Factsheet on Cohesion Policy implementation and performance

Case study: Hungary

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| **Basic info** | **West Pannon** | | **Hungary** | **Unit** | | |
| Population [2008] | 998 | | 10045 | thous. | | |
| GDP [2008] | 10366 | | 107503 | mln EUR | | |
| Population [2014] | 985 | | 9877 | thous. | | |
| GDP [2014] | 10885 | | 104239 | mln EUR | | |
| ***Total allocation*** |  |  | | |  |
| Allocation ERDF+CF [2000-2006] | 276.3 | | 2718.0 | mln EUR | | |
| Allocation ERDF+CF 2007-2013 | 3473.5 | | 27736.0 | mln EUR | | |
| Ratio [period 2007-2013 to 2000-2006] | 12.6 | | 10.2 | ratio | | |
| ***Absorption rates ERDF+CF*** |  |  | | |  |
| Absorption rate 2000-2006 [final] | 90.1 | | 88.2 | per cent | | |
| Absorption rate 2007-2013 [in 2014] | 61.9 | | 66.1 | per cent | | |

The West Pannon region accounted in 2014 for about 10% of both country population and national GDP. The region’s share in country-level total allocation grew from 10% for the programming period 2004-2006, to 12.5% for the 2007-2013 period. The 2014 absorption rate in the case study region was lagging behind the national average by 4 pp.

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| **Thematic structure** [NUTS-2, 2007-13, ERDF+CF] | **West Pannon** | **Hungary** |
| ***% of allocation*** |  |  |
| Category A “Innovative enivironment”: business support, human resources, IT infrastructure and services, research and technology | 14.3% | 17.4% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 66.5% | 60.9% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 16.0% | 18.1% |
| ***Rate of absorption [in 2014]*** |  |  |
| Category A “Innovative enivironment”: business support, human resources, IT infrastructure and services, research and technology | 72.3% | 72.3% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 56.1% | 61.0% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 75.7% | 76.7% |

\* % of allocation does not add to 1, because the “technical assistance” is not included in any of the categories.

The thematic structure of allocation of ERDF and CF funds is similar in both West Pannon and Hungary. The Category B, clustering investments in basic infrastructure, is responsible for over 60% of total allocations in both cases, while share of funds allocated to Categories A and C amounts to approx. 15% per each. In the case of West Pannon region, the concentration of funds in Category B exceeds the national average by almost 6 pp.

The thematic rates of absorption in West Pannon and Hungary are very much alike, with basic infrastructure lagging behind the two other categories by 11 pp. to 16 pp. in case of Hungary, and 16 pp. to 20 pp. in West Pannon.

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| **Regional OP** [ERDF] | **West Pannon** | | **Hungary** | | **Unit** | |
| ***Allocations to Regional OPs*** | |  | |  | |  |
| Allocation 2007-2013 | 463.8 | | 6489.6 | | mln EUR | |
| Allocation 2014-2020 | n/a | | 463.7 | | mln EUR | |
| Ratio [period 2014-2020 to 2007-2013] | n/a | | 0.07 | | ratio | |
| ***Reported achievements: period 2007-2013 [as in 2013]*** | |  | |  | |  |
| Jobs created | 3120 | | 91535 | | jobs | |
| Reconstructed roads | 114 | | 2239 | | km | |
| Additional population served with improved urban transport | 614309 | | 4207362 | | persons | |
| Direct investment aid projects to SME | 355 | | 40273 | | number | |

Allocation for the West Pannon Regional OP amounted to 7% of total ERDF funds devoted to regional programmes in Hungary in the 2007-2013 programming period. The subsequent programming period has seen a significant centralization of funds’ distribution, and a regional OP for West Pannon was discontinued. The reported number of jobs created as a result of the implementation of the Regional OP amounted to 3120, compared with over 90 thousands for entire Hungary. The disparity between regional and national level is even more pronounced with regard to the number of direct investment aid projects to SME – only 355 in West Pannon, as compared to over 40 thousands for the whole country.