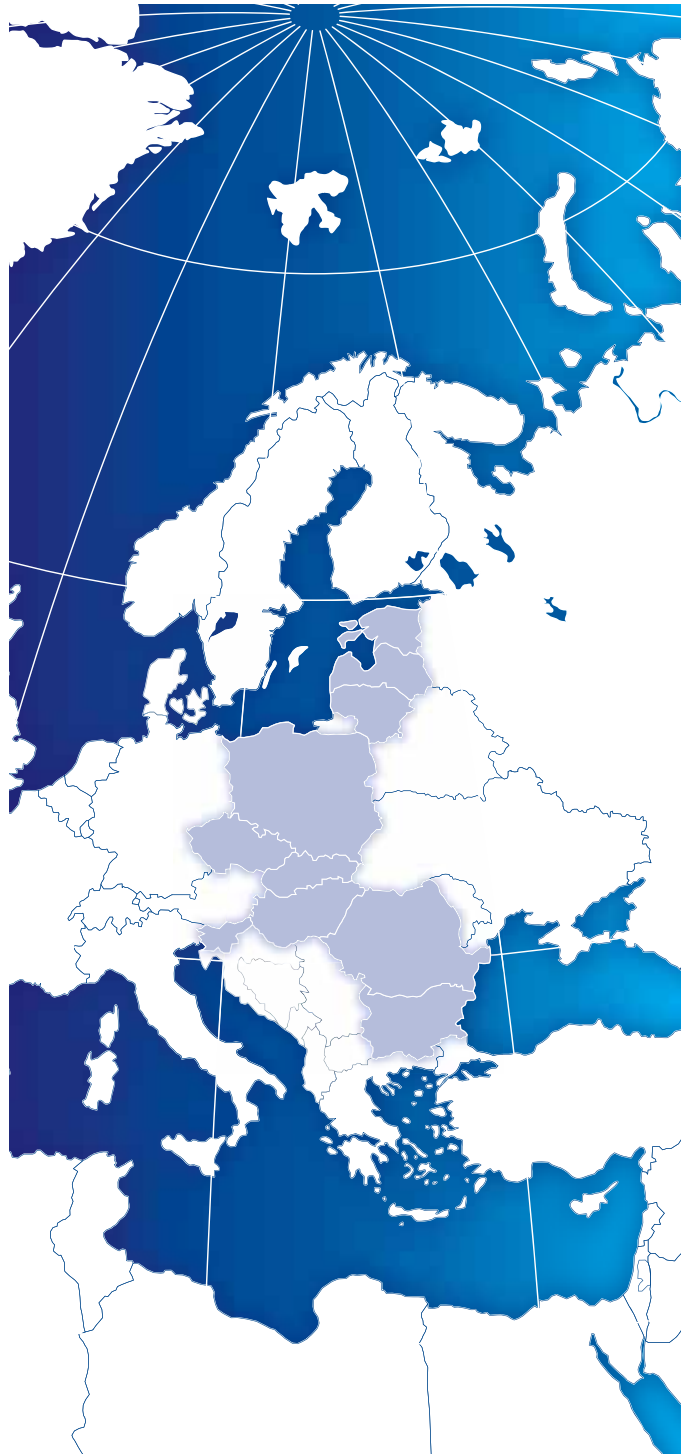
General approach

Objectives

- Providing an overview of basic CEE country information
- Aggregating data for EU funds and available budget in CEE countries for the period of 2007-13
- Presenting contracted and paid grants as well as contracted and payment ratios achieved in implementation of EU funds during 2007-11

General approach

- All data included in this section are based on individual, publicly available information at the national level, derived from CEE countries that are covered in this report
- GDP and population data are taken from the Eurostat database
- Country figures have been collected by local KPMG practices
- Amounts of financial resources originate from the financial table of the related framework programmes of 2007-13, which are approved by the European Commission
- Variation of exchange rates may impinge on the actual values of contracted and paid grants regarding those Member States which are still not part of the euro zone



Basic information

Total available budget in CEE 2007-13

EUR 209.1 billion

Available budget in CEE 2007-13 per capita

EUR 2,055

Available budget in CEE per GDP

3.2%

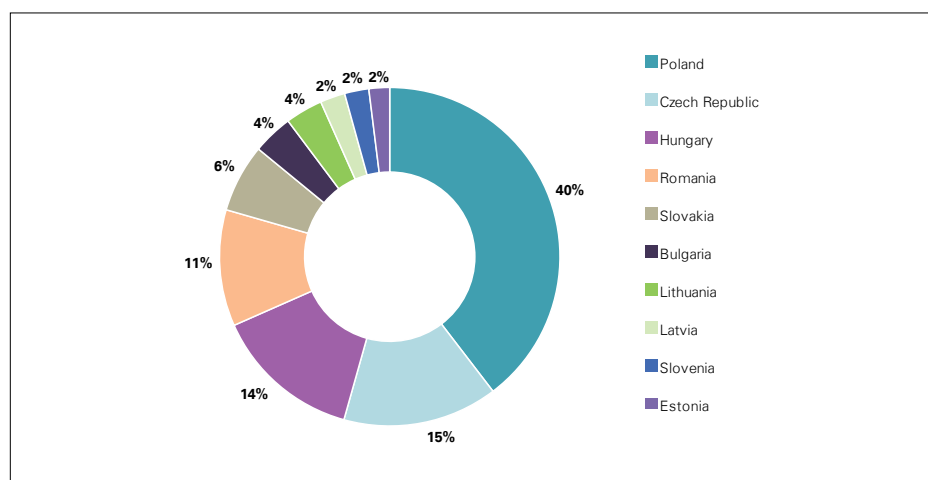
During the period of 2007-13, 10 CEE countries have access to nearly EUR 210 billion from mainstream programmes co-financed from the ERDF, CF and ESF.

On an annual basis, this amount is 3.2% of the annual GDP of the region, according to 2011 Eurostat data.

Division by country

The amount of allocated EU funds varies by country; the most is allocated for Poland, which has the biggest population among the CEE countries. However, the highest EU fund per capita is in the Czech Republic and Estonia

Available budget 2007-13



Total contracted grants 2007-11

EUR 139.9 billion

Contracted grants per capita

EUR 1,374

Total paid grants 2007-11

EUR 60.8 billion

Paid grants per capita

EUR 598

	Bulgaria	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Slovakia	Slovenia	CEE total
"Population* (million)"	7.4	10.5	1.3	10.0	2.2	3.2	38.2	21.4	5.4	2.1	101.8
"Annual GDP* (bn EUR)"	38.5	154.7	15.3	95.5	19.1	28.6	363.6	119.0	67.5	36.2	937.9
"GDP per capita (EUR)"	5,225	14,684	11,405	9,564	8,589	8,827	9,518	5,555	12,410	17,644	9,214
"Available budget 2007-13 (million EUR)"	8,019	30,771	4,108	29,319	4,941	7,431	82,872	23,251	13,600	4,825	209,138

Source: Eurostat, 2011

Progress of EU funds implementation (31 December 2011)

In the period of 2007–13, EUR 209.1 billion in total, including national public contribution, may be spent on the improvement of economic and social cohesion. The budgets have been set according to different considerations among the Member States through their National Strategic Regional Framework Programmes.

Out of the total allocation, the beneficiaries in the 10 CEE countries have committed EUR 139.9 billion, which is the two-thirds of the total available budget (2007-13).

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted grants / capita	Payment / capita
	mEUR	mEUR	mEUR	EUR	EUR
Bulgaria	8,019	6,333	1,516	860	206
Czech Republic	30,771	22,202	11,862	2,108	1,126
Estonia	4,108	3,859	1,805	2,879	1,347
Hungary	29,319	18,837	8,337	1,886	835
Latvia	4,941	4,277	2,151	1,918	965
Lithuania	7,431	5,799	3,232	1,787	996
Poland	82,872	52,440	23,097	1,373	605
Romania	23,251	14,610	3,152	682	147
Slovakia	13,600	8,661	3,842	1,593	707
Slovenia	4,825	2,858	1,849	1,394	902
TOTAL	209,138	139,875	60,844	1,374	598

* EU co-financing + national public contribution after any reallocations

Regarding payments, by the end of 2011 more than 43% of the contracted grants i.e. EUR 60.8 billion were distributed to the beneficiaries

Top performers

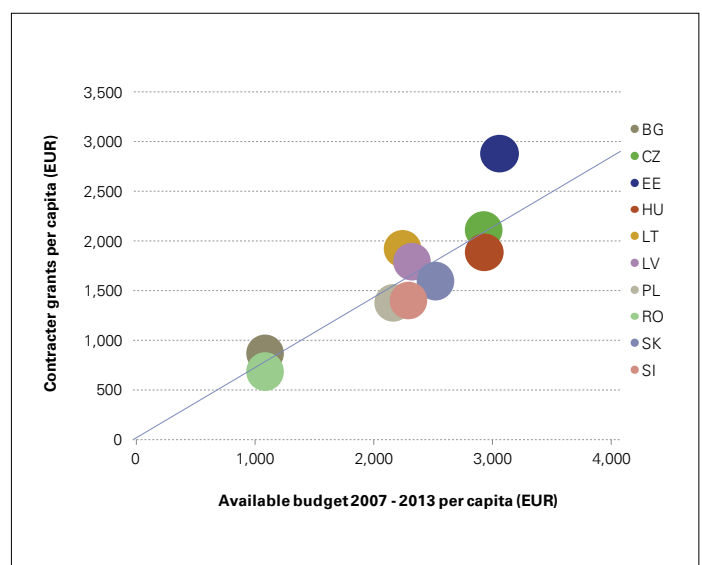
Estonia, Latvia

Above average performers

Bulgaria, Lithuania, Czech Republic

Below average performers

Slovakia, Slovenia, Poland, Hungary, Romania



Contracted and payment ratios

Contracted ratio

After five years of implementation, 10 CEE countries have contracted altogether 67% of their budget allocated for the 7-year programming period. Considering the fact that the budget should be committed by the end of 2013, this ratio is rather low.

Regarding the order, the three Baltic countries occupy first three positions, with Estonia's contracted ratio closest to 100 percent, whereas Bulgaria displays the biggest increase by 79% of contracted ratio.

		(2010) *	(2009)	(2008)
1	Estonia	94%	80%	48%
2	Latvia	87%	67%	45%
3	Bulgaria	79%	37%	24%
4	Lithuania	78%	76%	47%
5	Czech Republic	72%	56%	28%
6	Hungary	64%	51%	38%
7	Slovakia	64%	56%	24%
8	Poland	63%	53%	25%
9	Romania	63%	45%	16%
10	Slovenia	59%	48%	34%
CEE average		67%	53%	28%

Payment ratio

The overall CEE level payment ratio is 29%, which is quite low on a time proportional basis.

As regards the payment, the three Baltic countries i.e. Estonia, Latvia and Lithuania take the lead: their payment ratio exceeds 40%.

Half of the CEE countries (Czech Republic, Slovenia, Hungary, Slovakia and Poland) paid between 28 and 39% of their available budget. While, the Romanian and Bulgarian ratios have increased slightly since the last year and both show values under 20%.

		(2010)*	(2009)
1	Estonia	44%	29%
2	Latvia	44%	29%
3	Lithuania	43%	30%
4	Czech Republic	39%	26%
5	Slovenia	38%	27%
6	Hungary	28%	16%
7	Slovakia	28%	17%
8	Poland	28%	16%
9	Bulgaria	19%	10%
10	Romania	14%	7%
CEE average		29%	17%

* Data regarding 2010 for Estonia have been revised

Implementation of EU Funds for 2007 – 2011 by intervention type

Implementation of EU funds for 2007-11 by intervention type

The amounts of available budget and contracted grants by intervention type vary as follows:

Available budget* 2007 - 2013											
Intervention type	Bulgaria	Czech Republic	Estonia	Hungary	Latvia*	Lithuania	Poland	Romania	Slovakia	Slovenia	Total
Environment	1,754	4,895	839	4,342	0	1,242	8,594	5,437	2,084	645	29,832
Transport	1,938	8,532	729	7,670	1,491	1,106	30,327	6,452	3,979	984	63,207
Healthcare	0	0	221	1,685	844	0	658	0	285	0	3,693
Human resource development	1,165	3,851	666	1,370	328	1,023	12,669	4,615	2,347	1,040	29,074
Energy	0	1,209	73	407	1,073	603	3,144	726	199	188	7,622
Economic development	1,325	4,279	679	4,997	292	911	10,447	2,845	1,283	1,046	28,104
Public sector	174	1,458	0	4,568	24	725	611	235	916	114	8,825
TA	314	1,179	81	1,331	111	220	2,637	906	459	104	7,340
Innovations, R&D	0	3,395	365	991	455	603	10,666	646	1,384	704	19,210
Settlement development	1,349	1,973	457	1,957	323	999	3,117	1,391	664	0	12,230
CEE total	8,019	30,771	4,108	29,319	4,941	7,431	82,872	23,251	13,600	4,825	209,138

* In Latvia energy interventions include environment related resources

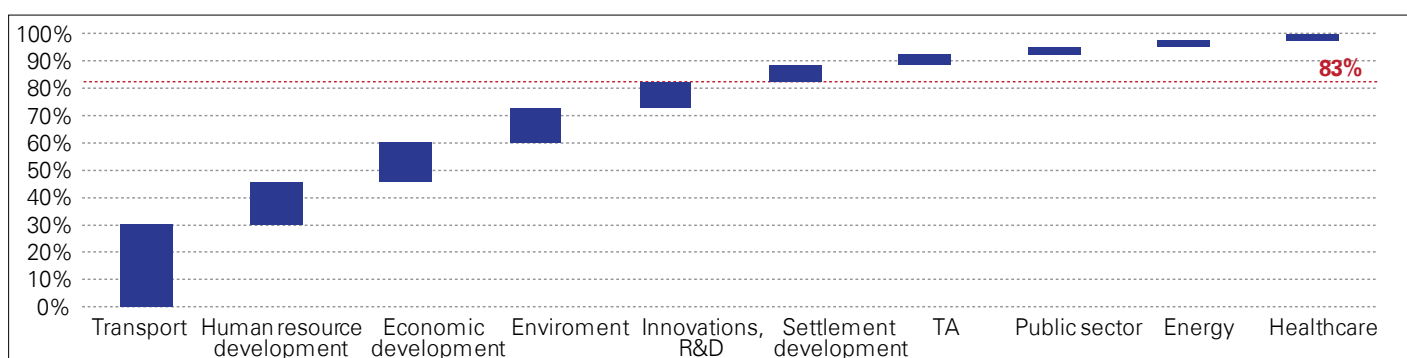
Contracted grants 2007-11 (EUR million)

Contracted grants											
Intervention type	Bulgaria	Czech Republic	Estonia	Hungary	Latvia*	Lithuania	Poland	Romania	Slovakia	Slovenia	Total
Environment	1,030	1,205	746	2,490	0	1,117	5,753	4,402	1,401	127	18,271
Transport	2,408	8,005	670	5,697	1,336	713	17,770	3,250	1,979	322	42,152
Healthcare	0	0	223	1,120	804	0	553	0	286	0	2,986
Human resource development	755	3,057	620	982	306	759	9,102	3,763	2,023	775	22,142
Energy	0	649	74	238	809	511	1,076	102	158	63	3,680
Economic development	821	3,172	788	3,700	268	725	7,321	1,522	680	677	19,673
Public sector	103	1,078	0	2,027	26	637	343	108	385	104	4,811
TA	185	691	40	1,049	91	93	1,234	218	386	101	4,088
Innovations, R&D	0	2,783	317	354	345	441	7,241	443	852	688	13,465
Settlement development	1,032	1,563	381	1,178	290	802	2,047	802	512	0	8,607
CEE total	6,333	22,202	3,859	18,837	4,277	5,799	52,440	14,610	8,661	2,858	139,875

* In Latvia energy interventions include environment related resources

Contracted grants 2007-11 split by intervention type

After five years of EU co-financed programme implementation, 83% (i.e. EUR 115.7 billion) of grants have supported projects which were implemented in five interventions.



Contracted ratio for 2007-11 based on available budget for 2007-11

At the country level the contracted ratios of healthcare, human resources development, R&D and innovation, economic development and settlement development intervention types exceed the CEE average. Meanwhile, energy related interventions are lagging behind compared to the CEE ratio level.

Contracted ratio											
Intervention type	Bulgaria	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Slovakia	Slovenia	Total CEE progress
Environment	59%	25%	89%	57%	N/A	90%	67%	81%	67%	20%	61%
Transport	124%	94%	92%	74%	90%	N/A	59%	50%	50%	33%	67%
Healthcare	N/A	N/A	101%	66%	N/A	N/A	84%	N/A	100%	N/A	81%
Human resource development	65%	79%	93%	72%	93%	74%	72%	82%	86%	75%	76%
Energy	N/A	54%	101%	58%	N/A	N/A	34%	14%	79%	34%	48%
Economic development	62%	74%	116%	74%	92%	80%	70%	53%	53%	65%	70%
Public sector	59%	74%	N/A	44%	107%	88%	56%	46%	42%	N/A	55%
TA	59%	59%	49%	79%	82%	42%	47%	24%	84%	97%	56%
Innovations, R&D	N/A	82%	87%	36%	76%	73%	68%	69%	62%	N/A	70%
Settlement development	76%	79%	83%	60%	N/A	N/A	66%	58%	77%	N/A	70%
Total progress	79%	72%	94%	64%	87%	78%	63%	63%	64%	59%	67%

Summary of findings

Implementation progress 2007-11 by country

During the five years of implementation of the 2007 – 2013 programming period, EUR 139.9 billion worth of grants have been contracted by the 10 CEE countries. This amount is 67% of the total available budget allocated for 2007 – 2013 period.

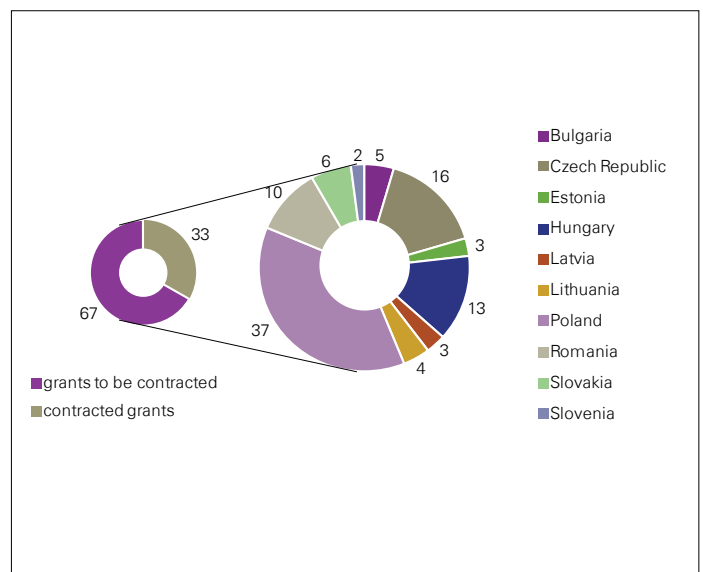
Until the end of 2011, EUR 60.8 billion (i.e. 29%) of the available budget and 43% of the contracted grants were distributed to beneficiaries.

Implementation progress 2007-11 by intervention type

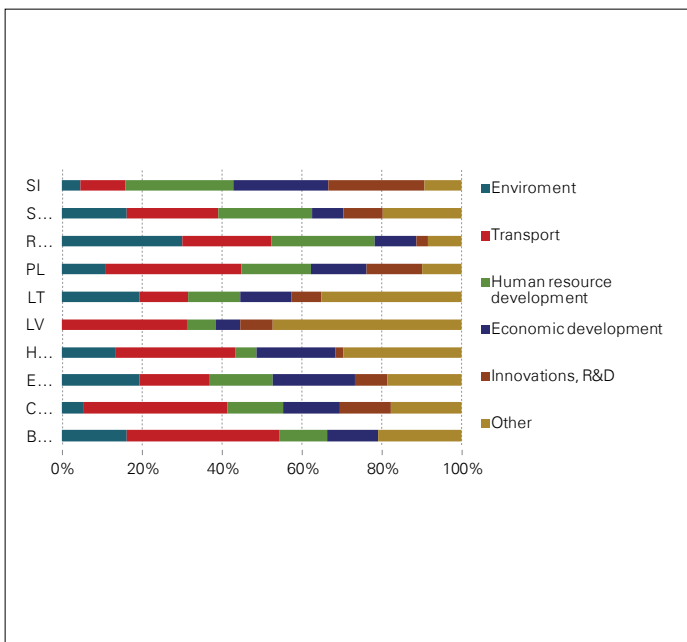
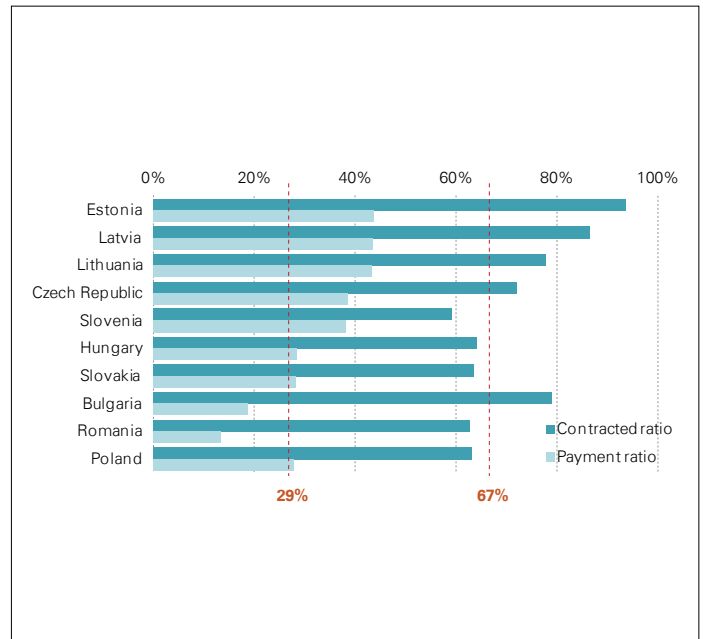
By the end of 2011, most intervention types performed around average contracted ratio between 48% and 81%.

The majority of grants, EUR 102,24 billion, i.e. 73% of total contracted grants, have been contracted for transport, human resources development, economic development and environment related projects.

Contracted grants by country



Contracted and payment ratio, 2007-11



Summary

Effectiveness of use of EU funds.

The year 2011 is the fifth year of this financial perspective, i.e. 71.5 percent of time to contract them has passed. When comparing the contracting ratio of individual countries to the CEE average, two groups of beneficiaries may be distinguished: these, where contracting ratio is above that level and five countries below that level: Hungary, Slovakia, Poland, Romania and Slovenia. Interestingly, it is difficult to find common characteristics of them: they are small and large, with good, moderate or poor economic situation, belonging to the first or second wave of EU members from the CEE region.

More homogenous analysis comes from comparison of the payment ratio. Assuming that the first year of new perspective is intended for contracting only, and then two following years for projects realization, then only 2010 is the first year when we can expect higher payment ratio (see table on previous slide), then we could expect this ratio to be around 50% now. None of the countries has achieved this level, but leaders are the Baltic countries (44 or 43%), followed closely by Czech Republic (39%) and Slovenia (38%). Few countries are slightly below 30% (Hungary, Poland and Slovakia –28% each), and Bulgaria and Romania far behind (below 20%). The last two countries are experiencing this financial perspective for the first time and since it is a process of learning by beneficiaries and implementing agencies, their position is understandable

to some extent. In case of Hungary, Poland and Slovakia, the problems are more complicated, as the low payment ratio goes with low contracting ratio, while these countries should be expected to have already learned all pre-accession and EU funds over last 17 years.

In Hungary, the lowest contracting and payment ratio measures are: environment and energy; social renewal and electronic public administration. In Poland, contracting of all OP is below expected level, in particular Infrastructure and Environment; payment of Infrastructure and Environment and Innovative Economy is also below (in that case, mainly a measure for e-administration is pushing the ratio down). In Slovakia, the lowest one is the Information Society OP but also Transport, Education and Research & Development OP are on unsatisfactory levels.

We have not performed any in-depth research in case of these OP which are in the lowest ranks of implementation, but based on our experience and public information, we may conclude that problems in using the funds for infrastructural, environmental, e-administration and R&D goals may result from:

- poor feasibility study development;
- limited number of good concepts how these funds may be used, and
- poor project management skills, including poor procurement practices.

HUNGARY	Contracted	Payment	POLAND	Contracted	Payment	SLOVAKIA	Contracted	Payment
Environment & Energy	57%	11%	Infrastructure & Environment	59%	20%	Transport	50%	23%
Social renewal	42%	28%	Human capital	69%	41%	Environment	68%	25%
Social infrastructure	71%	26%	Innovative economy	70%	25%	Research & Development	61%	24%
Electronic public administration	49%	28%	Regional	65%	36%	Information society	29%	9%
Regional	64%	40%				Education	51%	20%

*red numbers mean that contracting / payment ratio for given measure in the country are below the expected level for CEE

Country overviews

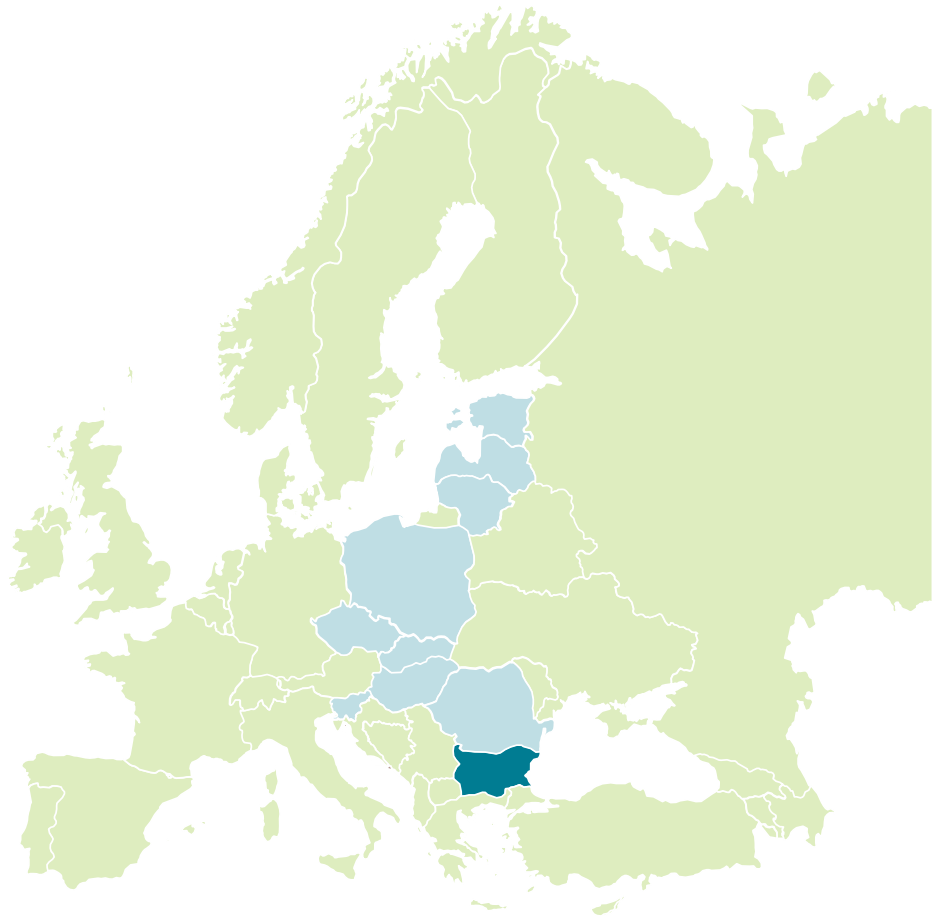
Bulgaria

For the 2007-13 programming period, Bulgaria's National Strategic Reference Framework was launched, covering seven Operational Programmes with EUR6.67 billion contribution from the ERDF, CF and ESF.

Complemented by national public contribution, the total budget of the framework programme amounts to EUR8 billion.

By the end of 2011, the beneficiaries in Bulgaria signed contracts for EUR 6.3 billion, which is the four-fifths of the total available budget. Out of this amount, EUR 1.5 billion was paid to the beneficiaries, which accounts for the one-fifth of the contracted grants and 19% of the total available budget.

As a result of the implementation, the contracted grants per capita in Bulgaria equal to EUR 860, while the paid grants per capita are considerably lower, with only EUR 206 per capita.



Population

7.4 million

GDP per capita in 2011

EUR 5,225

Available budget 2007-13

EUR 8 billion

Contracted grants

EUR 6.3 billion

Contracted ratio

79%

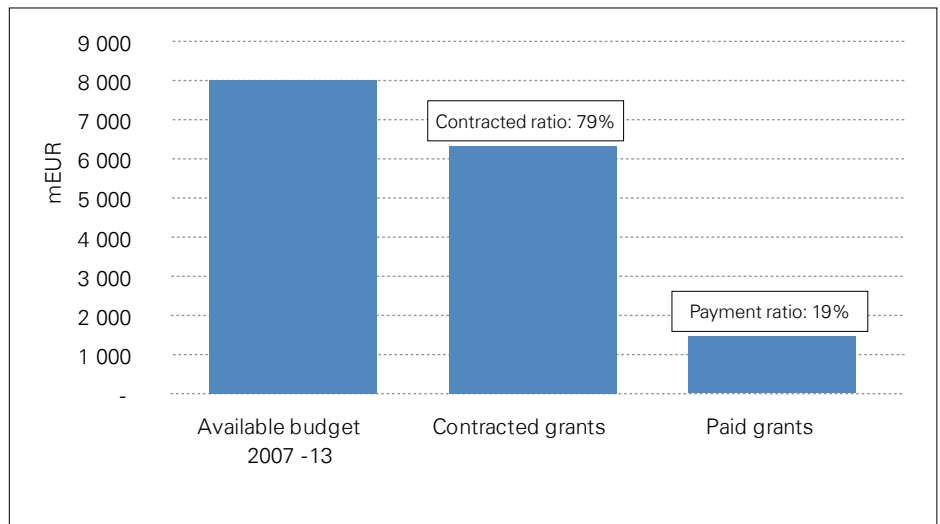
Paid grants

EUR 1.5 billion

Payment ratio

19%

Progress of EU funds



The progress of the implementation of seven Bulgarian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR		
Regional Development OP	1,601	1,176	324	73%	20%
Development of the Competitiveness of the Bulgarian Economy OP	1,162	728	272	63%	23%
Environment OP	1,801	1,054	205	59%	11%
Transport OP	2,003	2,441	454	122%	23%
Human Resources Development OP	1,214	797	197	66%	16%
Administrative Capacity OP	181	108	51	60%	28%
Technical Assistance OP	57	29	13	51%	23%
Total	8,019	6,333	1,516	79%	19%

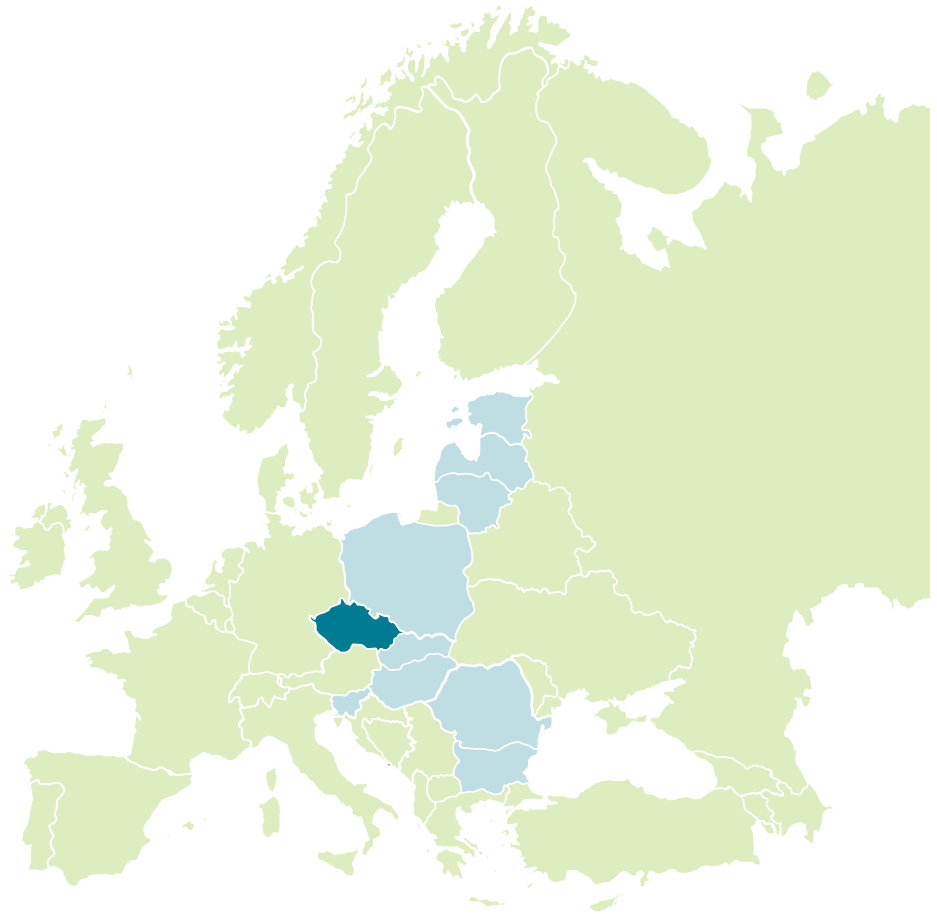
* ERDF, ESF or CF + national public contribution altogether

Czech Republic

In the 2007-13 period, the National Strategic Reference Framework covers 17 OPs, eight sectoral, seven regional and two Objective 2 OPs, with a total Community contribution of EUR 26.3 billion. The community contribution is complemented by national public resources, providing a total budget of EUR 30.7 billion.

Within the Czech National Strategic Reference Framework, EUR 22.2 billion have been contracted with beneficiaries, accounting for 72% of the available budget for seven-years. Out of this amount, EUR 11.8 billion have already been paid to the beneficiaries, representing nearly 40% of the allocated budget.

The contracted ratio at the level of 72% is obviously time proportional, which means that the framework programme is on the right track. A 39% payment ratio places the Czech Republic in the TOP5, among the CEE countries.



Population

10.5 million

GDP per capita in 2011

EUR 14,684

Available budget 2007-13

EUR 30.7 billion

Contracted grants

EUR 22.2 billion

Contracted ratio

72%

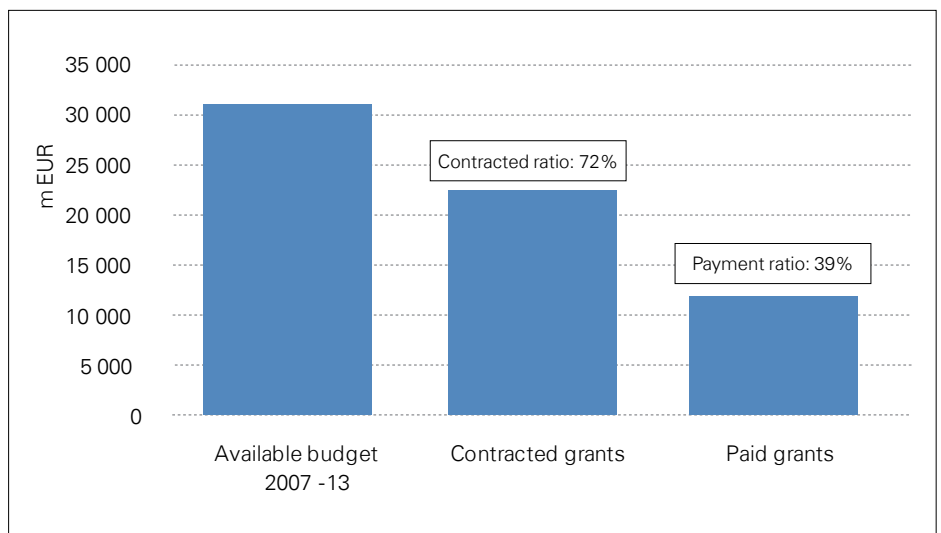
Paid grants

EUR 11.8 billion

Payment ratio

39%

Progress of EU funds



The progress of the implementation of 17 Czech Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR		
Enterprise and Innovation OP	3,554	2,614	1,003	74%	28%
Research and Development for Innovations OP	2,431	2,017	514	83%	21%
Human Resources and Employment OP	2,138	1,624	676	76%	32%
Education for Competitiveness OP	2,117	1,720	645	81%	30%
Environment OP	5,789	1,538	1,224	27%	21%
Transport OP	6,771	6,611	4,606	98%	68%
Integrated OP	1,850	1,344	356	73%	19%
Technical Assistance OP	290	161	50	56%	17%
Prague OP – Competitiveness	276	240	150	87%	54%
Prague OP – Adaptability	126	85	72	68%	58%
South-West OP	723	592	298	82%	41%
South-East OP	819	709	457	87%	56%
Central Moravia OP	767	468	383	61%	50%
North-West OP	871	672	409	77%	47%
North-East OP	764	722	444	95%	58%
Moravia-Silesia OP	834	567	304	68%	36%
Central Bohemia OP	651	519	271	80%	42%
Total	30,771	22,202	11,862	72%	39%

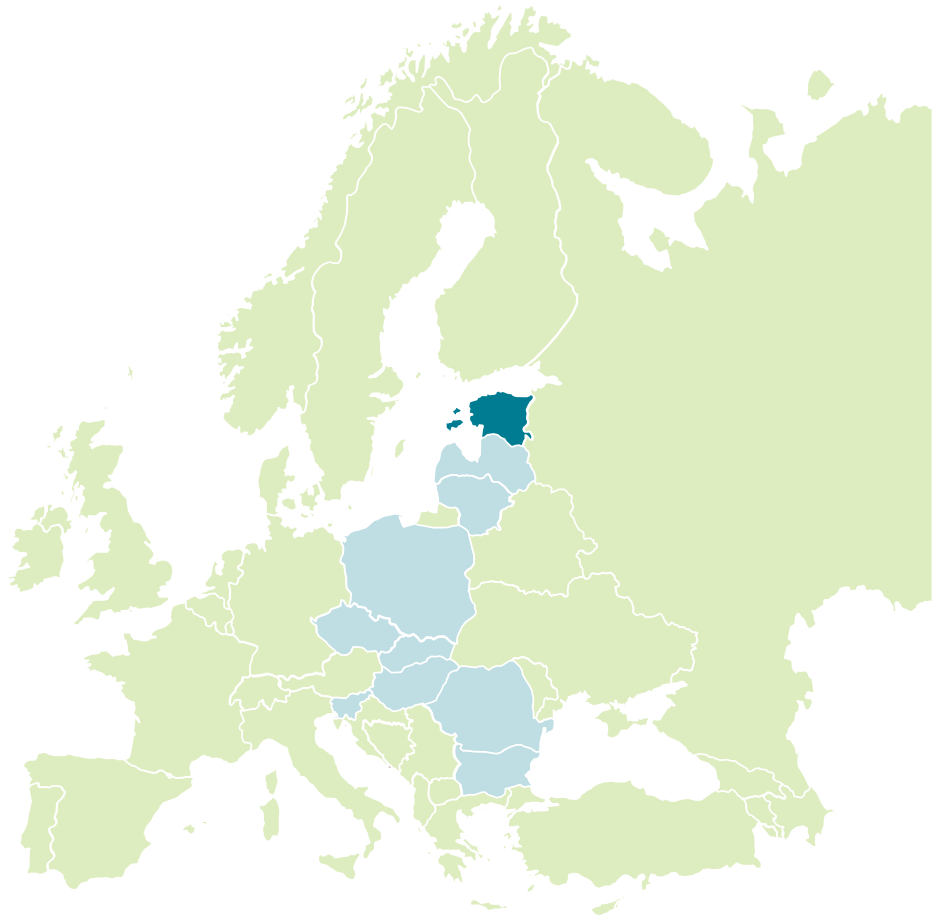
* ERDF, ESF or CF + national public contribution altogether

Estonia

In Estonia, the structural assistance under the National Strategic Reference Framework is implemented through three operational programmes with an EUR 3.4 billion contribution from the ERDF, CF and ESF in the 2007-13 programming period. The aforementioned community funding is complemented by a national public contribution and totals EUR 4.1 billion, which is available for development purposes for the 7-year period.

Within Estonia's National Strategic Reference Framework, the contracted amount totals EUR 3.8 billion. This means that Estonia contracted altogether 94% for EU co-financed development, placing the country at the first position among the CEE countries.

Regarding disbursement, Estonia's EUR 1.8 billion equates to a 44% payment ratio, which is also outstanding in the region.



Population

1.3 million

GDP per capita in 2011

EUR 11,405

Available budget 2007-13

EUR 4.1 billion

Contracted grants

EUR 3.8 billion

Contracted ratio

94%

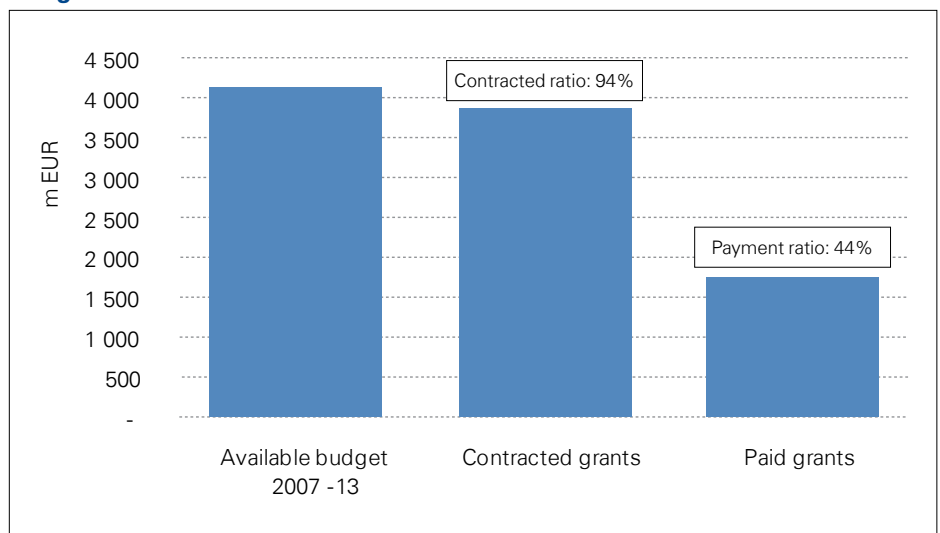
Paid grants

EUR 1.8 billion

Payment ratio

44%

Progress of EU funds



The progress of the implementation of three Estonian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR	%	%
Human Resources Development OP	461	427	231	92%	50%
Development of Economic Environment OP	1,807	1,792	880	99%	49%
Development of the Living Environment OP	1,840	1,641	694	89%	38%
Total	4 108	3 859	1 805	94%	44%

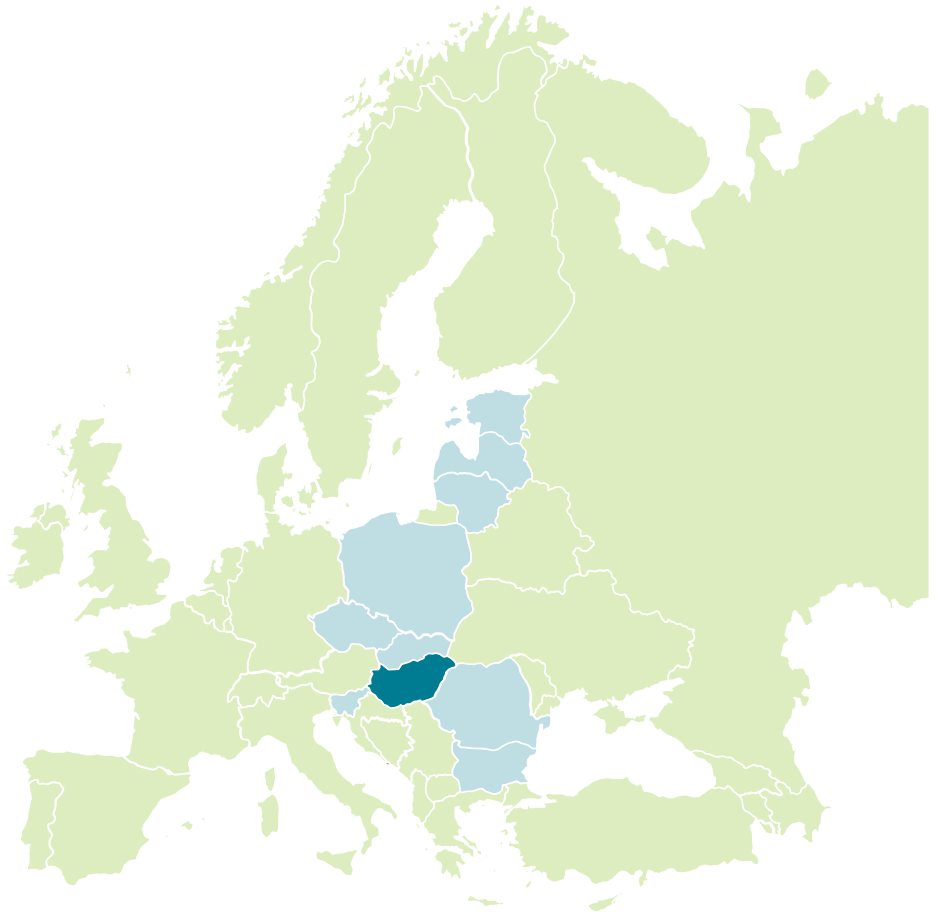
* ERDF, ESF or CF + national public contribution altogether

Hungary

In the 2007-13 programming period, Hungary's National Strategic Reference Framework, the so-called New Hungary Development Plan, covers 15 operational programmes: seven sectoral, six regional, one Objective 2 and one technical assistance OP. The programme is implemented by EUR 24.9 billion in community ERDF, CF and ESF co-financing. Complemented by the national public contribution, the available budget for the seven years totals EUR 29.3 billion.

During five years of implementation, altogether EUR 18.8 billion grants have been contracted within the New Hungary Development Plan. This means that the beneficiaries have already signed contracts for 64% of the total available budget.

As far as the disbursement is concerned, by the end of 2011, one-fourth of the contracted grants were paid out to the beneficiaries. This amount is slightly more than a quarter of the total funds allocated for the 2007-13 programming period.



Population

10 million

GDP per capita in 2011

EUR 9,564

Available budget 2007-13

EUR 29.3 billion

Contracted grants

EUR 18.8 billion

Contracted ratio

64%

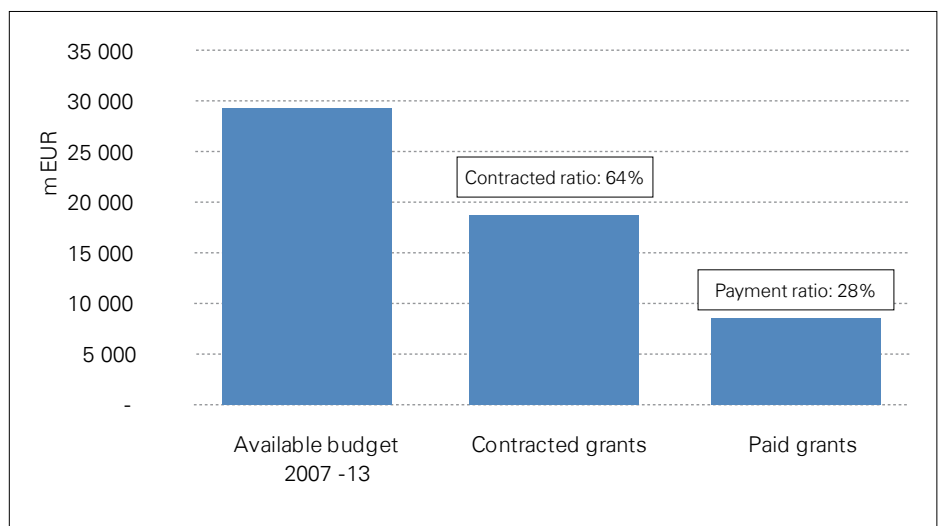
Paid grants

EUR 8.3 billion

Payment ratio

28%

Progress of EU funds



The progress of the implementation of 15 Hungarian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR		
Transport OP	7,095	5,447	2,020	77%	28%
Environment and Energy OP	4,916	2,823	529	57%	11%
Social Renewal OP	4,097	1,707	1,148	42%	28%
Economic Development OP	3,355	2,459	1,043	73%	31%
Social Infrastructure OP	2,100	1,484	555	71%	26%
Electronic Public Administration OP	422	205	119	49%	28%
State Reform OP	172	70	48	40%	28%
Implementation OP	371	285	172	77%	46%
Central Hungary OP	1,726	1,348	797	78%	46%
North Great Plain OP	1,147	605	380	53%	33%
North Hungary OP	1,063	615	383	58%	36%
South Great Plain OP	881	533	337	61%	38%
South Transdanubia OP	830	523	364	63%	44%
Central Transdanubia OP	598	371	212	62%	35%
West Pannon OP	546	361	228	66%	42%
Total	29,319	18,837	8,337	64%	28%

* ERDF, ESF or CF + national public contribution altogether

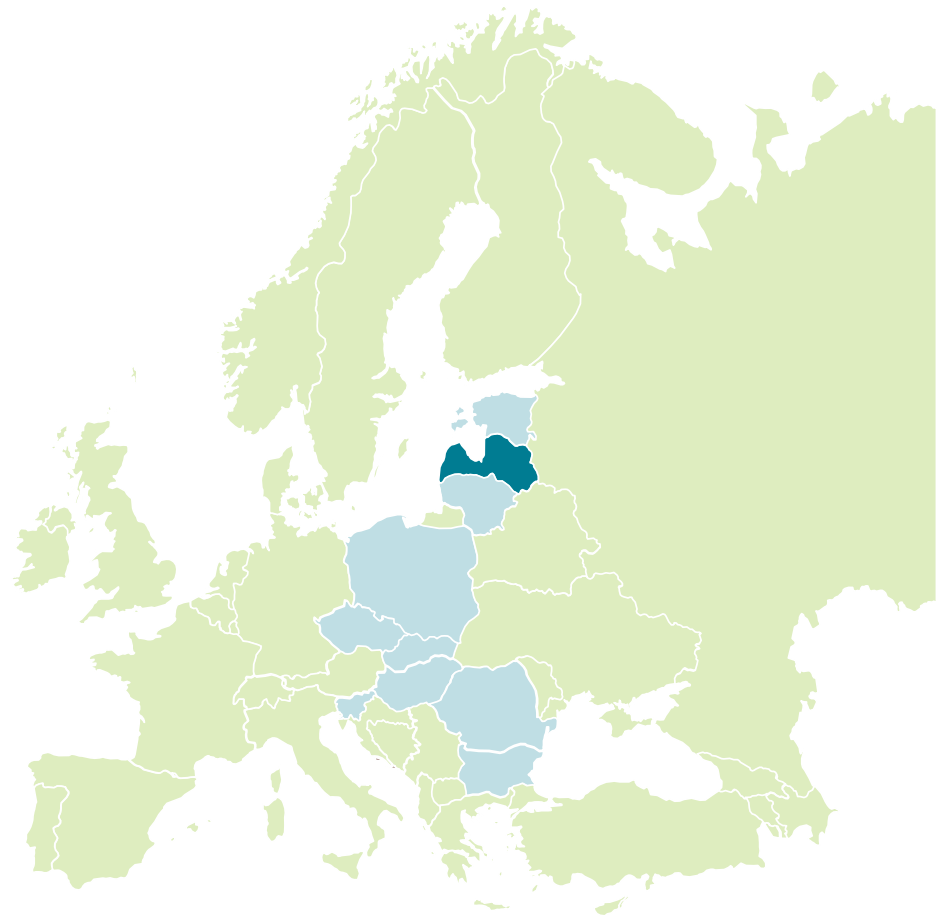
Latvia

In the 2007-13 period Latvia's National Strategic Reference Framework programme covers three OPs, which are co-financed by the European Union in the amount of EUR 4.5 billion.

According to the Community rules, this amount is complemented by national public resources. Thus, the total amount of available funds, to which the applicants can apply for grants, totals EUR 4.9 billion.

By the end of 2011, as part of the Latvian National Strategic Reference Framework programme, the level of the contracted grants reached 87% with a 44% disbursement, which represents amounts of EUR 4.3 billion and EUR 2.2 billion, respectively.

At a CEE level, the Latvian programmes have displayed one of the best performance in the region in terms of contracted grants' share. A 44% rate of payment also represents an outstanding result among the 10 CEE countries.



Population

2.2 million

GDP per capita in 2011

EUR 8,589

Available budget 2007-13

EUR 4.9 billion

Contracted grants

EUR 4.3 billion

Contracted ratio

87%

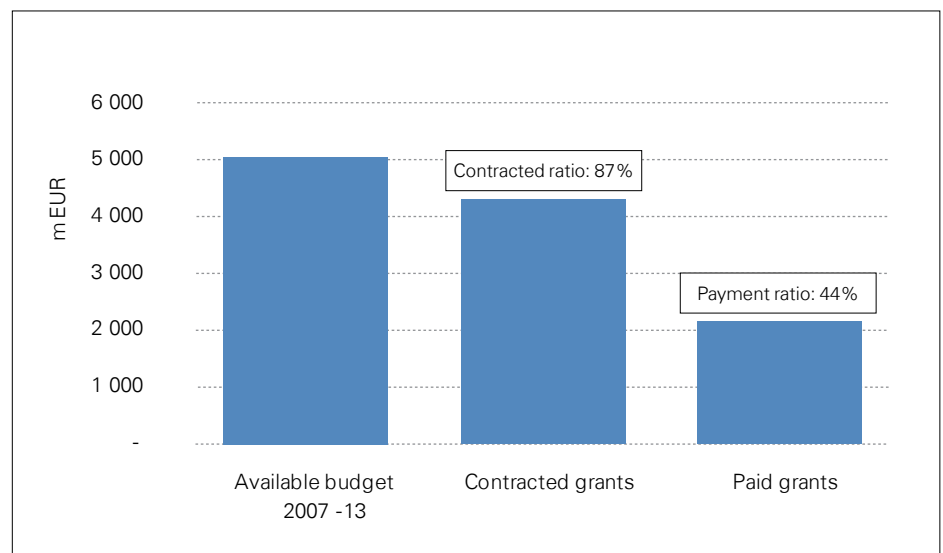
Paid grants

EUR 2.2 billion

Payment ratio

44%

Progress of EU funds



The progress of the implementation of three Latvian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR	%	%
Infrastructure and Services OP	3,518	3,049	1,384	87%	39%
Entrepreneurship and Innovations OP	770	635	362	82%	47%
Human Resources and Employment OP	653	593	406	91%	62%
Total	4,941	4,277	2,151	87%	44%

* ERDF, ESF or CF + national public contribution altogether

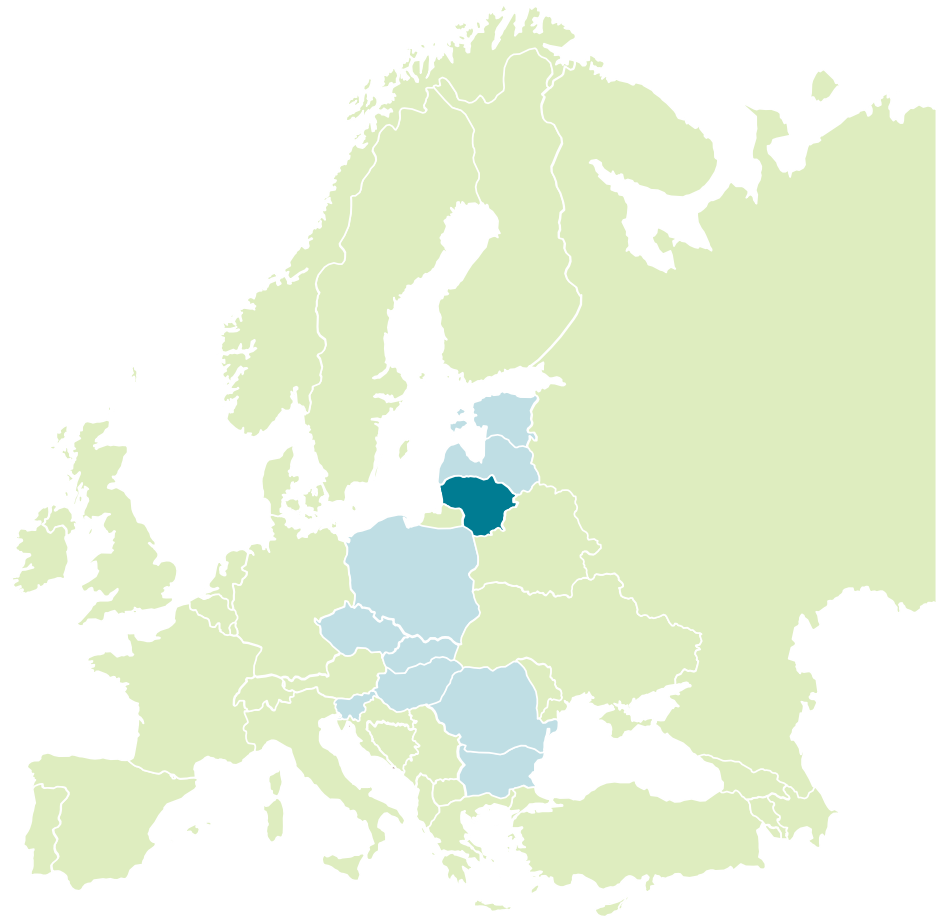
Lithuania

In the 2007-13 period, EUR 6.8 billion ERDF, CF and ESF worth of funding were allocated to Lithuania's National Strategic Reference Framework.

The above-mentioned amount, complemented by national public contributions, totals EUR 7.3 billion in grants, which can be spent on the development of the country's cohesion objectives.

During the first four years of implementation, EUR 5.8 billion was contracted within the National Strategic Reference Framework, 78% of the total available budget for the period of 2007-13. The amount of paid grants reached EUR 3.2 billion, which accounts for 43% of the available funds and more than half of the total contracted grants.

The contracted ratio of the Lithuanian EU framework programme is high when compared to the respective data in the CEE region. This can be considered an outstanding performance as the first call for tenders was barely in 2008.



Population

3.2 million

GDP per capita in 2011

EUR 8,827

Available budget 2007-13

EUR 7.4 billion

Contracted grants

EUR 5.8 billion

Contracted ratio

78%

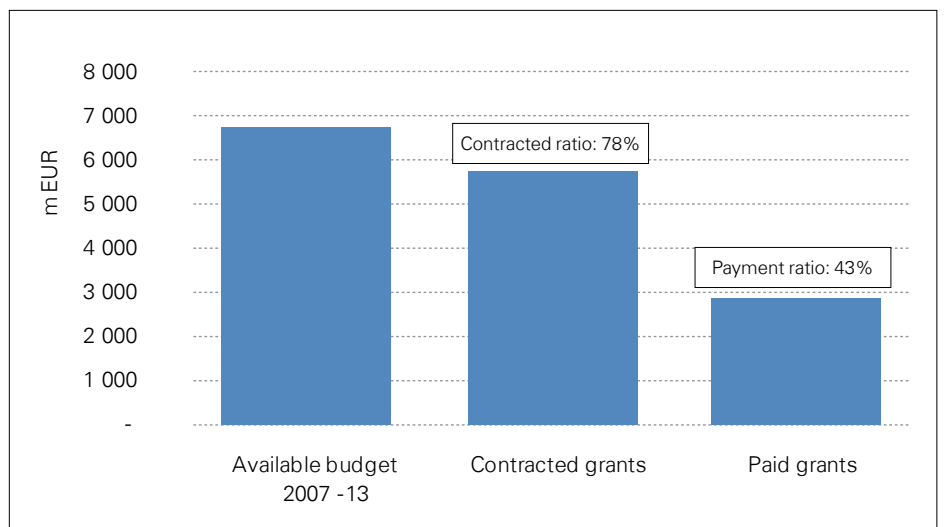
Paid grants

EUR 3.2 billion

Payment ratio

43%

Progress of EU funds



The progress of the implementation of four Lithuanian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR	%	%
Economic Growth OP	3,268	2,408	1,408	74%	43%
Programme for Promotion of Cohesion OP	3,010	2,574	1,310	86%	44%
Human Resources Development OP	1,044	775	481	74%	46%
Technical assistance OP	110	43	33	39%	30%
Total	7,431	5,799	3,232	78%	43%

* ERDF, ESF or CF + national public contribution altogether

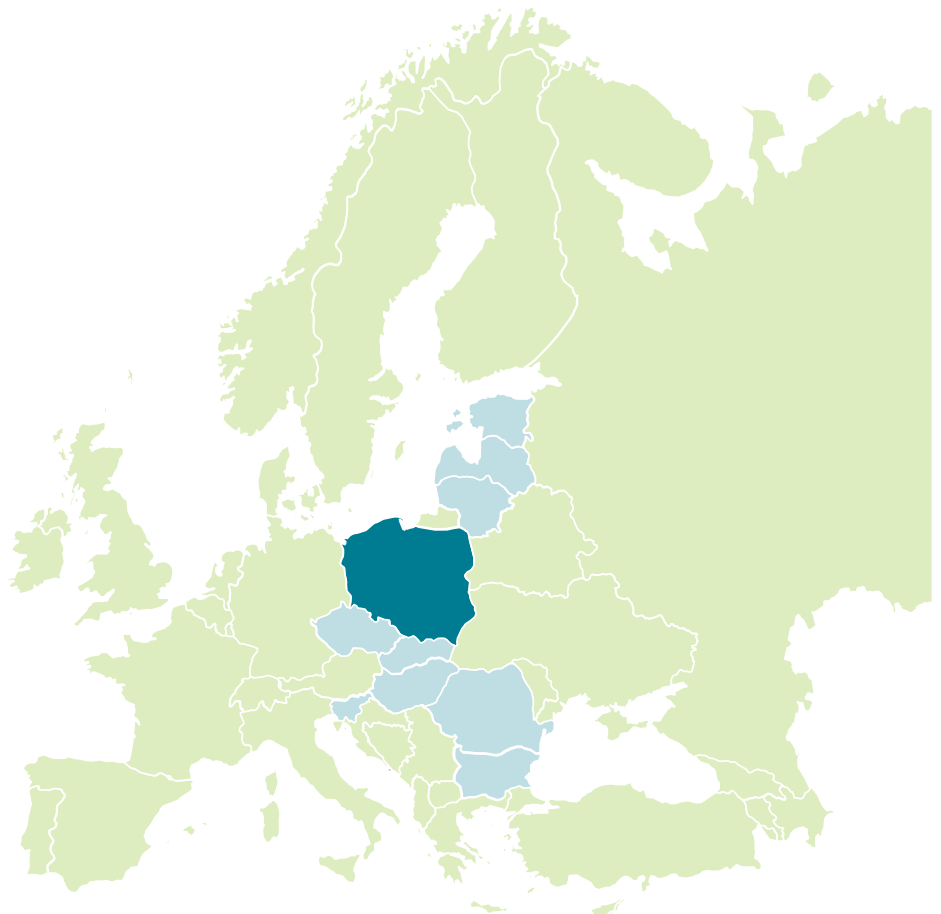
Poland

In the 2007-13 period, Poland's main programming document, the National Cohesion Strategy covers 21 operational programmes: four sectoral, 16 regional and one technical assistance OP.

The EU funds available for the framework programme equals EUR 65.3 billion, which is the biggest amount for development in the CEE. When complemented by the national public contribution, it totals EUR 82.8 billion.

By the end of 2011, Polish beneficiaries had signed contracts for EUR 52.4 billion within the framework of the National Cohesion Strategy. This amount accounts for 63% of the total budget.

In the meantime, more than 40% of the contracted grants, i.e. approximately EUR 23 billion, was disbursed to the beneficiaries, which represents 28% of the total allocated budget for the 7-year period.



Population
38.2 million

GDP per capita in 2011
EUR 9,518

Available budget 2007-13
EUR 82.8 billion

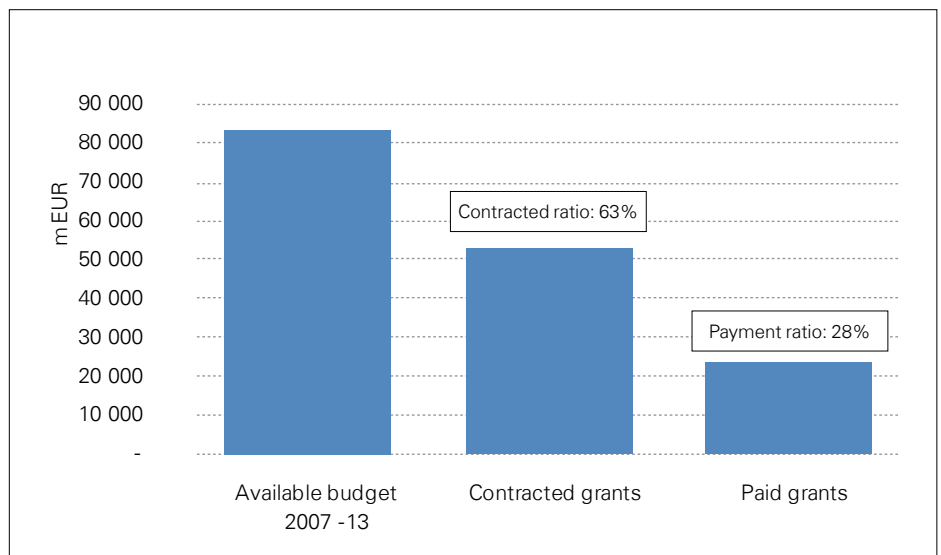
Contracted grants
EUR 52.4 billion

Contracted ratio
63%

Paid grants
EUR 23 billion

Payment ratio
28%

Progress of EU funds



The progress of the implementation of the Polish Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR		
Human Capital OP***	11,420	7,831	4,654	69%	41%
Innovative Economy OP**	10,180	7,111	2,539	70%	25%
Infrastructure and Environment OP**	37,565	22,049	7,472	59%	20%
Development of Eastern Poland OP**	2 675	1 681	799	63%	30%
Technical Assistance OP**	608	298	207	49%	34%
Lower Silesia OP**	1,577	921	505	58%	32%
Kujawsko–Pomorskie OP**	1,179	756	387	64%	33%
Lubelskie OP**	1,403	891	469	63%	33%
Lubuskie OP**	517	379	254	73%	49%
Łódzkie OP**	1,230	997	447	81%	36%
Lesser Poland OP**	1,790	1,103	554	62%	31%
Mazovia OP**	2,153	1,325	720	62%	33%
Opolskie OP**	578	431	279	75%	48%
Subcarpatian OP**	1,345	932	554	69%	41%
Podlaskie OP**	793	447	273	56%	34%
Pomerania OP**	1,129	859	469	76%	42%
Zachodniopomorskie OP**	983	682	365	69%	37%
Greater Poland OP**	1,640	1,225	729	75%	44%
Swietokrzyskie OP**	854	562	375	66%	44%
Silesia OP**	2,025	1,156	666	57%	33%
Warminsko–Mazurskie OP**	1,229	804	380	65%	31%
Total	82,872	52,440	23,097	63%	28%

* ERDF, ESF or CF + national public contribution altogether

** Average exchange rate of Euro in relation to Polish zloty (PLN) in 2011: EUR1 = PLN4.1206 (source: EBC)

*** Exchange rate of Euro in relation to Polish zloty in 2011: EUR1 = PLN4.1579 (source: data prepared by the Ministry of Regional Development in Poland)

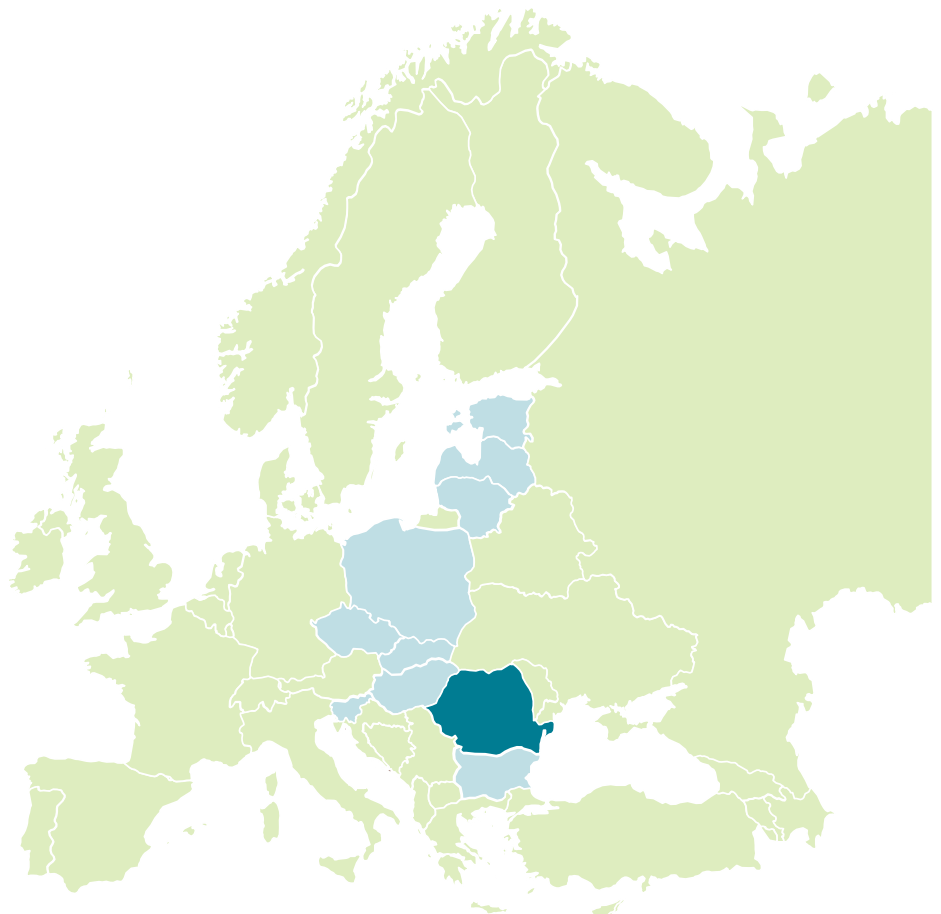
Romania

In the period 2007-13, the Romanian National Development Plan is implemented through five sectoral, one regional and one technical assistance OP under the “Convergence” Objective.

In the framework of the National Development Plan, Romania is scheduled to obtain EUR 19.2 billion from ERDF, CF and ESF. Complemented by a national public contribution, the entire amount available to beneficiaries totals EUR 23.3 billion.

By December 2011, EUR 14.6 billion in grants had been contracted in the framework of the Romanian National Development Plan. The contracted ratio is slightly below the CEE level’s ratio.

Out of this amount, EUR 3.2 billion in grants were disbursed to the beneficiaries, accounting for less than 15% of the available budget for seven years.



Population

21.4 million

GDP per capita in 2011

EUR 5,555

Available budget 2007-13

EUR 23.3 billion

Contracted grants

EUR 14.6 billion

Contracted ratio

63%

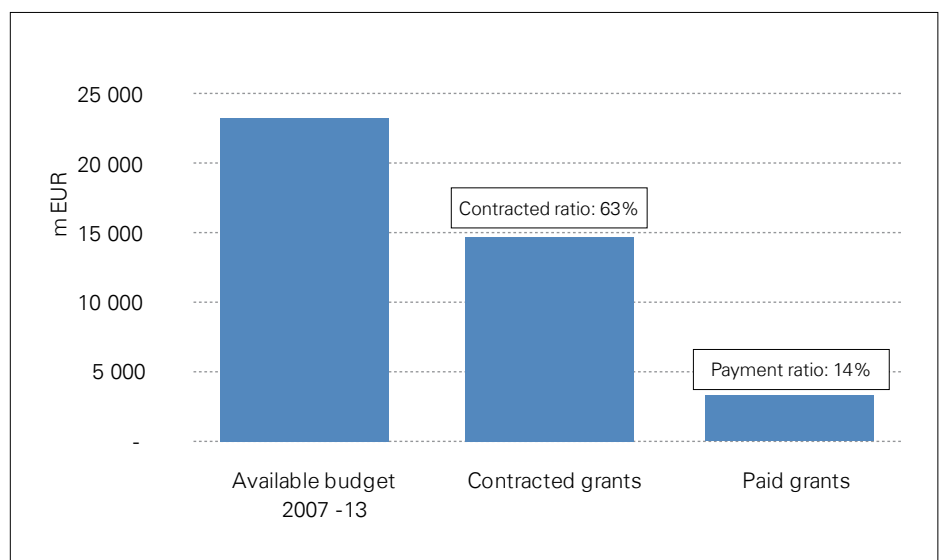
Paid grants

EUR 3.2 billion

Payment ratio

14%

Progress of EU funds



The progress of the implementation of seven Romanian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR	%	%
Transport OP	5,698	2,222	157	39%	3%
Environment OP	5,611	4,436	577	79%	10%
Regional OP	4,384	3,332	1,016	76%	23%
Human Resources Development OP	4,089	3,168	894	77%	22%
Increase of Economic Competitiveness OP	3,011	1,280	460	42%	15%
Administrative Capacity Development OP	246	112	26	45%	11%
Technical Assistance OP	213	61	21	29%	10%
Total	23,251	14,610	3,152	63%	14%

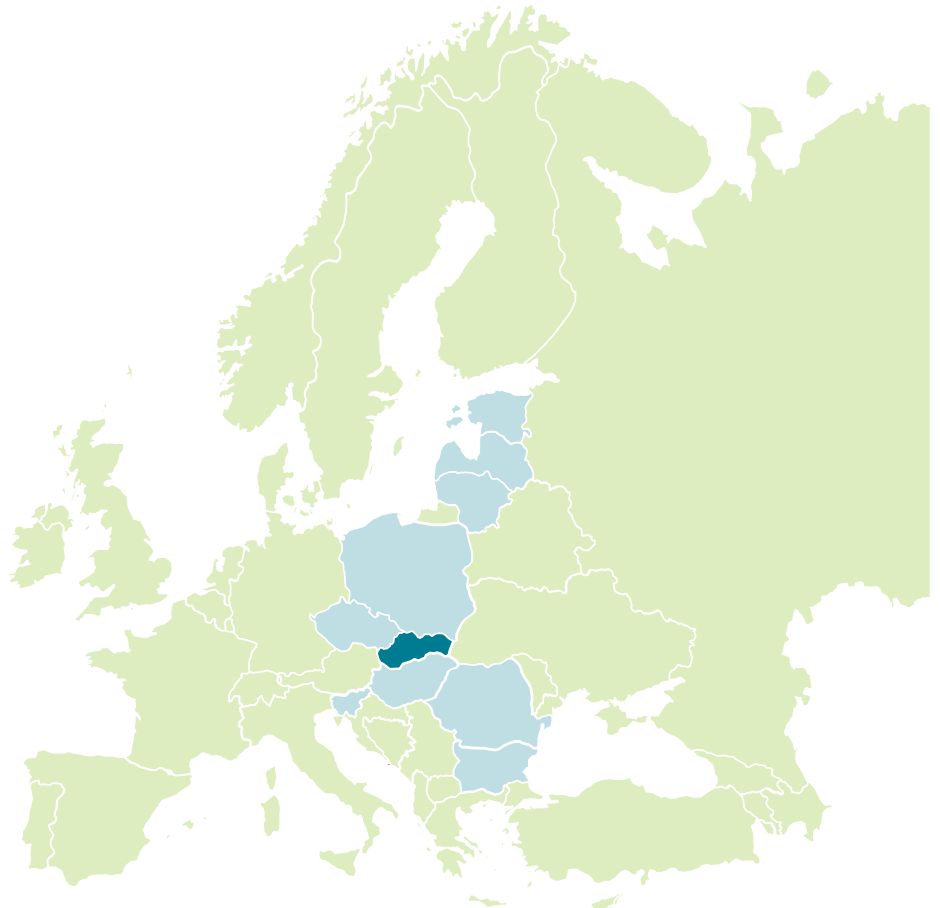
* ERDF, ESF or CF + national public contribution altogether

Slovakia

In the 2007-13 period, the National Strategic Reference Framework covers eight sectoral, one regional, one Objective 2 and one technical assistance OP with a total Community contribution of EUR 11.36 billion.

The received EU funded budget is supplemented by a national public contribution, which results in a total sum of EUR 13.6 billion, available for development purposes.

By the end of 2011, within the National Strategic Reference Framework Slovakia had contracted EUR 8.6 billion in total, which is 64% of the total budget available for EU co-financed development. Out of this amount, EUR 3.8 billion were paid to the beneficiaries, accounting for 28% of the total budget allocated for seven years.



Population

5.4 million

GDP per capita in 2011

EUR 12,410

Available budget 2007-13

EUR 13.6 billion

Contracted grants

EUR 8.6 billion

Contracted ratio

64%

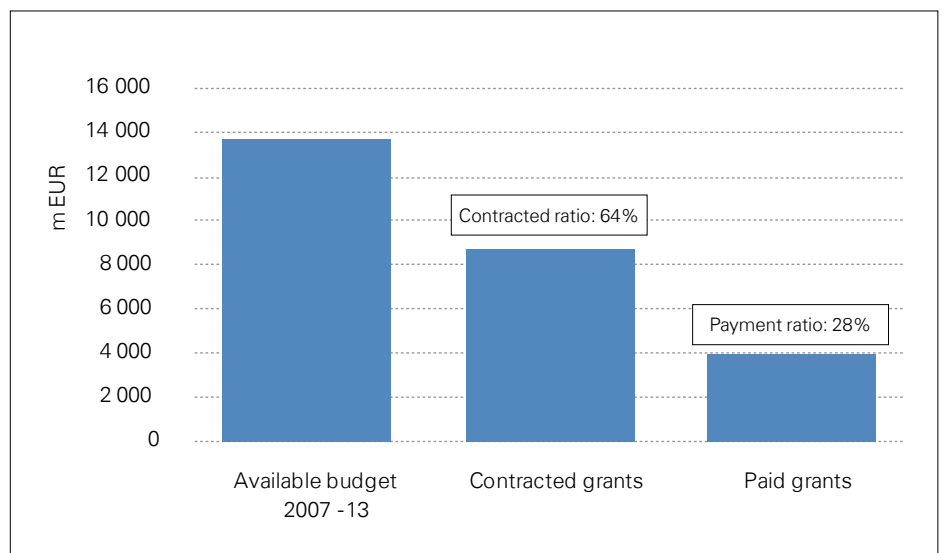
Paid grants

EUR 3.8 billion

Payment ratio

28%

Progress of EU funds



The progress of the implementation of 11 Slovakian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR		
Transport OP	3,846	1,909	898	50%	23%
Environment OP	2,141	1,449	537	68%	25%
Regional OP	1,829	1,578	781	86%	43%
Research and Development OP	1,423	874	338	61%	24%
Informatisation of Society OP	1,162	337	108	29%	9%
Employment and Social Inclusion OP	1,037	946	440	91%	42%
Competitiveness and Economic Growth OP	914	746	384	82%	42%
Education OP	727	374	143	51%	20%
Health OP	294	295	125	100%	43%
Technical Assistance OP	115	98	49	86%	43%
Bratislava Region OP	112	56	40	50%	35%
Total	13,600	8,661	3,842	64%	28%

* ERDF, ESF or CF + national public contribution altogether

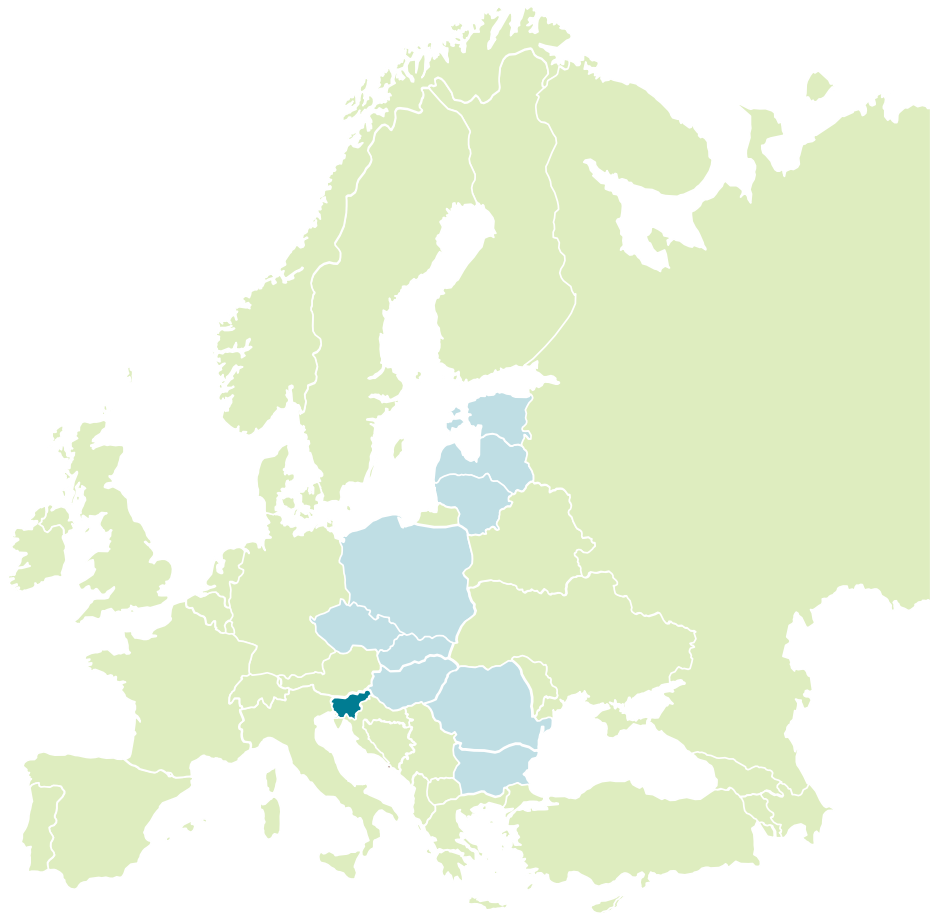
Slovenia

In the 2007-13 programming period, Slovenia's main EU co-funded programme is the National Development Plan. The framework programme covers two sectoral and one regional operational programme, and budgets EUR 4.1 billion from ERDF and ESF co-financing.

This amount complemented by national public contributions equals to EUR 4.8 billion, which is finally available for beneficiaries for development purposes.

By the end of 2011, projects worth EUR 2.8 billion in grants were contracted by the beneficiaries of the Operational Programmes of the Slovenian National Development Plan. This amount is nearly one-third of the total available budget allocated for development in Slovenia for the 2007-13 period.

Out of the contracted grants, EUR 1.8 billion has been disbursed, accounting for the 70% of the contracted grants and 38% of the total budget for seven years.



Population

2,1 million

GDP per capita in 2011

EUR 17,644

Available budget 2007-13

EUR 4.8 billion

Contracted grants

EUR 2.8 billion

Contracted ratio

59%

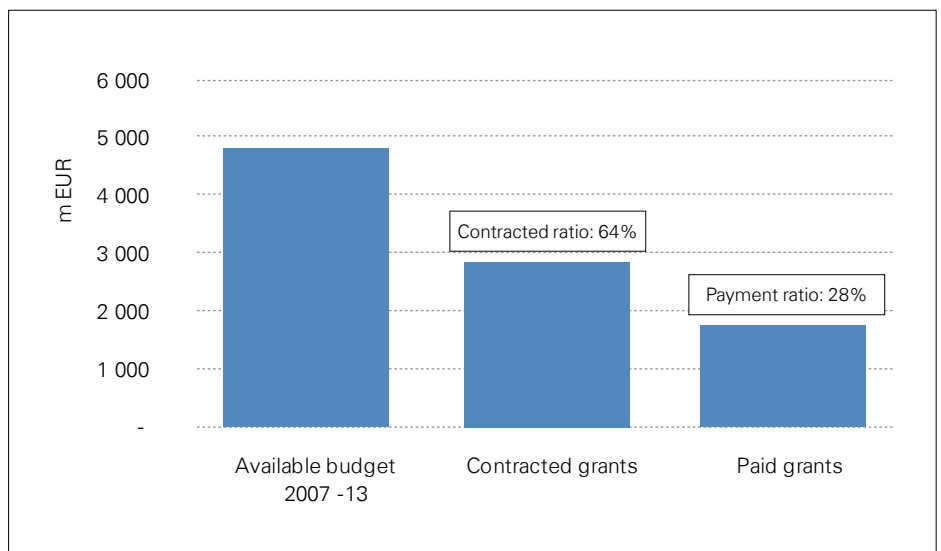
Paid grants

EUR 1.8 billion

Payment ratio

38%

Progress of EU funds



The progress of the implementation of three Slovenian Operational Programmes by the end of 2011 is presented in the following table:

Operational Programmes	Available budget* 2007-13	Contracted grants*	Paid grants*	Contracted ratio	Payment ratio
	mEUR	mEUR	mEUR	%	%
Strengthening Regional Development Potentials OP	2,080	1,613	1,142	78%	55%
Environmental and Transport Infrastructure Development OP	1,855	548	352	30%	19%
Human Resources Development OP	889	697	355	78%	40%
Total	4 825	2 858	1 849	59%	38%

* ERDF, ESF or CF + national public contribution altogether



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