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HOW TO QUICKLY AND EFFICIENTLY MAKE LOCAL ROADS FLOURISH?

THE EXAMPLE OF THE LOCAL ROADS FUND AND THE GOVERNMENT
FUND FOR ROAD DEVELOPMENT.

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Founded by Margaret Thatcher in 2009 as the intellectual hub of European Conservatism, New Direction has established academic networks across Europe and research partnerships throughout the world.

New Direction is registered in Belgium as not-for-profit organisation and is partly funded by the European Parliament.
REGISTERED OFFICE: Rue du Trône, 4, 1000 Brussels, Belgium. EXECUTIVE DIRECTOR: Witold de Chevilly.
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INTRODUCTION

Transport infrastructure, including first of all road infrastructure, is one of the factors conditioning proper economic development of each country. Transport accessibility is reflected not only in the investment attractiveness of a given area, but also, among others, in the importance of tourism or access to public services. The capitalist economy is based on the movement of goods and people, thus an easy access to an extensive road network is essential for the economic growth of a given region.

Poland's public road network currently consists of over 430 000 km.¹ According to Polish law,² public roads are divided into four categories: (I) municipal roads, which are managed by a wójt (head

of municipality) or a mayor, (II) county roads, which are managed by a county board, (III) voivodeship roads, which are managed by a voivodeship board, and (IV) national roads, which are managed by the General Director of National Roads and Motorways.

Moreover, it should also be indicated that within the borders of cities with county rights the manager of all public roads, except for motoways and expressways, is the mayor. Additionally, the regulations in force allow for a metropolitan association's management board to perform the functions of a manager of national roads, except for motoways, expressways and voivodeship roads.

GRAPHICS 1. PUBLIC ROADS IN POLAND (31.12.2020)

NATIONAL ROADS

19 477 km

VOIVODESHIP ROADS

29 164 km

COUNTY ROADS

124 421 km

MUNICIPAL ROADS

257 203 km

**TOTAL
430 267 km**

¹ Transport - wyniki działalności w 2020 roku, <https://stat.gov.pl/obszary-tematyczne/transport-i-laczynosc/transport/transport-wyniki-dzialalnosci-w-2020-roku,9,20.html>

² Public Roads Act of 29.07.2021 (Ustawa o drogach publicznych, Dz.U.2021.1376 z dnia 2021.07.29)

The category of a public road depends on its function within the system of the Polish road network. Thus, going from the most important types of roads in terms of their technical parameters it was regulated in the following way:

- national roads - A (motorway), S (express road) or GP (main road with accelerated traffic),
- voivodeship roads - GP (main road with accelerated traffic) or G (main road),
- county roads - GP (main road with accelerated traffic), G (main road) or Z (collective road),
- municipal roads - GP (main road with accelerated traffic), G (main road), Z (collective road), L (local road) or D (access road)³

Custody of a public road entails an obligation on the part of the manager of that road (regardless of its category) to:

- maintain it,
- carry out periodic inspections of the condition of roads,
- prepare draft Road Network Development Plans and draft Financing Plans for construction, reconstruction, repair, maintenance and protection of roads and road engineering structures,
- perform the function of an investor,
- maintain road registers, prepare information on public roads and deliver them to the General Director of National Roads and Motorways.

Current regulations also define the financing of the above tasks. Provision of funds for reconstruction, maintenance, repair or construction of roads:

- national roads - it is the task of the minister responsible for transport via the General Director of National Roads and Motorways,
- voivodeship roads - the voivodeship government,

- county roads - the county government,
- municipal roads - municipalities,
- urban roads - cities with county rights, except for express roads and motorways.

The above division defined in the Act on Public Roads clearly assigns responsibility for the maintenance and development of the public road network in Poland.⁴ The responsibility is assigned either to the central government as represented by the minister of transport or to the local government as represented by the voivodeship, county or municipality/city with county rights.

Unfortunately, one of the factors hindering the maintenance and expansion of the road network in Poland was insufficient funding for this purpose, especially on the part of the smallest units of local government in Poland, i.e. municipalities and counties. In the Polish administrative system, county and municipal governments perform not only the function of the „guardian” of municipal and county roads respectively, but also other tasks related to meeting the collective needs of the population such as education, health, public order, culture, etc.

Lack of adequate financial support for municipal and county budgets hindered proper technical maintenance of public roads and greatly limited investment opportunities for reconstruction or construction of public roads.

Years of degradation of municipal and county roads translated directly into an increased number of road accident victims. It also prevented the provision of public transportation services at an appropriate level, which resulted in the deepening of the so-called „transport exclusion”. In addition, the lack of adequate communication in the region discouraged potential investors

³ Rodzaje dróg w Polsce, <https://www.gov.pl/web/infrastruktura/rodzaje-drog-w-polsce>

⁴ Public Roads Act of 29.07.2021 (Ustawa o drogach publicznych, Dz.U.2021.1376)

GRAPHICS 2. STRUCTURE OF PUBLIC ROADS IN POLAND

NATIONAL ROADS

- the change of its route is determined by an order of the minister responsible for transport
- managed by the General Director for National Roads and Motorways
- financed by the minister responsible for transport via the General Director of National Roads and Motorways

VOIVODESHIP ROADS

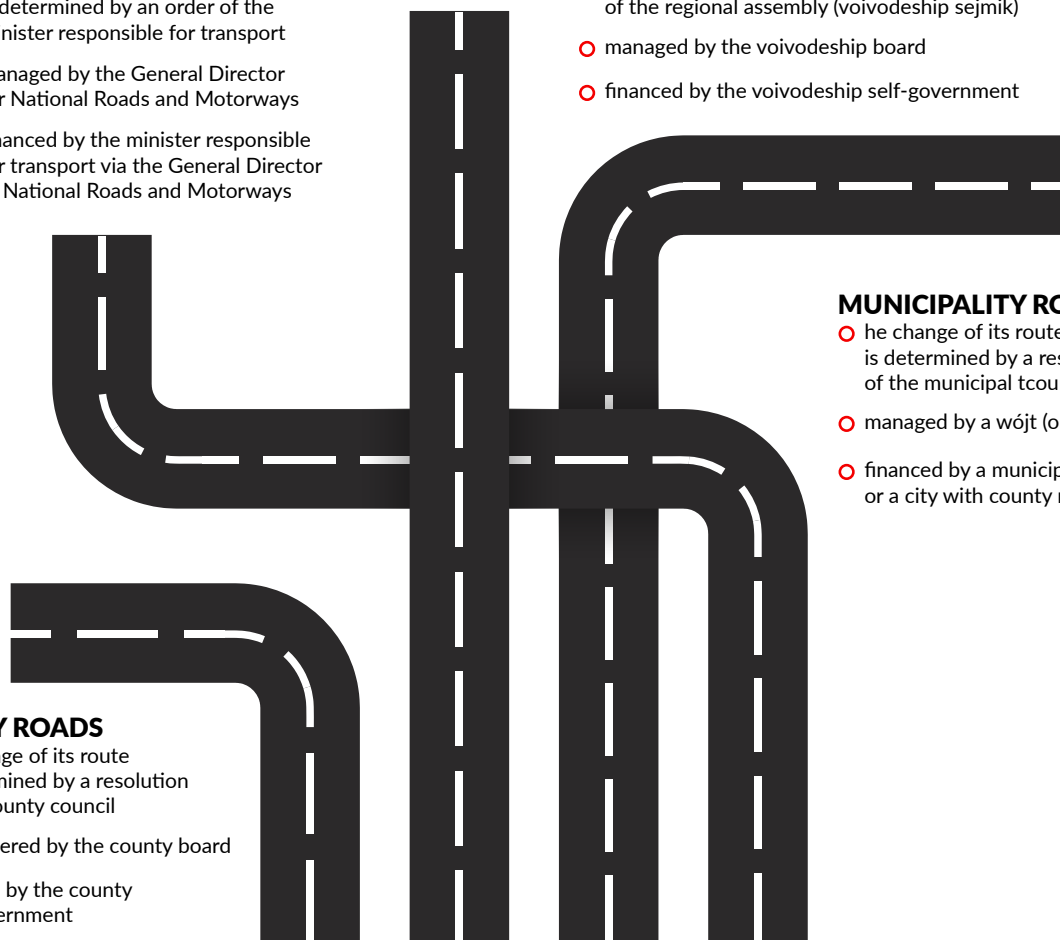
- the change of its route is determined by a resolution of the regional assembly (voivodeship sejmik)
- managed by the voivodeship board
- financed by the voivodeship self-government

MUNICIPALITY ROADS

- the change of its route is determined by a resolution of the municipal council
- managed by a wójt (or a mayor)
- financed by a municipality or a city with county rights

COUNTY ROADS

- the change of its route is determined by a resolution of the county council
- administered by the county board
- financed by the county self-government



Over the past years, various Polish governments tried to help county and municipal governments in financing projects related to the construction and reconstruction of local roads. **However, it was the Law and Justice government that developed a fully comprehensive solution to this problem by creating the Local Roads Fund in 2018.**

1

MEASURES TO PROVIDE FUNDS FOR RECONSTRUCTION / CONSTRUCTION OF LOCAL ROADS UNTIL 2015

General subsidy reserve

The general subsidy reserve has existed in the Polish legal system for over twenty years.⁵ Each year these funds are reserved in the state budget and allocated by the central government in consultation with local governments for: (i) investments in county and voivodeship public roads and in county, voivodeship and national roads within the boundaries of cities and towns with county rights (ii) maintenance of river ferry crossings, (iii) repair, maintenance, protection and management of national roads and voivodeship roads within the borders of cities with county rights.

The distribution of funds from the general subsidy reserve is preceded by an agreement between the Minister of Infrastructure and the Minister of Finance on the criteria for evaluation and verification of applications and a positive opinion of the Joint Commission of the Central Government and Local Self-Government. Possible co-financing of a county or voivodeship self-government in the scope of reconstruction of a local road depends on the quality and assessment of the submitted application. In the years 2016 - 2022, the funds dedicated for this purpose each year amounted to approximately PLN 336 million.⁶

The National Program for Reconstruction of Local Roads (NPRLR)

In 2008 the government of Civic Platform and the Polish People's Party adopted a resolution establishing the National Program for Reconstruction of Local Roads (NPRLR). The purpose of the NPRLR was to grant targeted subsidies from the state budget for the construction, reconstruction, or repair of county or municipal roads. The Minister of Public Administration was responsible for overseeing the implementation of the program. The program had

six annual editions (from 2009 to 2015). During that period municipalities and counties submitted over 10,000 applications for road investment financing. The state budget allocated a total of PLN 4.4 billion for their implementation. It did not satisfy even half of the submitted investment needs, the cost of which amounted to almost PLN 10.5 billion.⁷

⁵ *Rezerwa subwencji ogólnej*, <https://www.gov.pl/web/infrastruktura/rezerwa-subwencji-ogolnej>

⁶ *Ibidem*.

⁷ Explanatory memorandum to the bill on the Local Roads Fund enacted on 23.10.2018.

One should also note, that the limited financial resources allocated by Donald Tusk's government to improve the quality of county and municipal roads have not led to a visible realization of this objective. **After five years of operation of the NPRLR, the Supreme Audit Office (Naczelna Izba Kontroli) crushingly assessed the effects of its implementation.** In March 2014, the Supreme Audit Office found that: (I) 36% of local roads (county and municipal) were in bad condition, (II) 29% of local roads were in good and satisfactory condition, (III) 25% of local roads were in an unsatisfactory condition.⁸

In addition, the Supreme Audit Office, in another inspection in July 2014,⁹ alerted that local roads are in poor technical condition and have numerous errors in terms of road signs.

The Supreme Audit Office pointed out that Poland lacks a long-term system of state budget support for local roads (especially county and municipal). The lack of adequate funds for this purpose translates directly into the decrease of safety in road traffic

8 Information on the results of SAO audit: „Organizacja sieci dróg powiatowych i gminnych z uwzględnieniem efektów realizacji Narodowego Programu Przebudowy Dróg Lokalnych”, March 2014.

9 Supreme Audit Office audit entitled, Road traffic safety, July 2014.



2

PROGRAM FOR THE DEVELOPMENT OF MUNICIPAL AND COUNTY ROAD INFRASTRUCTURE FOR 2016 - 2019, THE SO-CALLED “LOCAL GOVERNMENT PROGRAM”.

The successor to the NPRLR was the so-called, „Local Government Program” passed in September 2015 (during the ongoing election campaign that ended with the defeat of the ruling Civic Platform). Constructed on almost identical principles as its predecessor. It provided for co-financing investments in county and municipal roads in the amount of PLN 3.5 billion in the years 2016-2019 (the years 2016-2018 - PLN 800 million per year, 2019 - PLN 1.1 billion). After the victory of the Law and Justice the „Local Government Program” was implemented by the

government of Beata Szydło and then Mateusz Morawiecki. In 2017, supervision over its implementation was transferred to the Minister of Infrastructure. It was estimated that the effect of the Program’s operations would be the reconstruction, repair, and construction of nearly 2,000 km of county and municipal roads per year.¹⁰ The „Local Government Program” enjoyed great popularity among local government officials, even though it guaranteed coverage of only 50% of investment costs, provided that the amount of co-financing did not exceed PLN 3 million.

GRAPHICS 3. GOVERNMENT SUPPORT FOR THE CONSTRUCTION / REPAIR OF LOCAL ROADS BEFORE THE LOCAL ROADS FUND

GENERAL SUBSIDY RESERVE

- co-financing of reconstruction of voivodship and county roads,
- more than PLN 300 million annually
- effective since 1999

NATIONAL PROGRAM FOR RECONSTRUCTION OF LOCAL ROADS

- co-financing of reconstruction of county and municipal roads,
- PLN 4.4 billion between 2009 and 2015, on average about PLN 730 million annually,
- effective in the years 2008-2015

„LOCAL GOVERNMENT PROGRAM”

- Co-financing of reconstruction of county and municipal roads,
- PLN 3.5 billion in 2016 - 2019, an average of PLN 875 million per year,
- In force in the years 2015 - 2018 (replaced by the Local Roads Fund)

¹⁰ Resolution of the Council of Ministers No. 188/2017 of December 5, 2017.

On average, nearly half of the applications submitted by counties and municipalities were funded between 2016 and 2019.¹¹

Local Roads Fund

The enormous needs to improve the standard of Polish local roads and the experience of previous more or less successful attempts to support this goal by the central government - resulted in the creation of the Local Roads Fund. In 2018, Minister of Infrastructure Andrzej Adamczyk proposed a comprehensive and systemic solution to the problem of the lack of adequate funding for investment in local roads.

The starting point was to meet the expectations of local governments to create a multi-year mechanism that would simultaneously provide financing for large local government investments.

The basic problem of counties and municipalities in utilising the NPRLR or the Local Government Program was their “one year” character - which resulted from the fact that these programs were financed directly from the state budget, therefore their spending was limited to the budget year. Consequently, it was impossible to plan complicated, expensive investments in local roads, which, due to their scope, could not be completed within a few months of construction.

Therefore, in response to these demands, the act establishing the Local Roads Fund stipulated that the Fund would operate for the next 10 years, i.e., until January 1, 2029. It was also made possible to co-finance multi-year investments within the adopted limits.

The second goal was to oblige the beneficiaries of the Fund to carry out road investments in a standardized manner and in compliance with the technical conditions specified by the Ministry of Infrastructure, which is supposed to translate into an increase in road traffic safety and also, among other things, to put in order the issues related to road signs.

The most important positive change was a radical increase in the funds allocated by the central government for investment in local roads.

The Act of 2018 on the Local Roads Fund stipulates that counties and municipalities may apply for up to 80% of the cost of a planned investment, provided that the funding does not exceed PLN 30 million.

For comparison, in the previous Local Government Program adopted by the Civic Platform in September 2015, financial support for counties and municipalities was set at the level of 50%, provided, that this amount would not exceed PLN 3 million.

The Local Roads Fund itself turned out to be an interesting structure, as it is a state-purpose fund with sources of funding consisting of payments from the National Fund for Environmental Protection and Water Management in the amount of no less than PLN 1.4 billion, PLN 500 million per year from a budget subsidy at the disposal of the Minister of National Defence, payments from timber sales by the State Forests in the amount of 2% of annual revenues, or a subsidy from the state budget in the amount of PLN 1.1 billion (from the part managed by the minister responsible for transport).

With respect to the above,¹² revenues of the Local Roads Fund in the first year should amount to about PLN 6 billion, and in subsequent years should annually amount to about PLN 3.3 billion. **Ultimately, the Fund is to receive about PLN 36 billion over 10 years.**

This means that the Local Roads Fund had more funds at its disposal in the first year of its operation (PLN 6 billion) than the National Program for the Reconstruction of Local Roads during the 6 years of its functioning (PLN 4.4 billion).

¹¹ Explanatory memorandum to the bill on the Local Roads Fund passed on 23.10.2018.

¹² *Ocena Skutków Regulacji dla Funduszu Dróg Samorządowych z 2018 roku*, <https://orka.sejm.gov.pl/Druki8ka.nsf/0/AEFA1CC0D200950AC12583130069CEBE/%24File/2859.pdf>

GRAPHICS 4. LOCAL ROADS FUND IN LIGHT OF THE 2018 ACT

WHAT COULD BE FUNDED FROM THE LOCAL ROADS FUND?

- co-financing of construction, reconstruction and repairs of county roads and municipal roads
- co-financing of the construction of bridges located in course of voivodeship, county and municipality roads
- financing of construction, reconstruction and repair of voivodeship, county and municipal roads of defensive importance



WHO COULD APPLY?

- Municipality
- County
- The self-government of the voivodeship in case of building a bridge in course of a voivodeship road or building, reconstructing and repairing a voivodeship road of defensive character

LEVEL OF CO-FINANCING UNDER THE LOCAL ROADS FUND

(up to 80% of the investment cost, provided that it does not exceed PLN 30 million)

The Act on the Local Roads Fund was passed by the Sejm on October 23, 2018. 254 MPs voted for it, with 51 voting against. 121 MPs abstained and 34 MPs did not vote.¹³ Thus, the Local Roads Fund began its operations at the beginning of 2019, replacing the Local Government Program.

In its first year of operation (i.e. 2019), the Local Roads Fund subsidized the reconstruction / repair / construction of nearly 6 000 km of local roads for nearly PLN 4.5 billion.¹⁴

¹³ Głosowanie nr 47 na 70. posiedzeniu Sejmu, <https://www.sejm.gov.pl/sejm8.nsf/agentxsp?symbol=glosowania&nrkadencji=8&nrglosowania=47>

¹⁴ Sprawozdanie z realizacji zadań, na które zostało udzielone dofinansowanie ze środków Funduszu Dróg Samorządowych w 2019 roku, <https://www.gov.pl/attachment/34e59604-8fde-4788-a96d-29fc5605cd0c>



3

GOVERNMENT FUND FOR ROAD DEVELOPMENT

The success of the Local Roads Fund, coupled with the local governments' requests to expand its formula, resulted in the transformation into the Government Fund for Road Development. By an act of 19 November 2020, the existing formula of the Local Roads Fund was amended and the list of projects that it could subsidize - already as the Government Fund for Road Development - was extended.

The basic change was the extension of the group of beneficiaries that may apply for funds from the Government Fund for Road Development. Voivodeship governments and mayors of cities with county rights obtained the possibility of receiving funds for construction of bypasses in course of voivodeship roads. These modifications were justified by the desire to improve the residents' living comfort by removing transit traffic from centers of cities and towns. Thus, reducing noise, smog and improving road safety.¹⁵

In addition, the mayors of cities with county rights which are the seat of the voivode or the voivodeship assembly (previously they could not apply for funds from the Local Roads Fund) may now apply for funds from the Government Fund for Road Development for investment projects related to the reconstruction of voivodeship, county and municipal roads which they manage.

A separate option was also introduced for direct financing of investments within county and municipality tasks that serve to improve road traffic safety, e.g. illuminating pedestrian crossings, installing speed bumps or narrowing roads in places of pedestrian crossings. Previously, within the framework of the Local Roads Fund, these investments could also be financed, but as a part of a larger investment consisting of construction/reconstruction of a local road.

Importantly, the fact that the investment projects were extended to include construction of bypasses and urban roads resulted in a significant supplementation of the Government Fund for Road Development by the amount of PLN 3 billion (respectively PLN 2 billion has been allocated to bypasses and PLN 1 billion to urban investments).

¹⁵ Explanatory memorandum to the amendment of the Local Roads Fund Act of November 19, 2020.

GRAPHICS 5. THE GOVERNMENT FUND FOR ROAD DEVELOPMENT SUPPORTS:

- co-financing of construction, reconstruction and repairs of county roads and municipal roads
- co-financing of the construction of bridges located in course of voivodeship, county and municipality roads
- financing of construction, reconstruction and repair of voivodeship, county and municipal roads of defensive importance
- co-financing of projects aimed exclusively at improving pedestrian traffic safety in the area of influence of pedestrian crossings within the meaning of Article 2 point 11 of the Act of 20 June 1997 - the Road Traffic Law - as part of county and municipality tasks

- co-financing of the construction of bypasses located in course of voivodeship roads
- co-financing of construction, reconstruction or repair of voivodeship roads, county roads or municipal roads, managed by the mayor of a city with county rights, which is the seat of a voivode or a voivodeship assembly.



GRAPHICS 6. BENEFICIARIES OF THE GOVERNMENT FUND FOR ROAD DEVELOPMENT

MUNICIPALITY

COUNTY

THE SELF-GOVERNMENT OF THE VOIVODESHIP IN CASE OF BUILDING A BRIDGE IN COURSE OF A VOIVODESHIP ROAD OR BUILDING, RECONSTRUCTING AND REPAIRING A VOIVODESHIP ROAD OF DEFENSIVE CHARACTER, OR BUILDING A BYPASS IN COURSE OF A VOIVODESHIP ROAD

MAYOR OF A CITY WITH COUNTY RIGHTS, WHICH IS THE SEAT OF A VOIVODE OR A VOIVODESHIP ASSEMBLY

GRAPHICS 7. SOURCES OF FINANCING FOR THE GOVERNMENT FUND FOR ROAD DEVELOPMENT¹⁶

¹⁶ Based on Information on the Results of the Audit: Implementation of Projects Financed from the Local Roads Fund, May 2021 r.



4

HOW DOES THE GOVERNMENT FUND FOR ROAD DEVELOPMENT WORK?

Financial resources from the Government Fund for Road Development are granted to local governments on a competitive basis. The basic obligation of the local government (more precisely, the road manager) is to submit an application during the call.

The application is evaluated based on criteria described in the Act on the Government Fund for Road Development (formerly the Local Roads Fund). The assessment of the application is therefore influenced, among other things, by the fact that the investment in the local road will improve the cohesion of the road network in the region, road safety or investment accessibility of the given region.

The application procedure differs in relation to the type of investment applying for funding from the Government Fund for Road Development.

In the case of the most popular investment, i.e. the reconstruction of a municipal / local road, the voivode is responsible for the call and assessment of applications, i.e. the representative of the Government of the Republic of Poland in a given voivodship. Furthermore, the voivode may establish additional detailed assessment criteria, taking into account specific needs of the region. The voivode also carries out the selection of direct investments concerning the improvement of road traffic safety.

Reconstruction of a local road may be subsidized up to 80% of the cost of works, provided that it does not exceed PLN 30 million.

Urban investments as well as bypass projects can be co-financed after a call for applications carried out by the minister responsible for transport. Urban investments can be co-financed up to 80% of the cost of works, provided that it does not exceed PLN 30 million, while bypass projects can be co-financed up to 80%, but with a maximum limit of PLN 100 million.

Investments in local roads which have an impact on national defence are indicated by the Minister of National Defence - the realization of these investments is not subject to the limit of co-financing.¹⁷

¹⁷ Rządowy Fundusz Rozwoju Dróg (dawniej Fundusz Dróg Samorządowych), <https://www.gov.pl/web/infrastruktura/rzadowy-fundusz-rozwoju-drog---dawniej-fundusz-drog-samorzadowych>

GRAPHICS 8. INVESTMENT FUNDING LIMITS

INVESTMENTS IN LOCAL ROADS (COUNTY AND MUNICIPAL ROADS) AND INVESTMENTS IMPROVING ROAD TRAFFIC SAFETY

- 🔍 The voivode conducts the call for applications
- 💰 Limit of co-financing up to 80% of investment costs, max. PLN 30 million
- ✅ The list of eligible projects is approved by the Prime Minister of the Republic of Poland

URBAN INVESTMENTS (ROADS IN A CITY WITH COUNTY RIGHTS, WHICH IS THE SEAT OF A VOIVODE OR A VOIVODSHIP ASSEMBLY)

- 🔍 The minister responsible for transport conducts the call for applications
- 💰 Limit of co-financing up to 80% of the investment costs, max. 30 million PLN
- ✅ The list of eligible projects is approved by the Prime Minister of the Republic of Poland

BRIDGE PROJECTS

- 🔍 The minister responsible for transport conducts the call for applications
- 💰 Only projects for which preparatory works under the „Bridges for Regions Program” have been commenced may be co-financed¹⁸
- 💰 Co-financing up to 80% of investment costs, including access roads

BYPASS PROJECTS (BYPASSES IN COURSES OF VOIVODESHIP ROADS)

- 🔍 The minister responsible for transport conducts the call for applications
- 💰 Limit of co-financing up to 80% of the investment costs, max. 100 million PLN
- ✅ The list of eligible projects is approved by the Prime Minister of the Republic of Poland

DEFENSE PROJECTS

- 🔴 The Minister of National Defence indicates investments for co-financing
- ✅ The investment is carried out based on a contract with the relevant local authority
- 💰 No limit on financing



¹⁸ Program Mosty dla Regionów, <https://www.gov.pl/web/fundusze-regiony/program-mosty-dla-regionow>

In addition, it should be noted that, as a rule, the call is carried out once a year, however, in the event that the funds from the previous call are not used in full, it is possible to organize an additional call.

It is worth noting that the amount of co-financing (customary up to 80% of investment costs) depends on the income of the local government applying for funds. The funds of the Government Fund for Road Development are distributed to individual voivodships according to the above criterion

As a rule, poorer regions with smaller budgets can count on higher funds and a higher level of co-financing.

This approach is in line with the Law and Justice government's strategy to support equitable development of the country and to invest in regions that have been unable to access infrastructural investments so far.

In principle, each beneficiary may apply for funds related to the implementation of an investment (commencement of works, reconstruction, repair) and not to preparatory works (development of a project, study, etc.), which are a responsibility of the local government aspiring to receive funding.

Furthermore, it is the responsibility of each beneficiary of the Government Fund for Road Development to properly mark the investment with an information board, just as it is the case with EU funds.

GRAPHICS 9. GOVERNMENT FUND FOR ROAD DEVELOPMENT



CO-FINANCED FROM A STATE PURPOSE FUND

GOVERNMENT FUND FOR ROAD DEVELOPMENT

Reconstruction of the internal roads of Kardynała Stefana Wyszyńskiego Street,
Władysława Jagiełły Street
and Sportowa Street in Lubycza Królewska

SUBSIDY: **515 207.00 PLN**
TOTAL COST OF THE PROJECT: **1 030 414.12 PLN**

Source: Rządowy Fundusz Rozwoju Dróg, http://www.lubycza.pl/asp/pl_start.asp?typ=14&menu=285&strona=1



5

EFFECTS OF THE LOCAL ROADS FUND AND THE GOVERNMENT FUND FOR ROAD DEVELOPMENT

The results of the Local Roads Fund and its successor, the Government Fund for Road Development, are impressive. The minister responsible for transport is required to submit a report on subsidized investments in local roads each year in March.

In 2019, the Local Roads Fund subsidized **a total of 4 280 projects on county and municipal roads covering 6 000 km.**

The total value of funds allocated in 2019 for the implementation of municipal and county projects amounted to **PLN 4 489,1 million.**¹⁹

A year later, the reconstruction of approx. 4 400 km of local roads was subsidized, worth PLN 2 743,9 million.²⁰

GRAPHISC 10. THE EFFECTS OF THE LOCAL ROADS FUND IN 2019

THE LOCAL ROADS FUND SUPPORTED THE RECONSTRUCTION OF NEARLY **6 000 KM OF ROADS** IN 2019

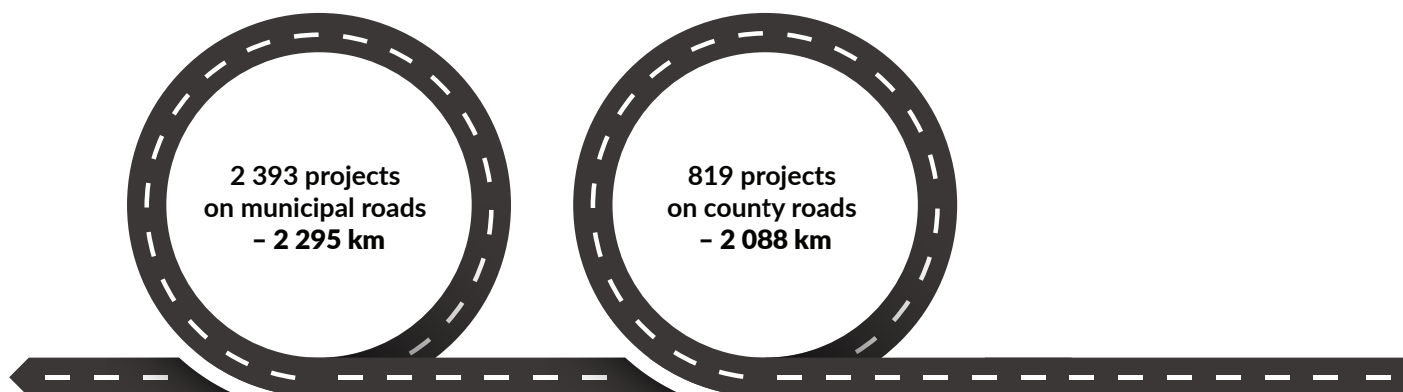


¹⁹ Implementation Report of Local Roads Fund, March 2020.

²⁰ Implementation Report of Local Roads Fund, March 2021.

GRAPHIC 11. EFFECTS OF THE GOVERNMENT FUND FOR ROAD DEVELOPMENT IN 2020

THE GOVERNMENT FUND FOR ROAD DEVELOPMENT CONTRIBUTED TO THE RECONSTRUCTION OF NEARLY **4 400 KM OF ROADS** IN 2020



GRAPHICS 12. THE OPENING OF A MUNICIPAL ROAD IN LUBYCZA, SUBSIDIZED FROM THE GOVERNMENT FUND FOR ROAD DEVELOPMENT WITH THE PARTICIPATION OF MINISTER OF INFRASTRUCTURE ANDRZEJ ADAMCZYK



Source: Minister infrastruktury Andrzej Adamczyk po raz pierwszy na ziemi włoszczowskiej. Uczestniczył w uroczystym otwarciu drogi w gminie Krasocin, <https://www.moja-gazeta.com.pl/minister-infrastruktury-andrzej-adamczyk-po-raz-pierwszy-na-ziemi-wloszczowskiej-wizytowal-wyremontowana-droge-w-gminie-krasocin>

The implementation of the Local Roads Fund has been audited by the Supreme Audit Office.

In May 2021, the Supreme Audit Office found that the **state administration's actions had improved the quality of the local road network, thereby improving road safety as well as the accessibility and attractiveness of investment areas.**

Furthermore, the Supreme Audit Office concludes that the funds provided to local governments have provided support for the tasks they perform on the managed roads.

Concluding, the Supreme Audit Office states that: „(...) the assumed objectives and material effects of the projects subsidized from the Local Roads Fund have been achieved, the completed roads, intersections, sidewalks, bicycle paths, pedestrian crossings, etc., translate into improved road traffic safety, ensured cohesion of the public road network, raised technical standards of county and municipal roads, and increased transport accessibility of administrative units along with accessibility of investment areas.”²¹

²¹ Information on the results of the audit, entitled. “Implementation of projects financed from the Local Roads Fund”, May 2021.





WHAT SHOULD YOU DO TO MAKE YOUR COUNTRY AS SUCCESSFUL AS POLAND IN REBUILDING LOCAL ROADS?

- **Prepare a multi-year investment financing mechanism**
 - local governments want to be sure that they will not get a one-time support, they want to receive an instrument which will allow them to plan road investments for many years in advance. The Government Fund for Road Development is set to exist for 10 years.
- **Diversify your financing**
 - revenues for the Government Fund for Road Development come from a number of state-dependent entities, which help ensure stable funding.
- **Give more to the poor, less to the wealthy**
 - depending the level of financing on the income of local governments makes it possible to more effectively support the regions that have been underinvested for years.
- **Allow funding for multi-year investments**
 - only simple and ad hoc road work can be completed in a few months. Investments that realistically improve the quality of transport must take longer
- **Listen to local governments...**
 - useful remarks of the beneficiaries should be taken into account in order to make a real change. That is why the formula of support from the Government Fund for Road Development was extended to i.a. construction of bypasses and investments in city roads.
- **... but also be demanding of them**
 - the local government must be aware that it is responsible for carrying out its investment and must realistically participate in it. For this reason, the Government Fund for Road Development does not support the preparatory work, does not subsidise the entire cost of the investment, nor does it provide funds for the continued management of the road after it has been repaired/constructed. This is the task of the local government.



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