FINANCIAL SCIENCES
NAUKI O FINANSACH

FINANCIAL SCIENCES
NAUKI O FINANSACH
Year 2023, Vol. 28, No. 2
ISSN 2449-9811

The Theoretical and Practical Rationale for the Role of Regional Development Funds in the Economy

Dorota Korenik

Wroclaw University of Economics and Business
e-mail: dorota.korenik@ue.wroc.pl

ORCID: 0000-0002-8418-2571

Quote as: Korenik, D. (2023). The Theoretical and Practical Rationale for the Role of Regional Development Funds in the Economy. *Financial Sciences*, *28*(2), 11-20.

DOI: 10.15611/fins.2023.2.02
JEL Classification: G23, R11, R58

Abstract: The aim of the paper was to formulate a theoretical basis to justify the role of a specific financial institution, i.e. the Regional Development Fund (RDF), in the regional economy, and to establish the actual role of Regional Development Funds (RDFs) in Poland. The concept of comparative finance was used. Based on the principle of inference per analogiam in terms of the RDFs' belonging to the market financial sector, the classical paradigm of financial intermediation and the paradigm transpositions of the bank's role in the economy were used, and, complementarily, paradigms specific to public finance. In terms of establishing the actual role in the Polish reality, a descriptive method was used, after desk research analysis of RDFs financial reports, Investment Strategy documents, reports of the Association of Regional Development Funds. Theoretical paradigms appropriate to the specifics of the Regional Development Fund were obtained to explain its position in the region's economy, moreover, the true role of such institutions in the Polish economy was established. The multidimensionality of the RDF's role in the economy and its dual nature should be explained on the basis of paradigms of financial intermediation in their fusion with paradigms of the role of public finance. There are no arguments strong enough to undermine the legitimacy of the existence of current RDFs in Poland, yet it cannot be stated unequivocally that Polish RDFs perform sufficiently well in the assigned dual role. There are areas for improvement (the incentive system and the operational criteria in the Investment Strategies), which could significantly improve the usefulness of RDFs in the economy of the regions.

Keywords: financial institution, financial intermediation, financial system, Regional Development Fund (RDF)

1. Introduction

Regional Development Funds (RDFs) belong to the financial sector and are part of the group of non-credit financial institutions, however they do not form the core of the financial system of the economy, including that of Poland. Among the numerous functions of the financial system (Merton, 1990), RDFs participate in the allocation of financial resources to regional economies and in uncertainty management and risk control. They are engaged in the service activity of collecting monetary funds, raised in the first stage of RDF life from public budgets, transforming them into financial products to be provided on a repayable basis to SME entrepreneurs operating in the region, in two possible ways – with the participation of other financial intermediaries or directly. An RDF is an active financial intermediary in the region, managed by the provincial government; it has its own accounting, management accounting, generates revenue, etc. The RDF carries out public interventions on behalf of the provincial government using repayable financial instruments, referred to as financial engineering instruments, on offer in the form of financial products.

Regional Development Funds have been assigned a dual role in the financial system. On the one hand, they are an institutional tool for correcting market failures in the financial sector and, at the same time, a tool for implementing regional development policy. This is evidenced by the EU's stance on the provision of public assistance, distributed using financial intermediaries, through financial engineering instruments to gap-affected SMEs in the region. On the other hand, RDFs are financial enterprises that are supposed to be profitable, to be a sustainable part of the market-based financial sector yet, at the same time, without having a destructive impact on competition in the financial sector. This peculiar contradiction of the dual and complex role of RDFs raises questions about the legitimacy of their existence in the competitive environment of the financial sector and their usefulness in bridging the financial gap (overcoming the problem of financial exclusion) in local SME sectors. These questions are important for three reasons. The first is the fact that they have been set up and are incurring investment in the training of professional financial intermediaries; the second is the expected end of financial provision from EU programmes, thus drying up the cheapest source of funding for the operation and development of such intermediaries. The third reason is that by acting as an institutionalised tool for the implementation of regional sustainable development policy, RDFs are expected to respond to the challenges of civilisation with their actions. This is the public expectation, which is also reflected in the ongoing academic debate around the paradigm shift of public finance and the public sector towards sustainability (Cieślukowski, 2017; Filipiak & Zioło, 2021).

In the search for an objective justification for RDFs in the form of organised autonomous entities (commercial companies), an institutional (New Institutional Economics) approach is appropriate. These specific financial intermediaries have yet to receive a scholarly discussion around their dual nature. Above all, a theoretical account of their role in the economy is lacking, in contrast to the rich body of work on the role of banks, which also occupy a central place in the theory of financial intermediation. In addition to bank intermediation theory, the concept of financial intermediation in the collateral industry has also been developed, aimed at bridging the 'collateral gap' in the SME sector (Adamek, 2006). RDFs act, among other things, as collateral institutions (carrying out guarantee and surety activities) and there is a theoretical justification for the role of RDFs in this area. However, the theory of non-bank loan intermediation is contained in the classical theory of financial intermediation developed in the production stream, i.e. as the theory of production in the financial industry. With the help of this concept, the role of the market financial institution from the loan industry can be justified. In banking intermediation, this theory is presented as institutional paradigms. However, the role of RDFs is more complex in the sense that it is not the sum of the roles in the individual financial industries (especially collateral and lending).

The theoretical justification of the role of a new form of financial intermediation provides the necessary foundation for conducting, developing and deepening empirical research. Hence, in the first instance, there is an urgent need to undertake work on formulating the theoretical foundations of RDFs' financial intermediation. Secondly, there is room and an obvious need to confront the actual state of affairs with the theoretical basis for justifying the role of this new organisational form of financial intermediation.

2. The Regional Development Fund as a Tool for Intervening in the Financial Sector and Implementing the Region's Policies

On theoretical grounds, the establishment and operation of RDFs is legitimate in terms of the role of public authorities (central government, local government) in the economy, as presented by Bailey (1995), stemming from the classical functions of public finance formulated by Musgrave (1989). RDFs are treated as institutionalised tools for intervention in the fulfilment of the three roles of local government in the economy: allocative, stabilising and regulatory. In situations of shocks to the economy (e.g. caused by the COVID-19 pandemic), they can also be used in a rescue role, within the new rescue function of public finance formulated by Owsiak (2021). Through the prism of the public finance paradigm evolving towards sustainable public finances, RDFs would become an emanation of implemented regional development policies, overcoming the phenomenon of financial exclusion and inequalities in access to market financing for local SMEs. In turn, following the call for the incorporation of ESG risk factors into the concept of sustainability in public finance, the goals of the SDG's (Sustainable Development Goals) (Filipiak & Zioło, 2023; Report of the International Conference on Financing for Development, 2002), RDFs could support interested credit institutions in shaping the financing offer for clients implementing ESG (Environmental, Social, Governance) into their business. In principle, the impetus for the inclusion (or non-inclusion) of RDFs in activities in support of the SDG's is provided by legal regulations for the implementation of regional development policies at national and regional levels. In this way, the regulatory role of the public authority in the economy is fulfilled, the visible manifestation of which at the level of the RDF is its product offering (types, parameters of financial product structure, terms and conditions of access). At RDF level, its contribution to sustainable development can be assessed in terms of the sustainable finance 1.0., 2.0.,3.0. models (Schoenmaker, 2017).

RDFs are supposed to improve the distribution of finance to their respective regional economies, carried out by the financial sector of the economy. The improved distribution is aimed at bridging the financing gap and consists of providing financial services and advice on financial products, mainly for SMEs. The detailed scope of the intervention – its rationale and objectives – is defined periodically in Investment Strategies adopted by regional authorities (in Poland these are voivodeship governments) and implemented by RDFs, which by providing public assistance, allow to alleviate problems arising from market failures for the common good and the efficient operation of the economy in the region. RDFs have evolved from emerging market needs (unmet demand resulting from the financing gap addressed by EU policy) and the possibility to manage EU funds returning from their first use in the implementation of regional operational programmes. The utilisation of these funds is with a view to counteracting the financial exclusion of specific groups of entrepreneurs and their financial inclusion.

3. The Regional Development Fund as a Financial Intermediary

The raison d'être of an RDF, as an element of the market-based financial system, should be explained using the theory of financial intermediation. As with the group of institutional paradigms of the role of banks (Freixas & Rochet, 2008), the RDF assists the bank in providing needed financial transactions to the regional economy by supplying it with its own financial products. In the institutional paradigm of the bank, the existence of a bank makes sense if such an economic form generates more desirable financial instruments than capital market instruments; this is a question of transaction costs. The advantages of bank intermediaries come from economies of scope and economies of scale. With RDF intermediation in mind, the legitimacy of the bank's existence is not denied, but the assumption is made that a banking organisation can be even more beneficial to the region's economy if it is supported by the RDF. Transposed into the role of RDFs, the paradigm states that its existence makes sense if the contribution made in the form of RDF products allows the bank to generate more desirable financial instruments (products) aimed at SME companies, and in particular companies at risk of financial exclusion, or allows it to generate instruments for the financial inclusion of entrepreneurs. In this way, the problem of the bank's transaction costs in transactions with borrowers from the local SME sector is solved. The bank retains or increases the advantage resulting from economies of scope (making financing products available to entrepreneurs affected by the financing gap problem) or economies of scale (as a result of learning previously excluded clientele and including them in its own lending).

The institutional paradigm of the bank comes in three guises: (1) a liquidity provider, (2) an institution that performs qualitative asset transformation and (3) one that engages in long-term customer relations. Similarly, RDFs under contracts with credit institutions (and other financial intermediaries) provide them with liquidity, thus allowing them to increase their financial exposure to the region's economy, including places with higher credit risk. As with any active financial intermediary, the RDF performs a qualitative transformation of assets – it accumulates and multiplies working assets that, in the form of a mix of products, are used by the intermediate beneficiary (i.e. the financial intermediary) and thus increases the diversification of its own risks and products. Access to the RDF's diversified portfolio of assets (different product groups) allows intermediate beneficiaries to better tailor their purchase to their needs and preferences in terms of developing their own lending/borrowing to the region's economy. The RDF does not aspire to create unique financing products on its own in the sense that banks do. The domain of a credit institution is to transform the products it receives from the RDF into loans and advances based on the use of information specific and unique about the borrower, making many loans non-marketable (Borio & Filosa, 1994). In this context, the RDF's domain is to provide the raw material for the production of loans targeting SME's that are affected by the financing gap. RDFs seek to create long-term relations with its clients, which are financial intermediaries acting as an indirect beneficiary in their relations with RDF, however the latter does this for a different reason than a bank in its customer relations. Long-term relations with regular clients reduce RDF's transaction costs, whereas the role of the bank engaging in long-term customer relations reveals its ability to transform the terms of short-term deposits into long-term loans.

In analogy with incomplete information paradigms (Leland & Pyle, 1976; Vives, 1996), RDFs reduce banking market imperfections that disrupt the orderly development of the economy in the region, in particular that of the local SME sector. The banking market imperfections occur due to the problems of banks in fulfilling the role assigned to them, precisely of reducing information asymmetries, the external effect of which is the existing financial gap in the real economy and the associated financial exclusion of certain groups of entrepreneurs. The inadequately resolved problems of 'adverse selection' and 'adverse incentives' result in the bank's inability to structure such financial contracts with entities that are both loss-making and important for regional development (i.e. belonging to the local SME sector), which would fully protect the surplus entities (the bank's depositors) from the risks associated with making financing available. A way to solve the problems of 'adverse selection' and 'adverse incentives' is to work with RDFs based on:

- supplying the bank with products that reduce the 'collateral gap' as defined by Adamek (2006),
- contracts allowing for fairly high loss limits on RDF loan products, which will reach their ultimate beneficiaries through the bank.

The role of RDFs as complementary to that of credit institutions, as well as other indirect beneficiaries of RDF products, can be explained by the most recent paradigm, namely "characterising the bank as a risk management institution on demand". The paradigm formulated by Hakenes (2004) assumes that a bank has a cost advantage over other financial firms in managing and redistributing risk in the economy. Hence, the RDF does not pretend to replace the bank (credit institution), but only assists it in managing risk on behalf of the investor. A bank acting on behalf of an investor (a customer seeking financing) fulfils the role of risk manager by performing three functions:

1. At the request of the entrepreneur, carries out a study of theimpact of different 'variations in states of nature' on the results generated by the client project (risk analysis function).
2. Sells to the entrepreneur the risk mitigation instrument of his/her project that the bank has been provided with by the RDF under a contract in which the bank is an indirect beneficiary of the RDF product (risk control function).

3. Provides financing to the entrepreneur from its own resources and possibly also supplemented by RDF resources provided via a loan product (financing function).

In functions 1 and 2, the bank provides a 'delegated risk manager' service. In contrast, the provision of finance to the entrepreneur reduces the risk of moral hazard because each party to the transaction has a common interest in the success of the project. The relation between the client and the bank reduces the cost of delegated risk management, as there are economies of scope benefits between lending and risk management, which are a source of advantage for the bank over other providers of risk management services. Moreover, the risk of moral hazard on the part of the bank, acting as an indirect beneficiary in the relation with RDF, is reduced because each party to the contract has a common interest in the success of the end-user project, which is the entrepreneur (the bank's client). To this end, the RDF uses a loss limit mechanism built into the operation of its products, made available to the bank as indirect beneficiary.

In a paradigm formulated in this way, the RDF is seen through the prism of the 'uncertainty management and risk control' function and refers to the relation between RDF – Financial Intermediary (indirect beneficiary of RDF products). The RDF also participates in 'uncertainty management and risk control' when it acts 'as a risk management institution on behalf of the owner' (i.e. the provincial government). Along with the assumption made in the banking paradigm, it is assumed that the RDF has a cost advantage over local or regional public loan funds and guarantee funds in managing and redistributing risk in the economy. This assumption is true due to the fact that the RDF is equipped with a low-cost financial base (with the help of funds from EU operational programmes) when it is set up and later also when it is developed. The RDF, acting on behalf of an investor, i.e. its owner, fulfils the role of risk manager by performing three functions:

1. At the owner's request, carries out a study of the impact of various state-of-nature options on the results generated by the involvement of various financial engineering instruments in different groups of SMEs (by phase in the life cycle, industry, etc.) or the nature of the SME projects (e.g. innovative, development, rescue, etc.), in the context of bridging the financing gap in the region (involvement risk analysis function).
2. Develops and implements into the economy solutions to mitigate the risk of exposure projects of the different types of instruments and the risk of the asset portfolio (product terms, product composition, product delivery model: direct, indirect, mixed) (risk control function).
3. Involves financial resources in the real economy through repayable financial products (financing function).

Under functions 1 and 2, the RDF provides a 'delegated risk manager' service. In contrast, financial engagement with the real economy (the SME sector) reduces the risk of moral hazard because each party to the contract (the owner and the RDF) has a common interest in the success of the engagement projects.

4. The Dual Role of Regional Development Funds

As a specific financial intermediary, RDFs should not have a disruptive effect on market mechanisms in the financial sector. One such mechanism is the creation and sale of market-complementary financial products and the prevention of product substitution. The pursuit of market play by RDFs is not in itself negative, as it can have positive effects for the SME through more favourable terms and conditions of the financing obtained. However, the RDF should prevent the distortion of having a group of SMEs not served by banks or other market-based financial intermediaries still excluded from financing using financial engineering instruments from the RDF offer.

The essential glue between the two roles is the state aid regulations and the related regulations for the implementation of regional development policies at national and regional levels. The framework for the application of state aid to SMEs is set out in the regulations and must be respected by each financial intermediary. Hence, the RDF cannot offer preferential financial products without restrictions and thus lead to a distortion of competition in the financial sector.

At the level of the EU, its member states and their regions, analyses to estimate the financing gap are used to assess the necessary public intervention. Financial gap estimation reports, as well as regulatory obligations, provide the rationale for targeting RDF activities and offerings made to bridge the financial gap. In addition, the RDF offer must fit in and not go beyond the area defined in the investment strategy to address the dysfunctions of the market-based financial system and development objectives for the region.

5. The Actual Role of Regional Development Funds in Poland

It appears that the most important rationale for the creation of RDFs by the voivodeship governments was their fear of making regional policy and regional development in Poland too dependent on EU funds. Without activating endogenous sources of development for the regions while achieving a higher level of GDP per capita in a situation where EU funding runs out, the regions could stagnate economically. This would also lead to difficulties in performing the allocative and stabilising function of public finances vis-à-vis the economies in the regions. In this context, there is a need – recognised by many regional governments – to build RDFs which, on the one hand, will accumulate EU funds returning from their use under repayable instruments (created under EU cohesion policy programmes such as JEREMIE and JESSICA) and, on the other hand, will be able to manage these funds on behalf of the regional governments and as part of the implementation of regional development policy.

Analyses and evaluations of the achieved results and outcomes of individual RDFs carried out from the start of operations until 2022, presented in the study by Korenik and Ignor (2024), in the areas of financial, market, socio-economic, operation and performance of RDFs, allowed for the following conclusions.

Liquidity has not been a significant problem for RDFs. A critical factor for maintaining liquidity may be that of a political nature, particularly related to the temptation to use public finances for political purposes. A political decision may change the original base allocation for RDFs, which has to do with a change in the owner's preference for allocating public funds including EU funds for grants and repayable financing. During the COVID-19 pandemic, in some RDFs there was a political decision to shift part of the ROP 2014-2020 allocation to non-repayable funding and to reduce the supply from the RDF baseline source, which is the earmarked fund at the disposal of the Provincial Executive (the executive body of the provincial government). However, this was justified in the context of the rescue function of public finances, under conditions of the pandemic shock to the region's economy. RDFs in Poland are actively looking for sources to provide additional allocation and are successfully obtaining them (the RDFs have started cooperation with the European Investment Bank, and participate in other programmes of national or EU nature related to repayable financing of the SME sector). The economic security of RDFs is not threatened, in light of the concept formulated by Korenik and Ignor (2024) of its study and measurement.

Market performance is steadily improving in quantitative terms, thus RDFs are growing. The market offer is being expanded, including reflecting the active involvement of RDFs in the public finance rescue function (in 2020, RDFs responded to the increased demand for liquidity in the local SME sector by offering concessional liquidity rescue loans) and the stabilisation function of regional economies (in 2020, RDFs offered concessional products allowing local entrepreneurs to rebuild their investment potential).

The direct effects of the implementation of financial products in qualitative terms, namely the socio-economic effects, are positive. However, the reported implementation effects are not monitored in terms of knowing whether they occurred in the group of excluded entrepreneurs, and whether and to what extent in projects implementing ESG criteria.

RDFs can and do collect data on direct results, but these resources are not integrated and are not analysed and managed as a whole. Through this, RDFs are not used to build knowledge for the development of policies, strategies and implementation documents by provincial governments. This also hinders a purposeful and effective evaluation of RDFs activities for better use as a tool for regional development implementation.

Through the prism of the sustainable finance paradigm, there is considerable room for RDFs to contribute to sustainable development. Firstly, by definition, RDFs do not seek to maximise profit, which is reflected in their internal documents (e.g. in their Articles of Association). Secondly, their activities are intended to be the implementation of investment strategies, which in turn are intended to respond to social and environmental challenges. One of the social challenges that RDFs address is the development of entrepreneurship (in the SME sector) in the region by increasing access to financial capital. Another manifestation of the RDFs' efforts to take into account the social and environmental criterion is to exclude the financing of projects with extremely negative characteristics or impacts. In their implementation documents, RDFs exclude from financing the activities relating to the production, processing or marketing of: tobacco and tobacco products, alcoholic beverages, pornographic content, explosives, weapons and ammunition, games of chance, betting, slot machine games, narcotics, psychotropic substances or precursors. Whilst RDFs also offer financial instruments targeting environmental objectives (e.g. on investments in renewable energy sources), this is marginal in scale. Thus, RDFs' involvement to date fits at best into the Sustainable Finance 2.0. model (it is not a 1.0. model in view of the absence of profit maximisation pressures).

As the scope of the product offer realised by RDFs derives from their Investment Strategy, it is on the proper definition of the areas of support in this strategy that an increased contribution to the sustainable development of the region depends. Although RDFs are obliged to implement regional development policies, the mechanism for operationalising this obligation is flawed. The perception of regional development by the provincial governments in the activities of the RDFs is so far defined in very general terms, i.e. to bridge the financing gap in the local SME sector. The expectation that it is sufficient for RDFs to focus on real implementation activities is idealistic. For the purposes of implementing financial instruments (shaping their own product offer), RDFs may or may not use financing gap studies. Regional governments are obliged to conduct such studies under Article 37 of the General Regulation (Regulation (EU) 1303/2013 of the European Parliament and of the Council), and currently Article 17(3) and Article 52(3) (Regulation (EU) 2021/1060 of the European Parliament and of the Council). However, in practice, the surveys have no direct or documented use in their investment strategies. RDFs are not obliged (it is not required by the current law) to carry out regional analyses in the area of incidence of the financing gap with evaluation. Thus, the evaluation of RDFs' activities, in terms of their impact on the incidence of the financing gap, does not help to maintain RDFs' strict focus on overcoming the problem of financial exclusion of certain groups of SMEs (e.g. in the early phases of the business life cycle) and for specific projects (innovative, developmental, environmental or non-standard). These are indications that the current incentive system in RDFs is deficient, and not strictly goal-oriented.

In their investment strategies, the lack of a strict definition of the areas of support, under conditions of weakness of the incentive system in RDFs (such as the lack of set management targets for managers, namely boards of directors of companies), may lead to a flawed performance of the role of 'risk management institution for hire' (in the owner-RDF relations). It could be tempting to easily mitigate the risk of not meeting revenue targets and trading in repayable financial instruments at the expense of bridging the financing gap for the most severely excluded groups of entrepreneurs in the region.

6. Conclusion

The conclusions of the study are as follows.

1. The original achievement of the article is the formulation of theoretical paradigms of the role of the Regional Development Fund as a specific financial institution, presenting different facets of this role and subject to assembly, in order to explain the dual nature of such a financial institution and justify its role in the economy. This prepares the theoretical ground for the deepening and development of research confronting theory with reality, e.g. in Poland.
2. The monetary resources available to Polish RDFs originate from the accumulation by voivodeship self-governments of funds whose carriers are financial engineering instruments and their further reinvestment into the real economies of the regions. The progressive accumulation of resources is supposed to be fostered by EU regulations obliging voivodeship governments to carry out an evaluation of the repayable instruments used, in terms of their impact on reducing the financing gap in the SME sector. However, due to the lack of a clear reflection of the results of financial gap research in the investment strategy implemented by RDFs and the non-obligation of RDFs subordinated to conduct research on the financial gap in the region, the issue of directing the product offer towards overcoming the financial exclusion of SMEs in the region is blurred. This is a signal of weakness in the actual role of an RDF as a 'contracted institution', therefore responsibilities and the motivation system in RDFs need to be improved.
3. Regional Development Funds being public sector entities perform the following functions:

- allocation related to industrial policy, but so far only half-heartedly in terms of sustainable development (the criteria of innovation, environmental risk, social risk are hardly or not at all visible by the RDFs in the access and financial conditions of the products addressed to the final beneficiaries; the economic criterion dominates);
- stabilisation, as they are providers of financial capital that are less susceptible to cyclical turbulence in contrast to commercial financial intermediaries, especially banks, the most visible evidence of which were the products aimed at SMEs in the industries most affected by the external shocks caused by the COVID-19 pandemic (products in fulfilment of the 'rescue function' towards the economy).

4. RDFs, as specialised financial intermediaries, develop new competences that differ from those of local authorities, particularly in the area of institutional management in a market environment and repayable financial instruments. They carry out activities for self-development as a financial enterprise and exchange experiences on the platform of their own association. This is also important for exerting and increasing influence on the supply side of the region's economy (green, technological projects in the economy). RDFs strengthen the diffusion of development processes and contribute to the accumulation of endogenous development factors, thus improving the sustainability of regional development policies.
5. There is no clear evidence that RDFs are effective in influencing SME financial inclusion. To date, RDFs have not been required, and RDFs have not required, their financial intermediaries to report on the effect of including such entrepreneurs who, without the inclusion of financial engineering instruments, would not have had the chance to obtain financing in the banking market.
6. There is no clear evidence that the effect of RDFs' work is to bridge the financing gap in the real economy of the region. There is no certainty that entrepreneurs seeking market financing would not have obtained it, barring support from financial engineering instruments. However, it is clear that banks using RDF products can better diversify their risks and improve the return on their asset portfolio.
7. There have been no signs of the threat of disruptive effects of RDFs on the development of competition in the financial sector, despite their increasing financial exposure to regional economies.
8. The above conclusions do not undermine the legitimacy of RDFs, but neither do they lead to the conclusion that RDFs perform sufficiently well in their assigned dual role in the economy. In view

of the deficiencies in the reporting by the financial intermediaries and by the RDFs themselves of the socio-economic effects obtained, there is no authoritative information for judging the actual role. In addition, the obligation for RDFs to carry out research and evaluation in the area of the financing gap should translate into designed offers and more precise investment strategies. In turn, the proper design of the spectrum of financial products, based on financing the research gap, should have a positive impact on the state of the market needs for SME financing.

References

Adamek, J. (2006). Instytucje poręczeń i gwarancji kredytowych dla małych i średnich przedsiębiorstw – doświadczenia polskie i zagraniczne. *Prace Naukowe Akademii Ekonomicznej we Wrocławiu. Seria: Monografie i Opracowania nr 100.* Wyd. Akademii Ekonomicznej we Wrocławiu.

Bailey, S. J. (1995). *Public Sector Economics. Theory, Policy and Practice*. Macmillan.

Borio, C. E. V., & Filosa, R. (1994). The Changing Borders of Banking: Trends and Implications. *BIS Working Paper*, *23*.

Cieślukowski, M. (2017). Nauka o finansach publicznych w świetle paradygmatu zrównoważonego rozwoju. *Finanse*, *1*(10), 11-22.

Filipiak, B. Z., & Zioło, M. (2021). Finanse publiczne wobec ryzyka czynników niefinansowych (ESG). *Finanse publiczne. Seria Finanse 1* (tom 13, pp. 123-152). Polska Akademia Nauk.

Freixas, X., & Rochet, J. C. (2008). *Microeconomics of Banking* (2nd ed.). MIT Press.

Hakenes, H. (2004). Banks as Delegated Risk Managers. *Journal of Banking & Finance, 28*(10), 2399-2426.

Korenik, D., & Ignor, M. (2024). *Regionalne systemy finansowe gospodarki – podejście instytucjonalne. Wyzwania dla rozwoju systemu pośrednictwa finansowego w Polsce*. Uniwersytet Ekonomiczny we Wrocławiu.

Leland, H. E., & Pyle, D. H. (1976). Informational Asymmetries, Financial Structure, and Financial Intermediation. *The Journal of Finance, 32*(2), 371-387.

Merton, R. C. (1990). The Financial System and Economic Performance. *Journal of Financial Services Research, 4*, 263-300.

Musgrave, R. A., & Musgrave, P. B. (1989). *Public Finance in Theory and Practise* (5 ed.). McGraw-Hill.

Owsiak, S. (2021). O racjonalne wykorzystywanie funkcji finansów publicznych w warunkach kryzysu. *Finanse Publiczne. Seria: Finanse, 1*(13).

Report of the International Conference on Financing for Development. (March 2002). A/CONF.198/11, chapter 1, resolution 1, annex, Monterey, Mexico, 18-22.

Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 Laying Down Common Provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and Financial Rules for Those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. Document 32021R1060.

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 Laying Down Common Provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and Laying Down General Provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and Repealing Council Regulation (EC) No 1083/2006 (Official Journal of the EU of 20.12.2013, L 347)

Schoenmaker, D. (2017). *Investing for The Common Good: A Sustainable Finance Framework. Brueggel Essay and Lecture Series*. Retrieved from https://core.ac.uk/download/pdf/91633968.pdf

Vives, X. (1996). Banking Competition and European Integration. In A. Giovannini and C. Mayer (Ed.), *European Financial Integration*. Cambridge University Press.

Teoretyczne i praktyczne uzasadnienie roli regionalnych funduszy rozwoju w gospodarce

Streszczenie: Cel artykułu to sformułowanie teoretycznej podstawy uzasadniającej rolę specyficznej instytucji finansowej, tj. Regionalnego Funduszu Rozwoju (RDF), w gospodarce regionu oraz ustalenie roli regionalnych funduszy rozwoju (RDFs) w realiach polskich. Wykorzystano klasyczny paradygmat pośrednictwa finansowego, transpozycje paradygmatów roli banku w gospodarce oraz dopełniająco paradygmaty właściwe dla finansów publicznych. Uzyskano właściwe dla specyfiki Regionalnego Funduszu Rozwoju paradygmaty teoretyczne wyjaśniające jego rolę w gospodarce regionu. Została także ustalona prawdziwa rola takich instytucji w gospodarce polskiej. Stwierdzono, że nie ma wystarczająco mocnych argumentów, aby podważyć zasadność istnienia RDFs w Polsce. W kontekście dualnej roli polskich RDFs ustalono kluczowe obszary wymagające poprawy, takie jak system motywacyjny RDFs i kryteria operacyjne w udokumentowanych strategiach inwestycyjnych.

Słowa kluczowe: instytucja finansowa, pośrednictwo finansowe, system finansowy