Structural Instruments Ex-Post Comparative Analysis in Transport Sector

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Abstract: Organizational performance is the result obtained with respect to the objectives, strategy and expectations of staff and depends on quality, quantity, cost and time. For the organization, in order to achieve its objectives, it must accomplish tasks on time, low cost and high quality. In the 2007-2013 financial framework, using structural funds, the projects have been implemented in all fields by helping member states to overcome the financial crisis, to rebuild their economies and to develop. Ex-post evaluation of the Cohesion Fund and the European Regional Development Fund has provided positive results beneficial for member states, both in terms of transport infrastructure, environment, labor and the support of small and medium enterprises. The aim of this paper is to present a comparative situation of 6 member states in transport sector. The objective of this article is to analyze the performance of these member states, through the 2007-2013 structural instruments. The concepts used are the performance of regional development and EU cohesion policy. This approach is based on scientific research and theoretical documentation. The main methods employed were the observation, the specialty literature and publications. The conclusion of this study is that the EU member states with a developed economy received less financial assistance than the other member states, some member states have had the ability to fully use the grants provided by the European Union, while other have not succeeded in this, which generated the request of the state budget. The case study can be used in university as a frame of reference in order to realize other comparative analysis.

Keywords: cohesion policy; performance; regional development

1. Introduction and Theoretical Framework

The objective of this paper is to present a comparative analysis between 6 EU member states and their performance, through the structural funds received from the European Commission in the 2007-2013 financial period.

Cohesion policy is one of the most important EU policies due to its objectives which contributes to reduce social inequalities between regions by supporting job creation, economic growth, improved living standards of the population.

Regional development concept aims to reduce inequalities between socio-economic regions by stimulating investments in both public and private sectors, economic activities necessary to improve the living standards of the inhabitants.
Regional development policy requires close collaboration between the actors involved in this process in order to achieve the objectives of increasing the competitiveness of regions that become centers of economic development and ensuring access to public goods and services in the regions.

2. Performance of Regional Development

The term “performance” is a result or a remarkable success obtained in a certain area by a person, a team, a group, a machine. In the literature, some authors define the performance against the objectives of the enterprise, starting from the idea that the enterprise represent a group of persons with common activities oriented towards achieving goals.

Other authors consider that the performance represent the degree to which an organization, as a social system with some resources and means, achieve their goals, a state of competitiveness of the company, reached by a level of efficiency which ensures a sustainable market presence.

The performance can be seen from many points of view: technical performance of the organization (requires that available resources be used effectively and is measured by productivity), economic performance (the overall results of the company must be as good compared with the objectives set, competition and the situation in previous years), social performance (the adaptation to the needs of customers and their purchasing power by offering products and services reasonably priced) and managerial performance (represent the adaptation to the enterprise needs and cultural conditions).

A current perspective on the performance concept reflects its multifunctional nature: the execution of an action, an action carried out successfully, fulfillment of a requirement, promises or application; the claim to represent a character in a play, a public presentation or exhibition; linguistic behavior of an individual: word and the ability to speak a certain language.

Performance can be considered a great result obtained in management, economics, trade involving efficiency, effectiveness and competitiveness of companies and their behaviors associated with procedural and structural ideology of progress, the effort to always do better.

The performance of an enterprise can be analyzed through the financial statements that provide information about the profitability of the company, liquidity and solvency. The performance is the level that obtained the best results.

The factors that underline the company’s performance are the resources needed for production (technical, energy, material, human and financial), work processes performed within the company, organizational structure and the beneficiaries.

In regional development, the performance represent the measure in which the structural instruments have been managed effectively and efficiently and can be assessed only ex-post, at the end of the programming period.

If in the programming periods 1994-1999 and 2000-2006, the cohesion policy has focused on reducing inequalities concerning GDP/capita and development of projects, in 2007-2013 financial period, its goal was to obtain results, objectives defined in each region and the increase of use EU funds.

Therefore, the EU member states have conducted 322 operational programs covering areas such as transport, environment, business support, culture, tourism, social infrastructure and urban development, European territorial cooperation, energy, research and development.
Evaluation is the process by which we can measure the performance of a program, project and when it ended, we can identify solutions to improve the results.

The purposes of the assessment are: analyze the results and impact of a program, the comparison of the results of a program with its costs by identifying potential improvements in implementation.

There are several types of assessment of a project, depending on:

- purpose: summative assessment (is achieved at the end of the project or at the completion of certain phases of the project in order to verify the extent and manner in which the objectives were fulfilled); formative assessment (aims to improve the design of a project or program by improving implementation);

- moment: ex-ante (before the implementation of the project in order to establish the selection criteria of the projects that are eligible to receive financial aid), interim (during the implementation of a project or program in order to identify the possible improvements) and ex-post (is achieved after the implementation phase of a program or project and aims to notify the achievement of goals by comparing them with the results achieved, this is in charge of the Member State or the European Commission);

- the position of the members of the Evaluation Committee: internal (is carried out by the institution’s employees which implement the program or project and includes all information to ensure that the evaluation report is complete and explicit) and external (is made by the independent assessors, outside the institution, the disadvantages of such evaluations are possible pressures which may hamper the independence of appraisers as well as high costs).

Other types of assessment are:

- participatory evaluation: it is presented as a modern type of evaluation, as opposed to the traditional assessment, the assessor takes the same position with the people involved in the program;

- based on theory: provides categorized data about the implementation of similar programs by identification of the risks and key elements. It is used in particular in the case of the assessment of community where effects cannot be analyzed statistically. Some researchers argue that if you combine data on the results of a program with information on the process of implementation of the program, shall obtain information on the effects of the program and its impact.

In the impact analysis it can be measured the net effects of the intervention (net impact) and can be quantified the effects of the project on the medium and long term.

Medium and long-term impact can be anticipated before implementing such program or project but also during and after implementation. In the structural funds area, can be used two types of evaluation: ex-ante and ex-post.

Ex-ante evaluation is carried out under the supervision of the authority responsible for drawing up the programming documents and aims to “optimize the allocation of budgetary resources under operational programs and improve programming quality”.

Through ex-ante evaluation, are identified regional disparities, gaps and development potential, in order to establish specific objectives and strategies for each development region, the procedures for implementation, monitoring, evaluation and financial management.
Ex-post evaluation is carried out after the implementation of a program on the basis of evaluation results already available, to provide information about the use of resources, the effectiveness and efficiency of assistance and its impact.

This evaluation is an essential tool for the development and reorganization of public policy because it allows highlighting aspects that contribute to the success or failure of projects or programs, achievements and results, including their sustainability.

Through structural instruments, in 2007-2013 programming period, 400,000 small and medium enterprises have received financial support and 121,400 new business.

European Regional Development Fund have supported small business to survive the financial crisis of 2007-2008, the innovation, adoption of advanced production technology and developing new products, leading to increased turnover and exports.

The financial support accorded to large enterprises through the ERDF was 6,1 billion euro representing 20% of the ERDF total allocation for business. Were implemented 6,000 projects, 3,700 large firms have received financial assistance, a half of ERDF funding for large companies going to Poland, Portugal and Germany.


In the transport sector, the financial aid was made by two structural instruments, European Regional Development Fund and the Cohesion Fund in total value of 80,9 billion euro. For the first 12 EU Member States were allocated 55,6 billion euro, of which 37% represented investment in this area, allocations through two funds representing over 40% of capital expenditure in transport during the seven years of programming.

In the following, we shall analyze 6 EU member states: Poland, Italy, Romania, Hungary, Spain and France in order to highlight how did they funded transport projects through the Cohesion Fund and the European Regional Development Fund, related to the 2007-2013 financial framework, what vision they had and which are the results.

In Poland, in the financial exercise 2007-2013, was implemented the Operational Program for Infrastructure and Environment and has had as objective the modernization of TEN-T in terms of roads and railways. The cohesion policy has allocated 51,2 billion euro of which 25,7 billion was for investment in the transport sector.

The financial allocation was divided into 3 priority axes: TEN-T road and air, transport that doesn't affect the environment, transport safety and national transport network. To reach the targets, Poland conducted 16 operational programs. Of these, 10 operational programs have included investments in airports and only one in ports.

For transport network, at the end of 2014, through the structural instruments, Poland spent about 20,9 billion euro for 834 km of TEN-T new roads and 6,550 km of roads rehabilitated.

For the railway, this country has spent 6,1 billion euro. Railway infrastructure projects focused on improving the existing network and infrastructure modernization by increasing speed. At the end of 2013, the results were 71 km of TEN-T and 332 km rehabilitated.

In 2013, Poland had a network of 19,617 km railway with 198 km more than at the beginning of the programming period. If in 2003, 23% of the rail network was considered good, in 2012 the percentage...
reached 43%. The rate of the trains that supports speeds of 120 km/h increased from 5% in 2003 to 23.5% in 2012. The objectives of these investments were improving competitiveness by reducing travel times between outlying areas and city centers and facilities for passengers. Investment through cohesion policy were made in urban public transport and airports, also.

Were funded urban transport projects for replacing existing lines of trolleybus, development and modernization of public transport in major cities such as Warsaw, Gdansk, Krakow, Lodz, expanding the metro network in the capital, expansion and modernization of tramways. The domestic and international airline flights have increased from 17 million passengers travel in 2007 to 23 million in 2013.

In Italy, in the programming period 2007-2013 were allocated 20.9 billion euro in the cohesion policy of which 4.2 billion, in transport sector. Cohesion policy in transport was focused on improving accessibility, intermodality, sustainability, quality and efficiency. Cohesion policy has supported national transport priorities especially in the southern regions. Implementation of cohesion policy was, however, hampered by legislative changes that have affected the financing of these operational programs.

Transport policy and investment in the logistics of national importance has been implemented by two major instruments: Plan for Transportation and Logistics and Strategic Infrastructure Program. European Regional Development Fund has been concentrated on the operational program for transport and mobility networks and 15 other operational programs. These objectives were promoting sustainable transport and removing bottlenecks in infrastructure. Also, national transport programs in Italy focused on large projects connected with strategic infrastructure and improve regional transport. Improving connections between Italy and the rest of Europe was made in the southern part of the country through the development of port infrastructure.

At the end of 2013, through the European Regional Development Fund and the Cohesion Fund, Italy had 61 km of new roads, 168 km rehabilitated. The total road network was about 26,587 km of which 6,726 km are highways. The strategic objective of cohesion policy for the road network has been raising the standard of road infrastructure, improving connectivity between main roads, urban centers and logistics and avoiding bottlenecks.

Regarding railways were built 31 km, 728 km were rehabilitated on TEN-T and outside TEN-T: 951 km. At the end of the programming period, the total rail network was 17,060 km which means an increase of 393 km compared to the beginning of the programming period. The projects in air transport have had aimed the support, development, increase airport capacity, improving efficiency of airports, providing connectivity between airports and high-speed train stations, providing the connection between public transport and airports. In 2013, Italy had 44 airports of which 32 had more than 150,000 passengers per year. The Structural Funds have, also, financed the important ports and their connections with the rest of the country in order to create necessary logistics platform in the Mediterranean Sea for international trade routes.

In Romania, during the 2007-2013, the financial allocation for the European cohesion policy was 15.3 billion euro of which 5.5 billion were earmarked for the transport sector. In our country, they were conducted two operational programs: Sectorial Operational Program Transport and Regional Operational Program. SOPT concentrated on infrastructure of national importance, giving greater importance to the development of TEN-T corridors while ROP implemented regional development projects connected with the needs of the population.
Transport and Infrastructure Strategic Plan was oriented towards economic efficiency, equity, security, integration and the environment. Policy principles were set out in the National Strategic Reference Framework. At the end of 2013 were rehabilitated 22 km of roads.

The General Transport Master Plan for the period 2014-2020 emphasizes the importance of continuing and completing motorways and modernization or rehabilitation of national roads whose works started in the exercise 2007-2013. These projects are phased, second phase will run during 2014-2020 financial period. Have been made investments in the highways, at the end of 2012, the total length was 550 km. Regional Operational Program, invested 1,2 billion euro for road sector of which 1,1 billion were allocated to regional and local roads.

At the end of 2013, through ROP were rehabilitated 877 km of county roads. Regional Operational Program has aimed to increase economic and social role of urban centers, increased accessibility between regions of the country especially with the neighboring connecting urban centers, increasing the quality of social infrastructure, optimization for tourism development effort.

Our country had 162 km of newly built roads of which 140 km are part of the TEN-T and 1,437 km of roads rehabilitated. Regarding railways, Romania has a railway network totaling 10,777 kilometers and in 2007-2013, the construction of new railway lines was not considered a priority. Bucharest Metro Line 5 received structural funds in value of 409 million euro, will have a length of 7,5 km and it is in execution.

Hungary, in 2007-2013, has received an allocation of 21,3 billion euro in EU cohesion policy of which 6,7 billion euro for transport. The objectives were: improving quality of life, reducing regional disparities, increasing transport safety, environmental protection, regional development and urban development.

By the end of 2014, the transport sector spent 6.2 billion euro. Thus, at the end of 2013, Hungary has built 443 km of roads of which 114 km on the TEN-T and modernized 2,237 km, the total road network being 31,692 km. Costs incurred in railways totaled 1,8 billion euro and financed 20 km new railway on TEN-T and 179 km railway modernized.

In 2013, the total rail network was 7,877 km. Transport absorption rate for 2007-2013 was high compared to other European Union member states, the country has managed to register a significant progress, in aligning with European transport policy by developing the TEN-T. It has invested in urban transport and the extension of the metro in Budapest.

The total funds allocated in Spain to cohesion policy amounted to 26,6 billion euro, of which 8,2 billion euro in transport sector for rail infrastructure, road, maritime, intermodal transport, aviation, urban and metropolitan research, development and innovation in transport. All this contributed to the country's economic development, increase social and territorial cohesion.

Through cohesion policy instruments, this country has had aimed to ensure access to urban public transport, the development of short shipping freight, interoperability gauge railway to the border with France, increasing market share of rail and road, providing effective connections between the big cities. Investment policy in the transport sector for the period 2007-2013 was planned long before, in 2005 and it is a part of the development strategy for the 2005-2020 period.

The Operational Program “Cohesion Fund - European Regional Development Fund” amounted to 8,2 billion euro for investment in transport in 2007-2013. At the end of 2014, Spain has spent the funds entirely for the construction of 279 km of roads of which 88 km on the TEN-T network, 1,681 km were
modernized. Thus, in Spain in 2013, the road network consisted of 29.811 km of which 14.701 km were the highways.

In France, in the programming period 2007-2013, the largest share of cohesion policy funds was invested in inter-urban transport, multi-modal urban and rail, to modernize population mobility.

The total allocation under cohesion policy was 8 billion euro of which 1.1 billion euro were intended to transport sector. By the end of 2013, were built 28 km of roads on TEN-T, were rehabilitated 446 km of which 57 km railway on TEN-T.

Due to decentralization, regional councils were the responsible investment authorities in cooperation with national authorities, in order to develop regional territorial transport plans. The 2010 Transport Plan focused more on investment in sustainable alternatives transport more than in road investments and aimed at a 20% reduction of toxic emissions by 2020, protecting the environment and participation in increasing energy efficiency by 20% in the EU.

The total road network was about 21.249 km of which 11.465 km are motorways. 210 million euro was allocated to the rehabilitation of 446 km of railway and 57 km on TEN-T network.

Through the financial instruments of the cohesion policy, France has invested in urban transport in small towns of the country, has improved the tram network in Clermont-Ferrand and the development capacity of Cherbourg port.

France has taken into account the development of transport in its outermost regions such as Guadeloupe, Martinique, Guyane, Saint-Martin, Reunion and Mayotte, the less developed regions than the rest of the country. In the period 2007-2013, were conducted in 27 operational programs of which 4 have been allocated for the development of the regions of Guadeloupe, Guyane, Martinique and Reunion. For the last of these, investments focused on urban transport. Implementation of the national policy of the French transport reflected the needs and priorities of the Member States of the European Union, developed according to the European transport policy.

4. Conclusions

The EU developed member states have benefited of financial allocations smaller than those least-developed countries. All of these states have had as objective to connect national networks of European transport corridors, the needs of the new member states have focused more on road transport network development and the alignment of national goals on those of the European Union. In the 2007-2013 financial exercise, through the ERDF and CF were implemented big projects in transport sector, helping Member States to develop their infrastructure in order to attract foreign investors and to increase the living standard of the citizens.

5. References


