EUROPEAN FUNDS AND OPERATIONAL PROGRAMMES SUPPORTING THE DEVELOPMENT OF TOURIST INDUSTRY IN THE COASTAL REGIONS IN POLAND

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Abstract

The Over the past decade private entrepreneurs and public and social entities in Poland use the European Union funds within the framework of the financial perspective covering the years 2004–2006, and the second perspective – 2007–2013. Thanks to EU co-financing numerous investments were carried out and they significantly raised the quality of residents' life and tourist attractiveness of all regions. Unfortunately, so far the European Commission has not developed a direct operational programme related to the tourist sector. Therefore all entities interested in tourism development were forced to apply for EU financial support looking for adequate priority in the operational programmes. The purpose of this article is to evaluate the possibility of obtaining financing for projects regarding the development of tourism industry from the EU funds under the previous financial perspectives and the current one.

Introduction

Polish accession to the European Union in 2004 opened a new phase in the Polish history. The civilization progress, which has been observed since that time, mainly thanks to access to the European funds, has been visible in almost all areas of the economy and tourist industry, as well. In the last financial perspective, none of the operational programmes referred directly to the development of tourist industry. However, tourist entrepreneurs
were not disincentive and tried to raise support from the EU funds for tourism development. The purpose of this article is to evaluate the possibility of obtaining financing for projects regarding tourism development from the EU funds under the previous financial perspectives and current one. Moreover, the following research problems have been defined i.e.: (1) What types of projects supporting tourism development in coastal regions have been implemented with the support of the European funds? (2) What European funds promote the development of tourist industry in the coastal regions in Poland? (3) Which of the operational programmes in Poland were intended to tourism development projects in the coastal regions? In this article, there were applied the methods of exploration and desk research of source materials, benchmarking and also the analysis of literature was carried.

Types of European Union projects supporting the tourism development in the coastal regions

Financial support from European funds is directed to two groups of projects, i.e.: the investment projects, so-called “hard projects”, as well as training and consulting projects – so-called. “soft projects” (Kizielewicz, 2013a: 182). In the last decade, the implementation of various projects in the field of tourism development in the coastal regions was co-financed by the EU funds. Among these first ones, there were co-financed, among the others:

- infrastructure access to the ports and marines from the sea and land,
- hydrotechnical infrastructure of sea ports in the field of dredging and expansion of the water tracks,
- construction of the ferry terminals,
- fitting the wharves for passengers,
- international cooperation to build a network of yachting ports,
- cleaning and protection of sea beaches,
- appointment and renewal of the hiking and cycling trails,
- building and modernizing of the tourist information centres,
- revitalization of the Holiday Parks (the city’s parks, gardens, etc.),
- adaptation of national parks and nature reserves to tourists’ needs,
- renovating of the historical monuments,
- building and modernizing of the cultural-entertainment centers and exhibition (concert halls, museums, galleries, community centres, etc.),
- building the recreational sports centres (aqua parks, playgrounds, parks and recreational facilities, etc.) and many others.

The second group of projects i.e. “soft projects” related to the co-financing of:

- participation in fairs and tourist exchanges,
- cooperation for promotion of the regions,
- organization of cultural and entertainment events and activities,
- creation of new tourist products,
- vocational training for employees in the tourist sector and the hotel industry,
- organization of the professional trainings in the tourist and hotel companies,
- consulting services for enterprises from the hotel and tourist sectors and the others.

All of these types of projects have been implemented in Pomeranian and West-Pomeranian regions with support from the European Union in the last two financial perspectives. The project called “Żulawska Loop – water
tourism development” is a good example of such activities. The main aim of this project was “development of waterways of the Vistula River delta and the Vistula Lagoon by construction of high-quality sailing infrastructure and improving sailing and safety on waterways of Żulawy Wiślane and the Vistula Lagoon” (The Żulawy Loop, 2014). The project was realized within the Innovative Economy Operational Programme 2007–2013, Priority Axis 6.4. in the period from 2010 to 2012. There were involved 12 municipalities of the Pomeranian and Warmian-Masurian Voivodeship. The budget of the project amounted to $ 85 million, with a grant of $ 51 million from the EU funds. A good example, there is also a project realized by the local authorities of the City of Puck called “Improvement of the attractiveness of the City of Puck through the development of tourist infrastructure”, which main objective was building of the three kilometers of the cycling route. The project was done thanks to the financial support from the Action 3.1 Rural areas. The budget of the project amounted to 1,337,913.09 PLN but a grant form EFRR – 699,825.02 PLN.

The needs of coastal regions in terms of the development of tourist infrastructure are still huge. Therefore both local and regional authorities, entrepreneurs and various other entities will be applied for financial support from EU funds in the new financial perspectives 2014–2020. It is worth noting that, in addition to improving the attractiveness of tourist regions, thanks to the implementation of a broad range of infrastructure investments, the quality and standard of inhabitants’ life have been significantly improved. These investments are also rated very well by them and create a positive atmosphere for subsequent EU investments projects.

The tourist industry in the previous operational programmes of the European Union

During the period 2004–2006, the tourism development projects were implemented in the framework of the Integrated Regional Development Operational Programme and in the European Community Initiative INTERREG (Table 1). However, in the period 2007–2013, the beneficiaries were obliged to look for possibilities of funding their projects in several operational programmes i.e.: Regional Operational Programmes, Innovative Economy Operational Programme, Infrastructure and Environment Operational Programme, and also Programmes of European Territorial Co-operation (MRD, 2010: 5) (Table 2).

After the Polish accession to the European Union in 2004, international projects were co-financed from the European Regional Development Fund in the framework of the European Community Initiative INTERREG 2004–2006, which had got three components – A, B and C. As far as tourism development is concerned, the A Component took the greatest importance, because both various investment projects and also training and consulting projects were realized. Moreover, on this component, approximately 177.09 million EUR were allocated, what was up to 80% of INTERREG III allocation intended for Poland in the years 2004–2006.

The beneficiaries from the Pomeranian voivodeship were involved in projects in the framework of the Action 2.7 INTERREG IIIA Programme Latvia – Poland – Russian Federation (Kaliningrad Oblast) with the budget of a value of 24.2 million EUR, including the sum of 13,516,523 EUR for tourist projects (MRD, 2010: 29–30) (Table 1). Various groups of interests were also able to submit applications for funding of investments projects and training and consulting projects to the Integrated Regional Development Operational Programme, which had got a budget of 2,968,470,769 Euro. Projects relating to tourism were assigned to the Action 1.4. – The development of tourism and culture and to the Action 3.3. – Deprived urban areas, postindustrial and post-military (MRD, 2010: 5) (Table 1).
Table 1. European programmes supporting the development of tourism in Poland (2004–2006)

<table>
<thead>
<tr>
<th>Operational Programme</th>
<th>Priority/ Action</th>
<th>The objective of the program</th>
<th>Fund</th>
</tr>
</thead>
</table>
| INTERREG III A        | Action 1.4. The development of tourism and the tourist infrastructure contributing to the development of the border area, as well as protecting the objects of cultural heritage with the cross-border importance | (1) The development of cross-border tourist infrastructure.  
(2) The Organization tourism trade fairs, conferences and seminars.  
(3) Promotion and diversification of tourism products. | ERDF* NPC**                |
| Integrated Regional Development Operational Programme | Action 1.4. The development of tourism and culture | (1) Increase the importance of culture and tourism, as factors stimulating socio-economic development of the regions.  
(2) Facilitating the access to culture and tourism.  
(3) Extension of the tourist season.  
(4) Increasing the level of incoming tourism to Poland and domestic tourism by improving the competitiveness of the regional tourism and cultural products. | ERDF* NPC** |
|                       | Action 3.1. Rural areas                                                            | (1) The construction or modernization of local tourist accommodation, catering, reception of information and communication, cultural infrastructure.  
(2) The restaurant and the revitalization of cultural heritage objects.  
(3) Investment projects investment projects therapeutic communities. | ERDF* NPC** |
|                       | Action 3.3. Deprived urban areas, postindustrial and post-military                 | (1) Regeneration of degraded areas of the cities and residents’ districts by changing the function to the economic, social, recreational and tourist.  
(2) Recovery of objects and post-military areas, by changing the function to the service industry, economic, social, educational, recreational and tourist. | ERDF* NPC** |

* ERDF – European Regional Development Fund; ** NPC – National Budget Contribution.


In the next financial perspective for years 2007–2013, the international projects were co-financed within the Programmes of European Territorial Co-operation (ETC). The main objective of the programme was to promote cooperation and contacts for economic and social development, the protection of environment in the border areas with a lower level of development, than the national average. Moreover, the coastal regions in Poland benefited from the South Baltic Cross-Border Co-Operation Programme, which included five of member states of the European Union, such as: Poland, Sweden, Denmark, Lithuania and Germany.

The total budget for the programme amounted to 75,342,210 EUR, including the sum of 60,735,659 EUR from the European Regional Development Fund (ERDF) and the contribution in the high of 14,606,551 EUR from budgets of the member states (European Commission, 2007b). The allocation of Poland for all cross-border programmes under the ETC was in total 557.8 million EUR (MRD, 2010: 48). From the EU budget, 15,578,696.25 EUR were contracted on the tourist projects relating to create cross-border tourism products, investments in construction of infrastructural network in the coastal zones, or promotional activities and the others (Table 2).
Table 2. European national programmes supporting the development of the tourism industry in the coastal regions in Poland (2007–2013)

<table>
<thead>
<tr>
<th>Operational Programme</th>
<th>Priority/Measure (Action)</th>
<th>The objective of the Operational Programme</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Territorial Cooperation 2007–2013 South Baltic Cross-Border Co-Operation Programme (Poland – Sweden – Denmark – Lithuania – Germany)</td>
<td>Priority Axis 2: Attractiveness and common identity Measure 2.3. Sustainable use of natural and cultural heritage for regional development</td>
<td>Development of cross-border strategies for preservation and use of natural and cultural heritage sites, areas, landscapes and traditions for regional development: (1) Joint creation of sustainable tourism products (e.g. cross-border thematic routes) respecting protection needs for natural and cultural heritage; (2) Preparation and implementation of small-scale pilot investments enhancing tourism infrastructure in the South Baltic area, etc.</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td></td>
<td>Measure 2.4. Local community initiatives</td>
<td>Joint events increasing involvement of local communities and institutions, administrative structures, media and NGOs, with a particularly focus on young generation and on rural areas in the South Baltic area</td>
<td></td>
</tr>
<tr>
<td>Innovative Economy Operational Programme Priority Axis 6. Polish economy on the international market</td>
<td>Measure 6.3 Promotion of Poland’s tourism assets</td>
<td>Strengthening the competitiveness of the economy by promotion of Poland as an attractive country with respect to tourism.</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td></td>
<td>Measure 6.4 Investments in tourism products of supra-regional importance</td>
<td>Support of investment to create competitive and innovative tourism products of unique and supra-regional character while maintaining absorbability of tourist regions and their tourist capacity.</td>
<td>ERDF* NPC** Private capital</td>
</tr>
<tr>
<td>Infrastructure and Environment Operational Programme</td>
<td>Priority Axis XI: Culture and Cultural Heritage</td>
<td>Taking advantage of the cultural potential and cultural heritage of worldwide and European significance in order to increase Poland’s attractiveness, protection, preservation and efficient use of trans-regional cultural heritage.</td>
<td>ERDF*</td>
</tr>
<tr>
<td>Human Capital Operational Programme</td>
<td>Priority II: Development of Human Resources and Adaptation Potential of Enterprises and Improving the Health Condition of Working Persons</td>
<td>Improvement and adjustment to the requirements of an economy based on the knowledge of employees and entrepreneurs</td>
<td>European Social Fund (ESF)</td>
</tr>
<tr>
<td></td>
<td>Priority VIII: Regional Human Resources for the Economy</td>
<td>Increasing and adapting qualifications and skills of persons working for needs of regional economy</td>
<td></td>
</tr>
<tr>
<td>The Operational Programme of the Sustainable development of the fisheries sector and coastal fishing areas 2007–2013</td>
<td>Priority Axis 1: Funds for the adaptation of the fishing fleet.</td>
<td>Scrapping of the fishing vessels or changing of their destination and use, for example, as a restaurant, cruise ship, etc.</td>
<td>The European fisheries fund (EFF)</td>
</tr>
<tr>
<td></td>
<td>Priority Axis 4: The sustainable development of the areas dependent on fisheries</td>
<td>Help the fishing communes and other fishing areas, to improvement of the quality of life of their inhabitants by changing the employment of fishermen, improvement of the attractiveness through the restoration of historical objects related to traditional fisheries.</td>
<td></td>
</tr>
</tbody>
</table>

* ERDF – European Regional Development Found; ** NPC – National Budget Contribution.


The implementation of infrastructural projects in the coastal zones may require substantial investment, which forces investors to apply for various sources of funding, not only from the structural funds and the Cohesion Fund, but also financial support from other European financial instruments, such as. European Neighbourhood and Partnership Instrument, or the Norwegian Financial Mechanism or even the European Fisheries Fund (Kizielewicz, 2013a: 180), as well as with national and international financial institutions, such as: The European Investment Bank, the European Bank for Reconstruction and Development or the World Bank (Kizielewicz, 2013b: 155). However, for
the period 2007–2013, the representatives of tourism industry reached the greatest support from the EU operational programmes prepared by the Ministry of Regional Development and regional authorities.

Particularly interesting projects in the field of tourism were implemented in the framework of the Innovative Economy Operational Programme (IEOP). The main objective of the IEOP was to develop Polish economy based on innovative companies. For the period 2007–2013, the allocation of funds for Poland in this programme amounted to a total of 8.7 billion EUR (MRD, 2014). Thanks to funding obtained from this programme in the Action 6.3. – Promotion Tourist Values of Poland, Polish Tourist Organization carried out the system project entitled Let’s promote Poland all together, which main objective was to strengthen the competitiveness of the economy through promotion of Poland as an attractive tourist destination. The project consisted of three components, A, B, and C. The A component, with a budget of 102 million PLN, included promotional activities with the use of modern marketing tools in order to promote the tourist brand called “POLAND”. However, the objective of the B component (25 million PLN) was to create an integrated tourist information system in Poland. Finally, the C component (5 million PLN) assumed the implementation of projects so called “soft projects”, i.e. training and consulting projects, in order to target marketing efforts in accordance with trends in global tourism (MRD, 2010: 47) (Table 2).

Moreover, tourist entrepreneurs were also invited to submit projects to the Infrastructure and Environment Operational Programme (IEOP). It was an important programme supporting infrastructure projects of the high-value, mainly in the improvement of accessibility to tourist destinations, environmental protection and restoration of historical monuments. Therefore, in this programme, it is hard to find any extra priorities and actions dedicated directly to the tourist sector. However each of the above mentioned investments affects the tourist attractiveness of the regions and cities. The allocation of resources for Poland in this programme amounted to 28.3 billion EUR (MRD, 2014, 2009: 191–192). This programme is the only EU one that was co-financed by the European Regional Development Fund together with the Cohesion Fund.

The Human Capital Operational Programme (HCOP) 2007–2013 is the next EU programme where tourist entities were able to apply for co-financing of their projects. However, it is also hard to find any priorities and activities direct related to tourism (Kasperska and Wyszomirski, 2012: 50). The main objective of this programme was the fight against unemployment in the various sectors of the economy, raising the qualifications of workers in order to adapt them to needs of the labour market, reducing social exclusion, as well as increasing activity and mobility of workers on the labour market and the others. The support package offered in HCOP made upgrading professional skills possible for entities involved in tourism development, and tour-operators created the possibilities of organization of traineeships for future tourist staff. Tourist companies could also gain grants for participation in tourist fairs, whether the funding of promotional campaigns, legal and business consulting, etc. The allocation of funds to this programme amounted to 10 billion EUR (MRD, 2014).

The beneficiaries implemented a significant proportion of projects in tourism thanks to financial support received from the Regional Operational Programmes (ROP), which were developed in all regions in Poland (Table 3).

In the coastal regions, tourist projects were carried out within the Regional Operational Programmes (ROP), as well. The allocation of resources for this programme for all regions amounted to 17.3 billion EUR (MRD 2014) including the sum of 885,065,762.00 PLN for The Pomeranian Voivodeship Regional Operational Programme but only 44,253,288.00 PLN for the Priority Axis VI. Tourism and cultural heritage and the sum of 835,437,299.00 PLN for The West-Pomeranian Voivodeship Operational Regional Programme (74,935,655.00 PLN for the Priority Axis V. Tourism, culture and revitalization).
Table 3. European regional programmes supporting the development of a tourism industry in the coastal regions in Poland (2007–2013)

<table>
<thead>
<tr>
<th>Operational Programme</th>
<th>Priority/Measure</th>
<th>The objective of the Operational Programme</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pomeranian Voivodeship Regional Operational Programme</td>
<td>Priority Axis VI. Tourism and cultural heritage</td>
<td>An effective and sustainable use of the natural and cultural potential for tourism development:</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td></td>
<td>(1) Improvement the quality of public tourist infrastructure.</td>
<td>(2) Development a system of tourist and cultural information and promote network tourist products.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Improvement the tourism attractiveness of places of high culture interest.</td>
<td>(4) Use the region's nature in a sustainable manner to promote tourism.</td>
<td></td>
</tr>
<tr>
<td>West-Pomeranian Voivodeship Regional Operational Programme</td>
<td>Priority Axis V. Tourism, culture and revitalisation</td>
<td>(1) Raise the attractiveness of the region through the development of tourist infrastructure and through the promotion and development of tourism information system.</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td></td>
<td>(2) Promotion, protection and valorization of the natural heritage.</td>
<td>(3) Supporting of the cultural events.</td>
<td></td>
</tr>
</tbody>
</table>

* ERDF – European Regional Development Fund; ** NPC – National Budget Contribution.


The tourist industry in the financial perspective 2014–2020

Unfortunately, in the current financial perspective tourist industry was not included in any operational programmes, either. Poland in the years 2014–2020 can count on support from the Cohesion Fund in the height of 82.5 billion EUR (MID, 2014). Currently, the amount of co-financing of the projects from the European Union funds will reach the amount of 85% for less developed regions in Poland, and for the Masovia – 80% (MID, 2014). Projects related to the development of transport infrastructure, environmental protection and energy will receive the greatest support from the EU funds. Moreover, initiatives in the field of culture, employment, education or tackling social exclusion, as well as innovation and business support will be also promoted. Polish government together with the European Commission have prepared six operational programmes for the years 2014–2020 (Table 4) but, in anyone of them, there is no a special priority or an objective dedicated exclusively to tourist industry. The beneficiaries interested in acquisition of EU funds or local and regional authorities wishing to obtain support for construction of trails, tourist information system, etc. will be forced again to seek for financial support among the wide range of operational programmes (Table 4).

In the new financial perspective, local and regional authorities will manage a larger pool of resources from the EU funds. Previously, 25% of all financial resources were implemented by local and regional authorities, and now, it will be 40% (MID, 2014) (Table 5.)

Transfer of a larger pool of resources in the powers of regional and local authorities should be assessed positively, because they know what are the needs and resources of the region and potential beneficiaries’ expectations. The previous financial perspective 2007–2013 showed that just at the regional levels resources from the European funds were spent more effectively. In the new operational programmes for the coastal regions, it is hard to identify any priorities or actions dedicated to tourism sector, as well. They are combined with entrepreneurship, culture and infrastructure development and tourist operators will be forced again to submit applications to the various priorities.
### Table 4. Operational programmes in Poland (2014–2020)

<table>
<thead>
<tr>
<th>The name of the Operational Programme</th>
<th>Allocation of funds for the Operational Programs (mln EUR)</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Operational Programme for Infrastructure and Environment 2014–2020</td>
<td>27,507.90</td>
<td>ERDF*</td>
</tr>
<tr>
<td>The Operational Programme for the Smart Development 2014–2020</td>
<td>8,614.10</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td>The Operational Programme for the Digital Development 2014–2020</td>
<td>2,505.10</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td>The Operational Programme for the Development of Competencies and Skills, and Good Governance 2014–2020</td>
<td>4,166.80</td>
<td>ESF***</td>
</tr>
<tr>
<td>The Operational Programme for the Eastern Poland 2014–2020</td>
<td>2,117.20</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td>The Operational Programme of Technical Assistance 2014–2020</td>
<td>823.64</td>
<td>Cohesion Fund</td>
</tr>
<tr>
<td>Pomeranian Voivodeship Regional Operational Programme 2014-2020</td>
<td>1,864.81</td>
<td>ERDF* NPC** ESF***</td>
</tr>
<tr>
<td>West-Pomeranian Voivodeship Regional Operational Programme 2014-2020</td>
<td>1,601.24</td>
<td>ERDF* NPC**</td>
</tr>
</tbody>
</table>

* ERDF – European Regional Development Fund; ** NPC – National Budget Contribution; *** European Social fund.


### Table 5. Operational programmes for tourist entrepreneurs in the new EU financial perspective (2014–2020)

<table>
<thead>
<tr>
<th>The name of the Operational Programme</th>
<th>The Name of the Priority Axis in the framework of the Operational Programs regarding tourism industry</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Infrastructure and Environment Operational Programme 2014–2020</td>
<td>Priority Axis VI: Protection and development of cultural heritage</td>
<td>ERDF* Cohesion Fund</td>
</tr>
<tr>
<td>The Operational Programme for the Development of Competencies and Skills, and Good Governance 2014–2020</td>
<td>Priority Axis II Effective public policies for the labour market, economy and education</td>
<td>ESF***</td>
</tr>
<tr>
<td>The Operational Programme for the Eastern Poland 2014–2020</td>
<td>Priority Axis I. Innovative East Poland Priority Axis II. Appointed Eastern Poland</td>
<td>ERDF* NPC**</td>
</tr>
<tr>
<td>Pomeranian Voivodeship Regional Operational Programme 2014–2020</td>
<td>Priority Axis II. Enterprises Priority Axis VIII. Convert</td>
<td>ERDF* NPC** ESF***</td>
</tr>
<tr>
<td>West-Pomeranian Voivodeship Regional Operational Programme 2014–2020</td>
<td>It is under public consulting.</td>
<td>ERDF* NPC**</td>
</tr>
</tbody>
</table>

* ERDF – European Regional Development Fund; ** NPC – National Budget Contribution; *** European Social fund.

Conclusions

Tourist entrepreneurs were forced to seek for sources of financing of tourism development projects in the various operational programmes dedicated to other sectors of the economy. Such a situation took place both in the past and current financial perspectives. It can provide about that the European Commission treats the tourism sector marginally. Moreover, Polish Government pushes the matter of tourism on the wayside in national operational programmes, as well. The tourism industry, in the race for the EU co-financing, has been treated marginally in comparison with, for example, the energy sector, environmental protection, construction of highways and new technologies. This results in a situation, in which tour operators are discouraged from searching for potential sources of funding of their projects. They are also convinced that it is not worth to try because they are at the end of the queue to receive grants. Strong competition in the market requires introduction of innovative products and continuously improvement of quality of services and it involves huge financial efforts. Just funds from European Union create opportunities for implementation of a number of development projects in the field of tourism. On the other hand, without the EU support lots of tourist projects will never be realized. One can only count on it that the projects generated by tourist entrepreneurs will have the same opportunities in applying for support from different national operational programmes, as prepared by entities from other sectors of the economy, and that criteria for selection of the applications will be the same for all beneficiaries.

References


