National Strategy of Regional Development
2010–2020:
Regions, Cities, Rural Areas

The document adopted by the Council of Ministers on 13 July 2010

Warsaw, 13 July 2010
Ladies and Gentlemen!

I have the pleasure to present you with the National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas. The document provides solutions that will completely re-formulate the thinking of regional policy in terms of ways of establishing goals, basic principles, as well as implementation mechanisms so as to enable Poland to fully use the potential of the territorial self-governance and regional advantages.

As the development challenges and conditions evolve, regional policy undergoes successive transformation. Adoption of a new model of thinking about development – stimulation of internal territorial potentials and strengthening the mechanisms ensuring diffusion of development from stronger centres to the entire regions – addresses the challenges that the current policy needs to face. The new regional policy is a policy oriented at all Polish regions and territories as it focuses on their strong points and makes use of the opportunities, and where need be – provides external resources to level out development gaps. Such an approach should allow to exploit hidden and insufficiently used resources and the specialisation of territories both in rich and poor regions.

The document strengthens the role and importance of regional policy in the implementation of the most important development activities related to the spatial aspects of development. It will ensure greater consideration of specific needs and potentials of individual areas of Poland under public policies.

Acting as the sectoral policy coordinator, the NSRD points to optimum tailoring of public intervention to the features and level of development of different areas. It draws attention to their functional linkages and relationships with development centres, as well as integrates the applied development instruments. It will enable improvement of partnership cooperation between the government and self-governments and inclusion of a greater body of regional policy actors into NSRD implementation through the use of mechanisms improving the quality and streamlining the achievement of the set goals.

On the one hand, Poland will use the solutions designed here to shape the future socio-economic cohesion policy framework at the EU level, and on the other, these solutions will be reflected in the government and systemic transformations, which will form effective regional policy implementation framework.

Adoption of this document by the Council of Ministers crowns the almost two-year-long works of the government, social partners and self-governments which have provided many ideas. I would like to express my appreciation and gratitude to all those that contributed to the creation of this document and, at the same time, I hope that it will ensure co-responsibility of all involved persons and institutions as regards the achievement of ambitious goals set out in this strategy.

I am confident that the future will bring visible results of the effort made to modernise Poland ensuring competitiveness of all regions and the country as a whole.

Elżbieta Bienkowska
Minister of Regional Development
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1. INTRODUCTION – THE NEED FOR CHANGES

The presented draft of the National Strategy of Regional Development 2010–2020: Regions, Cities, Rural Areas (NSRD) constitutes a document, which defines the objectives and rules of procedure for public entities and, in particular, for the government and self-governments of voivodeships as regards the Polish space in order to achieve the strategic objectives of national development. The draft sets out the objectives of regional development policy, including the objectives related to rural and urban areas, and it also defines their relationships with other public policies that have an explicit territorial focus.

The strategic objective of regional policy, which was established in the NSRD, covers efficient usage of the specific regional and territorial development potentials for the purpose of achieving in a long-term perspective the national development objectives, i.e. growth, employment and cohesion.

The NSRD sets out three detailed objectives to be fulfilled until 2020:

1. Supporting the competitive growth of the regions;
2. Establishment of the territorial cohesion and preventing the processes of marginalization of problem areas;
3. Establishment of conditions for efficient, effective and partnership implementation of development activities targeted at territories.

The NSRD covers the issue of reconciling different development interests of the country – related to competitiveness of the regions and its strengthening on a country scale and on the international arena, as well as regarding the prevention of excessive and socially and politically unacceptable differences between and inside the regions, i.e. the dilemma of targeting the regional policy at equity or efficiency. The thinking behind the NSRD is compliant with the direction suggested in the Green Paper on Territorial Cohesion, Turning territorial diversity into strength1, which calls for better use of regionally differentiated development potentials by the territories and refers to the third dimension of European Union (EU) Cohesion Policy apart from its social and economic dimensions, i.e. the territorial one. Territorial cohesion becomes a lasting element of EU development policy and since December 2009, i.e. after the entry into force of the Treaty of Lisbon, it became one of the basic rules of the EU.

It is also significant to ensure that the changes in the use of space mobilised by the NSRD and the intensification of socio-economic processes, improvement of the living conditions and the growth in the level of consumption proceed in line with the constitutional requirement of sustainable and balanced development. Individual undertakings have to consider the need to maintain the sustainability of ecosystems, optimize the use of space and keep the high level of biodiversity.

The layout of objectives presented in the document follows from the development and modernisation needs of the country2 and includes the lines of thinking about EU development resulting from the currently ongoing debate3 concerning the new strategy for growth and jobs in the EU until 2020, which is to succeed the current Lisbon Strategy.

Addressing the challenges facing the development policy4, the NSRD sets out the regional policy objectives and their implementing instruments in the spatial context. Regional policy directs the efforts aimed at strengthening and using the endogenous potentials of all territorial and development mechanisms that support dissemination of development processes from the main growth centres (identified in the NSRD with capitals of voivodeships) to the area of whole voivodeships. This will enable the integration of the areas of whole voivodeships into the process of development, competitiveness building and regional identity. Apart from activities supporting dissemination of development processes and use of endogenous potentials, the regional policy additionally foresees special activities aimed at territories which require particular support to

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3 Commission Working Document: Consultation on the future “EU 2020” Strategy, COM(2009)647, 24.11.2009, which is currently under consultation. The conclusions on “EU 2020” were presented during a meeting of the European Council of 25–26 March 2010, the strategy Europe 2020: A strategy for smart, sustainable and inclusive growth is planned to be adopted in June 2010. This document aims at determining how the EU will focus on strengthening the trends leading out of the crisis, preventing a similar crisis in the future and the three thematic objectives: creating value based on knowledge, strengthening the position of citizens in the societies inclusive for development process and establishment of competitive, cohesive and more environment-friendly economy.
4 Cf. Report Poland 2030.
development processes that are defined in this strategy as problem areas (e.g. rural areas, on which the access to public services and their quality will be improved, peripheral areas or border areas).

The layout of NSRD objectives reflects the basic areas of impact of the NSRD until 2020 and creates a triad: competitiveness – cohesion – efficiency, which is based on the assumption that the lines of thinking about the role of regional policy and its implementation will be transformed. Implementation of objectives structured in this fashion will result in concentration on development opportunities (potentials) and not development barriers by strengthening the competitiveness of the regions and unlocking their development processes. These objectives are designed to achieve not only positive changes to enhance the competitiveness of the regions and the entire country, but also to reduce the disparities in development opportunities between and inside the regions.

In order to more fully use the competitive advantages and maximise the efficiency of interventions under NSRD the directions of regional policy actions will be addressed to these strategic areas of regional policy interventions, which are most likely to improve the competitiveness of the country on the international scale, i.e. in the first place, they will be targeted at the largest urban areas. Apart from supporting the competitiveness process on the international scale the NSRD supports dissemination of the development processes from the fastest developing centres to the more slowly developing ones as well as other areas of the country, and establishment of the absorption potential on these areas, which preconditions the success of activities aimed at dissemination of development processes. Hence the NSRD supports the establishment of competitive advantages on the areas, which were not really participating in development processes earlier.

As regards providing support to cohesion the NSRD foresees additional support to counteract marginalization of the least-developed areas, which cannot overcome the underdevelopments on their own. As a result of strong concentration of problems creating barriers to development on these areas the activities undertaken within the framework of NSRD ensure for them the reduction of disparities in access to public goods and services and emergence of restructurisation processes preconditioning the activation and use of internal resources, as well as launching or assisting the existing development processes.

The implementation of the third objective will guarantee efficiency and cause the process of modernising the development policy management system in Poland in order to improve the coordination of development activities, increase cooperation between various levels of public authorities, as well as increase social activity in the area of regional policy. A number of the suggested activities within the scope of management will cause an increase in the effectiveness of public investments and facilitate development activities carried out on a defined territory. Introduction of complex solutions improving the quality and facilitating the mechanisms of implementing the regional policy and other public policies of significant territorial impact aiming at the implementation of joint objectives at the national and regional level will ensure greater involvement of other public policies with the participation of private entities.

Figure 1. Triad: competitiveness – cohesion – efficiency

Source: MRD’s own elaboration.

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5 See Chapter 4. Basic rules of regional policy.
The presented draft of the NSRD fulfils the statutory requirement concerning its content and determines the conditions, objectives and directions of regional development, national policy pertaining to voivodeships, as well as the principles and mechanisms of cooperation and coordination of activities undertaken at the national level with activities undertaken by territorial self-government at the voivodeship level and by other participants of regional policy. This document contains: the essence of the new regional policy, the most important challenges until 2020, basic principles of regional policy, vision of regional development and the strategic objectives of regional policy, detailed objectives of regional policy and indicators to monitor these objectives, as well as the implementation system (including entities involved in the NSRD implementation and instruments for implementing its objectives) as well as financing framework. Moreover, the Annexes additionally cover: detailed diagnosis of the socio-economic situation in the territorial cross-section and materials supplementing the information within the scope of hitherto progress of works and planned works that ensure efficient NSRD implementation and containing a synthesis of the results of the public debate devoted to the NSRD draft.

The detailed proposals of solutions included in the NSRD draft concern, above all:

- shift from regional policy that primarily constitutes a channel of resources re-distribution to policy targeted at using endogenous potentials of all territories in order to achieve the national development objectives – creating growth, employment and cohesion,
- departure from the division into inter and intraregional policy for the advantage of a single, common policy determining the objectives in relation to a given territory for all public entities,
- stimulating competitiveness on a regional, national and international scale, as well as supporting the dissemination of development processes from the fastest developing centres to other areas of the country,
- increasing territorial cohesion, both on a national and on the regional scale, including through the establishment of functional relationships between the voivodeship cities and their regional surroundings, and in particular between cities and rural areas, as well as by actively preventing the marginalisation of the least-developed areas and reducing the development disparities between individual voivodeships,
- achieving greater efficiency of activities undertaken within the framework of regional policy by concentrating regional policy interventions on selected thematic and spatial areas (areas of strategic intervention),
- introduction of a complex system of integration and coordination of public policies that have a significant territorial impact, with the objectives of regional policy defined for particular territories,
- departure from the strongly centralised model of governance (top-down) for the advantage of enhanced multi-level governance system, *inter alia*, through the introduction of the new partnership and coordination instrument for activities targeted at territories – territorial contract,
- rationalization of the public policies management and financing system by defining the most efficient level of rendering public services,
- increasing the efficiency of regional policy, *inter alia*, by introducing a broad application of the conditionality principle and competition mechanisms in the access to the public resources based on the implementation of projected material indicators,
- re-modelling of the regional policy financing system by grounding it on the Multiannual Financial Plan of the State and territorial contracts.

The document introduces the category of area, to which the regional policy will be addressed in a special manner; these areas are called areas of strategic intervention (ASI). They cover both the basic national and regional areas of concentration of the socio-economic development processes, i.e. main urban centres together with their functional background and areas beyond the direct range of impact of these centres, which require the strengthening of potentials to develop and establish or improve the conditions to increase the absorption and dissemination of development processes focused in the main urban centres as well as on problem areas, i.e. territories characterised by the highest concentration of negative development phenomena of national or supra-national range and significance.

The NSRD calls for a number of modifications of the manner of planning and conducting the regional policy in Poland and along with them different public policies, which have the greatest impact on the achievement of the objectives of development policy set out for territories. Many of these proposals regard the management of policies targeted at territories and they cover issues related to facilitating cooperation, coordination, efficiency, monitoring and evaluation.

This document foresees a fundamental modification of the currently conducted regional policy. The new regional policy in Poland drives at implementation and realisation of changes based on the “new paradigm of regional policy”6.

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6 Pursuant to Article 6 point 12 of the Act of 7 November 2008 on the amendment of certain acts due to the implementation of structural funds and Cohesion Fund.

7 See Chapter 2.
The changes as compared to the regional policy conducted in Poland, so far, consist both in strengthening of the role and status of the regional policy as the policy implementing the most important development tasks undertaken in respect to the Polish space and directing the development activities taken up under other public policies, as well as in the new approach to the rules, objectives and system of implementing the regional policy, including division of competences and selection of implementing instruments. The changes are guided by the idea of ensuring the greatest possible efficiency and effectiveness of this policy.

According to the concept presented in this document the objectives indicated in it are implemented by various public policies within the scope of their competences, however, the planning and implementation remain at the national (the Government of the Republic of Poland) and regional (self-government of the voivodeship) levels but the level of participation of other entities increases. The project defines the area of interest of the government in the implementation of the regional policy understood in this manner and the rules and mechanisms of cooperation with other public entities. The project suggest a new approach to the concept of concluding agreements by different actors of regional policy developed at the beginning of 21st century, which is aimed at the implementation of the most important territorial development undertakings in the form of the so-called territorial contract.

In order to ensure greater effectiveness and efficiency of the regional policy activities the proposals included in the NSRD plan further decentralisation of administering different financial resources intended for development and for the time being remaining in the field of activities of ministries and other public entities. It is assumed that this will also make it possible to limit the sectoral manner of regional policy-making, increase the possibilities of coordinating activities and more flexible independent decisions of territorial self-governments.

The NSRD is binding until 2020. This time horizon will enable gradual implementation of many proposed instruments of institutional and legal character and it will simultaneously ensure their application in the programming of activities co-financed within the framework of the next European Union financial perspective probably covering the 2014–2020 period. This will be of primary significance as regards the manner of using the EU resources under the concept of the new regional policy included in this document. The following document along with the efficiency assessment planed for 2010 will form the basis for the possible modifications of the operational programmes implemented under the 2007–2013 perspective.

The regional policy conducted in Poland for the last few years was predominated by the EU Cohesion Policy directed, primarily, at the implementation of Community objectives. The regional policy objectives were outlined in a general manner in medium-term document including the strategy of using the EU resources, i.e. National Development Plan for 2004–2006 (NDP) and the National Strategic Reference Framework for 2007–2013 (NSRF) and under the major medium-term document, i.e. National Development Strategy 2007–2015 (NDS). However, the operational objectives of regional policy were not defined, as well as the strategy of achieving them and detailed rules and manner of actions, the focus was primarily placed on the division of the available financial resources. The National Strategy of Regional Development 2001–2006 developed in 2000 constituted another document of this type.

Apart from the regional policy different planning and implementing systems planned and implemented other policies and activities of public entities determining the objectives pertaining to space, such as e.g. in the case of policy concerning rural areas or other having basic significance for the achievement of regional policy objectives, for example transport policy, labour market policy or competitiveness policy. Coordination of different instruments targeted at territories was, above all, of official character and was executed primarily in respect to EU instruments.

In 2008 the Ministry of Regional Development launched works aimed at ordering the national development management system so as to increase the efficiency of programming and implementing public policies and to improve the quality of State institutions operation. Within the framework of these works, inter alia, the following were developed:

- Guidelines to the system of Polish development management which recognise the need to establish the place and role of regional policy within the framework of development policy and modification of the strategic objectives of regional policy in the context of the new challenges, both national as well as European and global ones.

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8 Territorial contract was described in Chapter 7.
9 In line with the Review of operational programmes within the framework of NSRF 2007–2013 – material transferred to the members of the NSRF Coordination Committee during the 6th meeting of the Committee of 7 December 2009.
10 This constituted a basis for conducting the then regional policy implemented with the use of the support programme instrument and voivodeship contracts.
11 Accepted by the CM on 27 April 2009.
• Act of 7 November 2008 on the amendment of certain acts due to the implementation of structural funds and Cohesion Fund\textsuperscript{12}, which among others:

- introduced the obligation to prepare the new medium-term comprehensive programme document referring to the regions, i.e. the National Strategy of Regional Development.
- appointed Development Policy Coordination Committee (DP CC)\textsuperscript{13}, whose tasks covers, \textit{inter alia}, consideration of strategic documents and programme documents within the scope of development policy, as well as drafts of regulations of strategic significance and formulating opinions on them.

The aforementioned activities include also parallel works on national strategic documents determining medium and long-term horizon national development objectives and the manner of achieving them, i.e. the Medium-term national development strategy (NDS update)\textsuperscript{14} and the Long-term national development strategy (which is elaborated on the basis of the aforementioned report: \textit{Poland 2030: development challenges}). The implementing mechanisms presented in the NSRD are also cohesive with the solutions suggested in the Concept of National Spatial Development 2030 (CNSD)\textsuperscript{15} which follows from the introduction of the integrated system of regional policy development and correlation with spatial policy determining the framework for policies of territorial impact. This applies not only to stronger interconnection between the objective of both these documents but also common solutions at the operational level. Similarly in the implementing area both the NSRD and the CNSD suggest new solutions in the legal and institutional system.

The works on the presented NSRD draft as regards the change in the system of Polish development management constitute a part of the ordering strategic documents adopted by the Council of Minister\textsuperscript{16}. NSRD constitutes one of the nine development strategies\textsuperscript{17}, which will implement the medium and long-term national development strategies. These strategies as basic instruments of implementing the medium-term national development strategy will be subject to the assessment of compliance with these documents.

Additionally, the NSRD as a strategy pointing to the regional policy objectives in a spatial layout will constitute a reference for other 8 strategies, whose drafts will be subject to a cross-analysis with the NSRD under the aspect of compliance of the assumptions of a given strategy with the territorially-oriented objectives and development policy intervention determined in the NSRD.

\textsuperscript{12} Dz.U. No 216, item 1370.

\textsuperscript{13} The Committee was appointed on the basis of the Order NO 21 of the Prime Minister of 11 March 2007 on the Development Policy Coordination Committee grounded on Article 35a of the amended Act of 6 December 2006 on the principles of development policy.

\textsuperscript{14} Schedule of works concerning the update of the National Development Strategy was modified as compared to the Assumptions of updating the National Development Strategy 2007–2015 adopted by the CM on 30 December 2008 because of postponement of the time horizon of the document until 2020. Forwarding the final draft of the document to the CM was foreseen for the period October–November 2010.

\textsuperscript{15} A document determining the vision of national spatial development and state’s spatial policy. It will be made available for consultations in the nearest future. Its adoption by the CM is planned for October 2010.

\textsuperscript{16} The plan of ordering the development strategy was accepted by the CM on 24 November 2009. It introduces ordering activities within the field of the existing strategic documents (strategies, development programmes, including multi-annual programmes), which resulted in reduction of the number of these documents (including development strategies from the currently existing 41 to 9) in order to enhance the transparency of the strategic programming process and more efficient disbursement of budgetary resources.

Figure 2. NSRD as a horizontal development strategy

The works on NSRD used the international scientific achievements concerning the theoretical and practical aspects related to regional policy. The most important sources cover, first of all: Territorial Reviews: Poland\(^{18}\), carried out within the framework of cooperation between MRD and OECD (Territorial Development Policy Committee – TDPC), a report drawn up by the EoRPA Consortium – Regional Development in Europe. Territorial cohesion and review of EU budgets\(^{19}\) and others. In the course of preparing the diagnosis and formulation of the applications concerning the progress of development processes in the Polish regions the document entitled Regional development in Poland. Report 2009\(^{20}\) was used.

Another prominent source of data also covers a number of documents published under the debate of EU Cohesion Policy after 2013 ongoing since 2007: the report Regions 2020. An Assessment of the Future Challenges for EU Regions, elaborated by the Directorate General for Regional Policy\(^{21}\) or the report of F. Barca prepared on the commission of the Ms Commissioner D. Hübner: An agenda for a reformed cohesion policy. A place-based approach to meeting EU challenges and expectations\(^{22}\).

At this point it should be noted that Poland actively participates in the debate, which aims at presentation of the Polish vision of the directions of the reform of EU Cohesion Policy, whose key assumptions cover: the need to renew the paradigm in line with the global directions of regional policy evolution, convergence through competitiveness; concentration on a limited number of priorities; stronger coordination between policies of clear territorial orientation.

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\(^{19}\) European Regional Policy Research Consortium, November 2009.


The solutions suggested in the NSRD will be used under the debate on the future of Cohesion Policy conducted on the European arena and it will constitute a contribution to the *Fifth Cohesion Report* prepared by the European Commission (the Commission).

**The course of works on the elaboration of a concept of new regional policy**

The presented version of the NSRD considers the results of the inter-ministerial negotiations (12 March – 6 April 2010) and the changes introduced at the stage of accepting the document by the Committee for European Affairs (25 May 2010) and the Standing Committee of the Council of Ministers – 10 June 2010, as well as proposals included in the *ex ante* assessment and environmental impact prognosis.

In line with the Act of 3 October 2008 on the provision of information on the environment and its protection, public participation in environmental protection and environmental impact assessments (Dz.U. 2008 No 199, item 1227) before the final adoption of the NSRD it is necessary to conduct a so-called strategic environmental impact assessment with the public participation, including development of environmental impact prognosis for the needs of this procedure. As a result, between 5 and 26 March 2010 social consultation process on the draft of the *Environmental Impact Prognosis of the draft of the National Strategy of Regional Development 2010–2020: Regions, Cities, Rural Areas* was held. On 16 March 2010 a Poland-wide conference devoted to the discussion on the aforementioned draft took place in the seat of the Ministry of Regional Development within the framework of the consultation process.

Moreover, the NSRD draft was also subject to *ex ante* assessment. *Ex ante* assessment of documents related to development programming was introduced in Poland together with the system programming of structural funds disbursement. The *ex ante* assessment lasted from 9 December 2009 to 15 April 2010. On 1 April a conference, whose purpose was to discuss the Final report on the NSRD *ex ante* assessment, was held in the seat of the Ministry of Regional Development.

The development of the document was preceded with the preparation of the first draft of the NSRD and even earlier with the drawing-up of the documents applied to launch the debate on the concept of the new regional policy in Poland and elaboration of its assumptions. These stages were related to:

- development of the NSRD draft 2010–2020 of 9 September 2009 which underwent social consultations under the public debate carried out within the period from September to December 2009.

The debate covered also a number of consultation meetings, including 16 regional conferences, experts’ meetings, inter-ministerial meetings, as well as bilateral meetings with the representatives of individual ministers and workshops.

The regional conferences organised in cooperation with the Offices of the Marshall were attended by one and a half thousand people. An extensive group of representatives of the world of science, self-government authorities, ministries, socio-economic partners and Members of Parliament took part in the debate.\(^{23}\)

The conclusions and remarks regarding the NSRD draft gathered during the debate underwent a detailed analysis in the Ministry of Regional Development and were used in the elaboration of the presented version of the document.

- Adoption, by the Council of Ministers, of the *Theses and Assumptions of the National Strategy of Regional Development*\(^{24}\), which present the main lines of thought as regards regional policy.

Their development sums up the effects of the earlier stages of the works carried out by the MRD on the concept of new regional policy, i.e. the problem material\(^{25}\), report concluding the results of the survey containing questions about the new model of regional policy addressed to the ministries and self-governments of voivodeships\(^{26}\) and the report concluding the results of works performed by the Working Groups continuing the discussion initiated by the survey\(^{27}\). The following draft

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\(^{24}\) Accepted by the CM on 16 December 2008.  
of the NSRD is also based on the conclusions from the works of the Experts’ Group28, whose achievements were collected in the publication entitled New concept of regional policy – expertises29 and debate conducted during several meetings, workshops, seminars and conferences30.

This document follows from close cooperation between MRD and, above all, the representatives of regional authorities, ministries, as well as scientific circles and practitioners. The proposals included in it constitute the subject of the agreement reached during these works among all partners involved in them. The draft of the Strategy was edited by the Ministry of Regional Development, however, several of the suggested solutions followed directly from the proposals of the self-governments of the voivodeships and were precisely negotiated also under a partnership consultation process. It is our hope that as a result of the above the rules and objectives of the regional policy operation described herein will be shared by all its actors.

A package of implementing documents preconditioning its efficient implementation is developed in parallel with the NSRD. The directions of the works required in relation with the development of the solutions for the facilitation of regional policy implementation will be presented in a separate material of the Minister of Regional Development enclosed to the decision of the Council of Ministers. On the basis of the decision of the Council of Ministers further works related to the development of detailed implementing solutions will be conducted in the time horizon up to 2013, which cover issues pertaining, inter alia, to the manner of preparing, concluding and implementing territorial contracts, system of regional policy instruments operation, institutional system and regional policy monitoring system.

As a result of the decision of the Council of Ministers the implementation of the adopted implementation solutions will cause changes in certain legal acts and the institutional system.

28 Experts’ group acting by the Department of Structural Policy Coordination in the MRD within the period from December 2008 to April 2009.
29 MRD, Warsaw, August 2009 (collection of scientific papers, which were the subject of the discussion within the framework of the cyclical workshops of the Experts’ Group).
30 Detailed description of the progress of works on the NSRD draft is included in Annex 1.
2. TOWARDS THE NEW REGIONAL POLICY

Activities within the scope of regional policy started to be undertaken in most OECD countries 1950s and 1960s. This was a period of relatively strong economic growth, fiscal expansion and low unemployment. The main objective of the activities was to achieve greater equity and sustainable growth in the period of rapid growth and structural changes. The main instruments are subject to a model of redistribution of wealth in the form of centrally controlled financial transfers and widespread public investments. In 1970s and early 1980s, successive economic shocks and changes in the global economy led to a spatial concentration of unemployment in individual countries. Regional policies were adapted to new challenges. They were focused on reducing disparities in income and in infrastructure and on activities of a social nature.

Numerous international and European studies have shown that the then regional policy models have produced disappointing results mainly due to the slow convergence. Centrally managed redistribution of subsidies to less developed areas resulted in excessive dispersal of funds, thereby weakening the effect of the scale of public intervention, which ultimately could not produce measurable effects for development.

In the last two decades, it has become a motivation for initiating the debate, both in the scientific community and those responsible for implementing this policy on changing the paradigm of regional policy in relation to objectives, priorities, tools, actors and territorial areas of intervention. This debate is also stimulated in connection with attempts to demonstrate the positive impact of the cohesion policy, which is actively discussed in the context of the debate on the EU budget after 2013 and for a few years there has been a strenuous search for the added value of the policy.

With the evolution of development challenges and economic, social and territorial conditions, the regional policy is successively transformed. Originally, the attention of the “regionalists” was focused on the goals and question whether it is to be oriented on the equity (social cohesion, convergence) or on the efficiency (economic cohesion, competitiveness).

Regional policy began to evolve from a model of short-term grants distributed by order from superior authority “for the most disadvantaged areas” to the model of long-term, decentralized development policies aimed at promoting all regions (irrespective of the degree of prosperity), from dispersed intervention to more selective investments. Development strategies have begun to take into account a wide range of direct and indirect performance factors, focus on the endogenous territorial characteristics (instead of exogenous investments and transfers). Emphasis has been put on opportunities rather than barriers and on good governance where an increasingly important role was played by regional and local authorities. Examples of applying the approach to regional development in the so-called regional growth policy can be found in some countries (e.g. Sweden, Netherlands). Numerous scientific publications suggest that development policies should support growth in all regions, and regions should invest in their own development by mobilizing local resources and funds in order to exploit their specific competitive advantages without excessive reliance on national transfers and grants.

In summary, fundamental change in the paradigm of regional policy described primarily in the OECD’s achievements consists in: (1) strong orientation of public intervention on enhancing the competitiveness of regions and unlocking the growth processes through better use of competitive advantages and development potentials, (2) departure from the model of short-term grants distributed by order from superior authority “for the most disadvantaged areas” to the model of long-term, decentralized development policies aimed at promotion of all regions, (3) departure from dispersed interventions to more selective (focused) investments.

31 A detailed description of changes in the conduct of regional policy, including the theoretical basis of regional development is presented in Annex 3.

32 The analysis of the OECD for 1980–2005 shows that in about one-third of OECD countries, regional variations in GDP per capita increased, in one-third of countries they decreased, while the rest of the countries registered no clear trend of changes.


34 The importance of competitiveness of territories by using the potential of territories characterized by the greatest capacity to create economic growth for regional development was highlighted in the twentieth century in a number of theoretical concepts, like the new growth theory initiated by the works of P. Romer and R.E. Lucas in the eighties or the new economic geography that emerged in the early nineties. Among the Polish current proposals in this regard, one must point out the model for balancing the development proposed by J. Kołodziejski. According to this doctrine one should use the concentration of growth created in urban systems for the benefit on the country level by strengthening their capacity for further development and linkages between them. These theories also raise the issue of the need to direct interventions for the widening and strengthening of channels for spreading development to areas that are not in direct range of urban complex and for peripheral areas in order to increase their preparedness and ability to absorb the benefits of developmental processes running in the core (the main urban areas of national importance).
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<td><strong>COMPETITIVENESS</strong></td>
<td>Identifying many elements of the socio-economic structure as competitiveness factors, resulting in overlap of a variety of uncoordinated activities.</td>
<td>Strategic direction for regional policy (spreading growth) implemented in all regions, including in the most competitive sites. Accurately identified competitiveness factors and strategically selected directions for its correction. Multisectoral approach territorially targeted.</td>
</tr>
<tr>
<td><strong>EQUALISATION</strong></td>
<td>Great emphasis on equalisation measures, however, counterproductive – deepening disparities, dissipation of resources.</td>
<td>Increasing consistency as the result of increasing the absorption capacity (greater flow of capital, people, knowledge, innovations). Special “equalisation” actions adapted to the potentials of the territories, important for the whole country, focusing on selected areas to explore and exploit their potentials to achieve the „critical mass” required for further development.</td>
</tr>
<tr>
<td><strong>Tools</strong></td>
<td>Subsidies and State aid.</td>
<td>Integrated „soft” and „hard” instruments, business environment, social capital, networking, better coordination.</td>
</tr>
<tr>
<td><strong>Territorial dimension</strong></td>
<td>Regions treated homogeneously, without regard to their internal and external diversity. Slightly taken into account the territorial dimension, the primacy of the sectoral approach, the so-called „algorithm of poverty.”</td>
<td>Territorial approach in all development activities (perception of diversity, strong coordination, multi-level governance). Integrated programs dedicated to the areas of strategic intervention while maintaining the spatial integration carried out in regional policy.</td>
</tr>
<tr>
<td><strong>Territorial units</strong></td>
<td>Administrative units. Failure to take account of rural-urban relations in the instruments of policy, rural areas perceived equally across the country.</td>
<td>Functional units. Different approaches for different types of territories. Policy adapted to local conditions, taking into account dependencies of the areas that generate growth, functionally related areas and remote areas.</td>
</tr>
<tr>
<td><strong>Actors</strong></td>
<td>The government and the voivodeship government.</td>
<td>All levels of public administration, social actors and representatives of the business.</td>
</tr>
</tbody>
</table>

Source: Synthetic approach to the transition from the traditional perception of the role of regional policy to the modern trends adopted in OECD countries, based on studies of the OECD.

This concept is reflected in the report by F. Barca, in which the author presented the assumptions of so-called place-based policy, a better use of hidden or improperly used resources and specialisations of the territories in both rich and poor regions. To fully achieve this, we should seek better coordination of other public policies with territorial impact and the ongoing assessment of their territorial impact. Stronger territorial orientation also means that regional and local authorities must actively participate in shaping and implementing this policy. Regional policy must respond to the specific needs of the territories and build on its internal growth potential. Policy based on the principle of integrated territorial approach (place based policy) is a policy: (1) focused on the use of endogenous potential, territorial resources and knowledge, (2) enabling the implementation of interventions aimed at the development challenges and yet precisely tailored to local conditions.
The policy objective is to stimulate all regions to develop their growth potential primarily on the basis of their endogenous resources. Support for regional policy (and therefore also with external aid) is therefore to develop internal growth factors, and not merely redistribution of revenue to less developing areas of the country. That is why regional policy should be implemented in close cooperation between the various levels of public authorities, in order to best identify the specific objectives of public intervention in the regions, and with the help of external and local funds.

When considering a new paradigm of regional policy, in addition to shifting attention from barriers to development potential, we pay special attention to the following three different aspects: (1) increasing the role of regional level in launching development processes, (2) strong focus on territoriality, (3) fundamental differences between territorial and sectoral approach.

Increasing the role of the regional level in launching development processes. In this context, it is necessary to refer to the report by F. Barca, where he indicated that the use/building of territorial potential and competitive advantages should be based on local knowledge, experience, skills and specialisations, as well as the relationship between different actors (networking). In this context, the author draws attention to the value of the new model of European cohesion policy promoted by him and to the benefits of multilevel governance, the contract between the actors on different levels as well as the contribution to institution-building, formation of social capital, partnerships and networks spreading knowledge and experience.

Regional policy and other development policies, including activities targeted at specific areas should be properly spatially integrated. The more so, because they are implemented by various levels of public authorities. This requires introduction of appropriate coordination mechanism carried out by authorized public authorities, preferably at the regional level.

Strong focus on territoriality. This approach results from the action at European level, where increase in importance of territorial approach in development is clearly discernible. Manifestation of the territorial cohesion becoming more popular was the adoption of the Territorial Agenda of the European Union, which is a strategic framework for territorial development in Europe. Its importance is increasing, which is confirmed by the publication by the European Commission in autumn 2008 of the Green Paper on Territorial Cohesion – Turning territorial diversity into strength, initiating a debate in order to deepen the understanding of the concept and its implications for the implementation of the development policy.

Differences between territorial and sectoral approach. Territorial approach assumes multidimensionality of development processes. It enables taking account of their social, economic and environmental conditions and diversity of areas in which these processes take place. This requires an integrated approach taking into account the intersectoral links and thereby enabling the functioning of public intervention in a sustainable manner and maximising the synergy of implementation instruments.

The sectoral approach is burdened by the deficit of the territorial dimension (spatially blind policies) and by integrated examination of development processes. It leads to the creation of one-way (not interdisciplinary) actions not adapted to local conditions (one size fits all). This approach is accompanied by fragmentation of implementing systems, leading to duplication of implementation efforts. Its disadvantage, in terms of territorial management, is also the exclusion from the processes of implementation of regional and local actors. This results in a weakening of the efficiency, while resources are limited and should not be spent on several occasions for the same purpose.

Public intervention – both horizontal and sectoral – must first be accompanied by understanding of trends of territorial development and then by the possible use of an adequate approach. This approach should in principle be integrated, allowing the facilitation of the combination of a variety of (multisectoral) support measures required to launch development initiatives focused on issues such as: quality of life, services and public goods, openness to innovation and entrepreneurship etc.

Sectoral policies should exploit the potential of regional policy in the territorial and integrated approach and the principle of partnership, allowing the involvement of all actors of developmental processes without exception.

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35 Support for all regions, regardless of the degree of prosperity, the full use of their potentials and competitive advantages, was considered the most effective in achieving consistency in the EU, which is confirmed by Reflection paper on future Cohesion Policy presented in the spring of 2009 by Commissioner D. Hübner. Her reflection was based on two elements: features distinguishing the cohesion policy from other policies of the EU (integrated approach, the ability to mobilize relevant actors within the multilevel system of governance, orientation to the territorial dimension of development processes) and identified in the study Regions 2020, new regional differences arising under the pressure of global challenges. This direction of thinking about the cohesion policy was presented by Commissioner P. Samecki in December 2009 in the document Orientation paper on future Cohesion Policy.

36 It is one of the principles of the new Lisbon Treaty, which states that the EU “supports the economic, social and territorial cohesion and solidarity among Member States”.


An important source of information about possible solutions to allow stronger focus of public policies on the territorial dimension are so called methodological principles contained in the document worked out and adopted by the Ministers of the EU-27 for the cohesion policy within the work of the French Presidency of the EU Council. This document stresses the need to: (1) take into account the territorial impact of key sectoral policies and strategies at the stage of strategic planning, (2) to improve complementarity and linkages between key strategies and sectoral policies and the cohesion policy, (3) improve the knowledge about the territorial impact of key sectoral policies and strategies by conducting all necessary surveys and research and by providing monitoring and evaluation of decisions that have territorial impact on the basis of indicators adapted for this purpose, (4) organize a proper coordination on the Community and national levels, (5) support and promote territorial approaches and territorial projects in reference to all sectoral policies with a strong territorial impact.

The way of defining the objectives of regional policy (their focus, concentration and geographical coverage) will largely determine the future shape of that policy – whether it will be a key development policy aimed at increasing the competitiveness of regions/territories by supporting and creating their endogenous potentials (new paradigm) or the compensation and redistribution policy oriented primarily on levelling out disparities in wealth.

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39 Contribution of the ministers in charge of spatial planning and the cohesion policy gathered in Marseilles on 26 November 2008: Methodological contribution to the analysis of sector-based policies – recommendations for taking into account the territorial dimension in the key dossiers.
3. THE MOST IMPORTANT CHALLENGES OF THE REGIONAL POLICY UNTIL 2020

The foundations of programming and implementing efficient regional policy are: analysis of social and economic conditions, tendencies and forecasts for the State and its regions as well as specifying on the basis of them the most important challenges faced by this policy in a particular time perspective. For several years, attempts have been made to specify challenges for territorially oriented public policies. They were carried out by the European Commission, World Bank and with reference to OECD member countries. These studies differ between themselves in terms of the approach to the analysed issues as well as identification of the challenges ahead. It is important, therefore, to take account of the most important challenges from the point of view of the Polish regional policy, while determining European and global challenges.

The set of challenges until 2020, presented below, combines both dimensions – European and global. This set was prepared on the basis of the conducted diagnosis of the socioeconomic situation which was performed in relation to various territories and with reference to development factors which are decisive for competitiveness of Polish regions. When determining the list of challenges of the regional policy, also the strategic challenges for development of the entire country formulated in the report entitled Poland 2030 were taken into consideration.

According to most analyses, in spite of fluctuating but sustainable economic growth in comparison with other EU countries, Poland is characterised by low values of indicators specifying the level of competitiveness and development perspective, i.e.: employment level, quality of labour force, level of infrastructural facilities, innovation level or performance and quality of public administration as well as social capital. A positive pace of economic growth has been registered in Poland, particularly after the accession to the EU (the GDP increased twice in the period of 2004–2008 – 6% in comparison with 2000–2003 – 2.7%). As a result the GDP level per capita in Poland in relation to the EU-27 average increased from 48.6% to 56.4% in the period between 1999 and 2008. The external convergence in 2004–2007 takes place also at the level of voivodeships but the scale of these changes is diversified: between 0.9 pp (Śląskie Voivodeship) and 10 pp (Mazowieckie Voivodeship). The Mazowieckie Voivodeship, which reached 87.1% of the EU average in 2007, is the obvious leader of growth and next four voivodeships: Dolnośląskie, Śląskie, Wielkopolskie and Pomorskie exceeded the level of 54%. In 2000–2007 they formed the group of 5 wealthiest voivodeships and their average development was faster than in the case of 5 voivodeships of eastern Poland, none of which exceeded 43% of the EU average. The weakest position of the Zachodniopomorskie Voivodeship is clearly visible in the longer time period. This voivodeship starts to slowly reduce the distance to the EU average (0.8 pp in 1999–2007 in comparison with -0.8% in 1999–2006).


Diagnosis of the socioeconomic situation is included in Annex 5.

Taking into account the purchasing power parity of currencies.

I.e. reducing the distance in the level of economic development in relation to the EU average.

Percentage points.

Source: Eurostat.
Map 1. GDP per capita in % in EU States at the level of NUTS 2 in relation to the EU average (2007) by PPP

Source: Eurostat.

Map 2. Change of the GDP per capita in % in EU States at the level of NUTS 2 in 2004–2007 by PPP

Source: MRD’s own elaboration based on Eurostat data.
Map 3. GDP per capita in voivodeships in 2004–2007 (in current prices)

Source: MRD’s own elaboration based on data from the Regional Data Bank (RDB) of the Central Statistical Office (CSO).

Map 4. GDP per capita in subregions in 2004–2007 (in current prices)

Source: MRD’s own elaboration based on data from RDB of the CSO.
Inside of the country the concentration of economic growth and production potential is seen in several voivodeships which are the strongest in terms of economy\textsuperscript{46}. What is more, it is worth noticing that only in four voivodeships the pace of GDP \textit{per capita} growth in 2004–2007 was above the average domestic dynamics of growth, which indicates significant differences and concentration in the context of both, particular voivodeships’ share in generating the economic growth and in the growth dynamics itself. Accumulation of the economic growth is even more visible at the levels of lower statistical territorial units, i.e. subregions (NUTS 3). The fact that only 16 out 66 subregions exceeded the average indicates that there is a significant asymmetry and differentiation of the level of economic development. This is evidence of increasing differences concerning social and economic indicators measured at various levels of reference, however because of increased investment expenses after the accession to the EU, it can be simultaneously observed that a reduction of differences concerning infrastructural facilities takes place in relation to areas such as: water management (pipelines, wastewater treatment, sewage systems), primary education, sport and leisure or quality of local roads.

The fact that the GDP and growth are concentrated in only some areas of the country shows that the share of Polish regions and the entire territory of Poland in general in achieving State’s development objectives – i.e. growth and employment – is very diversified. Regions with competitive and innovative economy, especially the largest and the most dynamic agglomerations (except for Szczecin) situated in them use globalisation and integration with the EU to a larger degree and therefore become the main creators of growth and employment in the spatial dimension. On the other hand there are the remaining regions which are not able to join the competition based on knowledge and competitive advantages (which replaced comparative advantages). – these regions may face a threat of limiting the economic growth and they will not benefit from these processes.

According to the report entitled \textit{Poland 2030}, in future several years there will be in Poland a need to implement a development policy which would include increase of competitiveness of the Polish economy by means of activating the untapped workforce, absorption and creation of innovation (strengthening the scientific and research sector and its links with enterprises), stimulating development of social capital, ensuring proper technical conditions (extension and modernisation of infrastructure) and institutional conditions (changes in the management system of the public sector) in order to raise the level of investments, as well as supporting changes in the field of structure of GDP generation (towards increasing the share of sectors with higher added value) and employment structure (in more productive sectors and new sectors of the economy resulting from implementation of the “green growth” principle).

Such development strategy implies the need to re-consider the Polish space, regional development issues and regional policy understood as the instrument for implementation of the national development objectives defined in relation to this space.

The need of rapid development calls for focusing the regional policy on the optimum usage of development potential of individual regions in order for the overall development strategies to be successful.

The questions standing before the regional policy – what is the best way of using this potential to generate development and employment? – through focus on increase of opportunities of the regions to compete on the European scale, at the same time ensuring the opportunities of participating in these processes to all citizens of the country, regardless of the place of their residence and preventing socially and politically unacceptable differences? – constitute the major and the most strategic dilemma of the regional policy in the perspective of the next several years.

Several areas of strategic challenges can be outlined at the same time and the regional policy, which supports regions’ competitiveness and ensures territorial coherence of the country must respond to these issues with detailed solutions. The following challenges can be distinguished\textsuperscript{47}:

1. Better use of the potential of the most important urban areas to generate growth and employment and to stimulate the development of the remaining areas.
2. Assurance of internal cohesion of Poland. Preventing excessive spatial differences.
3. Increasing the potential to create, diffuse and absorb innovations.
4. Preventing negative demographic trends and more complete use of workforce resources.
5. Improvement of the quality of workforce resources.
6. Response to the climate change and ensuring energy security.
7. Protection and rational use of environment resources.
8. Use of the cultural and tourist potential for regional development.
9. Supporting development of the social capital.

\textsuperscript{46}Share of 5 voivodeships having the largest contribution to generating of the GDP (Mazowieckie, Śląskie, Wielkopolskie, Dolnośląskie and Małopolskie) increased from 58.2% in 2000 to 59.6% in 2007, while the share of the Mazowieckie Voivodeship increased from 20.2% in 2000 to 21.7% in 2007.

\textsuperscript{47}The order of the challenges does not reflect their importance for implementation of regional policy.
10. Ensuring relevant transport and ICT infrastructure to support competitiveness and guarantee territorial cohesion of the country.
11. Enhancement of institutional capabilities to manage the development at the national and regional level.

The challenges listed above relate to the entire development policy. They have, however, various nature because of their spatial and thematic dimensions. The first two challenges concern space and the remaining ones – have thematic dimension although the territorial one is indicated at the same time. This makes the challenges mutually overlapping and complementary. Therefore, spatial impact of the listed challenges in relation to particular territories and regions will be differentiated. A particular challenge will be relevant or irrelevant for a given territory depending on its nature and socioeconomic situation. From the point of view of development policy, however, all challenges will be important. Depending on their significance to the regions and territories, individual challenges will require a suitably matched public intervention under regional policy and under the coordinated intervention of sectoral policies of strong territorial focus. Nevertheless, regional policy will not cover all activities important from the point of view of sectoral policies. Regional policy should not replace interventions of sectoral policies but only supplement and coordinate them in the territorial dimension. Mutual relations between particular challenges of regional policy were presented in Table 2.

Table 2. Mutual relations between particular challenges of regional policy

<table>
<thead>
<tr>
<th>SPATIAL DIMENSION – TERRITORIAL CHALLENGES</th>
<th>1B Better use of the potential of the most important urban areas to generate growth and employment</th>
<th>1A Better use of the potential of the &quot;remaining areas&quot; to generate growth and employment</th>
<th>2 Assurance of internal cohesion of Poland. Preventing excessive spatial differences.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the potential to create, diffuse and absorb innovations</td>
<td>Creating innovations</td>
<td>Diffusion of innovation</td>
<td>Absorption of innovation</td>
</tr>
<tr>
<td>Preventing negative demographic trends and more complete use of workforce resources</td>
<td>Activating the senior generation, life-long learning and extending the period of professional activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of the quality of workforce resources</td>
<td>Increasing efficiency of higher education and closer connection of the business environment, education, science and culture</td>
<td>Increasing efficiency of higher education vocational schools with regional nature</td>
<td>Increasing access to pre-school education and increasing efficiency of education of the primary and secondary levels</td>
</tr>
<tr>
<td>Response to the climate change and ensuring energy security</td>
<td>Creating modern energy technologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protection and rational use of environment resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of cultural and tourist potential for regional development</td>
<td>Using cultural and tourist resources for regional development</td>
<td>Use of cultural resources to counteract social problems</td>
<td></td>
</tr>
<tr>
<td>Supporting development of the social capital</td>
<td>Stimulating the process of increasing public trust and improving care of the public good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing creative and intellectual potential</td>
<td>Supporting civic activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensuring relevant transport and ICT infrastructure to support competitiveness and guarantee territorial cohesion of the country</td>
<td>Increasing mutual transport connections of voivodeship cities as well as of international links</td>
<td>Extending transport and teleinformation networks and increasing circular mobility</td>
<td></td>
</tr>
<tr>
<td>Enhancement of institutional capabilities to manage the development at the national and regional level</td>
<td>Increasing administration potential etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration based on conclusions from the ex-ante evaluation of the NSRD.
Poland registered a positive economic growth rate, which was clearly concentrated in the economically strongest agglomerations and largest cities that have become the drivers of growth of the national economy and contributed to creation of new jobs, thereby becoming the major areas of structural changes promotion. According to the OECD data\(^{48}\) such situation follows from the strong concentration of factors determining the level of competitiveness and investment attractiveness (social capital, quality of education, innovation, productivity etc.), thereby causing the voivodeships and subregions in which the most important cities are situated to have the highest share in generating economic growth (for example, Warsaw with its 4.5% of share in the country population generates 13.5% of the GDP, and the entire functional area of Warsaw – 16% of GDP). The most important Polish cities, which are characterised by joined factors such as high level of economic development, rapid growth and strong, positive impact on the regional surrounding, apart from Warsaw include: Kraków, Wrocław, Poznań, Upper Silesia conurbation, Tricity and Łódź. These centres, along with Szczecin which in spite of a large contribution to the national GDP and employment has developed slower for last years and encountered a number of development problems, are included in ESPON studies among 76 the most important urban centres of the EU (so-called MEGA).

Map 5. Metropolitan European Growth Areas (MEGA) with global, European, national and international importance (2006)


\(^{48}\) OECD Territorial Reviews: Poland, November 2008.
Map 6. Share of particular functional areas of the most important voivodeship centres in generation of the GDP (2007)\(^9\)

Source: MRD's own elaboration based on data from RDB of the CSO.

Diagram 1. Share of particular functional areas of the most important voivodeship centres in generation of the GDP (2007)

Source: MRD's own elaboration based on data from RDB of the CSO.

\(^9\) Each circle (the diameter proportional to the share of a particular voivodeship in the State’s GDP), indicates the estimated division: GDP of a voivodeship generated in the functional area of voivodeship centres (blue) and outside these areas (purple). Share of the GDP generated in the functional area of voivodeship centres was estimated by including the following to this area: the voivodeship capital and surrounding poviats with population density exceeding 150 persons per km\(^2\). Then, the values of the GDP of individual NUTS 3 were assigned to the functional areas on the basis of the proportion of the voivodeship capital and poviats with population density exceeding 150 persons per km\(^2\) in the population of the whole voivodeship.

The need for estimating the GDP shows that the lowest statistical level, for which GDP is calculated is NUTS 3, but not all the voivodeship capitals are a NUTS 3 unit.
The State and self-government model of governance adopted in Poland in 1999 significantly strengthened some part of cities important from the perspective of furthering development processes at the voivodeship and national, as well as supra-regional levels. This followed from the decision on placing State and self-government authorities in 16 municipal centres, which contributed to concentration of many social and economic functions in this centres. From the point of view of regional policy, the most important urban areas are Warsaw and voivodeship cities, taking account of pairs of voivodeship capitals: Zielona Góra and Gorzów Wielkopolski, Bydgoszcz and Toruń.

Urban areas the most important for development are not only areas with the largest socioeconomic, scientific and cultural significance, they are also the centres which attract funds and people by means of which regions can compete internationally. Creating conditions under regional policy and other public policies coordinated by it for the purpose of better using the potential of voivodeship cities which are “nodes of the urban network” in Poland and including them in competition with the most important centres in Europe and the world is one of the most important, territorially determined development challenges. This shapes for example exchange of experience and know-how concerning public governance, cooperation of scientific and economic institutions which can contribute to increasing the status of these areas and ensuring stable economic growth for the entire country.

Economic growth generated by functional areas of the most important voivodeship centres (in 2007 it constituted about 51% of the national GDP, see Map 6 and Diagram 1) should be used by other areas. Benefits from development of the biggest cities can be transmitted through penetrating and complementing of resources from their areas into other cities which are the main nodes of the polycentric settlement pattern of Poland and into the neighbouring urbanised areas as well as rural areas.

The functional areas of the main voivodeship centres, due to their economic and social values (large access to public services, high salaries, low employment level) attract human resources from other areas of the voivodeship. These persons leave their places of residence and move temporarily to the largest urban centres. Generated income as well as gained knowledge and experience are transferred then into other areas, thereby increasing economic growth, and support dissemination of development processes (Map 7).

Map 7. Share of persons moving to voivodeship cities to work in the number of the employed in the gmina in 2006, %

Source: CSO – Urban Statistics Centre in Poznań, ordered by the MRD.
Nevertheless, according to the analyses carried out, concentration of negative socioeconomic phenomena such as: unemployment, relative impoverishment of people, low productivity, inefficient education system, depopulation, low territorial accessibility appears in some areas of Poland. In the places where these phenomena are correlated with low possibilities of restructuring and low quality of public institutions, there is a risk of weakening the growth and dissemination of development processes from urban areas which in turns can lead to worsening of their competitive situation, reducing the share in development processes and, as a consequence, permanent social and economical marginalisation.

In the areas with small capabilities of absorbing, dissemination of development processes is less effective and depends on many economic (innovation), social (human resources) and spatial (territorial accessibility) factors as well as factors relating to infrastructural arrangement. Their development has to be properly supported and territorially oriented depending on the initial state in a particular territory. Appropriate creation of capabilities to absorb development processes is, therefore, the second element of the regional policy challenge relating to the role of the biggest urban areas.

2. Assurance of internal cohesion of Poland. Preventing excessive spatial differences.

Various pace of growth of voivodeships resulted in deepening disproportions between regions and inside of them (which is particularly noticeable at the level of NUTS 3). In 1999, the relation of the GDP per capita between the wealthiest voivodeship (Mazowieckie) and the poorest one (Lubelskie) was 2.18, in 2003 it increased to 2.20 and in 2007 it was as much as 2.36. In comparison with countries such as: France, Great Britain or Belgium, where this indicator exceeded 3, increase of disproportions between Polish voivodeships is not as high, however, disproportions inside the regions in relation to the entire country are high and ones of the highest in the OECD countries.

Territorial disproportions in Poland and in the EU are characterised by an upward trend and are caused directly by fast economic growth generated mainly by the most important urban areas. Aiming most activities of the regional policy at slowing down processes leading to increase of territorial disproportions at the expense of activities supporting development would be inefficient in the times of globalisation from the point of view of providing constant economic growth and improving life quality.

Except for areas the most important for economic growth, where determinants of development are concentrated, there are also areas which due to cumulating development barriers cannot use their spatial resources for the purpose of increasing their competitiveness and innovation, thereby blocking larger participation in generating economic growth. Disadvantageous processes occurring on some territories make the situation of these regions worse which prevents them from breaking independently the disadvantageous tendencies and from entering a path of high economic growth based on innovative competitiveness factors. The only solution may be launching proper external interventions which would eliminate development barriers and enable full use of the endogenous potential of a particular region.

It is significant, therefore, to provide an appropriate balance between supporting areas generating growth and preventing marginalisation which results from infrastructural gaps, failure to adjust the social and economic structure to development needs, low productivity and innovation. Marginalisation is characterised by strong territorial concentration on peripheral rural areas, brownfield lands, areas losing their economic functions, border regions or areas of low transport access, especially in regions of eastern Poland. In relation to the geographic distribution, preventing marginalisation has to be limited exclusively to selected areas and be focused on reshaping economic structures towards knowledge-based economy, increasing the level of development of human and social capital, improving access to public goods and services which will influence development of potential (i.e. teleinformation infrastructure, education, energy, health, culture, selected municipal services, transport infrastructure) and on increase in competitiveness.

Using and reinforcing endogenous potential may be a chance for development of areas lagging behind, providing at the same time exogenous factors of economic growth through development of centres with voivodeship functions.

Depending on reasons, risk of marginalisation relates to different territories characterised by various problems, thus the challenges for different territories will vary and the regional policy at national level should respond to it through activities supporting regional competitiveness (by means of support for the largest urban areas and dissemination of development to the remaining areas) as well as additional instruments. On this basis the following types of challenges relating to problems with territorial focus can be distinguished:

a) providing voivodeships at the lower level of socioeconomic development with proper potential for increasing share in generating growth and employment

Voivodeships of eastern Poland: Podkarpackie, Świętokrzyskie, Lubelskie, Podlaskie and Warmińsko-Mazurskie, despite a significant improvement of the socioeconomic situation throughout last years are still characterised by low (the lowest
in Poland and the EU) level of development (the GDP per capita is below 80% of the average for Poland), ageing society, lower in comparison with the rest of Poland level of education, infrastructural gaps, low level of living conditions (including access to goods and services), low productivity of all sectors of economy and low transport accessibility.

**Map 8.** Average value of the GDP per capita in current prices at voivodeship level in relation to the average for Poland in 2004–2007

Source: MRD’s own elaboration based on data from RDB of the CSO.

Socioeconomic development of eastern Poland is not homogenous, significant differences within regions can be observed, particularly between subregions where the development level does not differ significantly from the rest of the country (Map 9) but often exceeds it (Białystok, Kielce, Lublin, Olsztyn) and the remaining part of the voivodeship.

Analysis of tendencies concerning increase of the GDP and level of socioeconomic development carried out at the level of subregions (NUTS 3) indicates that in each of the above mentioned voivodeships, areas of growth appear (mainly voivodeship cities and urbanised areas surrounding them) but their socioeconomic role is too low to noticeably affect the situation in the entire voivodeship.

This shows significant socioeconomic limitations which have negative impact on spreading processes of growth from highly developed areas to the remaining territories. It causes difficulties in using in full the own endogenous potential and resources which would take place as a result of restructuring (changes in the structure of GDP generation in the direction of increasing the share of sectors with higher added value, re-shifting of education, increasing the level of innovation, improving quality of human resources).
The problem of areas with a low level of GDP per capita which are situated in the remaining voivodeships are of regional nature. In these voivodeships (e.g. Mazowieckie and Śląskie), or in areas surrounding them (Opolskie), urban areas with potential sufficient to disseminate restructuring and development processes in these areas can be found. This can be done with a proper territorially oriented policy carried out from the regional level (supported by proper coordination of sectoral policies).

b) increasing development perspectives in lagging behind rural areas with the worst indicators of socio-economic situation and the lowest level of access for inhabitants to goods and services shaping development capabilities

A group of areas determined on the basis of the criteria of employment, economic function and degree of social development at poviat level is characterised by particularly unfavourable indicators conditioning their development opportunities. These include: a very high level of employment in agriculture, low number of enterprises, high percentage of persons with a low level of education and low professional qualifications, low quality of public institutions including administration, low level of investment and low level of the infrastructure. Some of these areas face also a phenomenon of depopulation and outflow of persons in working age (women mostly). These are mainly rural areas which are not able to initiate development on the basis of their own capabilities and cannot depend on using development stimuli from the growth centres without carrying out a proper regional policy. These areas are also too distant, functions concentrated in the existing network of cities are insufficient, the level of own income is too low, as it is the case of the level of investment in non-agricultural sectors of economy.
The analysis indicates that rural areas with the worst access to public goods and services (Map 10) are situated in the territory of the entire country and are not concentrated in one area. For poviatcs with disadvantageous socioeconomic indicators, however, the spatial concentration is more noticeable.

Persons inhabiting rural areas have poor or difficult access to public goods and services which is a permanent obstacle for development of these areas. Failure to provide sufficient medical care affects negatively people’s health which results in poorer competitiveness of workforce. Not sufficient quality of educational infrastructure and low level of education result in a decrease of the quality of human capital and reduces radically chances of students from these areas to start attractive, modern studies which shape competitiveness on the labour market. Further educational perspectives are lowered from the very beginning of the educational process by a small number of children attending pre-schools.

Low quality of life caused by difficult access to public services (including water and sewage infrastructure or waste management) or their insufficient quality results in violent depopulation in rural areas, social problems at a large scale (unemployment, social indifference) as well as their further economic and social marginalisation.

Source: MRD’s own elaboration based on data from RDB of the CSO, the Commission of National Elections and the Institute of Geography and Spatial Organisation of the Polish Academy of Sciences (IGiPZ PAN).

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50 Map 10 shows the rural areas with the worst indicators of access to public services and goods. The darkest colour marks poviatcs where at least 6 out of 9 disadvantageous phenomena occur: proportion of children aged 3–5 years covered by preschool education (kindergartens, preschool units and complexes) below 50%; average results of the junior high school exam in mathematics and natural sciences in 2008 at least 15% lower than the national average; number of students in primary and junior high schools per 1 computer with broadband access to the Internet in 2008 at least 20% higher than the national average; percentage of population using sewage systems in 2008 less than 50%; proportion of recovered waste in the amount of waste generated during the year (2008) below 50%; number of doctors per 10,000 inhabitants in 2008 at least 50% lower than the national average; number of persons per one ambulatory care facility in 2008 at least 40% higher than the national average; infant deaths per 1,000 live births above the national average in 2006; average number of participants in events in the cultural centers, clubs and community centers in 2003 – 2007 per one inhabitant less than the national average.

51 Map 11 (darkest shade) indicates poviatcs with the worst indicators of socioeconomic situation for which there is at least 6 out of 11 adverse phenomena: population density (average for 2006–2008) under 100 people per km2; efficiency ratio of gross migration between poviatcs lower than –20, rate of feminisation in the group of 20–29 years (the number of women per 100 men) – the average from 2006–2008 less than 94%; share of registered unemployed persons in the population of working age – the average in 2006–2008 over 150% of the national average; proportion of persons employed in agriculture (average in 2006–2008) over 50%; percentage of persons employed in non-market services including employment in services – the average in 2006–2008 at least 50% higher than the national average; number of private trading companies per 1,000 persons in working age, the average in 2006–2008 over 50% of the national average; number of non-market farms in farms in general for 2002 over 50%; percentage of people with primary education in a group of 13 or more years of age in 2002 more than 100% of the national average; time of travel to the voivodeship capital exceeding 90 minutes; turnout in local elections in 2006 less than 45%.
Provision of access to public goods and services as well as improvement of their standard are conditions of development for rural areas, especially those peripherally located.

Map 11 shows rural areas with disadvantageous indicators which form much more concentrated zones in comparison with access to public services. These zones predominate in eastern Poland (including also in the north and south of the Mazowieckie Voivodeship), in the Kujawsko-Pomorskie Voivodeship and in the area of the Zachodniopomorskie Voivodeship.

Social and economic problems appear jointly in most rural areas of voivodeships in eastern and southern Poland. The economic gap (unemployment, low entrepreneurship indicators, excessive employment in inefficient agriculture) results in many social problems (e.g. depopulation) and vice versa – social problems (low education level, disturbed population structure) cause further economic degradation. Therefore, overcoming this situation is possible only by means of simultaneous impact on the social and economic spheres.

In the context of providing territorial cohesion and the best use of potential of all Polish regions, the regional policy challenge is undertaking in rural areas with the weakest development perspectives activities (at regional level) which would result in reduction of differences (in comparison with the average for Poland and situation in cities) in the level of access to services (education, health care, culture, transport, business counselling) and basic goods (local transport infrastructure, infrastructure for direct investments in non-agricultural sectors of economy) which condition inclusion of inhabitants of these regions in development processes. The challenge understood as above implies also entire integration of the policy connected with rural areas with the main stream of the regional policy.

c) counteracting the risk of losing the present socioeconomic functions of some urban areas and other areas

Analyses show that there are urban areas (Szczecin, Łódź) and urbanised industrial areas (situated mostly in the area of the Upper Silesia conurbation), which over the last years have developed slower or failed to develop at all, despite high economic growth rate in Poland that concentrates in the largest urban areas (their population gets poorer and the investment expenditure gets lower). This phenomenon is especially visible on the example of Szczecin, in which the change in the GDP per capita has failed to exceed 30% over seven years, when the country average is almost 59%. On a smaller spatial scale, problems of concentration of poverty, social pathologies, loss of economic functions concern also districts situated inside the cities, even in the most dynamic ones.

Diagram 2. Change in the GDP per capita in selected subregions in 2000–2007

Loss of the previously fulfilled socioeconomic functions of urban areas causes their degradation and it follows from accumulation of negative economic (low entrepreneurship level, low level of technical infrastructure) and social (low access to public services, depopulation, low activity of local environments) phenomena. According to Map 12, cities constituting a group of cities with the greatest number of problems are situated mainly in the northern and central part of the Śląskie Voivodeship and in the southern part of the Łódzkie Voivodeship. The remaining members of the group are Puławy, Jelenia Góra, Wrocław, Tarnów, Częstochowa, Przemyśl and Kalisz. The group of cities, in which the situation is the best, cover
five current voivodeship cities: Warsaw, Olsztyn, Rzeszów, Gorzów Wielkopolski and Zielona Góra, some former capital cities of voivodeships and cities situated near agglomerations.

Map 12. Cities in which negative socioeconomic phenomena concentrate

Source: Analysis of areas and a proposal of directions for strategic interventions in cities and other areas losing their previous socioeconomic functions (Analiza obszarów i propozycja kierunków strategicznej interwencji wobec miast i innych obszarów tracących dotychczasowe funkcje społeczno-gospodarcze), W. Dziemianowicz, J. Łukomska, Geoprofit, December 2009.

With reference to this situation, the challenge for the regional policy is to find instruments of supporting the return to growth, which will be suitable for the scale of challenges, as well as of supporting comprehensive socioeconomic revitalisation and restructurings of areas in smaller spatial dimensions. Understood in this way, the challenge assumes also including activities traditionally associated with urban policy into the main stream of the regional policy.

d) increasing development potential and counteracting marginalisation of border areas

Border areas are traditionally a field of interest of the regional policy due to their special role, both in development and political processes. From the point of view of using economic potential of these areas, it can be noted that border areas, where limitations in exchange of goods, persons, capitals and services (in particular for areas near borders with Germany, Czech Republic and Slovakia) take place, obtain new positive stimuli increasing economic growth, entrepreneurship development, international cooperation, exchange of experience and good practices. On the other hand, however, they are in a danger of adverse phenomena connected with a low national territorial accessibility, cultural and social differences as well as drainage of endogenous regional potential by foreign regions characterised by a high level of competitiveness in relation to for example public services or remunerations. This phenomenon is particularly noticeable in voivodeships of western Poland, where the neighbourhood of Germany and Berlin creates enormous development opportunities, but risks as well. It justifies carrying out activities aimed at reducing barriers, increasing economic cooperation, political and intercultural dialogue as well as improving economic and social competitiveness and attractiveness of border regions which will allow them to fully use their endogenous potential.

The situation in areas situated along borders with countries which are not UE members: Russia (Kaliningrad Oblast), Belarus and Ukraine is a particular challenge of regional policy. Areas situated along these borders are characterised by a low level of socioeconomic indicators, because of, inter alia, peripheral location in relation to the domestic growth centres and no possibilities (due to formal difficulties resulting from the presence of borders) to use their economic potential on the basis of socioeconomic connections with regional growth centres. The regional policy in this case cannot replace
political solutions but it should be noticed that its role in these areas should include mitigation of their peripherality and supporting development of non-economic functions which in a longer time perspective would be a foundation for intensifying economic cooperation.

Map 13. Border areas

Administrative categories of urban centres
- capital and voivodeship
- urban poviat
- poviat
- cities outside Poland with more than 100,000 inhabitants
- share of export with countries neighbouring a voivodeship
- EU and Schengen border
- EU and non-EU countries

Categories of border poviat
- whose capitals are within 50 km from Schengen border
- whose capitals are within 50 km from a border crossing with a country outside Schengen Area
- whose capitals are within 50 km from the Baltic Sea shore
- transitory, combining features of various types

Source: MRD’s own elaboration in cooperation with IGiPZ PAN (P. Śleszyński).

e) increasing transport accessibility to voivodeship cities

One of the most important development barriers for some regions of Poland is low transport accessibility, particularly of voivodeship cities where the concentration of socioeconomic functions is observed and where the most important governmental and self-governmental authorities are situated. Limited transport accessibility reduces importantly possibilities of spreading development processes from areas which are the driving force of growth to lagging areas as well as hampers elimination of marginalisation processes.

The modern transport infrastructure should be treated as one of the most important factors stimulating economic growth and enabling dissemination of development processes. What is more, many years of neglecting transport infrastructure concerning both, roads and railways, resulted in a situation when a large part of Polish regions have low transport accessibility. According to Maps 14 and 15, the worse transport connections with voivodeship cities in terms of both, road and rail transport, is observed in the areas of central Pomorze, north-eastern Poland, mountain areas of southern Poland as well as Lubelszczyzna and Podlasie.
Because transport accessibility to voivodeship cities is so important for regional development, including dissemination of development processes into poorer developing areas, the regional policy plays the role in coordinating activities undertaken under the transport policy by many parties at the national level, as well as inside regions. Coordination of activities concerning these issues under the regional policy should increase efficiency of actions undertaken as a part of the transport policy by achieving synergy effects.

Map 14. Areas with the lowest road accessibility to voivodeship cities by poviatss
In the globalisation time, technology and innovation become more significant as the main factors which determine region’s competitiveness. Growth centres may affect positively poorer developed areas by means of information diffusion, resulting at the same time in a shift of specialisations of regions from relying on traditional competitiveness factors into innovation factors.

Increasing significance of innovation as a factor determining to a large extent the competitive situation of a country and region causes that providing high and stable level of innovation and creating necessary conditions for its absorption are extremely important elements for development of competitiveness of Polish regions. Although effectively carried out policy favouring R&D is crucial to implement this challenge, the regional policy may affect shaping conditions for creation, diffusion and absorption of innovations in regions.
Creating innovations

Innovation level of Poland is lower than the average in the EU Member States. According to European Innovation Scoreboard\(^5\) (EIS 2009), Poland is in the 23rd rank among Member States in terms of innovation and is behind Malta, Hungary and Slovakia and before Lithuania, Romania, Latvia and Bulgaria.

The low level of innovation is a result of relatively small amount of funds spent by Poland on R&D activity (only 0.58% of the GDP, more than 3 times less than the average for EU-27) which was caused by a significant dependence on financing from the State budget and low share of expenditure of the enterprises’ sector. The prevailing part of expenditure on R&D and employment in this field is concentrated in several centres (situated in the area of the Mazowieckie Voivodeship, Wielkopolskie Voivodeship, Małopolskie Voivodeship, Śląskie Voivodeship and Dolnośląskie Voivodeship – more than 70% of expenditure of the entire country) generating the largest growth and one quarter of patents is granted in the Mazowieckie Voivodeship. In some voivodeships with a lower R&D potential (Kujawsko-Pomorskie Voivodeship, Lubuskie Voivodeship, Podkarpackie Voivodeship, Podlaskie Voivodeship, Warmińsko-Mazurskie Voivodeship, Zachodniopomorskie Voivodeship) an important role in financing it is played by EU funds, however their significance in relation to the country is minor. These processes are reflected by the spatial arrangement of participation of Polish research teams in implementation of EU Framework Programmes. R&D weaknesses cause a significant gap between the ingenuity in Poland and EU countries in general.

The level of innovativeness of Polish regions was significantly affected by inflow of foreign investments which serve directly in favour of transfer of knowledge and modern practices, thereby increasing the level of innovation and competitiveness in the international, national and regional dimensions. New foreign investments are concentrated in the most economically competitive regions of Poland – in the Mazowieckie Voivodeship, Małopolskie Voivodeship, Śląskie Voivodeship and Dolnośląskie Voivodeship. The Wielkopolskie Voivodeship, in spite of a large number of investments with foreign capital, registered the negative balance of launching them which is connected with relatively low level of increase in productivity. Regions of eastern Poland, except for the Podkarpackie Voivodeship and Lubelskie Voivodeship, experienced at the same time the lowest level of increase of new foreign investments with a low level of newly created enterprises with participation of foreign capital in relation to the rest of Poland.

Map 16. Participation of Polish research teams in the 6th Framework Programme of the European Community (number of research teams and value of awarded grants in EUR million)\(^3\) by voivodeships

![Map of Polish research teams participation in the 6th Framework Programme](image)

Source: MRD’s own elaboration based on data from the National Contact Point for Research Programmes of the EU and Potential metropolises with particular regard to eastern Poland (Potencjałne metropolie, ze szczególnym uwzględnieniem Polski wschodniej), Committee for Spatial Economy and Regional Planning at the Polish Academy of Sciences (ed. Z. Makieła), Warsaw 2009.

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\(^5\) European Innovation Scoreboard (2009) – is a tool ordered by the European Commission as a part of the Lisbon Strategy. Its objective is to conduct the comparative analysis of the innovation level in EU States.

\(^3\) Framework Programme for Research and Technological Development (FP6) favours the use of European research and scientific networks to make the EU the most dynamic and competitive knowledge-based economy in the world. The FP6 is the EU’s main instrument
Spatial concentration of centres attractive for technologically advanced activities results mainly from preferences of units able to create innovations which, when taking the decision on localisation, take into account the regions with the highest potential for development and absorption of innovation. According to the above data, innovation centres are focused in the most developed regions, including rural areas where the prevailing part of infrastructure and R&D staff are concentrated. At the same time, these centres educate experts who reinforce the local labour market. Furthermore, large cities provide good living conditions and atmosphere supporting creativity.

Map 17. Investment attractiveness of subregions for technologically advanced activity (2009)

With reference to the carried out analyses, the challenge for the regional policy is further support for concentrating the potential of creating innovations in the strongest Polish growth centres, in relation to other regions and metropolises in the EU and world, by means of launching permanent development processes. Particular emphasis should be placed on increasing funds for B&R from the private sector which will foster creating suitable conditions for cooperation of scientific units with entrepreneurs and allocating more funds for applied research which will improve application and implementation efficiency of research in Poland.

Diffusion of innovation

Supporting innovations should be one of the basic pillars of the regional policy, taking into consideration the world challenge connected with increasing globalisation and growing significance of competition and innovations. Regional innovations are influenced by external powers and they can be transferred into peripheral or lagging regions by means of various

for funding research in Europe. This program, proposed by the European Commission and adopted on 3 June 2002 by the Council of Ministers and European Parliament, was opened for public and private, large and small entities for a period of four years from the end of 2002 to the end of 2006.
interactions. Therefore, innovation development must be closely connected with disseminating it into various regions and spheres of economy (markets) and enterprises. Without diffusion processes, there would be no broader economic impact and effects of innovations.

When innovation spreads, a process of learning and increasing knowledge may occur and cover individual entities as well as entire economic and spatial structures, thereby reinforcing the process of diffusing innovations. Increase in efficiency of diffusion can take place by means of implementing new techniques and methods of passing information, although, mainly through improving cooperation and synergies of the implemented activities between the strongest centres of growth and innovation and weaker ones, as well as between the regional and central levels.

Nevertheless, processes of diffusing innovations in Poland are limited which stems from the failure to provide cooperation and synergies of the implemented activities between particular entities. In this context, the regional policy should be a platform for developing synergy and cooperation in favour of innovation, reinforcing at the same time the regions’ capacity to diffuse organisational, marketing and technological innovations as well as disseminating innovations concerning management of the regional development policy.

Absorption of innovation

At present, the main development stimuli, apart from material resources, are innovations and ability to use them which can be found in human capital and social capital. Possibilities of permanent development of peripheral regions depend to a large extent on the capability to absorb innovations and skills for managing and administering development processes.

This refers most of all to the Polish regions where the economy is characterised by traditional, i.e. agricultural structure, low level of access to public goods and services and inefficient education system, i.e. particularly in eastern Poland. It limits possibilities of increasing competitive advantages which are important from the point of view of innovation development (qualified workforce, territorial accessibility, transfer of knowledge etc.) and possibilities to absorb innovations. As a consequence, the competitiveness level of these regions is low, which translates into investments, creation of jobs in sectors with the highest added value etc.

The key aspect of regional policy interventions in peripheral areas is targeting proper activities aimed at supporting development and absorption of innovations by means of using appropriate regional potential. Activities should be focused on development of factors determining transformation of the economic structure in favour of innovation, such as: increasing efficiency of education, social activity as well as improving territorial accessibility and circular mobility. In order to change regions into innovative areas, also local and regional innovation systems concentrated on comparative advantages of regions, potential and activity of the private sector should be consolidated.

In this context, the challenge of the regional policy is to establish potential to absorb innovations using regional potential at the same time.

4. Preventing negative demographic trends and more complete use of workforce resources.

Tendencies and forecasts referring to demographic phenomena as well as present provisions governing the issues of social benefits concerning retirement, pensions etc. are crucial for development perspectives of Poland also in the spatial dimension. The factors with the largest consequences for regional policy in relation to demographic situation are the following: low fertility rate, high share of persons in post-working age, negative migration trends and low professional activity of the senior generation.

It is estimated that, as a consequence of negative demographic phenomena, by 2020 the population will decrease in about one third of European regions. Most of these regions are situated in the new Member States of the Central and Eastern Europe, in Eastern Germany, Southern Italy and North-East Spain. In comparison with other EU States, Poland is sixth the most populated country which is characterised at the same time by the lowest fertility rate in Europe (1.27 in 2006 in relation to 1.51 in the EU). What is more, this phenomenon is distinctively different in rural and urban areas. in cities we will observe a constant reduction of the number of people, and in the rural area it will take place only after 2020. On the scale of the entire country, low fertility will cause the decrease of about 1.3 million persons by 2030.

54 Worse results of external exams, less schools and preschools.

Source: MRD’s own elaboration based on data from RDB of the CSO.

Map 19. Vulnerability index for demographic changes at NUTS 2 level (forecast up to 2020)\textsuperscript{55}


\textsuperscript{55} Index on the basis of estimated share of the population aged 65 and more in the entire population, share of the population in the working age in the entire population and decrease in the population number by 2030.
The low fertility rate will be accompanied by trends connected with ageing society resulting from, e.g. longer average life expectancy caused by development of medicine and improvement of access to medical services. The division into urban and rural areas will be clearly visible: in rural areas, where access to medical and care services is limited this tendency will be weaker than in urban areas.

An important element affecting potential of workforce is emigration which has become stronger in particular after Polish accession to the EU in 2004 and covered entire Poland (the next emigration wave may appear after 2011 when the labour market in Germany will be opened). In 2008, most persons working abroad left the following voivodeships: Podkarpackie Voivodeship (from 14.7% households), Opolskie Voivodeship (from 13.7%) and Zachodniopomorskie Voivodeship (from 10.2% households). The Mazowieckie Voivodeship registered relatively the smallest percentage of households from which somebody works abroad (3.5%) and the average percentage for Poland of households from which at least one person worked abroad in 2008 was 7.3%. If in previous years emigration related mainly to persons with lower qualifications, now these are mostly all young people, often better educated, who leave to work abroad.

Attractiveness of urban areas concerning development perspectives and higher living level (including increased accessibility to public services) causes that, in spite of higher population growth rate in rural areas, depopulation occurs in some of them and is connected with migration to urban centres, particularly in the case of young persons in working age. In a long-term perspective, it can lead to land abandonment and increasing development gaps in rural areas. It relates mainly to peripheral areas (especially in eastern Poland) where rural areas are still undergoing depopulation, although to a smaller degree than in previous years. The migration balance in these areas is usually negative and persons leaving rural areas move mainly to big cities. It is crucial to increase attractiveness of rural areas by means of improving accessibility to public goods and services, as well as to increase circular mobility of people, which would positively influence spatial cohesion between rural and urban areas. This will provide spatial demographic balance in relations between urban and rural areas and will lead to increasing accessibility to untapped workforce, limit negative depopulation processes and increase the effect of disseminating development processes from growth centres into the remaining regions.

Poland has one of the lowest level of professional activity in the EU. The highest (more than 60%) indicator of employment is observed in the Mazowieckie Voivodeship (it relates mainly to Warsaw) and the lowest one – in the Zachodniopomorskie Voivodeship and Kujawsko-Pomorskie Voivodeship. Workforce is characterised by insufficient mobility, incompatible structure of demand for and supply of labour in relation to qualifications, low flexibility of the labour market, low attractiveness of
many regional and local labour markets and low age of professional deactivation (59.3 years). Attractiveness of workforce is determined mainly by: relatively young (in comparison with the EU States) and relatively well-educated workforce which shows a tendency to concentrate in centres forming a driving force of development – large cities. Warsaw is in the leading position, although its predominance in relation to the remaining large cities (especially Poznań, Wrocław and Kraków) appears to reduce.

Diagram 3. Percentage of households from which at least one person worked abroad in 2008 by voivodeships

Source: Own elaboration based on “Living conditions of the Polish society: problems and strategies” (Warunki życiowe społeczeństwa polskiego: problemy i strategie), Public Opinion Research Centre, February 2009.


Source: MRD’s own elaboration based on Eurostat data. (LFS – Labour Force Survey – in Poland called Badanie Aktywności Ekonomicznej Ludności (BAEL)).

Demographic processes, which are observed in regions of Poland and increase the indicator of age-related dependency will become stronger and result in a situation in which there will be no suitable human potential to meet the needs of the future labour market. One should expect reinforcement of negative demographic tendencies in Poland after 2020 which will require to be taken into consideration under an active intervention mostly at the national but also regional level.

The challenge for the State’s policy is, on the one hand, encouraging qualified employees to stay in Poland, on the other – encouraging persons who has emigrated, gained knowledge and experience outside the country, to come
Reversion of trends can be difficult, therefore the challenge for the regional policy is to reduce them by means of professional activation of the senior generation, life-long learning and extending the period of professional activity, increasing vocational mobility and introducing incentives for returning from abroad. In order to achieve this objectives it is also necessary to promote and apply flexible forms of organisation and time of work, develop services supporting reconciliation of professional and family responsibilities and increasing access to health care services. The regional policy can support these activities, aiming *inter alia* at balancing the effects of “swilling out” of workforce resources which are attracted by the strongest national centres of growth as well as maintaining a balanced demographic structure in relation to the entire country, in particular in areas surrounding growth centres (which are “particularly endangered” by the effect of sucking out regional resources) where untapped development potential and conditions to use the effect of disseminating development exist.

### 5. Improvement of the quality of workforce resources.

Increasing competitiveness of Polish regions will not require only the number of employees appropriate for the market needs but also provision of proper resources of workforce with high qualifications which will be able to create the innovation potential as well as efficiently increase the level of absorbing it. The diagnosis indicates that Polish regions, apart from demographic problems, face also issues connected with low quality of workforce in relation to highly developed staff of EU States.

Although higher education is becoming more and more popular in Poland (within last 10 years the number of persons with higher education has increased by almost a half), the percentage of people with higher education is still low – 16.5% (in 2008), i.e. at the level similar to Hungary and slightly higher than in the Czech Republic or Slovakia. At the same time, infrastructure of higher education shows a distinctive concentration in urban areas. Forecasts show that the number of students, despite the current growth\(^{56}\) will drop by 2020 and will be accompanied with a very serious increase of regional diversification and concentration in the largest urban areas.

**Diagram 5.** Share of population in working age (15–64) with higher education by voivodeships

![Diagram 5](image_url)


\(^{56}\) As a result of, *inter alia*, starting higher education by the youth of the demographic decline from the end of the 90s. of the 20th century.
Map 21. Percentage of persons with higher education in relation to the entire population in age between 25 and 64 at NUTS 2 level (forecast for 2020)

Accessibility and quality of educational services of preschool education is also low. Despite systematic increase of children covered with it, Poland is still in one of the last positions in the ranking of European countries with a large diversification of this phenomena in relation to rural and urban areas: in the academic year 2007/2008, pre-school education covered 59.4% of children between 3 and 6 years old, (75.2% of children in cities and 39.0% in rural areas) and the share of
children between 3 and 5 years old was even lower (only 47.3%)\(^57\). Accessibility and quality of educational services at the level of primary and junior high schools show slight differentiation in terms of regions, however there are less children per one teacher in rural than in urban areas. Learning conditions has been improving: increase in the number of schools teaching English as the compulsory language (46.9% in the academic year 1999/2000 up to 75.5% in 2007/2008) and the number of computers with access to the Internet in schools of all education levels (increased twice).

Map 22. Percentage of persons between 24 and 65 who participate in life-long learning (2008) by voivodeships

As a consequence, in spite of a systematic improvement of the quality of workforce and education, they are still not sufficient, especially in regions where a high indicator of persons employed in agriculture\(^58\) is observed in relation to the general number of employees and where the access to modern technologies and education is limited (to the lowest levels).

The challenge of the regional policy is to support the activities undertaken as a part of educational policy of the State in favour of improving the quality of human capital in poorer developed areas by means of improving accessibility of pre-school education and increasing efficiency of education at primary and secondary levels. It is also important to support under the regional policy (taking account of quality criteria), complementarily to activities taken as a part of the policy relating to the State’s higher education, regional higher vocational schools which contribute to development of human resources in a particular region and are often the only possibility to increase professional qualifications for persons from a particular area. Didactic activity performed by schools of this type should be connected more closely with the needs of the regional labour market. These entities can meet regional demand for specific graduates\(^59\). What is more, in large cities it is significant to increase efficiency of higher education and closer connection of business environment, education, science and culture (clusters, networking). Activities improving the education system at primary, secondary and higher level must be aimed at needs of the regional labour markets and requirements of knowledge-based economy which leads to increasing the quality and efficiency of workforce and improves competitiveness of Polish regions.

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\(^{58}\) The following voivodeships remain mainly agricultural: Lubelskie (almost 36.8% of working people), Podlaskie (34%) and Świętokrzyskie (31.5%).

\(^{59}\) Approach related to increasing the importance of higher education schools at regional level, through improving their integration with the socioeconomic environment (e.g. by means of training in cooperation with a potential employer or “to employer’s order”) is provided in suggestions for amending the Act – Law on Higher Education.
6. Response to the climate change and ensuring energy security.

According to analyses carried out by the Intergovernmental Panel on Climate Change (IPCC) of the UN and by the European Commission, industrial activity, transport and economic development in general are highly probable to have a measurable, negative impact on the climate change which has been observed for a long time. At present Poland is not one of the largest source of greenhouse gasses emission at a global scale, nevertheless as a member of the group of developed countries and a Member State of the EU is obliged to undertake activities aimed at systematic and real, not only relating to indicators, releasing the pressure on the environment concerning this issue. It means the necessity to undertake multilateral efforts in favour of improvement of energy efficiency and changes in the structure of the primary energy sources in order to reduce the role of coal in the Polish economy. The activities planned as a part of the NSRD, i.e. development of transport system providing better traffic flow and fuel efficiency in the people and goods transport, development of energy generation based on renewable energy sources etc., can significantly influence achievement of goals concerning this issue. This factor should be broadly included in all processes of planning and programming connected with implementation of the NSRD.

Irrespective of identifying its reasons, climate change is a fact. It has and will have to a greater or lesser degree a negative impact on most European regions. Southern and eastern parts of Europe experience changes in decomposition of waste and increase of temperature while regions in the North and West will be affected by coastal erosion and extreme weather phenomena. Although Poland is not in the area pointed by scientists as the most vulnerable to climate change and it is difficult to estimate precisely the very effects of it, Polish regions to a larger or lesser degree experience negative consequences of the increasing climate change. The phenomenon of the hydrological drought covering larger and larger area of central Poland or extreme rainfalls and connected with them recurring floods affecting various regions are only some examples of results of the climate change occurring in the entire world. A paradox of lowering of the average temperature in the central and northern Europe cannot be excluded. It may happen in a near time as a result of complicated interactions between the air temperature, melting Arctic ice and circulation of marine currents.

Map 23. Vulnerability index for climate change at NUTS 2 level\(^{60}\)


\(^{60}\) Index on the basis of the change in the number of persons threatened by river floods, population in coastal areas below 5 million, areas potentially threatened by drought, sensitivity of agriculture, fisheries and tourism taking account of changes in temperature and rainfall.
Negative weather phenomena such as floods, violent storms, coastal erosion, apart from a disadvantageous social impact, can affect significantly the economic development. Increase of temperature and weather changes resulting in droughts or floods influence to various degree regions and branches of economy and may require a proper territorially directed intervention. It is particularly necessary to apply modern, other than the present, principles of managing water and flood risk management.

One of the key challenges for Poland concerning this issues is further and significant decrease of greenhouse gas emission, in the time perspective until 2020 by at least 20% (despite the fact that Poland has already implemented its reduction objectives determined in the Kyoto Protocol by more than 30 percentage points). Since the main source of emission are the energy sector and transport sector, the reducing activities must be addressed primarily to these branches of economy.

One should remember, however, that the long-term high economic growth of a country will most probably cause an increase of demand for primary energy, estimated in the perspective of the NSRD implementation time horizon as several percent in relation to the current state of affairs. In regard to the above reduction challenges concerning emission of greenhouse gasses, it means the necessity of fundamental restructuring of energy sources and much better use of primary energy than it takes place now. Particularly the present efficiency of energy generation, level of exploitation of most systems in the sector of professional, industrial and heat energy sector and the state of energy infrastructure do not guarantee safety and stability of energy deliveries and do not counteract efficiently the climate change. Efficiency activities will have to be undertaken also in the transport sector.

The economic development is connected with increasing demand for energy. The current structure of the economy and State’s energy infrastructure cannot guarantee security and stability of energy supply and do not effectively counteract climate change.

The energy transmission network in Poland is outdated. Approximately a quarter of the devices are decapitalised (running for over 40 years) and this problem affects the most rural areas. This does not guarantee a constant supply to individual customers and hinders development of small power plants (including those relying on renewable energy sources). Polish transmission networks are poorly integrated with networks of neighbouring countries, and significant parts of the country are deprived of access to 400 kV transmission lines (especially in eastern and northern Poland).

Energy intensity of the economy has an enormous significance for limitation of demand for energy and reducing negative factors affecting climate change. Despite the decline in energy intensity of the Polish economy in recent years, it still remains high compared to most EU countries. The result is that apart from the negative impact on the availability of energy and climate change also the competitive position of Polish regions is limited due to high cost of operation of the economy.

Map 24. Production of electricity in Poland (2007) by voivodeships

Source: MRD’s own elaboration based on data from RDB of the CSO.
Systematically increasing risk of an energy deficit and high CO₂ emission are related to, *inter alia*, persistence of a very high share of coal in generation of electricity and heat and a very low share of renewable energy sources. The total power of all systems for production of green electricity in 2008 was about 1,700 MW, electricity generated from renewable energy sources was 4.2% of the national gross electricity consumption, while the share of RES in overall final energy consumption is about 7%. This creates additional risks in terms of EU policy on CO₂ emission and increasing use of renewable energy sources, which provides for Poland the share of RES in the gross final energy consumption in 2020 at the level of 15%61.

**Map 25.** Content of carbon dioxide in gross national energy consumption (2006)


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The high degree of dependence of Polish power and heat industry on coal, outdated and underinvested infrastructure (especially in rural areas and eastern Polish), low use of renewable energy and alternative fuels as well as high energy intensity of the economy could lead to reducing the availability of energy and affect climate change.

Climate change will be experienced by households, enterprises as well as vulnerable social groups (elderly, disabled persons). The impact of climate change will vary spatially depending on the country or region. The challenge of regional policy is therefore to carry out adaptation measures implemented at national and regional levels which would enable flexible adaptation of the regions to socioeconomic changes resulting from the progressive climate change. Support will be conducted by using an integrated and coordinated approach in relation to sectoral and regional interventions as well as cross-border activities. Regardless of the direction of climate change, adaptation activities should bring measurable benefits to development of knowledge-based economy and the environment.

Improving capability of adapting to climate change is linked with energy needs of particular countries as well as methods and means to meet these needs. Implementation of measures enhancing energy security of the country and regions, including aspects related to climate change and the necessity to improve the adaptability create an opportunity to increase competitiveness of the economy and improve energy security. Provision of complementary support aimed at development of energy industry based on modern technologies in Poland, taking account of the potential of each region may become for them a very important stimulus of economic growth and innovation, and thus may improve competition on a national, European and worldwide scale.

Increasing energy security and improving the adaptability to climate change must also assume reducing energy intensity of the economy, thereby reducing operating costs of the entire economy and reducing the anticipated growth of energy demand in foreseeable future. As a consequence, it will affect prices of products and services increasing at the same time the level of competitiveness of the economy. In addition, one cannot ignore the importance of the growing share of renewable energy sources in the country’s energy balance, while the regional policy guidelines for development and use of renewable energy sources must take into account the analysis of costs and benefits of spatial potential of individual regions.

7. Protection and rational use of environment resources.

A substantial improvement of the natural environment and significant reduction of the negative impact on them is occurring systematically in Poland. It results probably from implementation of the Polish accession commitments, considerable funds for development and modernisation of infrastructure, environmental protection, as well as from measures in favour of balanced and sustainable socioeconomic development. Progressive economic development and urbanisation have, however, adverse impacts on the environment, therefore it is important to preserve the areas which are the most valuable in terms of nature (ecologically valuable areas – nature reserves, national parks, landscape parks, forests, NATURA 2000) and minimise negative environmental impact on the environment of infrastructure investments as well as of natural and technological disasters. It is necessary to improve the quality of location decisions of investments with a significant impact on the environment, which should include all required by law elements of the environment which may be affected by implementation of the investment and also suggest appropriate mitigation and compensatory measures that will minimise the potential negative impact of investments on the environment.

It is also important to ensure the integrity of the national system of protected areas, by maintaining patency of migration corridors and ensuring the integrity of important cross-border protected areas, as it is carried out by establishing international biosphere reserves, such as in the Białowieża Forest and reducing pressure of tourism on areas with the highest environmental values through more burden on neighbouring areas.

Compared to other European countries, Polish regions are characterised by a high proportion of areas with high natural values, which on the one hand restrict investment opportunities, on the other, can be a very attractive factor improving development of tourism and inhabitants’ quality of life. Combined with increasing the quality of goods and development of services connected with culture and protection of the valuable natural areas, tourism development may prove to be an extraordinary opportunity for development of regions (particularly eastern Poland) which have high potential in this regard and at the same time are limited by investment obstacles.

Uncontrolled urbanisation may threaten the functionality and cohesion of many valuable ecosystems that have developed and exist until now in conditions of a moderate human impact, mainly from agriculture or forestry. Nevertheless, even within the major urban centres valuable natural areas have survived, and even developed, some of them have been included in the European Ecological NATURA 2000 Network. It is necessary to preserve them and protect effectively, ensuring long-lasting existence as well as to maintain at least the present high level of biodiversity. For the planned investments, measures aimed at avoiding conflicts with Natura 2000 sites will be undertaken (inter alia by means of a multicriteria analysis of the investment).
Implementing the development policy objectives will mean at least temporary intensification of the use of various natural resources. These include, for example, aggregate resources used in construction works, wood resources, but also areas attractive in terms of nature and landscape, which can be a place for expansion of housing or development of tourist and recreational functions. Actions taken in this regard should be preceded strictly by a comprehensive analysis of environmental effects, including indirect and irreversible effects in order not to generate new pressures likely to threaten sustainable development of the area in the medium- and long-term perspective.

In particular, use of non-renewable resources should be evaluated in regard to economic rationality and efficiency. It is also important to avoid adverse indirect effects such as distortion of local water relations, wetland degradation, eradication of trees, areas of high biodiversity or landscape values.

Development of tourist centres should be planned and probably reduced in a way to ensure that new sources of pressure on the environment do not lead to irreversible degradation of the areas determining at present the region’s attractiveness for tourists, as it did repeatedly in the past.

Housing and other urbanisation processes cannot interfere with the reasonable proportions between the biologically active territories and built-in areas as well as restrict public access to areas with high recreational values.
At the same time urbanisation and public infrastructure development should be planned and executed not to restrict future access to the identified mineral resources and other natural resources located beneath and on the surface of the earth.

The challenge for the regional policy should be to complement the activities of the environmental policy for the comprehensive protection and conservation of the nature in regions and to improve the use of natural endogenous potential, in order to increase economic growth in regions.

8. Use of the cultural and tourist potential for regional development.

Polish regions have rich resources of cultural heritage resulting from over a thousand years of history of statehood and contemporary artistic accomplishments. Many Polish sites were incorporated in the UNESCO List of World Cultural and Natural Heritage (it includes objects with a special importance for the cultural and historical heritage of the world) and many were also recognised by the President of the Republic of Poland as Historical Monuments. There is an extensive network of museums and art institutions, rich contemporary artistic life which gains recognition in the country, Europe and in the world. Polish regions have also strong cultural diversity, as seen in architecture, music, local dialects, or local cuisine. The variety of forms and expressions of culture determines the identity of regions, is a source of creative development and a stimulus for development of cultural tourism.

Contemporary cultural policy is shifting from treating culture as a domain of public, state and local institutions. A large part of the cultural sector becomes an area activity for an increasing number of non-governmental organisations. In the first quarter of 2008, 58,237 associations and 9,106 foundations were registered. 12.7% of them were engaged in art and culture.62

Culture is not a passive resource of a region, but determines actively both, the social and economic development. As a factor of economic development, it affects for example increase of investment and settlement attractiveness, determines development of tourism, creates the labour market, generates the culture industry, as well as co-determines metropolitan functions of cities in economic and spatial systems. It is a catalyst for creativity and innovation in the context of the Lisbon objectives. Percentage of the GDP produced in the cultural sector in 2002 was 4.5%,63 which puts Poland in the position equal to the developed countries in Europe. To compare, the share of the cultural sector in the EU’s GDP in 2003 was 2.6%.

Cultural industries (publishing, film, music, associated with the production and issuance of artistic performances, linked with art and antiques, and the audiovisual industry) have a decisive influence on public taste, lifestyle and patterns. The results of analyses of household budgets64 show that the dominant part of expenditure on culture and time spent on culture are assigned to consumption of goods and services produced industrially. Culture is now becoming an economic sector that generates high added value and profitable jobs. According to the survey by Eurostat and the data published in 2007, employment in the cultural sector, represents approximately 2.5% of total employment in the EU-27, while this rate in Poland fluctuated within 2%.

The social dimension of culture is one of the most important factors creating the intellectual potential of regions, building human capital as well as social cohesion and integration. One of the major cultural institutions that collect and promote its works are museums. In 2008, about 20 million people visited Polish museums. Most visitors were recorded in Małopolskie Voivodeship, Mazowieckie Voivodeship and Pomorskie Voivodeship and the least – in Lubuskie Voivodeship and Opolskie Voivodeship.

Culture plays an important role in generating social capital, constitutes an undeniable factor in regional development: it attracts investors and tourists, creates a positive image of cities and regions, is a way of counteracting social problems. Such perception of culture which does limit only to its established cultural heritage and use for tourism but is based primarily on changing the way of thinking about the role of culture in social life, is in accordance with the new paradigm of the regional policy.

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62 Data of Klon/Jawor Association.
64 Average expenditure for culture per one person in households in 2008 – CSO’s data.
Culture attracts investors and tourists, creates a positive image of cities and regions. Regional folk traditions are a part of the ethno-historical wealth. Folk artists, folklore groups, local poets and storytellers, as well as regional products and brands become a part of the cultural offer and promotion of regions. Perception of culture as a factor of development requires recognising a particular importance of the problem relating to protection of cultural heritage and diversity, development of cultural infrastructure, cultural education and opportunities of access to cultural resources. For this reason, the presence of new technologies in the field of culture is very important, hence it will lead to distinct, strong relation of this area with the dynamic development of Poland.

Cultural resources are the national heritage which must be protected, but primarily used creatively and widely disseminated, supporting the innovative and creative possibilities in the society.

Because of all the above factors, the challenge for the regional policy should be to use the cultural potential and diversity of Polish regions in order to increase economic growth. Culture should be understood as a creative and innovative sector and cultural capabilities – as a development potential.

Tourism is an important sphere of economic activity and the field of social activity at the same time. Tourist activity is one of the indicators of the life quality and a marker of development of civilisation and society. Development of tourist functions based on cultural, as well as natural, assets (described in detail in challenge 7) contributes to increasing the dynamics of socioeconomic development of the country (generation of new jobs, entrepreneurship development, improvement of the quality of life of local communities, increase of regions’ competitiveness). What is more, export of tourist services contributes positively to the country’s balance of payments and triggers redistribution of income from richer to poorer regions.

Tourism is an area that could activate urban and rural areas. Tourism development is associated with greater attention to spatial order, aesthetics and natural environment in which tourist and recreational functions are developed. It contributes to revitalisation of degraded areas and giving suburban areas a new sense. Development of tourism creates awareness of local and regional communities, which has educational value and raises responsibility of people for care of the place where they live, improving relations of the community with the place of residence.
In addition to social and economic aspects, on which tourism has a positive effect, it is also an important component of sustainable development. Properly planned and implemented measures aimed at encouraging development of tourism support protection of natural and cultural heritage, and foster local and regional traditions, as one of the cornerstones of creating an appropriate image of the country and regions as places of high attractiveness of life and investments.

Tourism promotes structural change and therefore should be treated as an element of specialisation of the territories which are characterised by major tourist values.

Given the growing importance of tourism as an important area of economic and social activity as well as a positive impact of discovering valuable cultural and environmental resources, it is vital to use culture in the process of shaping regional development.

### 9. Supporting development of the social capital.

For last few years, Poland has started to notice the role of social capital as an important factor in social and economic development of the country, as well as an element characterising the quality of citizens’ lives. It can be seen in the context of several areas such as attitudes and social relations, structure of non-governmental organisations, level of civic activity or cultural and creative potential. All these factors have been shaped over years and reflect cultural and historic circumstances.

Crucial historic events such as, lack of sovereignty in the nineteenth and twentieth centuries, World War II, the period of communism, in most cases had a negative impact on the level of social capital. In terms of different aspects of activity and involvement of citizens in social and public life, Poland is in one of the last ranks in the European Union.

Given the public trust of citizens in 2006, Poland was on the penultimate place among the countries covered by the study, “European Social Survey.” The situation is better in relation to trust in local authorities, which in 2002 was 43%, and in 2008 – 68%65. Another factor determining the level of social capital indicates that in 2009, as much as 49% of citizens shown indifference to six forms of violations of the common good66 and, what is extremely worrying, the percentage of the inert increased by 14 percentage points in comparison with 200567. A characteristic feature of Polish citizens is, however, a high level of confidence in their own family, friends, or the closest groups of neighbours. This is confirmed by CBOS68 research, according to which 96% of respondents trust their closest family, 90% – friends, while only 26% of respondents have confidence in trade unions, 21% trust the Polish parliament, and 14% – political parties. According to last two indicators also we are also in one of the last ranks in Europe.

Additionally, in recent years, some negative trends has emerged, such as decrease in the number of Polish citizens involved in volunteering. In 2009, only 12.9% of Polish citizens declared their commitment to volunteering, while in 2005 this figure amounted to 23.2%69.

The basic form of participation in public life is to take part in elections. Citizens’ participation in elections to the Sejm, which has been at a very low level for years, in 2007 was 53%. The highest turnout was recorded in cities (Warsaw, 73%, Poznań 69%, Gdańsk 67%) and municipalities located in the functional area of the largest cities, which could indicate a higher level of social capital in the strongest urban areas. Additionally, one can notice the correlation between the development level of information society and social activity. Using the Internet stimulates activity and involvement in public life. Internet users more often engage in a local community, are much more active, voted in elections in 2007 more often. This indicates the impact of a high level of development of information society on the growth of social capital and thus on regional development.

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65 Source: CBOS.
66 Underrating the value of paid taxes, avoiding paying for the use of public transport, avoiding paying for the light, rent for an apartment, duties, receiving the unemployment benefit unjustly.
69 „Volunteering, philanthrophy and 1%” – annual survey carried out since 2001 by KLON/JAWOR Association.
Increase in the level of social capital is an extremely important element both in terms of regional policy, as well as the development policy across the State. At the same time, it remains a horizontal challenge which will have to be faced by all policies. Social capital has been shaped by years, in the course of cultural and historic changes and requires time to be properly formed.

Therefore, the challenge of regional policy is not a direct increase in social capital, but the choice of appropriate and effective tools to stimulate the growth of public trust, increase of concern for the common good, promotion of civic activity, increase in creative and intellectual potential which consequently lead to improvement of the level of social capital.

### 10. Ensuring relevant transport and ICT infrastructure to support competitiveness and guarantee territorial cohesion of the country.

Analysis of the situation regarding the infrastructural potential of Polish regions and needs arising from the necessity to increase competitiveness and the use the entire territory of Poland in this process indicate that one of the major challenges of public policy in Poland for the next few years is the expansion and modernisation of transport and telecommunication infrastructure as well as its maintenance and exploitation.

The condition and degree of development of transport infrastructure (road and rail in particular, air to a lesser extent) in Poland constitute a significant barrier to development. The road network is characterised by route density which is relatively high and proportional to the population but uneven in relation to the space. The network of motorways and express roads is insufficiently developed and scattered, thereby reducing the effectiveness and efficiency of road connections between urban and rural areas as well as transit traffic flow. The poor state of road and rail networks, inadequate network of connections between the South and North of the country, shortage of roads providing smooth travel in cities and their surroundings, poor quality of connections between voivodeship cities are fundamental weaknesses in transport infrastructure of Poland. As a result, the communication availability of various areas of the country to voivodeship cities and between regions is unsatisfactory. It limits the extent of the beneficial impact of large cities, which is relatively small and (except for
Warsaw) does not exceed 20–30 km. Only about 58% of the population (by rail – 60%) live in within 60 minutes of travel to the voivodeship city.

Relatively well developed public transport systems are being degraded. In 1999–2007 the number of passengers carried by means of transport (17.4%) has decreased (except for Mazowieckie Voivodeship and Podlaskie Voivodeship). On the other hand, the length of active transportation routes throughout the country increased by 2.8 thousand km, the most in the Małopolskie Voivodeship and Mazowieckie Voivodeship. Public transport has not become an attractive alternative to private cars, thereby increasing air pollution, noise and urban transport congestion.

Despite the relatively poorly developed network of connections and airports (only 11 facilities handling scheduled passenger flights), air transport continues to develop very rapidly (especially after 2004, more than 3-fold increase in the number of passengers). The role of regional airports, which handle more than half the number of passengers, has increased, while the share of Okęcie, the airport in Warsaw, has reduced (from 75.4% in 1999 to 48.4% in 2007).

Map 29. Transport network of Poland (2009)
It is important to expand the communication infrastructure in order to increase competitiveness of Polish regions and impact of the strongest growth areas on the peripheral territories. With respect to the space, it is also desired to shape the construction and expansion of the transport network (by giving priority to investments implemented under sector policies) to influence the use of different developmental potential of the Polish territory. In this respect, the transport availability in the international and domestic dimension (increasing mutual and international availability of major Polish cities) and intraregional one (improving accessibility to major increase centres from peripheral parts of regions) are crucial. In addition, it is important to improve the circular mobility of persons inhabiting rural areas, which, apart from creating alternative non-agricultural jobs in rural areas, will contribute to employment growth of the citizens.

Meeting the challenge relating to provision of the proper transport potential will ensure availability of innovation centres, science and knowledge centres as well as labour markets, education, medical care etc., supporting at the same time the effect of diffusing innovations into the peripheral areas and combating marginalisation. Construction and repair or reconstruction of the communication network should also take into account provision of access to the major tourist areas and tourist attractions of the country.

Despite favourable geographical and natural conditions which foster development of inland and maritime transport, the level of using ships in the country’s economy is low. This results mainly from the low competitive position of seaports connected
with a high indicator of obsolete fixed assets (between 40\% and 70\% in 2008), underdevelopment of modern port services, poor communication links with land and low level of navigable waterways with international parameters (only 205.9 km.).

Inland waterways and maritime and rail transport were considered to be environmentally friendly modes of transport that require support at the national and European level. In addition, inland waterway transport and maritime transport may be essential for regional development in the context of freight, passenger transport and water tourism, affecting the growth of attractiveness of regions as places of business, industry and residence. Development of maritime and inland water transport should be implemented in synergy with measures implemented at central and regional levels, as well as reflect the economic balance of the carried out interventions which results from endogenous potential of particular regions.

An important barrier, influencing economic development and progressive marginalisation is also the low availability of ICT and e-services as well as a psychological barrier, especially among the older generation of Polish citizens and less educated people which limit the use of modern technology. Although the share of expenditure on information technologies in the Polish GDP is similar to the average in the EU-27 and certain indicators characterising development of information society\textsuperscript{70} of Poland have already reached the average for the EU, the following problems remain: access of households and businesses to the broadband\textsuperscript{71} and a gap in development of e-administration. The level of 20 basic public administration services recommended by the European Commission, which should be fully accessible on-line in Poland is twice lower than the EU average (in 2007 it amounted to 25\%, while the EU average was 59\%). Only four services have reached the transactional level, enabling full interaction with authorities through the use of electronic access channels\textsuperscript{72}.

Map 31. Percentage of households equipped with a computer with access to the Internet (2008) by voivodeships

The poor quality of ICT infrastructure influences significantly the ability to develop and improve the quality of workforce. In division into regions, ICT is the most prevailing in northern regions of Poland, the least in eastern Poland and rural areas (where access to ICTs is particularly important from the point of view of creating alternative non-agricultural jobs) while availability of public services is limited throughout the territory of the entire country.

The mere provision of access to ICT will not lead to transformation of the economy in the knowledge-based economy and creation of the information society. It turns out that as much as 17.3\% of Polish citizens over the age of 16 not use computers, even though they have a computer in their households. The number of such persons increases, in 2007 there were

\textsuperscript{70} Such as percentage of companies with access to the Internet or using the Internet in contacts with public administration.

\textsuperscript{71} Access to computers and the Internet is already a standard for all Polish businesses: 96\% of companies have a computer (between 91.4\% in Łódźkie Voivodeship and 98.1\% in Mazowieckie Voivodeship), almost all have also access to the Internet (between 86.8\% in Łódźkie Voivodeship an 97.7\% in Mazowieckie), but the broadband Internet access is used only by 58.7\% of enterprises, mainly in the Mazowieckie, Małopolskie, Śląskie Dolnośląskie and Podkarpackie Voivodeships (over 60\%) and the least in Świętokrzyskie and Łódźkie Voivodeships (below 50\%).

about one percentage point less than in 2009. The existing in Poland division into people effectively and efficiently using modern information and communication technologies and those who have still not mastered the computer, continues to grow. It is particularly evident in the relation between young people, persons who are better educated, live in larger cities, and those less educated, living in small towns and rural areas, retirees and pensioners. It is necessary, therefore, to raise citizens’ awareness and skills concerning the use of information technologies and reduction of the digital exclusion.

The development challenge is to increase the access to ICT and implement activities in favour of improving effective and efficient use of modern technologies by the public, as well as enhancing digital content and developing systems of public services available fully via the Internet. The role of regional policy in this regard is to ensure a spatially balanced development of ICT allowing to overcome limitations associated with remoteness from centres of development, and ultimately to reduce barriers to development, particularly in the most peripheral regions.

11. Enhancement of institutional capabilities to manage the development at the national and regional level.

The use of territorial development potential depends not only on innovation, capital resources, human resources and infrastructure but also on the efficiency and effectiveness of public institutions and the quality of their interactions with each other and with a wide range of other participants in development processes.

Despite adaptation of modern management standards and implementation of project co-financed from EU funds, which have caused significant changes in institutional effectiveness of the State at different levels of management, there are still some problems and shortcomings in the functioning of institutions involved in managing and implementing regional policy. This is confirmed by, inter alia, experience from implementation of the hitherto carried out voivodeship contracts and obtaining EU funds, which indicate significant deficiencies in the management and coordination system of activities performed by particular actors of regional policy. Analyses show that over seven hundred Polish gminas have not implemented any projects under the Structural Funds for the period 2004–2006, partly due to no interest in the available instruments, and partly because of ineffective attempts to raise funds. It should be noticed that the spatial distribution of municipalities showing the lowest activity in obtaining EU funds in the 2004–2006 perspective is quite evenly.

Map 32. Number of implemented projects co-financed from EU funds under the NDP 2004–2006 by particular gminas

![Map 32](image)

Source: MRD’s own elaboration based on the electronic database of the Project Settlement System (as of 31 March 2010).

With reference to the above, one of the key challenges of regional policy is to increase the institutional capacity to manage development, both at national and regional levels.

Precondition for the success of regional policy is introducing in both of the above levels, a single and coherent system of development management relating to socioeconomic context and results of the carried out measures (evidence-based policy). According to the diagnosis, the current strategic documents have a high degree of generality, although some of their objectives are a vision and mission, which in practice means, that the intervention is aimed at a very broad range of fields, not necessarily related to specific strategic objectives. They are not documents determining trends for entities implementing the strategies. This leads in turn to a situation in which no development objectives are translated into provisions of the operational documents\(^74\) and no strategic objectives are implemented at operational level, thus limiting their actual performance. In addition, strategic programming of the socioeconomic development is detached from spatial and budgetary planning, inadequately linked with the strategic objectives of development policy.

Another issue, which should be managed in the new regional policy is ensuring horizontal and multilevel coordination of development activities at national and regional level. Thus, the carried out public intervention will be in a mutual synergy, which will result in departure from still predominating sectoral thinking, which is expressed by programming measures in relation to a specific sector. Appropriate coordination will increase coherence actions performed by the government, local self-governments with other entities, including the governmental administration and other public and non-public partners. Nevertheless, its improvement must be accompanied by facilitating implementation system which is now too extensive and in which the range of responsibilities is often doubled or renders illegible. As a consequence, it is not clear which functions are assigned to various institutions at particular levels of implementation. It results in blurring responsibilities.

Administrative capacity to manage public policies is inadequate and requires strengthening. There are no high standards in development management which consists of: partnership, subsidiarity, multilevel governance, coordination, proportionality and consistency. Ability to effectively programme and manage public policies is diversified in the regional and sectoral systems. Some regions and ministries are characterised by a greater efficiency resulting for example from retaining of the so-called institutional memory, using the best available practices concerning management and programming as well as consolidating models of partnership cooperation.

What is more, the planned activities will contribute to improving awareness and low quality of evaluation and monitoring measures as well as the low efficiency of the implemented policies which is also connected with them. Both, the ministries and Polish regions, dealing with management and implementation of the regional policy limit their task of monitoring and reporting only to activities arising directly from the applicable provisions. There is no practical use of data from the evaluation and monitoring measures. Consequently, it leads to a situation in which entities responsible for implementation of regional policy instruments do not analyse the effectiveness of the carried out interventions and do not start appropriate corrective and remedial actions which would take account of experience and good practices from previous years.

Another important factor characterising institutional efficiency is management of public funds. Analyses of algorithms of public resources distribution indicate that the redistribution system is ineffective and uncoordinated. There are many institutions which operate independently and use their own criteria of division which prevents effective coordination of regional policy. Budgeting procedures do not provide for any documents showing the flow of funds from central institutions to the voivodeships or refer to the criteria related to the quality of performed tasks. As a consequence, shaping flow of funds does not take into account in an efficient way the spatial aspects of multiannual planning and limits the effectiveness of the implemented regional policy.

Important elements which increase the efficiency of public policies are issues related to rationalisation of the system of financing public policies, \textit{inter alia} improving the system of redistribution of public funds, completing reforms in the area of multiannual funding, developing a task-oriented budget structure and changes in the system of financing territorial self-government units, which is a challenge conditioning efficient implementation of the new regional policy.

\(^{74}\) This situation appears mainly in regions, the degree is lower in relation to the country.
4. BASIC RULES OF REGIONAL POLICY

The regional policy, whose role is to enable the full use of resources of territories for the purpose of regional development, is one of the forms of territorially oriented public policy which is characterised by a specific set of principles and rules to be followed.

Features distinguishing the regional policy are as below:

- territorial approach to development issues,
- organisation of the planning system and basic management decisions at regional level,
- multi-level management system based on establishing and maintaining broad partnerships between institutions of the democratic State and the society,
- placement of the planning and implementation processes at the level of managing the public sphere which would be the most suitable for the tasks (subsidiarity) – reinforcing, where possible and justifiable, the public authority which has the power given as a result of a democratic choice,
- approach integrating various dimensions of development with reference to territory: social, economic, environmental and cultural dimensions,
- stability of objectives and financial predictability based on a multiannual system of planning.

The above set of features indicates significant differences between the regional policy and other, not targeted territorially public policies. This set, complemented by the implementation principles aimed at obtaining the maximum effectiveness and efficiency, is the starting point for formulating the basic rules of the regional policy which determine the manner of its implementation. The topicality of the principles described below is not correlated with the time frames of the NSRD and the NSRD objectives are only secondary in relation to them.

The principles and objectives result from the basis values of the democratic society which are sovereignty of the person, social cohesion and solidarity, sustainable and constant development as well as transparency, efficiency and effectiveness of public policies.

4.1. Geographical concentration. Areas of strategic intervention

Achieving the strategic objective of the regional policy carried out at national and European level will be effective and efficient only when the principle of geographical and thematic concentration will be applied to this policy.

The regional policy covers the entire territory of Poland, however in order to achieve objectives of this policy, it is necessary to concentrate limited financial and organisational resources in separated geographical areas where the external intervention is required to fully use development potential.

This relates to activities in the areas of strategic intervention which were separated in regard to the challenges of the regional policy, identified in the spatial layout, as well as the policy’s objectives up to 2020 which include both, the growth poles and problem areas.

Detailed specification of areas where the concentration of the governmental interventions will take place (which are not the same as interventions undertaken within the entire regional policy) will occur basically at the level of statistical territorial...
4.2. Thematic concentration

This involves focusing interventions of the regional policy from the national level on activities aimed at the strategic fields which shape competitiveness of regions/territories in a longer time perspective. This also means limiting interventions to specific categories of activities/projects under the selected strategic fields. Furthermore, thematic concentration means that activities of sectoral policies and actions of entities at the sub-regional level are avoided under the regional policy. The determined thematic areas of the regional policy are significant from the point of view of achieving State’s development objectives (creation of growth and employment) and result from the factors of territorial development affecting the competitiveness level. Achieving development objectives specified in regard to the territory can be performed by means of interventions in various thematic areas, nevertheless the list of them79 includes only the areas where the concentration of resources and attention is the most desired from the point of view of a specific strategic objective of the regional policy. With reference to this, the policy is the basis for determination of directions for allocating funds and planning various undertakings as a part of the territorial contract.

4.3. Partnership and cooperation

As regards the regional policy, partnership is understood as participation, co-decision and shared responsibility of public entities in creating the policy and achieving its objectives. Partnership of public (i.e. national, regional, local – poviat and gmina, urban and rural institutions) and non-public entities involves joint effort to formulate objectives of the regional policy and cooperation concerning common undertakings which contribute to achievement of the specified objectives as well as monitoring and evaluation of the interventions undertaken as a part of the regional policy. Public and private entities whose decisions affect the course of development processes at various territorial levels have to be included in participation and co-decision. These partners, although not directly responsible for carrying out the regional policy, from the very beginning are included on equal rights and at each phase (not only in regard to social consultations). This is connected with their acceptance of specific responsibilities determined with the government and self-government of the voivodeship and performance of them as a part of the regional policy. Relations between all actors have to be based on mutual trust in order to increase the efficiency of activities. Properly carried out regional policy will provide support for relevant processes concerning this area. The regional policy will be based on trust in partners – mainly the governmental and self-governmental administration – which will be founded on mutual confidence and stability of medium- and long-term development objectives, irrespective of the current political situation.

4.4. Conditionality

In order for the regional policy to bring measurable and long-lasting results, all its activities are aimed at the most advantageous relation of the incurred costs (financial and organisational) to the level of achieving the planned results of the structural nature. Mechanisms supporting efficiency of activities have to be encouraging – the entities which will be the most successful in achieving development objectives (which is not equal to the effectiveness of spending funds) can expect a bonus – additional funds or instruments. It is important to introduce on a larger scale the conditionality rule between the main participants in the regional policy. This conditionality could take the form of transferring and granting additional funds depending on the achieved material effects (including also in relation to institutional development) at a particular level of management (among main actors) or implementation (in relation to beneficiaries who carry out specific undertakings) as effectiveness reserve. Conditional releasing of funds will depend on the level of achieving the values of indicators relating to the main or detailed objectives specified in negotiations of territorial contracts and in the course of preparing programmes.

79 The list originates in description 1 and 2 of the NSRD objective.
4.5. Making decisions according to the evidence-based policy

Implementing the regional policy in an efficient way requires the use of available knowledge and drawing on the basis of it conclusions for future changes as well as adjusting to the current needs. It is necessary to constantly broaden knowledge and use it to make decisions which will be justified and based on reliable information (evidence-based policy) in order to establish and maintain high standards of management and implementation of the regional policy. As a consequence, the gained experience, collected data, conclusions, recommendations, analyses etc., evaluation of the policy efficiency and effectiveness play the crucial role for carrying out the regional policy which requires to create a proper analytical background as well as a transparent and efficient system of monitoring and evaluation of the regional policy.

The tools used for monitoring of the regional policy is a comparable and aggregate method of examining the strategic objectives planned in the documents, as well as the progress of achieving indicators which measure public intervention in relation to the area of the national, regional levels and with reference to other territorial sections. Monitoring of implementation of the national and regional strategic documents concerning regional development as well as other documents of strategic policies with territorial impact is particularly important for measuring qualitative and quantitative changes such as institutions’ capability to implement the regional policy.

Every public intervention carried out as a part of the regional policy as well as the policy itself are evaluated in order to determine their effectiveness and efficiency. The results of monitoring and evaluation have to, therefore, indicate the usefulness of implementing mechanisms of the regional policy at all levels. This evaluation is performed at various stages of the strategy implementation (ex-ante, in the course of implementation, after the implementation has been completed) in such a way to enable proper modifying activities if necessary.

It should be also emphasised, according to the statements included in the report by F. Barca, that policies territorially oriented require a lot of analytical effort, close cooperation between the decision maker and experts as well as application of an experimental approach. The carried out analyses should be prospective (designing the impact evaluation and conceptualising the policy conducted simultaneously), clearly define the expected results and relations between the measures and objectives. What is more, the prospective impact evaluation may contribute to broadening knowledge at local level and to clear determination of objectives in the course of creating the policy. Effects of activities carried out this way can be visible in a short perspective, even before the decision about implementing the intervention is made.

4.6. Place-based approach

The integrated territorial policy (place-based approach) relates to better use of hidden or improperly applied resources, including human resources and specialisations of areas in regions of various development level. According to this, regional policy must respond to the specific needs of the territories and build on its internal growth potential. The place-based approach provides multifaceted development processes which enables taking account of their social, economic and environmental conditions and diversity of areas in which these processes take place. Regional policy based on the principle of integrated territorial approach is a policy: (1) focused on the use of endogenous potential, territorial resources and knowledge, (2) enabling the implementation of interventions aimed at the development challenges and yet precisely tailored to local conditions.

Implementation of the place-based approach should be supported by better coordination of other public policies which have territorial impact and active inclusion in processes of shaping and implementing this policy of all participants of development activities, particularly of regional and local authorities. Introduction to the regional policy of activities aimed at selected areas, other than the territory of the entire voivodeship, and thus identification of areas of strategic intervention, requires from the regional policy to increase the integration of public activities in the spatial dimension. What is more, the NSRD objective is to increase the coordination of the regional policy with other State’s development policies which have a significant territorial impact. This means, that apart from integration of issues (e.g. sectoral activities with the regional policy), the spatial integration is necessary, especially concerning the territories of particular voivodeships. Integration efforts of this type will have the coordinating function for various spatial activities, due to which it will be possible to increase multiplier effects resulting from a higher correlation between various public activities.

Territorial coordination of public policies is connected also with the basic objective of the NSRD which is spreading development processes, inter alia inside particular regions. This is connected also with the need of coordination between activities of many levels of the public authorities which are involved in implementation of objectives of the regional policy. The integrated territorial approach (place-based approach) is founded on the system of multi-level management including cooperation of partners and networking, in which coordination of entities at various territorial levels plays a very important role. Firstly, it requires public policies to be focused on the territorial aspect of development processes which implies the need of unifying objectives and closer links of instruments of various policies with territorial impact in order to provide comprehensive
solutions for development problems and avoid fragmentation of activities. Secondly, there is a need to improve spatial synchronisation of the initiated development activities, preferably in the area of particular voivodeships.

Strong interactions between these public policies may be triggered only when they are mutually complementary. Applying the integrated territorial approach on the basis of the above assumptions will result in joining instruments of various territorially oriented policies which enables maintaining a comprehensive and complementary approach to solving development problems and avoiding fragmentation of activities\(^\text{80}\). Moreover, it enables reinforcing complementarity of hard and soft investments which translates directly into their durability.

4.7. Coordination

Achievement of objectives determined with reference to territory requires in the phase of planning and implementing a comprehensive coordination of policies having the largest territorial impact (national and European) as well as activities of various public and private entities implementing different undertakings within their competence and interests. The role of all actors of regional policy is to break the limitations and deficits concerning coordination of the regional policy at national and regional levels as well as in the scheme of centre-regions. These shortages can be seen in both, the programme (objects) and in the area of instruments.

As a consequence, ensuring for the regional policy the proper significance under the comprehensive policy of State’s development includes efforts to strengthen the coordinating role of the regional policy in relation to other policies (horizontal coordination) at national and regional levels, as well as providing vertical coordination of activities from various levels. Support for establishing efficient coordination for activities of various policies and entities for the purpose of implementing the regional policy includes a set of activities relating to institutions (coordinating committees), law (adjusting relevant acts and other legal provisions) and planning (changes in the method of planning strategies and specifying implementation tasks).

4.7.1. Coordination with other national policies and support instruments of a territorial nature

In order to improve the effectiveness of implementing the regional policy at strategic and operational levels, coordination mechanisms will be introduced to ensure efficient management of the regional policy at both, national level and in particular regions, as well as between the central and regional authorities. The main objective of activities coordinating operation of particular ministries is to increase the awareness of the impact on specific, diversified areas and introduction of mechanisms of territorial differentiation of directions for particular public policies. It is very important to introduce standards of evaluating the territorial impact of all activities undertaken by public authorities. Reinforcing coordination mechanisms of activities implemented until today as sectoral or horizontal, without taking account of regional conditions, and financed from various sources under instruments of national and European policies will tend to provide their better efficiency, synergy and complementarity. The main sectoral policies whose mutual coordination is particularly important and which have caused the most difficulties are: transport policy, rural development policy, innovativeness policy, employment policy and education policy.

Coordination requires to closely connect instruments of the regional policy with instruments of other national policies having a strong territorial impact. Coordinating these instruments will be possible as a result of carrying out the process of “territorialisation” of public policies which will cause better adjustment and orientation of the national public funds at national level – held by various sectoral ministers or special-purpose funds and at regional level – held by territorial self-government units. This will guarantee coherent financing of the approved objectives and the highest efficiency, including providing goods and public services, in accordance also with the principles of subsidiarity and multilevel governance of the regional development process (described below).

Taking into account how significant role is player in Poland by the rural development policy, it is particularly important to coordinate this policy with the regional development policy. It is necessary to establish coherent criteria of selecting projects and strategies in order to synchronise decentralisation of programmes and measures relating to local self-governments of rural areas.

4.7.2. Coordination with the Cohesion Policy and other EU policies

Financial instruments of the EU Cohesion Policy are at present the most important source of financing for the regional policy in Poland. The regional policy obtained by means of them valuable know-how relating to strategic planning, implementation and evaluation of development activities.

\(^\text{80}\) The regional and local levels are the ones where implementation of the complementarity of policies is most visible.
In spite of declaring that attempts of making these two policies independent from each other have been made, strong links between them remain unchanged to some extent since the objectives of the regional policy and the new strategic directions specified in the NSRD will affect further implementation of instruments of the Cohesion Policy implemented in the current financial perspective which will indicate directions of potential modifications in operational programmes and criteria for project selection.

In the next EU financial perspective (starting in 2014), the NSRD, along with the long- and medium-term strategy of national development, will be one of the foundations for designing directions of support and principles of allocating EU funds for particular regions/territories.

Therefore, the issue of coordinating the State’s regional policy with the European Cohesion Policy is becoming more significant. From the very beginning of the mentioned debate, Poland has wished to change its image of a passive participant into an ambitious reformer and has pointed out the required directions of coordination and potential reforms of EU policy. Experience from implementation of the NSRD which joins all policies with clear territorial orientation can be used, therefore, as an enormously valuable contribution to the discussion on the optimum system of coordination of the Cohesion Policy and other EU policies, particularly as there still appear problems at EU level concerning the above issues\(^1\) which relate to interactions between the Cohesion Policy, Common Agricultural Policy, employment policy, social policy, competitiveness and innovation policy, transport policy, environmental policy etc. Thus, it becomes important to provide after 2014 a system of EU support which would comply with the national needs to the largest possible degree, in relation to proper directions of particular policies at strategic level – concerning objectives or support amount of particular funds, as well as in terms of providing the most efficient solutions at implementation level -which enables operation in a coordinated and complementary way and prevent duplication of activities. This relates \textit{inter alia} to ensuring coordination of supplementing the funds for investments with soft support – offered by the European Social Fund, which nowadays is one of the most important elements of EU Cohesion Policy instruments.

4.8. Subsidiarity

The subsidiarity principle is one of the key principles of development policy, including the regional policy which is especially sensitive to creation of efficient system of managing development processes.

This principle provides that planning and implementing public interventions are conducted by various public entities at the level which guarantees the highest efficiency. Every activity under particular development policies, including especially regional policy, is programmed and implemented at the lowest administration level possible and, at the same time, the most efficient for a particular issue. In order for the subsidiarity principle within the above meaning to be implemented to the highest possible degree, the NSRD provides plans to carry out a broad evaluation of the most proper level of delivering various goods and public services from the point of view of State’s development objectives as well as to adjust the law and institutional system concerning these matters.

Such actions will ensure better use of European, national, regional or local public institutions in development processes and on the other hand – will limit the limitations which are observed today in relation to vertical coordination of implementation of various tasks of public policies.

4.9. Multi-level management of regional development processes

Regional policy in Poland respects and reinforces competence of the public authorities which originate in the Constitution of the Republic of Poland and basic acts determining the policy tasks. This means that the objectives of the regional policy specified in the NSRD are implemented to various degrees by all public entities within their competence, while the system of programming and implementing is developed taking account of the key role of the Minister of Regional Development and self-government of the voivodeship. The basis strategic documents determining objectives of the national public policies in relation to various territories, implemented by all public entities are NSRD – at national level and at regional – voivodeship strategies which are not contrary to the NSRD. The implementation system includes coordination and integrating role of the Minister of Regional Development in relation to activities of various public entities, including other ministers responsible for territorially oriented policies and the role of the self-government of the voivodeship in coordination and integration of activities of various entities at regional and local levels.

\(^1\) See also problem documents drawn up by the MRD: Cohesion Policy after 2013 Desired directions for the reform – problem document (January 2008) and The Effectiveness of the Implementation System and Mechanisms at the EU level (June 2008).
The NSRD assumes reformulation of the previous management system in the field of regional policy in the direction of greater regard to the roles of various statutory defined public entities under the development processes. This model is connected also with increasing responsibility for achieving the planned development objectives.

On the one hand, there are plans concerning larger inclusion of various national entities in implementation of a territorially oriented policy, such as ministries, on the other – significant involvement of self-governmental authorities from the local level which have not only large funds but also the best knowledge about development potential. This entire system is focused on implementation of State’s development objectives by means of identifying and applying development potential of each territory.

The basic node of such a network at national level is the MRD. However, particular institutions – participants of the network – are responsible for implementation of regional policy, while in the case of the voivodeship level – instead an institution managing EU funds with a traditionally perceived role, this will be the self-government of the voivodeship which will integrate the programming and activities of a broad number of entities. The self-government of the voivodeship, as a node of the network at regional level, organises the process of regional development towards creating a corporation consisting of groups linked in terms of their tasks in order to implement joint undertakings and activities in various territorial schemes in an integrated manner with the use of network instruments. This relates also to creation of conditions fostering establishment of networks and reinforcing the capacities of public and private partners in terms of self-organising for the purpose of integration of activities performed by various entities around them as well as provision of larger operational autonomy for non-public entities in relation to performance of public tasks. Organisation of the system of management and implementation of the regional policy on the basis of an established, institutionalised network consisting of coherent elements of one system: European – national – regional – local levels, which enables larger involvement of social and economic partners operating in favour of regional development will support implementation of the multi-level management of regional development processes.

4.10. Principle of sustainable development

All activities concerning planning and programming of activities implemented within the NSRD have to take account of one of the key principles which is also included in the Treaty on the Functioning of the European Union (Article 11 of the TFEU) – principle of integrating objectives and requirements of environmental protection into policies, strategies and activities in other fields of State’s activity. This implies the necessity to identify and assess in advance potential environmental effects, in the scope determined by relevant legal provisions, to carry out consultations of these issues with the interested communities, organisations and persons as well as to adopt proper means and solutions which would eliminate environmental risk or reduce them to an acceptable minimum.
5. VISION AND STRATEGIC OBJECTIVE OF REGIONAL DEVELOPMENT

The vision of development of Poland and the regions thereof in 2020 represents an attempt to address the development challenges faced by Poland, and it results from the strategic choices concerning the regional development policy. These choices are based on the analysis of development possibilities and the selected institutional model of regional development. In order to realise the vision of development of Poland and the regions thereof, a strategic NSRD objective is set in a 10-year perspective, and it indicates the action lines leading to the implementation of the selected development path.

The vision of development of Poland until 2020 and its strategic objective are incorporated in the vision of development of Poland, as a country with high standard and quality of living of its inhabitants and a strong and competitive economy capable of generating new jobs, formulated in the primary national strategic documents.

5.1. Vision of regional development of Poland until 2020

In 2020 Polish regions will constitute a better place to live in as a result of the enhanced standard and quality of living and through the creation of such a socioeconomic and institutional framework that will increase the opportunities for the realisation of aspirations and possibilities of entities and local communities. Polish regions will be economically stronger, more integrated in economic, social and spatial terms, as well as more autonomous as a result of the decentralisation process and broader implementation of the partnership and subsidiarity principle.

In 2020 Polish regions will feature the following qualities:

- competitiveness and innovativeness,
- economic, social and territorial cohesion,
- efficiency, effectiveness and partnership in the implementation of development objectives,
- environmental safety, high level and efficiency of environmental protection and natural resources.

The role of regions and public authorities in the regions in the development processes will evolve from the management of EU funds to the administration of regional development processes, as well as active development policy management, and thus the increase in the responsibility for the decisions taken with respect to region’s development. The establishment of the conditions favouring the networking between the voivodeship self-government and the extensive range of actors involved in the development game will influence the increase in the share of regional community in decision-making related to the development of a given region. This will lead to a greater identification of regional communities with the development objectives, and consequently to the development of social capital in the region and to shaping of the strong regional identity. These processes will lead to a situation in which the development of a given region will be treated as a common good by the regional community.

Regional competitiveness and innovativeness

As a result of development processes and efficiently conducted regional policy in 2020, all the Polish regions will be split from the remaining EU regions by a smaller development distance. The strongest region – the Mazowieckie Voivodeship – will significantly exceed the EU average in terms of GDP per capita, and the weakest regions will have achieved at that time the development level surpassing 50% of the average GDP per capita in the EU. These changes will take place due to an increase in the competitiveness of regional economies as a result of exploitation of endogenous development potentials of all Polish voivodeships.

The main Polish urban centres will increase their international importance by means of multi-faceted cooperation with the main European cities. Warsaw will become the most important urban centre, whose international position as a node of the global network of sharing knowledge, innovation and capital will be much higher than in 2010, which will be favoured by the metropolitan area development policy. The role of the most important urban centres (and surrounding areas) in the country’s development processes and macro-regional configurations in the European area will also be enhanced due to the development and more complete use of the metropolitan function.
The most important urban centres, including in particular voivodeship centres, will constitute the nodes of economic, social, scientific, cultural, tourist and institutional cooperation networks exercising influence on the development of the entire region due to the development and support for the metropolitan functions in these fields. This way the voivodeship centres and the areas influence by them will form a consistent and internally integrated space characterised by high growth rate. Urban centres will be interrelated by means of communication links and functional connections, which will not only cause a significant improvement in the territorial cohesion of the country, but will also enable the flow of knowledge and innovations, driving an increase in the economy’s competitiveness on the national scale. The development of the cooperation network between the voivodeship and between the main urban centres thereof will contribute to building the potential for the absorption of external solutions and creation of own innovations in the underdeveloped regions.

The merger of all main urban centres will have occurred in the national and European system by 2020 by means of motorways or express roads and a network of fast railway. It will be accompanied by a dynamic development of air transport serviced to a great extent by regional air ports. Furthermore, the extension of the railway and road infrastructure and modernisation of mass transport systems will positively affect the extension of the access zones to urban centres. All this will lead to an increase in the competitiveness of urban areas on the national scale and in the international systems.

By 2020 the functional interrelations will be strengthened between the most important urban centres in individual regions and between the sub-regional and local cities, as well as between the cities and their surrounding areas, which will enable diffusion of development processes to the underdeveloped areas. The territorial scope of influence exerted by urban centres will be increased due to better integration with the immediate regional surrounding, including the rural areas. Sub-regional centres will enhance their position in the regions and on the national scale due to the ongoing urbanisation processes, development and supplementation of the economic functions and by means of better use of endogenous development potentials.

Urban centres will become an area for the development of intellectual and social capital due to an education system of high quality adjusted to the contemporary challenges, rich cultural offer and assurance of high standard of living. The most important urban centres will use to a greater extent the potential of knowledge, science, economy and culture for the creation and use of innovative solutions as a result of broad cooperation between the most important scientific centres in Poland, as well as close cooperation of universities with the regional enterprises and clusters. This will lead to a substantial increase of the percentage of enterprises introducing innovations by 2020 in each voivodeship and an increase in the total expenditure for R&D by means of concentration of this expenditure in metropolitan areas.

By 2020 the employment structure will change due to departure from the work in agriculture in favour of the work in the sector of services. The concentration of services in the cities and urbanised areas will lead to an inflow of population from rural areas and consequently to an increase of the number of urban population. This will lead to an increase in the importance of competitive sectors and their location in urban areas, and hence the role of urban centres will be gradually enhanced. It will be accompanied by the development of urbanisation processes, including the ones regarding the improvement and optimisation of spatial order of urban areas, improvement in the implementation of public services, in particular the ones concerning the development of cities and their revitalisation, the development of communication infrastructure, city transport and housing.

Urban areas will become more attractive for external investments due to human resources of high quality, access to the scientific and research base allowing for the development of innovative solutions, creation of high quality services for enterprises, development of the opportunities for the use of modern information techniques and due to the provision of basic development conditions.

In 2020 Polish regions will be a better place to live in due to enhanced quality of the environment, the use of the potential of cultural heritage and the development of tourism. It will be accompanied by an increase of the level and quality of social capital and an increasing feeling of community, confidence and involvement in the regional development of the region’s inhabitants, which will allow for the development of the network for cooperation, knowledge sharing and development of civil society.

**Economic, social and territorial cohesion**

In 2020 Poland will be a country that is economically and socially integrated to a greater extent and more territorially coherent due to the restructuring and equalisation processes leading to the assurance of a similar quality of primary public services on the national scale and the access to them. In a 10-year period, higher socioeconomic and territorial cohesion will be achieved, both on the national and regional scale, between urban and rural areas, inside the country and in the border areas, as well as the areas of Eastern Poland and the remaining territory of Poland, mainly due to the extension of the communication network in the voivodeships and provision of functional links between the most important urban
centres. In the international layout, the greatest urban centres, including Warsaw, will be functionally integrated with the major metropolitan areas of the EU to a greater degree than before.

The proper public intervention oriented towards the utilisation of development potentials of all the regions might in consequence lead to the reduction of differentiations within the scope of primary indicators related to the most important territorial development factors. However, it does not automatically signify a reduction concerning the level of GDP per capita or the capability of creating best jobs – they can occur only as result of long-term structural processes that are affected by the regional policy and other public policies in short period to a limited extent.

Increased cohesion will be achieved also in the social and economic aspect by means of active countering of marginalisation of the most underdeveloped areas. The marginalisation processes will be brought to an end by 2020 due to the provision of equal access to primary services for all citizens, i.e. educational services at the level of kindergarten education, social care or health care in all voivodeships. It will be accompanied by a reduction in discrepancies in the access and quality of other services of non-primary nature on the national scale. Increased internal cohesion of Poland and reduced marginalisation of certain areas, in particular the peripheral ones, will also favour the development of telecommunication and information networks, enabling to overcome the limitations related to the receding away from the centres of development.

The restructuring processes in the following decade will lead to the diversification of economic structures in rural areas by means of development of non-agricultural economic functions, to an increase of the number of persons working outside the agriculture and an increase in the efficiency in agriculture. Due to the local development in the socio-cultural, economic and environmental and spatial dimension, as well as compensatory measures for an increase in the access to public services, rural areas will become a better place to live in, a place that uses its cultural heritage and environmental qualities in a better way, more attractive in terms of tourism and investments, as well as more integrated with respect to enhanced local identity.

In a 10-year period, the marginalisation processes will be brought to an end within the areas losing their previous socio-economic functions, and the development capability will be stimulated due to the revitalisation processes. As a result of support for urbanisation processes, improvement in the quality of education and health, culture, selected municipal services, transport infrastructure) and causes an increase in competitiveness.

The level of remoteness of peripheral border areas will be reduced by 2020 by means of an increase in the access in the national and international relations. Integration of areas located on both side of the border with the EU Member States will be increased by means of implementation of a multidimensional trans-border cooperation, which will lead to a gradual formation of trans-border functional areas related in economic, social and communication terms. These areas will use the potential of human resources, environment, tourism, education and culture for the development purposes in a more efficient manner than previously. In the case of areas located along the external EU border, the eastern regions will use its location and long-term cooperation tradition for the development of economic, scientific and cultural ties at the supra-regional and international level (among others in relation to the endeavours of the EU towards an increased integration with its eastern neighbours), which promote the development of potentials (such as: teleinformation infrastructure, education, energy, health, culture, selected municipal services, transport infrastructure) and causes an increase in competitiveness.

In a 10-year period, the marginalisation processes will be brought to an end within the areas losing their previous socio-economic functions, and the development capability will be stimulated due to the revitalisation processes. As a result of coherent revitalisation measures, location of new functions, economic animation and diversification, as well as improvement of the social situation, will take place in the most degraded city districts.

The economic and social structures will be changed in a sustainable manner within the areas of the lowest development level, and consequently the development distance to the average national values will be decreased. Although the differences related to income will be preserved between these areas and the rest of Poland, possibilities of realising the development opportunities by the inhabitants of these areas will be created due to the better and better access to primary goods and public services concerning education, culture, health and environmental protection. The exploitation of endogenous potentials by the local self-governments and an increase in the accessibility of these areas will lead to overcoming of development barriers. As a result of support for urbanisation processes, improvement in the quality of education and increase in the access to public services, the economic activity will be raised, development of entrepreneurship and inflow of investments will occur, the quantity and quality of jobs will improve. Improvement of the quality of living within the areas of the lowest development level will halt the processes of depopulation and emigration.

Efficiency, effectiveness and partnership in the implementation of development objectives

Until 2020 the efficiency of the state in the implementation of development objectives will be improved due to the networking of decision-making processes, increase in the coordination of measures and cooperation of all actors involved in the development game, due to basing the implementation processes of the regional policy on common standards and introduction of effective development management mechanisms. The reformed institutional and legal framework of pro-development
measures enables full application and expansion of the development potentials of individual regions. Efficient and effective implementation of development objectives will increase the reliability of public institutions at the central and regional level, which will translate into the increased trust of citizens in the activities undertaken by governments and self-governments.

In the perspective of 2020, Polish regions will be more autonomous and stronger due to progressing decentralisation processes, which will lead to the increase in the responsibility of self-governments for the development activities and to accumulation of knowledge and experience in the field of management of development. Due to competences built at the regional level, relations between the government and the self-government will be re-formulated towards increased autonomy regarding the decision-making in the development processes. Cooperation of self-governments and government authorities to a degree greater than previously will be based on partnership in the implementation of common objectives of regional development, which will translate into synergetic combination of development policy of the government and self-government.

Polish regions will also be more integrated due to creation and consolidation of partnerships between the institutions of a democratic state and the society in a multi-level management system for the regional development policy. The emerging cooperation networks will lead to social activation for the regional policy. The cooperation based on mutual trust will cause a change in the relations between public institutions and other entities participating in the development processes, which will contribute to building of social capital at the regional and local level and to the development of the regional identity. The inhabitants of regions and members of local communities are oriented to a greater extent towards community action aimed at the achievement of common development objectives.

In a 10-year period, the development policy will become an integral element of the state’s development management system under development policies, and its role as a horizontal policy integrating measures in reference to the territory taken under other development policies will be consolidated. Due to the territorial orientation of sectoral interventions and coordination of measures integrating various development dimensions: social, economic, environmental and cultural in reference to the territory, the effectiveness and efficiency of expenditure of public funds will be increased, synergy of development activities conducted within a specific territory will be achieved, and the multiplier effects resulting from increased correlation between various public activities will be increased. The territorial approach promoted in NSRD will become a standard of functioning of the key elements of the state’s development policy. The cohesion of measures taken in reference to the territory will also improve the spatial order.

The quality of public interventions will also be improved by means of introduction of mechanisms determining the payment of public funds for the achieved effects and by means of basing the implementation processes of the regional policy on common standards. The construction of a coherent monitoring and evaluation system will allow for an ongoing observation of development trends, and hence will improve the planning of development measures in long-term perspectives. The institutional efficiency will also be enhanced, in particular at the implementation level, and the administrative capability of programming and managing the regional development will be reinforced at the national and regional level.

5.2. The strategic objective of regional policy

Currently Poland does not fully utilise the possibilities found in the territorial self-government and regional development. The challenges faced by Poland and the increase in the importance of the territorially oriented intervention of the public policy indicate that the regional policy becomes an important, to a much greater extent than before, element of the development policy. In order to increase its usefulness in the new socioeconomic surrounding, the regional policy in Poland has been subjected to re-definition, both in terms of the method of determining the objectives and the basic principles, as well as the implementing mechanisms.

In this context, the new regional policy assures:

- the proper inclusion of the state’s development objectives in the spatial context on the one hand,
- and full inclusion of spatial differentiations in terms of various development factors on the other hand.

Therefore the efficiency of the regional policy will be perceived as the capability of achieving development objectives related to the territories by means of efficient utilisation of their potentials.\(^{82}\)

The regional policy is focused on enabling a full utilisation and development of the development potentials of particular areas of the country. The subject of the regional policy is, therefore, constituted not only by regional differentiations.

\(^{82}\) For more information on the efficiency of the regional policy, see: Tezy i założenia do Krajowej strategii rozwoju regionalnego [Theses and assumption for the National Strategy of Regional Development], December 2008.
and the players are not represented solely by regions – self-governing voivodeship. The development potentials have become the subject of the regional policy, and each territory has become a player, together with public authority taking decisions on development within a given territory.

Under Polish conditions\(^{83}\), it remains the main level (yet not the only one) of reference to the regional policy for which development objectives are set and at which its implementation and assessment of effectiveness and efficiency take place in accordance with the rights of the self-government authorities.

Under the regional policy, an optimal adjustment of public interventions to the conditions found within a given functional area takes place, the intervention alone is, however, oriented towards the development determinants existing within a given territory. In order for the policy to be effective, it is therefore necessary to define the development potentials for each region (or another area isolated in geographical terms), with the simultaneous analysis of development factors, and on this basis, to precisely define the development opportunities for each regions (or another area isolated in geographical terms), and afterwards to consistently define long-term objectives for them and paths of achieving them under the procedure of an agreement between the key players in the development game in reference to the objectives set at the national level.

The regional policy takes the development challenges included in the long-term development strategy into consideration and implements the state’s strategic development objectives in terms of territory, as formulated in the medium-term national development strategy and the concept of the national spatial development. Complementarity of the strategic objective of the regional NSRD policy with the objectives of the above-mentioned documents is assumed in the context of currently conducted works on these documents (Long-Term National Development Strategy, CNSD and updated Medium-Term National Development Strategy\(^{84}\)). With regard to the presence of Poland in the EU, the strategic objective of the regional policy refers also to the objective of the European regional policy, which, pursuant to the introduced amendments of the Lisbon Treaty, emphasises the importance of the territorially located potentials by means of reference to the third dimension apart from the social and economic ones, namely the territorial dimension of the cohesion policy of the EU. This aspect is being developed by the EU’s Territorial Agenda postulating better use of regionally differentiated development potentials by the territories located within the EU. The strategic objective of the regional policy is also incorporated in the efforts under the Lisbon Treaty concerning the economic growth and higher employment level in the EU with regard to the anticipated pro-efficiency trends of the changes.

With regard to the above-mentioned conditions, the strategic objective of regional policy is represented by:

| Efficient utilisation of specific regional and other territorial development potentials for the purpose of achieving the national development objectives – growth, employment and cohesion – in a long-term perspective. |

The objective formulated this way:

- clearly points to the regional policy entity – territory, perceived in functional terms, extending thus the previous focus on a region that is treated as a national administration unit,
- prejudges the perception of regional policy as a measure oriented at optimal – from the point of view of accomplishing national development objectives – use of spatially diverse development potentials,
- points to the need of using, apart from the endogenous factors, also the external factors in the development process,
- indicates the major actors of regional policy and awards the main role under this process to the government and voivodeship self-governments,
- determines the objectives of the regional policy as generation of conditions at the regional level for accomplishing the main objectives of the development policy – growth, employment and territorial cohesion (resulting, inter alia, from development challenges defined in the report Poland 2030).

The strategic objective addresses the challenge faced by the Polish regions that result from the development trends and at the same time focuses on the utilisation of potentials set in reference to various territories so that competitive advantages found in the country are reinforced in an optimal way and the development barriers are eliminated\(^{85}\). The objective of the

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\(^{83}\) For the needs of the NSRD, it is identified as a voivodeship understood as a regional self-government community inhabiting a specified administrative territory.

\(^{84}\) The process of preparing these documents proceeds at the same time as the work on the preparation of NSRD.

\(^{85}\) Pursuant to the position of the government of the Republic of Poland on the territorial cohesion of February 2009, in which the achievement of territorial cohesion is defined as a process consisting in shaping the EU space in such way that assures best development of the unique potential of the EU territories for the purpose of accomplishing the EU’s development objectives, including the socioeconomic cohesion by means of integrated development management.
regional policy defined that way will be an important element of improving the competitiveness, generation of growth and employment and cohesion in Poland.

The strategic objective will be implemented by all the entities involved in the process of implementing the regional policy, including mainly by the government and voivodeship self-government under the multi-level management system. This means cooperation in the field of programming and implementation of the regional policy of various public entities within the scope of their competence with an increased involvement of other non-public entities, each of which plays a separate role. The effective achievement of the strategic objective becomes possible solely when a broad consensus has been reached for the development trends proposed by the government (in reference to the country) and the voivodeship self-government (in reference to the region), as well as recognition of the strategic objective as an objective that is common for all the actors of the regional policy actively involved in the processes of implementing the strategic development objective of the regional policy.

The development potentials are found in each region and they constitute endogenous resources, yet many of them require strengthening. An important role in the generation of growth and employment is played by factors that can be attracted from outside, such as specialised human resources, innovations or financial capital. External factors supplement the endogenous potential (among others social, cultural and innovation capital), and their proper utilisation contributes to the development of a given territory.

Rules of procedure and principles defined for the regional policy (see Chapter 4), i.e. geographic and thematic concentration, partnership and cooperation, conditionality, decision-making on the basis of reliable information, integrated territorial approach, coordination, subsidiarity, multi-level management of regional development processes and the principle of sustainable development will be applied during the implementation of the strategic objective and determination of detailed objectives and the method of achieving them.

The achievement of the strategic objective will be performed in compliance with the requirements of the environmental protection with sound utilisation of environmental resources and maintenance of high level of biological diversity while preserving the right of each citizen to live in a friendly place of high environmental quality, safe for health and life, and the principle of equal access to environmental resources.

The measure of implementation of the strategic objective is constituted by the influence of particular regions and territories on the generation of growth and employment at the national level. With regard to the specific nature of each of the regions, the generation of growth and employment will take place under regional NSRD objectives adjusted to the conditions and with the use of appropriate instrumentation. However, the number of territories that fully participate in the generation of growth and employment – whose (demographic, social, economic and spatial) potential is not utilised for the purpose of achieving the state’s strategic objectives – will always decide on the success or failure of the territorially oriented development policy.

The strategic objective is of timeless nature and does not refer solely to the planning horizon of the NSRD.
6. REGIONAL POLICY OBJECTIVES FOR 2020

6.1. Structure of regional policy objectives for 2020

As it follows from past experience in implementing regional policy in Poland and OECD countries to ensure maximum efficiency, while remaining compatible with the previously described new paradigm of regional policy, the public intervention to address the strategic goal will be conducted in selected geographical areas (territories) and will be focused thematically. Regional policy objectives for 2020, set out in the NSRD, build on the strategic goal and are targeted in particular to designated territories, namely the areas of strategic intervention of the State. Structure of regional policy objectives for 2020 takes into account the opportunities and risks arising from the spatial nature of the development processes identified in the diagnostic part and responds to previously defined challenges.

The following objectives of regional policy for 2020 are set out:

1. Support for the growth of competitiveness of regions ("competitiveness”),
2. Building territorial cohesion and preventing the marginalization of problem areas ("cohesion”),
3. Creating the conditions for efficient, effective and partnership implementation of development activities targeted at territories ("efficiency”).

The first objective of regional policy for 2020 pertains to the whole Polish territory. The basic lines of action within this are:

- the best use of the potential of territories which are characterized by the greatest capacity to create economic growth (in Warsaw and other voivodeship centres along with their functional areas) and
- building mechanisms to diffuse the development processes from growth poles, while building absorption potential and use of endogenous potential in other areas such as sub-regional centres, rural areas and other functional areas with a distinct spatial specialisation.

The result of such targeted measures will be effective support in the process of increasing competitiveness of Poland and all the Polish regions in response to the pressures of globalisation and other external socio-economic and environmental challenges.

The new approach, related to a new paradigm of regional policy, assumes investing mainly in the use of the main strengths and potentials of different areas, while regional policy measures for overcoming barriers to development will be limited to selected territories with the greatest stratification of negative phenomena and trends.

Focusing regional policy on exploiting the development potential of the largest urban centres, which create more than 50% of Polish GDP (while inhabited by 35% of the total population) will serve the strategy for accelerating the development of the country and maximum use of opportunities of the Single European Market and the emerging business networks of global nature, in which Polish cities (and thus Poland and its regions) are involved in small, insufficient at this stage of development, degree.

Strengthening the potential to absorb development processes in areas outside the functional areas of voivodeship centres will be carried out through a comprehensive set of measures for functional integration of voivodeship areas, increasing the impact of major urban centres and strengthening their linkages with sub-regional and local centres and rural areas (including by improving the availability of transport to the voivodeship centres, strengthening sub-regional centres, developing potential of rural areas, using and developing regional specialisations.) These measures will be accompanied by a horizontal support for the development of competitiveness in the whole regions, in the following areas: human and social capital, innovation, increased investment attractiveness, business environment institutions, energy, environment, culture and tourism.

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86 See Chapter 2 and Annex 1.
Under the second objective, aimed at promoting consistency in different spatial dimensions, regional policy assistance is envisaged in overcoming difficulties in the development, highly concentrated territorially, which are located in areas characterized by the weakest in the country economic, social and institutional indicators as well as indicators pertaining to infrastructural facilities. These areas are in danger of marginalization, which is a constant deterioration of the prospects for development. The result is that endogenous potentials of these areas cannot be used in development of the country without additional external support. Directions of activities under the second objective cover above all, the support for the acceleration of restructurisation and improvement of the residents’ situation in these areas in terms of access to basic goods and public services of paramount development importance in the current socio-economic conditions.

Third objective of the NSRD is aimed at creating institutional and legal conditions for the implementation of pro-development measures, including in particular those targeted territorially, by strengthening the strategic dimension of regional policy, improving the quality of public policy management, ensuring adequate mechanisms for cooperation and coordination in multi-level governance system, and by networking cooperation between different actors involved in the implementation of this policy, so as to both strengthen the relevant competence and capacity to manage development and building social capital. Only through the introduction of qualitative changes in the above areas, including legal and organisational changes, it is possible to create an effective and efficient system for management and implementation of public policies with a strong territorial impact, and therefore full implementation of the Objective 1 and 2.

In accordance with the principle of concentration, investments in housing, investments in social infrastructure upgrading the quality of life, but not contributing to the socio-economic development will not be directly supported by regional policy. Regional policy and spatial policy will, however, support the creation of suitable conditions for such investments and development of instruments to facilitate their financing.

These objectives, in accordance with the principle of subsidiarity and multi-level governance of regional development processes are implemented by all public bodies in accordance with their powers and place in the system for managing development in Poland. Selection of sub-targets and the instruments for achieving defined objectives of the NSRD in reference to the different territories is the domain of the relevant public authorities.

Since many areas are particularly vulnerable by depopulation because of aging society, migration or negative population growth, it is necessary to take account of these processes and predictions in the following scope:

- in the planning of infrastructure investments and public service related investments (whether in the future there will be a sufficient number of people to maintain the infrastructure on a given territory),
- in the planning of urbanisation processes,
- in the planning of activities relating to human capital (e.g., emphasis on lifelong learning, lengthening professional activity).

The implementation of strategic objective of the NSRD will be possible by concentrating resources in areas and activities that will contribute most to the achievement of specific objectives. In the course of the current implementation of regional policy, a tendency has been observed to focus the part of public intervention on projects (or their parts) that do not achieve the objectives set in the strategy papers (or carry them to a small extent), yielding only the occasional short-term benefits, which only slightly contribute to improving conditions for development. There are also examples of the implementation of projects that lead to a substantial increase in financial burden of the beneficiaries because of failure to estimate or underestimation of subsequent maintenance costs of the implemented projects or incomplete or improper use of the built infrastructure (e.g. lack of an adequate number of users of the extended water supply system constructed in areas of lower level of development). Effectiveness of NSRD implementation determines the implementation of projects that significantly affect the long-term economic growth and employment, and improve the ability to generate income.

Public intervention will focus on development-oriented and pro-employment activities that allow the sustainable increase in the revenue base in particular areas. Therefore, there will be a strategic and operational focus of interventions on activities that will result in establishment of the base for economic growth and employment and incomes through the use of potential and resources of existing and emerging businesses (i.e. for example, the support for business infrastructure, infrastructure for innovation and R & D, increasing access to business financing etc.). In addition, improving the efficiency of regional policy will entail the referral of its intervention on follow-up interventions for sectoral policies. Direct support for entrepreneurship will cover only projects which contribute to the achievement of the objectives of the Regional Innovation Strategy, and the general promotion of entrepreneurship involves moving away from direct non-repayable grants to promote the development and use of the so-called revolving instruments (loan funds, guarantee funds), generating a return on investments and long-term economic and social benefits.

Especially in the light of the need to achieve the strategic objectives of socio-economic development during economic downturn it is not acceptable to substitute projects funded by the national funds with Community funds. The same rules
will cover commercial investments, which by definition can and should be financed from private sources (e.g. pools), and whose support from public funds is not justified in the context of the adopted regional policy objectives.

Implementation of regional policy will take into account the dissemination of eco-innovative ways of doing business and meeting needs in the area of public services (utilities, transport, energy supply etc.), providing a further reduction of emission pressures, better use of resources, particularly to improve energy efficiency, development of alternative energy sources and rational use of water and space.

Within the specific objectives also the form and degree of involvement of the national level (in particular the Polish government) in their implementation were specified. The document (implementation system) also presents detailed role of different actors in the implementation of regional policy.

The diagram below indicates the structure of the NSRD objectives. In accordance with the adopted territorial approach, the allocation of individual actions will result from the context of development opportunities and the analysis of problems in individual territories.
STRATEGIC OBJECTIVE:
Efficient usage of the specific regional and other territorial development potential to achieve the national development objectives – growth, employment and cohesion in a long-term time horizon

OBJECTIVE 1
Support to the competitive growth of the regions
1.1. Strengthening the metropolitan functions of voivodeship centres and integration of their functional areas
   1.1.1. Warsaw – the capital city of Poland
   1.1.2. Other voivodeship centres
1.2. Establishing conditions to disseminate development processes and increase their absorption outside voivodeship cities
   1.2.1. Increasing transport accessibility inside the regions
   1.2.2. Support to the development and significance of subregional cities
   1.2.3. Expansion of the development and absorption potential of rural areas
   1.2.4. Efficient use of the territorial specialization potential under the development processes
1.3. Construction of competitive basis in the voivodeships – thematic measures
   1.3.1. Development of human resources, intellectual and social capital
   1.3.2. Support to localization of external investments, including in particular foreign investments
   1.3.3. Increasing the possibilities of introducing innovations by regional enterprises and institutions
   1.3.4. Support to the development of business environment institutions (BEI)
   1.3.5. Diversification of sources and efficient use of energy and response to the natural threats
   1.3.6. Using the natural assets and the potential of cultural heritage
   1.3.7. International cooperation

OBJECTIVE 2
Establishment of territorial cohesion and preventing marginalization of problem areas
2.1. Strengthening cohesion in the national structure
2.2. Support to rural areas with the lowest level of inhabitants access to the goods and services following from the development possibilities
   2.2.1. Educational and training services
   2.2.2. Medical services
   2.2.3. Communication services
   2.2.4. Communal services and services related to environmental protection
   2.2.5. Cultural services
2.3. Restructurisation and revitalisation of cities and other areas losing their previously fulfilled socio-economic functions
2.4. Overcoming the difficulties related to the situation of the border areas, especially along the external EU borders
2.5. Increasing transport accessibility to voivodeship centres situated within the areas with the lowest accessibility

OBJECTIVE 3
Establishment of conditions for efficient, effective and partnership implementation of development measures targeted at territories
3.1. Strengthening the strategic dimension of regional policy
3.2. Improving the quality of managing public policies, including proper territorial targeting
3.3. Reconstruction and reinforcement of coordination in the multi-level governance system
3.4. Support to the construction of social capital for the regional development on the basis of network of cooperation between various actors of regional policy
6.2. Descriptions of regional policy objectives for 2020

Objective 1. SUPPORTING THE COMPETITIVE GROWTH OF THE REGIONS

Supporting the growth of economic competitiveness is one of the main objectives of Polish development policy in the coming decades. Only through **constant improvement of the economic competitiveness** in a changing socio-economic and cultural conditions we can ensure prospects for sustainable economic growth, increase in employment and better jobs and thus increase the wealth and quality of life of Polish citizens. In the longer perspective, these measures may reduce the development gap between Poland and richer countries and ultimately **increase the degree of cohesion and economic integration**. Greater socio-economic and territorial cohesion in Europe will mean the use of the potentials of all its regions, which in turn will lead to accelerated growth and development prospects across the EU in relation to countries and economic and political groups competing on the global stage.

Development policy affects the competitiveness of the economy by a series of coordinated actions undertaken in the area of fundamental development factors such as: human capital and social capital, infrastructure facilities, innovation, research and development and institutional changes. These activities are carried out using various instruments to be implemented in various forms and at different levels of development management.

A particularly important component of achieving the competitive advantages of the Polish economy is to build capacity for continuous **improvement of competitiveness in the spatial dimension**. Competitiveness of spatial structures is subject to the same processes and methods of assessment as competitiveness of economic structures – the ability to ensure sustainable economic growth and to create quality jobs.

For this reason, supporting the competetiveness of all regions and territories has become a major element of development policy.

Under the present conditions of development, the motive forces of development of the country and individual regions are the **largest urban centres together with their functional areas**, including those that are hubs of contemporary socio-economic processes – able to create and attract the best human resources, investments in sectors providing the greatest productivity, create innovations and join cooperation networks with other similar centres in the international and national systems to enhance complementarity and specialisation, and thereby better exploit the benefits of agglomeration.

The regions make up their competitive position in international and national systems primarily (but not exclusively) by the position which their main urban centres are achieving. In Polish conditions, taking into account:

- the role of the largest cities – not too big on the European background concentration of potential to create GDP, the ability to create good quality jobs, creating innovation and play a role in the processes of cultural transformation and
- the direction and acceleration, observed from the time of Polish entry into the EU, of economic structural changes and transformations in the labour market (including the migration from agriculture).

Polish capital Warsaw and well-educated, rather uniformly distributed in the area of the country, polycentric structure of the other major Polish cities, offers considerable potential for use in the country's development processes, which can, by using appropriate mechanisms, also be used effectively for the development of other areas of the country – other cities, rural areas and functional areas of special character.

From the perspective of building regional competitiveness and efficient use of their whole area, it is important not only to support the continuous improvement of competitiveness of growth centres, but also to create conditions for the use of development potential of the remaining, as large as possible part of specific regions. This would be done through strengthening the capacity to absorb and diffuse development processes in areas outside the functional areas of voivodeship centres, i.e. sub-regional and local centres, rural areas. This would be done through the implementation of a comprehensive set of activities including the improvement of transport accessibility to voivodeship centres, strengthening sub-regional centres, developing potential in rural areas\(^7\). It is assumed that through such focusing of attention of regional policy the resources

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\(^7\) Rural areas traditionally determined on the basis of the administrative separation (the seat of the rural gmina), will be covered by:
- elements of regional policy addressed to the cities (urban policy) as part of urban areas – functional urban areas,
- activities within the framework of Objective 1 of the regional policy relating to the diffusion of development processes and creating conditions for their absorption and use of their endogenous potentials,
- activities intended for rural areas with the worst indicators of accessibility to public services and economic and social development under Objective 2 of the regional policy set out further in the document.

Given the changing nature of the interaction between rural areas and cities and increase in their functional complementarity, residents of rural areas will also be beneficiaries of all activities undertaken in the cities.
of the major growth centres (voivodeship centres) will penetrate to the other territories, including the centres important on sub-regional and local levels.

For the development of regions in addition to the potential of major urban centres and creating conditions for the diffusion of development processes in the area of the whole voivodeship, it is important to use, based on local factors of development, territorially specific values manifested in the form of regional specialisation (e.g. manufacturing industries, advanced agriculture or tourism).

Within the framework of Objective 1, also thematic (horizontal) actions will be carried out, covering whole voivodeships, and supporting the improvement of the quality of human and social capital, innovation, increasing levels of investment, energy, environment, culture. Complementary actions will be taken in the field of institutional efficiency (under the Objective 3).

The objective of increasing the competitiveness of regions in relation to external competitiveness – in the European and global dimension, is implemented in all voivodeships. The indicator for the achievement of this objective of regional policy is therefore the position of each of the Polish voivodeships in the rankings of competitiveness in regional structures of the EU, the OECD or the world. To enable international comparisons, a synthetic measure of the competitiveness of the region will be the level of GDP per capita in relation to the average EU level measured by purchasing power parity of currencies (according to Eurostat data, or other).

Accordingly, the areas of strategic intervention under Objective 1 of the NSRD are all the territories to which the actions of Objective 1 are directed, i.e. voivodeship centres and areas of diffusing development processes, including sub-regional cities and rural areas. Moreover, horizontal activities supporting the construction of the base for voivodeship competitiveness should be treated as the thematic areas of intervention (1.3).

Directions of regional policy actions under Objective 1 include:

1.1. Strengthening the functions of voivodeship metropolitan centres and integration of their functional areas:

1.1.1. of Warsaw – the capital of the country,
1.1.2. other voivodeship centres.

1.2. Creating conditions for diffusing development processes and increasing their absorption outside voivodeship centres.

1.3. Building competitiveness of voivodeships – themed activities.

The first two of these directions are highly spatial in nature, the third involves a set of horizontal measures pertaining to the entire area of the country. Taking into account the implementation of Objective 1, for each of the above-identified courses of actions, the NSRD sets out partial objectives, indicators and expected results.

Ad 1.1. Strengthening the functions of voivodeship metropolitan centres and integration of their functional areas

It consists in affecting these growth factors, which constitute a key competitive strength of major urban centres, and thus regions and focuses on:

- development of functional, infrastructural and institutional relations between voivodeship centres – hubs in the international and national system,
- strengthening of metropolitan functions in the economic, social, scientific and cultural sphere (including symbolic functions) and strengthening the role of centres of higher education – creating the conditions for knowledge-based economy,
- promoting solutions that integrate the space of functional urban areas in terms of spatial planning, public transport (infrastructure, rolling stock and organizational solutions), utilities, labour market.

Regional policy measures for strengthening the competitiveness of major urban centres (with their functional areas) formulated in this way, are the benchmark for the conduct of both the sectoral activities (e.g. transport links), spatially targeted

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88 The term voivodeship centres is to be understood as cities that since 01 January 1999 are the seat of the Voivode and (or) sejmik of the voivodeship. This determination takes into account the position of these centres in each region, therefore, in Kujawsko-Pomorskie Voivodeship and Lubuskie Voivodeship support in this direction will be given to both capital cities (Toruń and Bydgoszcz and Gorzów Wielkopolski and Zielona Góra). Support for the development of these centres will not be confined to administrative borders of voivodeship cities, but to the whole functional urban areas in the immediate scope of their impact (therefore, e.g. in Śląskie Voivodeship will address the major cities making up the Górnośląskie Conurbation, and in Pomorskie Voivodeship, Trójmiasto is treated as a functional whole).
activities of the minister of regional development, local governments at all levels, as well as other public bodies. Direct support from the country covers only those elements of infrastructure that are not funded within sectoral programs, and for the implementation of which the beneficiaries have insufficient funds.

**Regional policy intervention to strengthen metropolitan functions** concerns the social sphere, economy, tourism, science, education and culture. Because each of the Polish voivodeship centres is characterized by inadequate development or absence of certain metropolitan functions, it is necessary in each case to identify the most important of them, and synergistic (involving national, regional and municipal authorities, businesses, science sector, culture sector, non-governmental organisations) activities, which will effectively develop the various functions and will be increasing their coverage – nationally and internationally. Major metropolitan functions from the perspective of regional policy are those, which determine to the greatest degree the social and economic development and positively affect opportunities for growth and wealth potential and the human potential of various centres. The concentration of metropolitan functions in selected urban centres will increase their attractiveness as places that offer better jobs and better quality of life, which should have a positive impact on population growth, and thus complete in Poland in the next twenty years urbanization processes which still use significant potential for domestic migration supplemented by external migration.

**Figure 3.** Spatial directions of activities under the first objective of the NSRD⁹⁰

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⁹⁰ The above-presented relationships do not reflect the actual hierarchy and intensity of relationships between the cities.
The processes of urbanisation and suburbanisation related to the implementation of this objective will be subject to effective control and stimulation in accordance with the provisions of the Concept of National Spatial Development and voivodeship plans for spatial development. In particular, this should provide restriction of unjustifiable changes to the existing functions of non-urbanized areas and ensure the integrity and continuity of the functioning of the most important ecosystems and links between these sites.

An important element of support for the strengthening of metropolitan functions is also the promotion of cooperation between the major centres, both at international and national levels, in all categories described above and determining development prospects of entire regions. Promoting such cooperation (in various forms) can be very significant, particularly in those directions in which the present economic, political or cultural and social relations are underdeveloped in relation to the existing potential. Such situation occurs in the network of cities around the Baltic Sea and in cooperation with cities from outside the EU.

One of the main activities for the growth of competitiveness of Polish regions by the year 2020 will be a significant advancement of the process of creating high-quality transport links (consisting of highway routes, roads, improved conventional railways and implemented system of high-speed rail and air routes.). Activities in this field will concern primarily the improvement of national and continental communication links between all the main centres of economic life of the country (voivodeship centres), and between them and urban centres located in the EU (taking into account the spatial concentration of foreign economic activity of our country) and subsequently in other directions. Such outline of the spatial development strategy for transport network will be of major importance for the intensification of functional relations between Polish cities and more developed areas of the EU (and thus should help to increase their competitiveness) and positive impact on improving territorial cohesion of the country (including in particular a dramatic improvement of transport links of the capitals of western voivodeships with Warsaw and the rest of the country, as well as improving the availability of the entire territory of Eastern Poland). Furthermore, also important is the expansion and modernization of the main international airports located in the TEN-T and regional airports. In the field of maritime and inland transport, regional policy actions will focus on the development of port infrastructure and sea motorways as well as some inland roads.

Another important activity common to all voivodeship centres, significantly affecting the competitiveness of entire regions is the implementation of various organisational solutions and the expansion and optimisation of the quality of transport systems at the functional areas of these centres. Given the scale of “congestion” of cities, urban regional policy participates in the development of transportation systems, including their integration with regional transport systems, with a strong promotion and preference for public transport. At the same time operations will be performed to reduce the “congestion” of cities through innovative solutions for modern systems of traffic organisation.

Activities supporting the development of all voivodeship urban centres, regardless of their function and size, are the basic spatial direction of interventions under Objective 1 of the NSRD, but due to the specific circumstances arising from the different size and socio-economic situation of this set of cities, regional policy on different levels will differentiate types of projects and instruments for the different centres.

Ad 1.1.1. Warsaw – the capital of the country

Due to the lack of appropriate legal and organisational solutions (e.g. in the area of governance of metropolitan areas and the use of scientific potential of local universities) as well as infrastructural equipment (lack of highway routes, bypasses, efficient internal communication system, economic infrastructure and the infrastructure for research purposes), Warsaw does not fully exploit its socio-economic and intellectual potential to be an European city – the hub of a globalizing knowledge and innovation, cultural capital and centre of economic decision-making on a European scale. As indicated by several studies, the position of Warsaw with the increase the competitive position of Poland, supplemented with appropriately conducted regional policy, may increase significantly within several years. In the next decade this will occur as the result of further concentration of economic and population potential – income growth will be translated into increase in both the number of employees (as a result of increased economic activity and commuting) and permanent residents (due to increasing birth rate, internal and external migration).

In this context, the objective of regional policy in relation to Warsaw is the efficient use and active strengthening of its capacity to accelerate development of the country and Mazowiecko Voivodeship and increase its rank as an urban centre in the European system90.

Achieving this objective will increase (with relevant mechanisms of absorption and innovation and supporting processes of innovation diffusion) the possibility of a positive impact of Warsaw and the metropolitan area in its immediate range

90 The MEGA classification of ESPON network described Warsaw as a MEGA potential centre, the only one of that kind in Poland.
for the development of the whole country, including areas surrounding Warsaw – Mazowieckie Voivodeship and the centres located nearby, such as Łódź, as well as large areas of the Eastern Poland.

To achieve this goal it is necessary to:

- provide efficient connections of Warsaw by 2020 (roads, railways, air routes), with European cities (primarily located in the EU – Berlin, Dresden, Prague, Vienna, Bratislava, Budapest, Vilnius), and in the country – making connections with all the voivodeship centres,
- construct an internal transport system of Warsaw functional area (such as improvement of transit traffic, grade-separated junctions, bypass road, increasing the availability of new international airport in Modlin),
- integrate the internal space of the metropolitan area through appropriate legal and organisational regulations on integrating the provision of various public services and the expansion and introduction of improvements in the field of multimodal transport (including the different means of transport and infrastructure such as subway, trains, trams and other public transport, airports, traffic management, “park and ride” facilities),
- support the expansion of the base for placing international and national political, economic and symbolic functions, such as: headquarters of the European institutions, financial service centres, convention centres, headquarters of economic, cultural and administrative institutions and other institutions relevant to the increasing international position of Warsaw,
- investment and organisational support for the development of the scientific basis for the purpose of the economy (including the promotion of the most important and largest Polish universities and linking them with the leading centres in the world),
- internationalisation of activities and development of cooperation between various public institutions and socio-economic organizations representing the most important economic centres of Europe and the world (through actions under the horizontal objective 1.3.7 – international cooperation).

Ad 1.1.2. Other voivodeship centres

In 2020 the role of the country’s major urban centres, which are voivodeship capitals (and the areas surrounding them) in the developmental process of the country could rise because of their intellectual potential, the concentration of economic functions and infrastructure development. By taking the appropriate organisational steps and investment activities, the most important of these centres can get a bigger role in European space also in macroregional systems (in the Baltic Sea Region, Central Europe). Their role as centres of production and absorption of innovations and development processes to diffuse all over the country and surrounding areas should be increased. Thanks to the balanced distribution of those centres in Poland, through appropriately targeted regional policy supporting them adequately to the potential and development needs analyzed in terms of regions, it is possible to provide a more even distribution of the potential for creating better jobs and thereby raising the level and quality of life of inhabitants of our country.

In the case where some of these voivodeship centres would remain economically and socially weak and unattractive, or negative economic trends would continue (as currently in the case of Szczecin – see the explanations in the description of Objective 2) in terms of improving the quality of transport infrastructure, increasing the spatial and occupational mobility and the growing importance of other urban centres, it may lead to the lost of significance by some of them and thus enlarge the areas at risk of out-migration and socio-economic marginalization of large areas of the country. In particular, this threat applies to certain centres of the Eastern Polish (see Objective 2), but also centres of Opolskie and Lubuskie voivodeships. Specific adverse consequences of these developments can be expected in the Western Poland which is already today poorly integrated with the rest of the country.

Therefore, regional policy must pay special attention to the development and extent of the positive impact of these voivodeship centres that do not play a significant role in the development of the country, and which are both very important elements of socio-economic structures of specific voivodeships. They act as a major, regional economic and administrative centres, but most have too little economic, population and social potential to play a significant role in regional development. Their potential to absorb innovations and to diffuse processes of development in the areas of the voivodeship is insufficient to initiate significant restructuring.

The aim of regional policy for all voivodeship centres is to support the development of metropolitan functions by favouring the growth of their economic significance (including labour markets), education, science and culture in international and national systems. As mentioned above, special attention of regional policy conducted from national and regional levels will focus on the most vulnerable to these centres.

To achieve this goal it is necessary to:
• Ensure (as in the case of Warsaw), efficient transport links to major urban centres in the country and in relation with Europe (roads, railways, air routes). Particular attention in this regard is required by connections:
  ➢ by roads and railways with cities from EU countries bordering Poland on the west and south, offering the inclusion of Polish transport network (and thus the possibility of closer cooperation and economic integration of cities) in the European network and to improve the quantity and quality of communications in the field of aviation and maritime transport in the Baltic Sea. In this context, expansion of transit links with countries outside the EU in addition to the two principal directions is of less importance,
  ➢ with capitals of western voivodeships: i.e. Szczecin, Gorzów Wielkopolski, Zielona Góra and Wrocław, where connections to the main centres abroad (Berlin, Prague) are much more developed than with Warsaw and other major urban centres in the country,
  ➢ with capitals of the eastern voivodeships, which in 2020 should have links with Warsaw and other closest and largest cities in Poland (Gdansk, Krakow).

The activities of regional policy will cover all types of transport – roads, railways, air routes, however, with a preference in the first years of applying the NSRD for roads (taking into account the backwardness in the field). In subsequent years, priority will be assigned to: modernisation of existing rail infrastructure, upgrading of passenger rolling stock and construction of high-speed rail network.

• As in the case of Warsaw, it will be important for increasing the competitiveness of the voivodeship centre to promote the integration of functional area of each urban centre. Continuous improvements in this area – both through legal and organisational activities in terms of achieving consistency and optimisation of public services in these areas – utilities, educational and administrative services and investments, e.g. in the field of organising public space and development of transport infrastructure, allowing the integration of its different types, as well as offers of transport, determines the opportunities for development of metropolitan functions, thereby attracting investment and creating quality jobs. Taking into account the settlement pattern and the inefficiently used potential, in the first place, such action should be taken particularly in the Górniośląskie Conurbation area and the functional area of Trójmiasto, but it must be noted that the acceleration of these processes in other centres would give them competitive advantage in relation to those remaining behind, and thus increase the development potential of the whole voivodeships.

• Enhancing higher-order functions (metropolitan functions) and increasing the rank of voivodeship centres among European and global metropolies and cities and developing linkages between them. Regional policy measures will focus on development of metropolitan functions of national and international importance, such as economic functions (the presence of governance structures of major corporations, economic and financial), research (achieving the highest standards of scientific institutions and research facilities, wide range of technology transfer centres), cultural and symbolic (presence of cultural institutions at the highest level, important cultural events). Development and optimal use of metropolitan functions will serve as an impetus for further development of these cities and their surroundings. These centres will be the recipient of support for metropolitan functions: economic, scientific, cultural and social by supporting their relevance and linkages with key centres abroad and in the country, with particular emphasis on institutions operating in the leading branches of science and regional economy. Among the higher-order functions, the development of highly specialised medical services will be also supported, which determines the increase in the health of inhabitants of entire regions, and also complements the range of metropolitan functions. An important part of activities to support the development of metropolitan functions of voivodeship centres is also the introduction of support for the development of cooperation mechanisms and cross-linking in areas affecting the competitive strength of the various centres of the country. Promotion of cooperation with foreign centres will be the subject of a complementary course of measures 1.3.7.

• Developing potentials for innovation. A particularly important issue is to promote the development of applied research and commercialisation of technology primarily related to regional specificity of voivodeships. This also applies to the creation of educational base to enable the acquisition of higher education in line with developments in the region, conducive to innovation and creativity, to strengthen higher education and scientific research institutes, including in the implementation of the new R & D investment, development of research, involving researchers from the best scientific and academic centres in the country and abroad, by the recruitment of outstanding scientists in conducting research or teaching in regional research centres etc.

Ad 1.2. Creating conditions for the diffusion of development processes and the increase of their absorption outside voivodeship centres

The second direction of spatial activities within the Objective 1 of the NSRD is to build the conditions for the propagation and absorption of processes of development to areas outside the functional areas of voivodeship centres – to sub-regional and local urban centres and rural areas located close to them.
The current logic of globalisation shows the need for strengthening the competitiveness of regions in particular by strengthening the competitiveness of major urban centres located within them. Poland due to the relatively big number of large cities and other regional centres which are quite evenly distributed in space, may use, when implementing the strategy outlined above, a relatively large part of the economic and social potential of its territory.

It should however be borne in mind that apart from these key centres of growth, i.e. the voivodeship centres and their functional areas, there are other, sometimes major urban centres and rural areas with development potential. Regional policy must find ways for the development of the country to use the resources of these areas – population, environment, culture and others.

Accordingly, the diffusion of development processes will be aided in two dimensions:

- by expanding the zones of the greatest positive impact of voivodeship centres,
- by enhancing the absorption capacity in voivodeship areas – in sub-regional, poviat cities and rural areas.

Efforts to diffuse development processes will serve to improve complementarity and functional relations between voivodeship centres and other voivodeship areas, but the scale of the impact of various voivodeship centres for development processes in particular voivodeships is and will remain highly variable. This is due to the size and social, economic and cultural strength of centres. The intensity of diffusion will depend on the success of the implementation of activities related to strengthening the role of voivodeship centres in generating economic growth (as described in the previous section) and ensuring complementarity of functions in other areas of a voivodeship, which do not have adequate absorption capacity (as described in Objective 2).

To initiate the diffusion of development processes, it is important to improve transport accessibility to voivodeship centres and communication links:

- between major urban centres in the regions,
- between cities and rural areas.

This will conducive to the emergence of functional relations between them, which is beneficial for the flow of development processes to less developed areas. The development of rail and road infrastructure is essential. In addition, also important is the public aid to run regular public transport connections within the region most relevant for the diffusion of development processes.

It is important to use and develop opportunities inherent in the urban centres of sub-regional significance. Therefore, one of the activities to support the diffusion of development processes in the relation, sub-regional centre – surrounding rural areas including small towns, will be to develop these centres in terms of economic development and public services of higher order, as well as the quality of life.

In addition, favourable for the diffusion of development processes will be the development of rural areas (including poviat towns), which is connected with the revitalisation activities, development of infrastructure, especially communications, as well as the development of public services and other functions in the scope of providing public services necessary to initiate development processes at the local level.

To support the diffusion of development processes it is also essential to build a network of cooperation between the best and the less developed regions. The aim is to initiate cooperation between academic and research centres, businesses and and public authorities from these regions. It is important to create sustainable institutions of cooperation between them, as well as the introduction of incentives for the best developing institutions to provide their own experience and innovations to centres in the less developed regions.

Another action in support of the diffusion of development processes will be support for economic development based on regional and local specialisations, particularly within the cluster initiatives.

To support the diffusion of development processes, the regional policy will concentrate its activities in several basic themes such as:

1.2.1. Increasing availability of communication within regions,
1.2.2. Supporting the development and significance of sub-regional cities,
1.2.3. Fuller use of the development potential of rural areas,
1.2.4. Efficient use of territorial specialisation potential in developmental processes.
Ad 1.2.1. Increasing availability of communication within regions.

Given the concentration of economic activities and the best (mostly) jobs (which in turn is associated with the spatial coverage of commuting to work) on the areas of voivodeship cities and their functional areas for the territorial integration of the regions and making better use of the potentials of areas outside voivodeship towns, actions are needed to improve the quality of connections between centres and regional resources (both sub-urban cities and rural areas), through infrastructure development and by developing and integrating public transport systems. Depending on spatial conditions, it is important, but generally less important for the support of development processes, to provide connections within regions between the secondary centres and connections to ensure access to areas with specific potentials such as tourism, environment, culture etc. It is important to shift the focus of regional policy from funding dispersed local transport investments to the actions coordinated on a regional level with a greater impact.

This will increase the possibility of daily commuting from distant parts of sub-regions (circular spatial mobility) and there will be new conditions for locating investments in the zone of influence of large cities. Better availability of communication can also affect the rationalisation of residents support in the scope of public services, thereby reducing the cost of their delivery. Increased spatial mobility, in turn, will contribute positively both to the increase in revenues in areas outside main economic centres, and through increasing access to services of higher order and education, to improve the human capital of their population.

Activities in this area will include requirements for environmental protection, including the valuable natural areas creating ecological network NATURA 2000. Construction, expansion and modernisation of transport infrastructure will be implemented in a manner that ensures reduced pressure on the environment of human life and allowing free migration of species between natural enclaves.

In addition to infrastructure development, primarily in the sphere of roads and railways, actions in this field relate to the implementation of integrated solutions for multimodal transport and public transport systems, including sub-regional and local centres and rural areas to the greatest possible extent. Of great importance will be the support for continuous connections of public transport (especially railways) within the region, which assume reduction of travel time, improvement of safety and comfort of travel, with the greatest significance for stimulating the diffusion of development processes. Institutional and organizational solutions will be disseminated, integrating large cities with regional environment, such as agglomeration tickets or coordination of timetables.

Subsequently (after ensuring good links of a region with a voivodeship centre), communication links will be supported that bypass voivodeship centres of transit nature and ensuring connections between the cities inside and outside the region.

In addition, the subject of the intervention will be to develop a telecommunications network, particularly in areas with low level of development of the infrastructure or those covered with so-called digital exclusion. This will favour the emergence of functional relations, which is beneficial for the diffusion of development processes in less developed areas.

Ad 1.2.2. Supporting the development and significance of sub-regional cities

In addition to cities – capitals of voivodeship, practically in all voivodeships there is a well developed, quite evenly distributed network of medium-sized cities (over 20 thousand inhabitants) performing essential functions at sub-regional and regional levels. They are of great importance in the economic sphere and in the field of meeting the access to public services of secondary and sometimes higher order. Regional policy will affect the increase in economic and social importance of these cities to provide a more efficient use of the potential of an entire region. In order to enhance their role as providers of better jobs and services, which determine the possibilities of development of regional societies, including those living in rural areas, these centres will be supported in developing and complementing social, economic and public functions etc.

Territorially targeted support (in addition to the above-mentioned transport connections and horizontal actions – see the description of the courses of actions No 1.3) will apply to:

- projects that foster partial, social and economic integration of medium-sized urban centres and their surroundings (mostly rural), through the expansion and modernisation of transport infrastructure and public transport systems,
- support for comprehensive plans for the location, development and effectiveness (extension of offer) of supporting institutions:
  - labour market, development of human and social capital,
  - providing funding for businesses, improving quality and increasing business-related services provided by public and private business environment institutions,
development of the economic functions of the supra-local impact area, including administrative, tourist, ecological functions.

- developing and complementing the range of high quality public services, mainly relating to: education at secondary and higher vocational level, health care (especially in the field of specialist medical services) and culture. It is essential for the development of social capital to support initiatives in these centres on improving the quality of cultural offer, addressed to the people living there, treated not only as an element of tourist attractiveness, which may involve a relocation of some services from other voivodeship centres and centres outside the region. Support may involve both infrastructure and projects of different nature (organising events, scholarship programs etc.), provided that their effect on the permanent increase in attractiveness of cities will be proven,
- construction and modernisation of technical infrastructure providing location for businesses using location-specific potential in terms of a gives economic specialisation based on human, environmental, cultural or other resources.

Support for the development of sub-regional cities covers the entire Polish territory, but its significance for the processes of diffusing development processes is the most important in areas less populated, with a large share of agricultural population and a weak network of medium-sized cities. Particular attention in the national and regional programs as well as dedicated actions envisaged within this framework must therefore be focused on these issues in those areas where the city network is weak, such as North-Eastern Poland and and Central Pomerania. However, selection of sub-regional cities with special role or with special needs for assistance will be held at the regional level. To identify those cities, indicators of labour market dynamics, population income or concentration of functions should be used in particular. Because of individual circumstances and the role of each of sub-regional cities, regional authorities in partnership with city authorities, economic and social partners will identify coordinated directions of public intervention, whose superior objective will be to strengthen the role, develop functions and scope of positive impact of sub-regional cities.

Ad 1.2.3. Fuller use of the development potential of rural areas,

Many functional rural areas are not sufficiently integrated into national development processes and regional development processes. This results from both the historically conditioned economic structure of these areas – in a large part of Poland, in particular, central, eastern and south-east Poland – see map No 9 in Chapter 3 (indicating the rural areas with the accumulation of negative socio-economic indicators), there is a very large, for European conditions and the ability to provide adequate income, employment in low-productive agriculture, lack of well-educated urban networks and the low degree of inter-linkages between these areas and those providing better jobs, farther located, major urban centres. This leads to low level of human capital of the inhabitants of these areas and its low capacity to increase due to the lack of adequate infrastructure, low incomes and low levels of social capital. These problems are intensified by the lack of adequate public policy and appropriate legal and organisational solutions. In connection with the integration processes within the EU and the development of globalisation processes, these areas in recent years are the subject of increased competitive pressure, which is difficult to respond on the basis of their own resources. This leads to reduction of income of the population (taking into account the number of employed in agriculture, transfers under the Common Agricultural Policy are not sufficient income factor), out-migration from agriculture and therefore inability to find jobs in the place of residence – migration processes (of domestic and international range). Rural areas should become an attractive place for work, residence, leisure and agricultural or non-agricultural activities, while keeping unique natural, scenic and cultural values for the future generations.

Rural areas in Poland are characterized by considerable diversity of the main features, but the overwhelming feature is largely a farming function (east and centre of the country). In addition, a significant part of the country consists of areas of mixed and transitional features (i.e. those that lose their agricultural character as a result of urbanization). For each rural area, in sub-regional or local scale, the intervention of regional policy will be different, so as to include to the greatest degree the characteristics of the area – to identify key development opportunities and design actions for local potentials and resources. Effective territorial approach will, however, be possible only when the intervention can be programmed with the participation of both local government authorities at regional and local level, with active participation of stakeholders: entrepreneurs, local communities, organisations.
The situation in the rural development perspectives in Poland is highly differentiated — many areas have a much better development conditions than those described above — the population of rural areas achieves higher revenue, there is a greater professional diversity, and thanks to the well developed network of cities and links with larger centres, the quality of human capital and the availability of public goods and services is better.

They include areas around large cities (even when the level of GDP per capita is relatively low) as is the case for example, Kraków, Trójmiasto, Warsaw, majority of Wielkopolska, Dolny and Górny Śląsk and a smaller concentration of industries or areas related to mining raw materials (e.g. areas in the Legnica Copper Basin, lignite mining in the region of Belchatów and Turk, in the Old Polish Industrial Area).

Some areas traditionally belonging to the rural category achieve higher than average income, thanks to advanced specialisation in agriculture, such as the north-eastern Mazovia and Podlasie or tourism (including within the unregistered scope) e.g. areas in the Legnica Copper Basin, lignite mining in the region of Belchatów and Turk, in the Old Polish Industrial Area).

Heavily diversified settlement, social and economic pattern of rural areas in Poland and a different scale and nature of links between them and urban areas, both voivodeship and of lower category, requires much more precisely targeted intervention of regional policy than previously. This intervention must be conducted in an integrated manner with the spatially-oriented activities under regional policy for cities and sectoral activities with fundamental importance for the development prospects of the inhabitants of these areas, in areas such as telecommunications and transport infrastructure, agriculture, industry, education, health.

Due to these conditions, the activities for the diffusion of development processes to rural areas have a very specific regional characteristics and as such should be programmed and conducted primarily from the regional level, depending on the...
level of development, achieved synergy of functions (e.g. for marketability of agriculture) and geographical location of various functional gminas/poviat in relation to functional urban areas.

The objective of national regional policy towards rural areas is better exploitation of their endogenous resources in the process of national development and regional development through the functional integration of these areas with cities, expansion of their potential to absorb development processes from the outside (support for the development of human resources, development of appropriate infrastructure, support for localization of companies), support for the territorial specialisation and ensuring uniform standards in terms of access to basic public services and goods (as described in the Objective 2 of the NSRD).

As a result of the extended range of influence of positive urban development processes, development of endogenous resources in rural areas and as a consequence of activities relating to economic restructuring in these areas, the possibility to take up work by rural inhabitants without having to change their place of residence, will be greatly increased.

The activities of regional policy will in consequence result in 2020 in the increase in the competence level of rural people, thereby improving their employment opportunities and incomes, both in agriculture and outside it and increasing the opportunities for functional areas to participate in building potential for regional competitiveness. Complementary treated activities supported under the state agricultural policy and the Common Agricultural Policy in terms of increasing the competitiveness of agriculture, forestry and agri-food sector are also very important for the prospects of rural development.

Support under regional policy for rural development will also relate to poviat towns, which are centres of local development with important functions and services to the public: education, health, security-related, economic, administrative, cultural.

Under Objective 1 of the NSRD, support for development processes and the restructuring of rural areas will be carried out taking account of different territorial circumstances and will focus on the following areas:

- **Increasing employment opportunities through increased professional and spatial mobility** of rural people who left or wish to leave agriculture, and face the biggest problems in the labour market due to lack of education and skills. Increasing employment – professional and spatial mobility of the rural population is also promoted through direct support aimed at developing entrepreneurship for people who wish to leave agriculture or diversify their livelihoods (e.g. agri-tourism, entrepreneurship based on the use of culinary heritage). Actions within the scope of entrepreneurship, expanding skills, career counselling, trainings, retraining etc., will be conducted in addition to increasing access to public services and goods of primary development importance such as education, health, public transport, municipal services (which will be implemented under Objective 2 in the most backward rural areas) and to the horizontal actions on human resources, as indicated in the further description of Objective 1 of the NSRD. Increasing employment opportunities for rural people will also take place by increasing access to higher education. This applies to specific actions aimed at rural populations (e.g. scholarships) as well as increasing the range of higher education in sub-regional cities.

- **Ensuring effective transport infrastructure and improving public transport**. To increase the links in the urban-rural relations, there remains a need to increase spatial cohesion in the sub-regional and local scale. To ensure better access for all inhabitants of rural areas to the labour market, public goods and services, the regional policy will support the improvement of transport networks in rural areas. This applies both to the road network and improvement of local rail connections achieved through the modernisation and revitalisation of infrastructure and the purchase and modernisation of passenger rolling stock. In terms of public transport, there will be support for projects on the organisation of public transport in rural areas, in order to ensure good connections with poviat and sub-regional cities.

- **Support for the development of poviat towns and other towns** of local importance, with the potential to attract investments outside of agriculture or using agricultural potential of the surrounding areas (as a place of selling and processing of agri-food products). Assisting the development of such centres under the regional policy should take into account the socio-economic and demographic situation and relate to the strengthening of urban functions, including in particular the location of economic functions (in the form of economic infrastructure) and development and improving the quality of basic services which benefit the population living in rural areas.

- **Creating institutional conditions for increasing non-agricultural investments** in areas characterized by low competitiveness of agriculture, and thus the employment in non-agricultural sector, by supporting networks such as consulting, business incubators, industrial parks. The development of local integrated advisory and financial institutions will be promoted, which provide services to local businesses (including the acquisition of external investment support, information, advice, networking with other entrepreneurs or with the science sector), farmers (on projects supporting the move away from inefficient agriculture) and long-term unemployed (activation and training projects).
Stimulating the local development in terms of socio-cultural, economic, and ecological-spatial dimensions, which will take place through activities that affect the quality of life, attract tourists and investors. There will be support for the consolidation of the identity of local communities and activities promoting their activation, stimulating local initiatives, active integration in local environment for socio-economic partnership (for local development), enabling the people and institutions outside the public sector in the management of development, local resources, development of actions in response to emerging problems and economic challenges. Actions on the renewal of the countryside, improving the cultural and natural heritage will be important. This pertains to the development of local cultural institutions and security, protection and restoration of cultural resources for making them available as a public good. In addition, support for activities to improve the quality of technical infrastructure, including improving local roads, will determine the development at the local level.

Activities aimed at restructuring and increasing productivity in agriculture are also important for promoting restructuring and development of rural areas dependent on farming, and characterized by poor socio-economic indicators. The development of innovative agri-food sector will take place through the modernisation, supporting innovation and production efficiency, horizontal and vertical integration of the sector, taking into account the use of agricultural production area to meet the food needs (food safety) and requirements related to the acquisition of renewable energy, sustainable and multifunctional agriculture, new public purposes, including climate change (tackling these changes and adaptation of agriculture). These activities are the domain of agricultural policy, but have enormous impact on the achievement of the objectives set for the rural areas, even if those goals do not relate directly to agriculture. This means that actions taken under regional policy for rural areas take into account the social and economic aspects of the impact of agricultural policy, which requires the construction of an effective system of coordination at European (because of the role of the CAP), national and regional level between regional policy and agricultural policy and other policies of essential importance for development processes in these areas, such as social policy, labour market policy and tax policy.

A separate category of regional policy interventions will be special activities for rural areas characterized by low accessibility to public services, carried out under Objective 2 of the NSRD.

Re 1.2.4. Efficient use of territorial specialisation potential in developmental processes.

The use of territorial specificity and deepening socio-economic specialization determining the comparative advantages of the area – in areas such as industry, advanced agriculture and services, including, in particular tourism, are of great importance for the diffusion of development processes. Developing economically beneficial regional or local specialisations is one of the most important factors of competitiveness of a given territory. For the effective diffusion of growth created in each of the major development centres, it is necessary to stimulate all over the region the opportunities of locating investments based on regional or local human resources, research, raw materials etc. These activities will focus on three principle areas:

- expansion and modernisation of infrastructure directly serving localized investments (roads, infrastructure),
- development programs for residents targeted at obtaining desired professional skills (including retraining for the unemployed and retired from farming or other traditional economic sector in the direction specified by the regional specialisation),
- appropriate orientation (using the selection criteria) to support the localization on these areas of new business investment in fields related to the developed specialisation.

A modern instrument of regional policy for supporting beneficial regional or local specialisations is the promotion of the development of clusters. Support will be directed specifically to clusters with the greatest competitive potential – currently showing international competitiveness, or giving a real opportunity to build the future competitiveness. At the same time, regional policy actions will focus on overcoming effects of adverse specialization – such as inefficient agriculture.

Regional policy under the cluster policy will affect the competitive capacity building and transformation of company clusters into dynamic clusters with a high level of competition and cooperation (coopetition), interactions and external effects.

Support for clusters will be specifically addressing:

- R & D activities,
- support for the international expansion of enterprises,
- development of quality human capital in enterprises,
- encouraging industry collaboration,
- emergence of new enterprises.
The subject of regional policy in this regard will be also the promotion of cluster organizations or other legal entities involved in the management of the cluster, including the development of the principles of participation and access to a common infrastructure or operations. The creation of a cluster organization or a network of cooperation should be promoted by the authorities at the regional level by strengthening economic cooperation between economic circles, government and science sector.

Within the framework of regional policy, the promotion of clusters should be an activity conducted according to plans developed at the regional level. It is very important in this regard to maintain complementarily with national initiatives relating to: industrial policy, transport policy, attracting foreign investments and promoting science.

Re 1.3. Building competitiveness of voivodeships – themed activities (horizontal)

The above activities relating to the area will be supported by themed activities for competitiveness to be implemented in all voivodeships, in the whole of their areas. In accordance with the principle of concentration of themes, activities under the regional policy will be concentrated in a few basic fields to ensure the use of potentials of regional centres and supporting the diffusion of development processes.

These actions relate to the most important factors for regional development and include:

1.3.1. The development of intellectual capital, including human and social capital,
1.3.2. Support for the localisation of external investments, including in particular foreign investments,
1.3.3. Increasing opportunities for innovative solutions for businesses and regional institutions,
1.3.4. Supporting the development of business environment institutions (BEI),
1.3.5. Diversification of sources and efficient use of energy as well as responding to natural threats,
1.3.6. The use of environmental assets and the potential of cultural heritage,
1.3.7. International cooperation.

Ad 1.3.1. The development of intellectual capital, including human and social capital

The main area of the impact of regional policy in this regard will be projects related to education and adaptation to economic changes, as well as to counter negative social phenomena such as, inter alia, unemployment and social exclusion.

Activities that respond to the challenges of regional labour markets will be addressed to the whole province, according to the nature and needs, which vary in nature depending on the geographic area. In voivodeship centres in spite of the fact that they are characterized by the highest rates of population with higher education, to fully exploit their potential and dynamic development based on innovation, it requires further integrated actions for the development of highly qualified labour resources. Regional policy towards human resources in these centres will focus on improving the quality and effectiveness of education in leading academic centres in the field of applied sciences. Support will be given for activities related to attracting and developing scientific staff at the highest level and to participation in international exchange of knowledge. Regional policy aims at training European and world-class professionals on courses relating to the most modern industries and regional specialties. It will also support efforts to develop vocational education and adult learning. Within the framework of regional policy in the field of adult learning, the emphasis will be placed on learning, both in formal and non-formal terms. The development of vocational education, higher education and adult learning, as important elements of development policy of lifelong learning is not a goal of regional policy, but one of its instruments, contributing to the achievement of the strategic objective of the NSRD for growth and employment. Human capital development in the regions will be carried out by investing in the whole area of lifelong learning, i.e. learning in different ways, places and periods of life and equality of opportunities, taking into account demographic processes⁵¹. In addition, for better use of labour resources in voivodeship centres and their surroundings, support will be given also to projects aimed at lengthening working lives and increasing mobility (including teleworking). Actions on human resources will also cover continuous improvement of skills to global standards in technology, management, work organization and cooperation. In regional centres, regional policy on human resources strives to promote higher education to enhance the quality of education of professionals, particularly in fields related to regional specializations, based on forecasted demand at the regional level. These actions will be complemented by the development of social and cultural attitudes to enhance readiness to accept innovations. Moreover, particularly in sub-regional and local centres, initiatives on human capital for the increase in competitiveness of these centres will focus on the development of highly skilled work resources capable of effective and wide absorption of innovations.

⁵¹ Activities focused on education (in all activities pursuing NSRD objectives) will include the policy of lifelong learning (LLL), agreed in the EU with the participation of Poland, which include: valuing learning in different forms and places, learning opened to everyone, developing partnerships for lifelong learning, opening of qualifications for everyone, facilitating new career paths, personalized education and training, as well as efficient investment in learning.
In sub-regions with the lowest rates of secondary school and high school education quality, regional policy will affect the increase in the quality of education at these levels. Activities relating to staff and students will be supplemented by investments in education facilities and social facilities in the schools (of each grade), where this is necessary and most effective. Projects on improving skills will be also supported, including the development of lifelong learning, especially in services and advanced industry. Programs for the efficient and modern vocational guidance from the the level of secondary schools will be supported, including those shaping entrepreneurial attitudes. In the priority dimension, actions under regional policy in this field will be directed to the least qualified people who cannot function effectively in the labour market.

For optimal use of human resources, regional policy will support projects encouraging the return of the educated population of the areas, who emigrated, which can significantly contribute to increasing potential to absorb innovations.

Projects aimed at developing social capital will be supported in all areas, particularly in the scope of including local and regional stakeholders in development processes. To increase the level and quality of social capital that will be a development capital based on knowledge and ability of society to function in rapidly changing world, there will be activities aimed at increasing the confidence and commitment, which form an important condition for development of cooperation (in its various aspects), knowledge sharing and development of civil society. Accordingly, within the framework of regional policy, projects will be rewarded which as widely as possible involve local communities – related to local development, culture, education, cooperation.

Despite the fact that the development of human resources, intellectual and social capital, is the horizontal action which covers the whole country, actions in this field will stronger than previously refer spatially, depending on the regional labour market structure, regional and local potentials and risks. In addition, for the people with the lowest levels and dynamics of socio-economic development, activities will be conducted in the field of human resources under Objective 2 of the NSRD.

Re 1.3.2. Support for the localisation of external investments, including in particular foreign investments

The competitiveness of regions is demonstrated by their attractiveness for investors, in particular, by locating foreign investments. Foreign investments in Poland, as an important source of capital and know-how, contribute significantly to the creation and diffusion of innovation and allow for increasing employment and creating conditions for economic growth. The presence of foreign direct investment (FDI), especially in sectors based on labour resources of the highest quality, will continue to be an important factor in regional economic growth. Regional policy will support all activities, including local authorities in building a consistent, competitive investment offers and using the investments to strengthen the effect of development. The implementation of regional policy actions will be of particular importance (through specifically addressed priorities within the relevant regional programmes), including in the voivodeships with the lowest share of FDI.

The activities of regional policy in this field will focus on specific investment projects within FDI, but also other large investments which are essential to development (e.g. nuclear power plants, reservoirs etc.) and will be linked to:

- supporting the expansion and modernization of adequate transport and environmental infrastructure, as well as other infrastructure directly related with the investment,
- enhance the quality of staff working or cooperating with investors,
- use of investment to enhance the cooperation of companies in a given area, taking into account the principles of public aid,
- creation of conditions in research centres and enterprises to take advantage of investments for the creation and implementation of innovative solutions.

For obtaining additional effects, an important area of activity of regional policy will be the greater integration of efforts of local authorities with the activities of specialized institutions at the national level (Polish Information and Foreign Investment Agency) and regional levels, including special economic zones.

Re 1.3.3. Increasing opportunities for innovative solutions for businesses and regional institutions

Polish regions in order to compete effectively in the global market, must increasingly base their competitiveness on innovations, which are created and used primarily in urban centres (mainly in voivodeship centres and other major centres), characterized by a good potential for knowledge, science and economy. The subject of regional policy in the scope of creating innovations will be the stimulation of economic growth of regional centres by supporting the best possible flow

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92 Evaluated on the basis of the final examinations in secondary schools and high schools.
of knowledge and use of scientific achievements, which will translate into increasing the supply and demand for innovation. Activities of regional policy at the regional level in the scope of innovations will take place in close connection with the regional strategies of innovation (RSI). Moreover, these actions will support modifications and updates of the RSI, taking into account market dynamics, globalization processes and regional potentials.

To increase the intensity of cooperation between enterprises and scientific and research units, regional policy will support the creation of innovative technologies, products and services under the partnership, direct and general business contacts with major research centres in the country, but also in the world. To achieve this state, activities will be implemented within its framework to stimulate implementation of projects based on the results of research and development works and to support selected projects from branches offered by science sector within the applied research and development, namely those that can give direct economic effects. The regional centres will develop those fields in which research units or enterprises in the region are leading in Poland, Europe and worldwide. Regional policy will promote greater use of research and technology for the development of industries creating the greatest economic opportunities in international competition and creating a platform for the development of innovation (such as energy, biotechnology, computer science, mechanics, automation, medicine, data transmission networks). It is necessary to promote innovation, not only in terms of new industries, but also to seek and develop innovative solutions in fields of traditionally leading branches of regional or local economies. In regional centres it is also important to increase the share of private (companies) resources in funding R & D. To increase the capacity to introduce innovations and improve the efficiency of research centres and centres responsible for the commercialization of research and business, activities of regional policy will support the use of modern ICT, both digital communications networks, software and e-services.

Regional policy will seek to also increase the use in the economy of non-technological innovation (marketing and organizational) that raise labour productivity and the quality of products and services, contributing to the increase in potential and public awareness of the benefits that result from the implementation of innovative solutions.

Re 1.3.4. Supporting the development of business environment institutions (BEI)

Supporting the economic sphere (both existing and new businesses) in the regional policy will focus not on the direct subsidizing of various entrepreneurs, but on creating the conditions for business development and development of investment attractiveness. Regional policy will affect only those centres and business support areas where the market does not provide adequate coverage or quality of services. This mainly concerns services for entrepreneurs in the development of export, credit guarantees and loans for innovative projects and brokering in the implementation of highly innovative development projects. In addition, in some sub-regional and local centres, support will relate to correcting the shortcomings in the market in the scope of a diversified range of access to high quality information services, consulting and training. Where there are market gaps in this regard, the development of institutions that facilitate access to investments financing will be supported (including seed funds, guarantee funds and loan funds). Support will be focused on stimulating interest in BEI services – the transition from supporting the supply to developing demand for these services, as well as on developing BEI potential for the provision of pro-innovation advisory services. In terms of business environment it is particularly important to intervene only in areas with market gaps. As a result, an important course of action is to stimulate the demand side – the development of demand of enterprises for BEI services and the increase of BEI efficiency, including by introducing “innovation vouchers”.

Re 1.3.5. Diversification of sources and efficient use of energy as well as responding to natural threats

As the diagnosis and analysis of development challenges showed, in the next ten years it will be necessary to concentrate the attention of development policies on issues related to energy security, increasing the efficiency of energy production and use, and response to natural phenomena such as climate change and other threats and natural disasters including those caused by human activities.

Regional policy, taking into account territorial conditions and having appropriate mechanisms of integration and coordination of public policies can, in relation to these challenges, have much to offer. Within its framework, in conjunction with the activities of the legal, institutional and investment nature, managed by sector, support will be given for:

- modernization and expansion of regional and local infrastructure for transmission and distribution of electricity, especially in areas with the highest degree of decapitalisation and demand,
- increasing energy efficiency (e.g. electricity and heat), carried out mainly in two directions: through the modernization of public buildings and development of financial instruments for thermal efficiency improvement, and through investments to reduce energy consumption of the economy, including the solutions to increase energy efficiency,
• exploration and development of regional potentials for energy generation from renewable sources and the so-called clean energy and technology development on energy – mainly in wind, hydro, solar, biomass and geothermal energy,

• supporting regional and local development programs and dissemination of RES with an emphasis on a coherent system of information and support for investors and local governments. This support will be provided for local potentials in this respect (hydropower, wind, biomass, geothermal energy),

• combating and preventing natural threats and disasters – the expected negative consequences of climatic variations indicate the need for special attention in regional policy issues being essential to the security of economic activity, such as: preventing floods, droughts, diversification of sources of production and consumption of energy. The intervention of the regional policy will focus on sanitation and environmental protection, implementation of modern principles of flood risk management, including its reduction by renaturalisation of watercourses, the development of of small retention systems and other necessary facilities for water management, eliminating the effects of extreme events, as well as preventing erosion of soils. Among the activities on the water management, support will be given for initiatives involving several regions, relating to the issue of Żuławy or Oder. An important aspect complementing these activities will be activities on information and promoting energy conservation and raising environmental awareness of residents of the most vulnerable areas.

Re 1.3.6. The use of environmental assets and the potential of cultural heritage

Natural environment of the cultural heritage potential play an increasingly important role in the regional development and building competitive advantages. It is connected on the one hand with an increase in interest in these aspects of the regional economy, and on the other with the influence on the quality of life, which may be crucial to prospects for the development of post-industrial economy based on knowledge.

Therefore, regional policy will:

• help protect the natural environment and its rational use to meet social and economic needs (including tourism),

• preserve and develop, and above all widely popularise, regional cultural resources and facilitate their social and economic use,

• support the promotion and development of inbound tourism, including the health-resort potential.

Regional policy actions in these areas must be based on a thorough analysis of development potentials of a given voivodeship and in any event cannot focus exclusively on meeting the needs – any investment in this sphere must be justified by the expected economic impact at the supralocal level. A threat in the sphere of tourism is also the provision of public support for projects that can be implemented with the participation of private capital. Past experience with the implementation of operational programmes co-financed by the EU in Poland, indicate investments relating to the most important objects of nature and culture, of national and regional importance such as the UNESCO World Heritage Site and national parks, have the greatest development impact. In order to launch the diffusion of development processes, it is essential to implement the policy on the use of natural and cultural assets located at a distance from regional centres (e.g. in form of special priorities or selection criteria) – and thus expand the possibility of using tourism as a lever of development and restructuring in sub-regional and local centres and in rural areas.

An important direction for the use of cultural potential for regional development is to treat culture as an important factor in creating new ways of thinking and acting, with great impact on innovation, from which benefits may be derived by various branches of the economy. Culture is a catalyst for creativity and innovation, and factor in the development of social capital, including in the context of the Lisbon Strategy objectives. Thus, under Objective 1 of the NSRD support will be given for activities that increase the cultural offer (not just in major cities, but also in sub-regional and powiat cities and in rural areas), which may result in attracting investors, creation of a positive image of cities and regions and will facilitate the solving of social problems.

Re 1.3.7. International cooperation

International cooperation of regions, cities, businesses, research centres, universities and organizations in all its dimensions (economic, scientific, educational, cultural) is an important factor in the diffusion of development processes by improving the economy, the exchange of know-how, acquisition partners and development of knowledge-based economy and increasing international competitiveness. Actions to strengthen cooperative ties between public institutions, research centres or companies from less developed regions will be especially encouraged.
Projects under this direction of horizontal activities are complementary with measures 1.1 and 1.2 and will focus on promoting cooperation at all levels of the impact of regional policy.

Within the framework of Objective 1 of the NSRD support will be given for actions to develop international cooperation of local government units, businesses, scientific and research centres, universities and schools and social organizations operating not only in border areas. The most important instruments for promoting this cooperation will be territorial cooperation programmes carried out under the EU cohesion policy and external policies (in the 2007–2013 perspective under the European Territorial Cooperation Programmes and the European Neighbourhood and Partnership Instrument). It should be noted that given the nature of European Territorial Cooperation and the European Neighbourhood and Partnership Instrument, these programs, including in particular transnational and interregional ETC programs, may support projects which fit in all activities defined in Objective 1 of the NSRD, and not just in the area of international cooperation.

Stimulation of international cooperation between different public institutions will be also supported, including in the social and economic sphere, as an important element affecting regional competitiveness. It is particularly essential to overcome the divisions caused by the different administrative structure of states and intensify joint cooperative initiatives by public and private partners. Regional policy will contribute to building a common strategy for development of border areas, stimulating joint initiatives among communities, businesses, public authorities, business environment institutions, academic centres using networking and knowledge of each partner and the transfer of experience in organizing development activities or solving problems relating to public services.

The role of regional policy is also to support and engage regional actors in the partnerships and active international cooperation (with partners from EU and non-EU) in building and implementing joint strategies for the development of the Baltic Sea area, the cooperation within the Visegrad Group and the macro-region of Central Europe. It is also important to identify the benefits in regions resulting from initiatives undertaken by Poland for new levels of cooperation, such as the Eastern Partnership.

The complementary action under Objective 2 of the NSRD is devoted to cross-border cooperation at the local level.

The measure of success of Objective 1 of the NSRD will be:

- the change in 2020 of the position of Warsaw in MEGA classification (form MEGA potential centre to a class strong MEGA),
- achievement in 2020 of urbanization rate of 65%,
- connection until 2020 of all voivodeship centres with express roads or highways,
- optimization of rail connections of voivodeship centres with Warsaw,
- increasing the number and share of passengers using public transport in major cities and their functional areas,
- increasing the share of highly educated people aged 15–64 in each voivodeship by at least 30%,
- significant increase in the each voivodeship of the percentage of companies introducing innovations and an increase in total expenditure on R & D by making the concentration of these expenditures in metropolitan areas,
- coverage by 2020 of 68% of the population with road isoprotection of 60 minutes in relation to voivodeship cities,
- increased use of renewable energy sources in final energy balance to 15% in 2020 and 20% in 2030,
- increase in the number of domestic and foreign tourists visiting each voivodeship and increase in the share of culture and tourism in employment and creation of regional GDP

Measures of success of the implementation of Objective 1 under NSRD in individual voivodeships will be set out in detail by target values of selected indicators for monitoring the NSRD.

Objective 2. ESTABLISHMENT OF TERRITORIAL COHESION AND PREVENTING THE MARGINALIZATION OF PROBLEM AREAS

In accordance with the diagnosis and the study on the challenges, there is an accumulation of negative socio-economic phenomena in certain areas of the country. At the time of economic growth and the national development, there are no good quality jobs in these areas, due to structural weaknesses including low levels of human and social capital. At the same time, these areas are located too far from areas of growth creation (main cities) or areas of growth in their territory are too small to have significant influence on improving the competitive position of entire voivodeships as a result of the increasing number of development processes. This results in lower growth, transfer of human resources to better developed regions in Poland and abroad which obviously reinforces the need for restructuring. Due to insufficient resources in

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93 In relation to all businesses.
these areas, restructuring based on its own low development potential cannot be correctly performed. Considering the development needs of the country and the strategic objective of regional policy defined in NSRD (usage of the territorial development potentials in the national development processes) and the principle of equal opportunities defined in the Constitution, regional policy has to provide accurate instruments to enable inhabitants of these areas to participate in the development processes. In this context, establishment of territorial cohesion should be therefore considered as enabling all inhabitants to participate in development processes – providing them with access to good quality jobs and the necessary access to public goods and services.

The second objective of regional policy is to support those Polish regions that are characterised by low indicators of socio-economic situation, the least favourable geographical location as regards to main areas of growth and employment, and unfavourable forecasts in terms of development prospects and the inhabitants’ living standard. Areas of strategic intervention under the second objective are hereinafter referred to as problem areas of regional policy. It is assumed that, without a directed external intervention, these areas will not be able to use internal factors to initiate restructuring and to increase the inhabitants’ access to public goods and services. Regional policy measures in this area are aimed at preventing permanent marginalization, i.e. permanent loss of economic importance and concentration of pathological social problems.

The second objective measures, combined with the first objective measures, will support professional and spatial mobility, and circular mobility of rural areas’ inhabitants. They will also contribute to creating opportunities to find better job and improving access to public services (in particular in relation to education and communication) in rural areas without the need to change the place of residence.

Problem areas, that the intervention under the regional policy until 2020 will be directed to at the national or regional level, were defined pursuant to the analysis of socio-economic problems identified in Chapter 3.

Identification of problem areas does not determine methods of implementation of regional policy – it is assumed that the great majority of measures in the problem areas will be implemented under regional programmes managed at the voivodeship level and sectoral programmes coordinated in terms of their territorial impact. Range and methods of support for the problem areas defined in NSRD will be determined in each case.

National programmes aimed at problem areas or specific issues determining possibilities of restructuring and improvement of the access to basic services in these areas will be implemented only in exceptional situations, i.e. if the scale and complexity of problems justifies direct involvement of the government or if efficiency of measures implemented at the regional level is too low. It is also assumed that some of the national programmes may be limited not only in space but also in time94.

Problem areas, where the intervention of the regional policy is planned to be implemented in directly from the national level under the implementation system defined in Chapter 7, were delimited. Estimated range of the problem over the last three years and basic criteria for determining these areas were defined for the problem areas, where measures will be implemented at the regional level and supported by the Minister of Regional Development (through implementation of framework integrated regional programmes).

Basic lines of measures were defined for each problem area as a base for regional and national programmes development and for establishing principles of coordination with sectoral measures.

The following objectives relating to focused development issues were identified in the course of diagnosis of socio-economic situation:

1. Strengthening cohesion in the national structure,
2. Support to rural areas with the lowest level of inhabitants access to the goods and services following from the development possibilities,
3. Restructuring and revitalisation of cities and other areas losing their previously fulfilled socio-economic functions,
4. Overcoming the difficulties related to the situation of the border areas, especially along the external EU borders,
5. Increasing transport accessibility to voivodeship centres situated within the areas with the lowest accessibility.

94 For more information see the description of the NSRD implementation system and financial frameworks.
**Ad 2.1. Strengthening cohesion in the national structure**

Differences in the development level calculated in *per capita* GDP are classified in two groups in Poland:

- national – resulting from a significant delay of eastern voivodeships in relation to the rest of the country and to the other EU regions,
- regional – resulting from the diversity in *per capita* GDP in different subregions in a given voivodeship, the strongest subregions in: Mazowieckie Voivodeship, Małopolskie Voivodeship and Wielkopolskie Voivodeship.

The scale of intraregional diversity in the level of *per capita* GDP in 2007 varied from cohesion (Lubuskie Voivodeship) to the amount of 4.09 (Mazowieckie Voivodeship). As presented in the illustration below, regions characterised by the greatest internal diversities of GDP are at the same time regions with the strongest urban centres. Voivodeships with the lowest internal varieties of GDP, located in the eastern part of the country, are characterised by the disabled networks of cities. Voivodeship cities: Olsztyn, Białystok, Lublin, Kielce and Rzeszów insufficiently influence the development processes of the voivodeships. Moreover, network of subregional and poviat cities does not provide sufficient number of good jobs and higher public services.

In these areas regional policy is aimed at providing additional measures and know-how in order to accelerate restructuring and modernisation of regional economy and to increase level of investments and work efficiency growth. It is particularly crucial to activate internal potentials, and to support the absorption of development factors from the areas characterised by the higher level of socio-economic development. Regional policy measures implemented in these areas will mostly concern the improvement of the significance of the cities and their competitive capacity, in particular voivodeship cities.

Measures implemented in these areas are aimed at, apart from supporting regional competitiveness described before (under objective 1), supporting restructuring processes and – over the long haul – reduction of the gulf between these areas (in relation to the country’s average) in relation to the most important fields in terms of development (infrastructure, human resources, business environment institutions). In the longer perspective, it will have positive influence on the possibility of increasing economic growth in these areas and, at the same time, unification of the regional *per capita* GDP.

**Map 34. Areas of strategic intervention aimed at providing national cohesion**

**Map 35. Intraregional diversity in relation to socio-economic development**

Source: MRD’s own elaboration based on data from RDB of the CSO.

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95 It should be taken into account that the scale of intraregional diversity results also from the fact that large cities with the highest GDP (Warsaw, Poznań, Tricity) are in several cases individual NUTS 3 units and, therefore, there is the greatest GDP diversity in peripheral regions.
This goal will be achieved through focusing measures on several basic directions: strengthening the existing networks of cities and supporting urban development, development of human resources and social capital, development of entrepreneurship and creating infrastructural and institutional conditions for increasing the level of investments and work efficiency growth.

The most important aim of measures implemented in the less developed areas in terms of social and economic aspects is to strengthen the existing network of cities. The diversities of per capita GDP within voivodeships presented on the map show that the greatest diversities are observed in voivodeships with strong urban centres. Voivodeships characterised by the smallest diversities and the smallest per capita GDP have either the weakest voivodeship centres or the weakest network of subregional and local cities. Regional policy measures implemented in the areas with less developed urban network (inter alia in the significant part of eastern Poland except for the Warmińsko-Mazurskie Voivodeship) are aimed at supporting urban functions, including those economic non-agricultural in poviat and subregional centres that not only provide good quality basic public services but also offer new jobs, fundamental for regional restructuring. This also applies to the less developed areas and areas of economic stagnation, where the network of cities is developed (e.g. in the case of significant part of the Warmińsko-Mazurskie and Zachodniopomorskie Voivodeships) but there is a threat of its fall and function decline. In such situations, regional policy in selected centres with the best prospects for the development is focused particularly on supporting socio-economic revitalization and restoring conditions for the development by increasing human and social capital and creating conditions for the development of external investments involving local potential.

Therefore, support for the least developed voivodeships – of the eastern Poland – will be implemented at two levels:

- Supporting voivodeship centres that insufficiently influence the development processes of the voivodeships,
- Developing networks of poviat cities (at subregional and local levels) – through the expanding and complementing functions of main centres for local development (complementary to measures of objective 1 under direction 1.2).

The largest regional centres are given full consideration as drivers of growth and areas where the development processes may disseminate from to the adjacent areas. One of the objectives set in this matter will be to strengthen the position of these cities through increasing population of all capital cities of voivodeships in eastern Poland, and increasing their economic and scientific significance.

Measures supporting connections between cities of eastern Poland and the most important centres in the country (Tri-City [pol. Trójmiasto], Warsaw, Łódź, Kraków, Silesia conurbation) will be also supported under objective 2 (complementary to measures of objective 1).

Second important direction of measures implemented under this objective is the development of human resources and social capital in the areas characterised by the lower level and dynamics of socio-economic development.

Regional policy will integrate measures implemented by various entities, accumulate and direct them locally, particularly through the following measures:

- professional activation of persons remaining unemployed (active forms of counteracting unemployment) – counselling, job brokerage, trainings and retraining, interventional works and other forms of creating jobs, development of social economy, forms of early intervention (including outplacement), internships and apprenticeships;
- local development (including cultural development) and the development of social capital – supporting local social initiatives;
- counteracting social exclusion, including reducing poverty – especially among children and elderly people, implementation of programmes for the social integration, development of social economy activities, including activities of social economy entrepreneurs that fulfil functions concerning social integration, improvement or complementation of public services and local communities’ development;
- supporting the development of entrepreneurship (counselling, financial support and financial incentives, trainings);
- further training of the entrepreneurs’ staff – focused on networking and exchange of experiences between companies, increase of cooperation, local area specialisation, improvement of work organisation and quality and jobs’ quality,
- popularisation and providing better access to preschool education;
- providing better access to education and improving its quality – at the levels of primary, lower-secondary, secondary and higher education, and especially at the level of vocational training – orienting education on the local area specialisation, cooperation with local entrepreneurs, internships for students and graduates, scholarships, ordered specialisations combined with apprenticeships;
• **development of adult continuing education** – including support for the inhabitants of rural areas in changing their profession (professional reorientation), promotion of modern methods of learning (e.g. e-learning), formal and informal aspects of learning.

To **increase the number of investments (including foreign)** in the areas characterised by the lowest level of socio-economic development, initiatives increasing attractiveness for investments, consisting in developing investment areas and improving their spatial accessibility, will be supported. In spite of poor position in investment attractiveness rankings, eastern Poland’s voivodeships should use their location by the EU eastern border as much as possible. Apart from increasing the investment attractiveness of these areas, institutional development will be supported – development of self-government capacities in relation to solicitation of investors etc.

Due to low revenue base and low investments in the less socio-economically developed areas, regional policy external support and coordinated measures under other public policies concerning development and modernization of infrastructure must be subject to a very rigorous assessment of impact on creating growth and employment opportunities in a given area. On the one hand, the priority is given to measures connected to programmes of equal opportunities regarding the access to public services of fundamental importance for the development of a given area (some elements of social infrastructure – education and infrastructure enabling the use of information technology), and on the other hand to measures directly related to supporting urban development and situating external investments and to increasing access to the areas of better prospects for the development (on a national and international basis).

**The improvement of quality of functioning of public institutions** will be based on the transfer of efficient solutions on development management, using best available practices in managing the development and local resources, fund raising and spending for implementing development projects, attracting foreign investments and searching for the best development solutions for these areas. Very important element of supporting these areas will be stimulating cooperative activities between public administration units at the regional and local level by, *inter alia*, involving them in joint projects implemented by entities from different voivodeships.

Therefore, **measures under this problem area** of regional policy will be implemented:

- at the national level under Operational Programme Eastern Poland aimed at 5 voivodeships characterised by the lowest degree of socio-economic development (*per capita* GDP below 80% of the national average)96, and under sectoral programmes referring *inter alia* to infrastructure, education, human resources. These are: Lubelskie Voivodeship, Podkarpackie Voivodeship, Podlaskie Voivodeship, Świętokrzyskie Voivodeship and Warmińsko-Mazurskie Voivodeship.
- at the regional level, aimed at those regions that have a degree of development deviating significantly from the national average. Restructuring should be supported in accordance with the principle of subsidiarity and by voivodeships’ authorities, due to significant diversity of the nature and the extent of problems, even in individual voivodeships. In this group, particular attention shall be given to Lubuskie and Opole Voivodeships that are similar to eastern Poland’s voivodeships in many aspects. In this context, a transregional North-Western Poland Development Strategy will be prepared.

**Re 2.2. Support to rural areas with the lowest level of inhabitants access to the goods and services determining development possibilities**

Apart from restructuring measures for rural areas implemented under Objective 1, an important component of regional policy will be **countervailing actions to improve access to public services** for enhancing the quality of life and work in underdeveloped rural areas. Such actions in the short term will not prevent the increase in disparities between regions measured with the level of GDP *per capita*, or differences in the ability to create new, good quality jobs, but in the long term will increase the chances of population in problem areas by improving professional mobility and quality of life and will affect the finding of the right employment in the place of residence according to obtained skills.

On the basis of diagnosis of socio-economic situation, significant disparities has been identified in access to public services and their quality, both at the level of poviats (there are many basic public services located at this level) as well as in other territorial sections. Within the framework of regional policy, there is a need for special treatment of identified problem areas, where along with low availability and quality of public services there are also low levels of own resources, which does not allow a self-improvement in areas affecting the development prospects.

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96 These are: Lubelskie Voivodeship, Podkarpackie Voivodeship, Podlaskie Voivodeship, Świętokrzyskie Voivodeship and Warmińsko-Mazurskie Voivodeship.
It should be emphasized that the identified areas should be treated indicatively because shortcomings in access to different services are very diverse, in addition, in every region various public services may have different significance for the development processes. Thus the above map does not limit the possibilities to support public service projects only to designated poviats, but points to the need to identify in each voivodeship a special action program for equalizing access to public goods and services. The range of problem areas will be clearly defined in each region by the self-government of the voivodeship, in accordance with the principle of concentration, based on the most appropriate indicators for the territory. Criteria for the designation in each voivodeship may be different and need to emphasize these types of services, which most determine the development process – this applies to both, the inhibition of the adverse social and economic processes and the strengthening of local development potentials and the quality of life, based on national standards (e.g. on medical services) and regional standards (which may be higher than the minimum standards set at the national level). The criteria should be defined by the self-government of the voivodeship in partnership with local governments and local organizations. In addition to the five groups of services and public goods indicated below, in special cases, it will be possible to support access to other services and goods (e.g. public safety). It is important for the regional policy to intervene

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97 The map shows poviats with at least 6 of 9 adverse phenomena: percentage of children aged 3–5 covered with preschool education (kindergartens, nursery facilities and complexes) of less than 50%; the average results of the secondary school exam in mathematics and natural sciences in 2008 at least 15% lower than the national average; the number of pupils in primary and secondary schools per 1 computer with broadband Internet in 2008 at least 20% higher than the national average; the percentage of population using sewage system in 2008 less than 50%; share of recycled waste in the amount of waste generated during the year (2008) below 50%; the number of doctors per 10,000 inhabitants in 2008 at least 50% lower than the national average; the number of persons per one ambulatory care facility in 2008 at least 40% higher than the national average; infant deaths per 1000 live births above the national average in 2006; the average number of participants in events in cultural centres, clubs and community centres in 2003–2007 per 1 inhabitant below the national average; turnout in local elections in 2006 less than 45%. The exact boundaries of the areas under strategic intervention will be determined in the Development Strategy of the Voivodeship and the Spatial Development Plan for the Voivodeship on the basis of the most appropriate for the region indicators showing the severity of various problems at the regional level.
in a focused and synergistic manner on territories in the worst situation, while in other areas, improving access and quality of public services should be based on the own revenue of self-governments.

Regional policy for 2020 will concentrate, unlike until now, on co-financing focused, unrelated investments in public services, but on moderating the improvement of systems of these services for the achievement of assumed indicators. The diversity of socio-economic potentials implies a corresponding adjustment of the courses of actions and instruments for specific rural areas. On some of them, in order to improve the situation regarding the access to certain types of services, investments in infrastructure will be necessary, while on others, the main direction of the support is to assist organisational and institutional changes.

Ensuring greater cooperation between public and private sector will serve the improvement of processes for provision of public services in some areas. The need should be emphasized for partnership and cooperation between authorities at all levels with business, in order to create incentives for rural residents to participate in professional life, improving education and vocational training, promoting entrepreneurship, including support for the creation of innovative enterprises in rural areas, creating jobs, using new technologies and stimulating economic diversification in the rural area.

The analysis of development factors and diagnosis of the situation regarding access to basic public services show that basic public services areas, which are of interest to regional policy, are:

2.2.1. Education and training services,
2.2.2. Medical services,
2.2.3. Communication services,
2.2.4. Municipal and environmental protection services,
2.2.5. Cultural services.

In each of these areas, in accordance with the principle of concentration, the NSRD sets a limited list of indicators which are benchmarks and subject of the contract between the actors of regional policy.

Re 2.2.1. The aim of actions on development and improving access and quality of education and training services is to raise the educational level of population and improve its structure, where rates in this respect are the lowest, thereby encouraging human capital development processes.

The basic directions of regional policy for access to education in rural areas include:

- Promotion of pre-school education, which is provided to compensate educational opportunities for children in the initial education and to increase the diversity of care for preschool children (with the participation of LGUs, social partners) as well as the development and availability of services offering care for children of up to 3 years of age.

- Improving the quality of primary, secondary and higher education. Regional policy will affect the growth of adaptation of population education to the needs of local labour markets. This particularly applies to high-quality vocational and higher education (also of agricultural profile) and the strengthening of practical teaching. Improving the quality of education can be achieved by the cooperation of schools with local employers and labour market institutions. There will be necessary investments in equipping schools, especially in the poorest gminas, with modern equipment and teaching materials, such as software for computer labs, language labs matched to the age level of students. Support will be given for customisation of training courses to labour market needs and improving the offer of additional specialized courses, including in key areas such as foreign languages, technical and natural sciences and pedagogical and psychological care. Scholarship programs for gifted students will be implemented. In addition, residents of problem areas will be supported in access to higher education through instruments such as scholarships.

- Development of offer and quality of services regarding lifelong learning at regional and local level to boost availability of various forms of education and training of adults, and to improve the quality of those services, as well as promoting the benefits from the formal enhancement and supplementing of education, competence and professional qualifications.

- Creating and supporting the development of centres of day care for children and young people, enabling children and young people subject to compulsory schooling to develop interests and talents, overcome difficulties at school, organise leisure time, and contributing to social inclusion. Centres of day care should also offer special classes for handicapped children.
Re 2.2.2. Improving the quality and availability of medical services on problem areas

Actions in this field are aimed at improving the health condition of their inhabitants, which directly translates into the number of economically active persons and the quality and productivity of work. Good health care is a prerequisite for increasing the share of working-age population (workforce) in the labour market. Regional policy actions will support the provision of access to effective health services to residents in problem areas through:

- increasing access for residents of remote areas to general practitioners and specialist doctors and nursing and specialized services,
- optimization of emergency medical systems, particularly to increase accessibility in remote areas,
- prevention programs aimed at reducing disease incidence and mortality due to cardiovascular diseases and cancer, with particular emphasis on areas of socio-economic collapse and peripheral areas.
- promoting access to facilities and institutions for mother and child, improving the quality of medical care for women during the perinatal period and infants, as well as projects in the field of health education and prevention.

Re 2.2.3. Increasing the availability and quality of communication services will be achieved in two aspects:

- Transport accessibility by public transport – a reversal of trends involving the abandonment of public transport for an individual transport, by improving local public transport systems (railways and roads). This will help to improve access to education and to increase the profitability of work in regional and sub-regional centres undertaken by residents of remote areas. Regional policy in this regard on problem areas will affect in close synergy with the previously described activities on the improvement of accessibility (both within Objective 1 and 2). This will apply to public transport by rail and road and will take place by improving the quality of infrastructure and rolling stock, increasing the range, optimizing and tying with the regional and metropolitan public transport systems to improve circular mobility of population of problem areas (commuting).
- Dissemination of e-services. Actions in problem areas in this regard will be held simultaneously by: increasing the access to broadband Internet (public support will be limited to those cases where there is no profitable market), development of public e-services at local and regional levels, which are of particular importance to the people in the most remote areas of the country, and through educational activities (coaching) for social groups with the lowest rates of computer and Internet usage.

Re 2.2.4. Municipal and environmental protection services

These services cover a very wide range of activities arising directly from the purview of local governments. In recent years in this field as a result of the actions of local governments, as well as development programmes financed by the EU and other public sources of funds (e.g. funds for environmental protection), there has been a significant improvement in various indicators affecting the prospects of development such as access to drinking water, sewage services etc. Thanks to that, diversity in this field between Poland and other countries has decreased, as well as internal differentiation at NUTS 2 level and between urban areas and rural areas. However, there is a need for intervention of regional policy in this sphere, but it must be more focused (after 2013) only on problem areas. In other geographical areas, actions for the conservation of the environment and the provision of basic municipal services are the domain of local governments and must be implemented with their own resources, and only in exceptional cases they are supported by state intervention.

The main areas of interest of regional policy in problem areas after 2013 are the following services:

- Water supply – these actions are necessary in certain areas where there are gaps in infrastructure or where it is decapitalised. Access to drinking water is regarded as one of the essential public goods.
- Wastewater treatment – for the use of environmental development potential of problem areas, it is necessary to implement actions for the prevention of environmental degradation. To this end support will be given to projects for the collection and treatment of wastewater (sewerage, wastewater treatment plants). By contrast, in areas with low population density, where the establishment of sewerage systems is not economically or technically justified, support will be given to projects relating to focused home (plant) sewage treatment facilities.
- Waste management – in rural areas and the most economically underdeveloped areas, projects are needed for an efficient waste management. Activities in this field will be consistent with the National Waste Management Plan 2010 and will focus on selective waste collection systems and innovative recycling projects.
Re 2.2.5. Cultural services

Cultural services will be developed in order to activate the rural population. Joint participation in the cultural life of small communities is one of the most important factors in the development of social capital. The intervention of the regional policy will cover the development of cultural services, which will serve the development of human resources. It will concern the increase in range and quality of cultural services which are significantly limited, especially in underdeveloped rural areas and support the following actions:

- initiatives to support the organization of leisure time, cultural events, grant support for exchanges, cooperation of organisations and local governments in the field of culture, enhancing the cultural education of society through the promotion and cultivation of intangible cultural heritage in rural areas and the increase in access of population to goods and services of culture (concerts, festivals), including those related to local and regional traditions, also professional (e.g. support for folk groups), and providing for participation in various cultural projects, developing creativity, innovation, tolerance and social bonds among the public and support for active initiatives and new forms of participation in cultural projects offered e.g. by local community centres,
- use of ICT in access to cultural goods, including increasing access to digital library resources and expanding library collections of local libraries.

An important role in the field of support for the development of cultural services in rural areas is played by poviat centres, which are naturally focused on local cultural centres. Regional policy will support these types of activities of cultural centres in poviat towns, which will engage in a significant way the rural population, and not only cities. In addition, the need to engage all age groups of the population will be stressed.

Activities in this problem area of regional policy will be carried out at the regional level in the framework integrated regional programs supported by the minister of regional development. This will be accompanied by complementary actions within sectoral programmes on agriculture, education, health, culture.

Re 2.3. Restructurisation and revitalisation of cities and other areas losing their previously fulfilled socio-economic functions

As indicated in the challenges of regional policy in Poland, there are many areas that, despite significant wealth, as compared to other territorial units, have lost in recent years, due to socio-economic changes, the opportunities for growth and creation of employment because of the collapse of traditional industries, rapid change of demand for manufactured products and services, environmental degradation or infrastructural degradation associated with these processes, including housing, as well as a large out-migration. This problem is mostly related to some cities and industrial areas of Górny Śląsk, but is also present in other areas of the country related to the extraction of mineral resources (in particular lignite and coal, sulphur, non-ferrous metal ores) and on a smaller scale in most large cities, where spatial segregation shaping neighbourhoods of poverty and exclusion is increasing.

In those areas, the regional policy supports comprehensive action for regenerating capacity for development of certain territories (cities, districts, post-industrial areas and other degraded areas) by restoring or giving them a new socio-economic functions and supporting the implementation of comprehensive programmes of socio-economic revitalization in problem areas of cities. In addition to these actions, regional policy also supports remediation of degraded areas in environmental terms in conjunction with assigning them new economic functions.

The map below shows the distribution of cities across the country particularly characterized by loss of socio-economic functions.
From the perspective of the NSRD’s objectives, it is important to support these cities, which are in particularly difficult situations. Since the situation of each city is conditioned by a number of factors (historical, geographical, economic, social), it is not determined what kind of difficulties are the most important, although, one can create their initial catalogue: loss of jobs, decline of population potential, aging population, degradation of the environment and economic and social fabric, social pathologies etc. Therefore, centres affected *inter alia*, by the decline in population, weak dynamics of jobs and low entrepreneurship can be indicated as centres preferred for the support. It is important to assume that, following the discussions between the actors of regional policy (the authorities of a voivodeship, municipality, government, organisations, businesses), areas will be identified for support, but local authorities will decide on the specific objective for which support instruments should be used. On the national level, the area with the highest cumulative disadvantage in this respect is the Górniośląskie Conurbation.

The most important issues that should be taken into account in the design and implementation of the restructuring and revitalization will include:

- **actions aimed at enhancement of human capital** – regarded as crucial in social and economic matters. The quality of teaching at all levels should be taken into account, as well as the stimulation of entrepreneurship and innovativeness, elimination of social problems etc. (analogous to the activities in the scope of human resources described in objective 2.1.);

- **actions aimed at modernizing the economic structure** – the aim of these actions should be to support local policy in the creation of new jobs. Creation of more special economic subzones in economic zones does not guarantee a good competitive position of these cities in the future. Therefore, it is necessary to focus on high-tech industries and those companies that guarantee enhancement of workforce skills and development of local networks of business partners;

- **actions to support the catching up in terms of the technical infrastructure** – as an element increasing the attractiveness of residence and limiting the outflow of population to some extent. Another important argument for this type of instruments is that a good quality of technical infrastructure still belongs to the most important factors in business location;
• actions promoting the modernisation and development of public facilities of sub-regional importance (complementary to the appropriate course of actions under Objective 1) – should relate in particular to centres located in greater distance from voivodeship capitals. Such centres perform service functions for large parts of the region in terms of culture, health, education;

• support for comprehensive revitalization programs, including infrastructure, economic and social issues. It is important, however, that revitalisation is not understood only as renovation of housing or improvement of the existing infrastructure. Revitalisation activities must result from detailed plans for the revitalization and be conducted in all dimensions: infrastructure, economic and social development. This approach determines the effectiveness of efforts to restore the relevant functions of cities or their districts, or changes in the functions of degraded post-industrial sites. Well implemented revitalization is an opportunity for development of cities and whole regions. Regional policy will be addressed primarily to the degraded inner-city areas, which constitute the largest percentage of areas in need of revitalisation and at the same time they are the area of concentration of socio-economic problems.

The activities in this problematic area of regional policy will be conducted on the basis of local revitalization programmes, in the implementation of which, in addition to regional and local authorities, economic and social partners should be involved as far as possible. Revitalization programmes will include guidelines and standards set out in this regard at the national level. Revitalization actions will be implemented at regional and national level with support from the minister of regional development for actions on restoring the growth and employment is of some cities, characterised by rapid deterioration of socio-economic situation resulting from structural reasons and for actions related to the comprehensive recultivation and revitalisation of degraded areas which are the most important in terms of development. Identification of degraded areas and parts of cities that require the intervention will take place (as in the case of direction 2.2) at the regional level. These areas will be identified in the development strategy of the voivodeship and in the spatial development plan for the voivodeship. The regional authorities in close cooperation with the city authorities and economic and social partners will determine in individual plans of revitalization a set of coordinated actions of different stakeholders. In the implementation of regional policy interventions for cities losing their economic and social functions, because of the scale of resources needed to achieve “critical mass”, support will be given to projects and initiatives based on public-private partnership (PPP).

Re 2.4. Overcoming the difficulties related to the situation of the border areas, especially along the external EU borders

Actions for the border areas, in particular in the areas along the external border of the EU, under regional policy will focus on the one hand on increasing mutual availability in national and international relations, and on the other on the stimulation of endogenous development with the use of possibilities offered by cross-border cooperation. Selection of specific actions under regional policy in the border areas must always be made in terms of simultaneous impacts on areas lying on both sides of the border. A new system needs to be developed for the selection and implementation of projects arising from the joint, cross-border spatial development plans and common development strategies in border areas, including areas on both sides of the border. The nature of actions is tailored to the specific needs of the territories, taking into account their levels of development. It is advisable that they are complementary to actions implemented in the regions or groups of regions. Efforts contribute to a greater integration of border areas with the most important centres in regions and areas on the other side of the border.

Directions of activities in the border areas are focused on the development and promotion of the common use of local infrastructure, protecting the common natural and cultural heritage, tourism, preventing natural and technical threats, supporting links between urban and rural areas, reducing isolation by improving access to services and transport networks and telecommunications and promoting local entrepreneurship. In addition, activities affect the development of local initiatives, including in cross-border dimension, to enhance social and economic activity.

Direction of major importance to border areas, is to increase the availability in domestic relations, which is very important for all the border areas usually characterized by low accessibility to centres of growth and jobs. In areas along the EU external border (with Russia, Belarus and Ukraine) regional policy activities will also focus on providing greater access through the development of border infrastructure. An important course of action in the border areas will be also the expansion of networks of cross-border connections in areas with specific geographical conditions (separated by rivers, marine areas, mountains etc.).

For border areas, in particular, located near the internal borders of the EU, an important course of action is also to strengthen sub-regional urban centres, including those that are divided by state border, and which with the use of their geographical position could become centres of economy and culture for areas on both sides of the border. This applies to cities located in the immediate vicinity of the two sides of the border, such as Słubice and Frankfurt, Zgorzelec and Görlitz, Náchod and Kudowa-Zdrój, Cieszyn and Těšín, Terespol and Brześć.
Map 38. Areas of strategic regional policy intervention from the national level in relation to the border areas (with particular emphasis on areas at external border of the EU).

This map illustrates the approximate extent of the intervention of regional policy in relation to border areas. Detailed specification of the territorial scope of support in this area will be determined during the drafting of operational documents.

Regional policy towards some border areas consists mainly of projects for the development of a broader, multifaceted cross-border cooperation at the local level – cooperation of their residents with partners across the border. The main level of this collaboration is to increase economic exchange, joint projects for local infrastructure and the protection and exploitation of tourism potential of the natural environment, the common cultural heritage and the development of cross-border public services.

In conjunction with activities related to the promotion, a significant direction of regional policy in all border areas are also special projects for the development of human resources and social capital – support for the cooperation in raising awareness on areas lying on both sides of the border and the development of education, including language learning, as well as joint soft projects on the variety of topics (e.g. cultural, sports, economic).

Strategic intervention of regional policy in cross-border cooperation will also be conducted at the supralocal level: sub-regional and regional. This course of action will address mainly the cities, which lie in sub-regions in the near and mid-distance from the borders of the state and engage in cross-border and international cooperation, or have such potential. The role of regional policy in this regard is to moderate involvement of cities located further from the border in cooperation, particularly in the economic and scientific exchange, as well as in the social and cultural field.

The activities in this problem area of regional policy will be carried out from the national level under programmes for territorial cooperation (with the support of the EU resources) and supplementary under regional programmes.
**Re 2.5. Increasing transport accessibility to voivodeship centres situated in the areas with the lowest accessibility**

**For areas with an extremely low transport accessibility**, furthest from the regional centres, the regional policy will aim both to support the development of subregional centres and to increase accessibility to regional development centres, and thus to improve the country’s territorial cohesion. Activities will include mainly the expansion and modernization of transport infrastructure – roads and railways and improve the quality of public transport, so as to shorten the spatial access time. Each framework regional integrated programme should take into account this issue and include actions for improving accessibility to the voivodeship city from remote areas of the region. Determination of standards to ensure the access road to the voivodeship city within a specified period should take place at the level of each voivodeship and be a part of strategic planning. In conjunction with other actions of regional policy, increasing the spatial accessibility of peripheral areas will lead to increased capacity to generate growth by means of endogenous factors and improving the quality of public services (access to centres of education, training and health) and better use of work resources (finding work due to an increase in the possibility of travelling to regional centres or increase in the investment attractiveness of the area).

**The activities in this problem area** of regional policy will be conducted at the national level through sectoral programs of development of transport infrastructure and modernization of rolling stock and supplementary through regional programmes for infrastructure and transport of voivodeship importance.

**Map 39. Areas of strategic regional policy interventions to improve transport accessibility to voivodeship centres**

![Map 39. Areas of strategic regional policy interventions to improve transport accessibility to voivodeship centres](image)

## Measures of success of the implementation of Objective 2 of the NSRD include:

- Growth in key indicators relating to public services, increase in entrepreneurship, improvement of employment structure, reduction of emigration and depopulation processes,
- Changes in employment structure in rural areas, increase in the share of persons with at least secondary education, increasing the percentage of children covered by preschool education,
- Increase in the rate of economic activity in cities, increase in the number of enterprises per 1000 inhabitants and favourable changes in the structure of education,
- Increase in the number of persons working outside of agriculture, increase in access to voivodeship and national centres using a network of roads and railways,
- Increasing the transport accessibility to the voivodeship centres with the use of roads and railways. It is assumed that by 2020 in most areas with low transport accessibility it will not be longer than 90 minutes.

Measures of success of the implementation of Objective 2 under NSRD in individual voivodeships will be set out in detail by target values of selected indicators for monitoring the NSRD.

## Objective 3. ESTABLISHMENT OF CONDITIONS FOR EFFICIENT, EFFECTIVE AND PARTNERSHIP IMPLEMENTATION OF DEVELOPMENT MEASURES TARGETED AT TERRITORIES

The effectiveness and efficiency of the regional policy largely depends on the quality of legal regulations and the method of functioning of its institutional system. As indicated by the diagnosis, decisive measures should be taken in both of these fields, so that the regional policy is capable of presenting its value and usefulness in response to the challenges faced by Poland at the threshold of the second decade of the 21st century. The set of measures proposed under Objective 3 of NSRD has been developed on the basis of analysis of the hitherto experience in the conduct of regional policy and other territorially oriented undertakings at the national and regional level, both as a part of own national solutions and under the European cohesion policy.

Many observations taken in the course of work on the NSRD concern the issues of decentralisation of the state’s tasks, functioning of the state management model and the development processes that emerged as a result of creating the territorial self-government in 1999 at the voivodeship level and introduction of new, in terms of quality, relations between the participants of the development game (government – voivodeship self-government – the remaining entities) after the accession of Poland to the EU under the implementation of the EU's cohesion policy.

In the opinion of numerous participants of the debate, this model has largely exhausted its self-regulation possibilities, and, apart from the institutional solutions proposed below, a broader reflection of political nature is necessary about the systemic and financial conditions for the functioning of primary actors of the regional policy and the relations between them in the implementation of the development policy. It concerns, among others, the relations between the government and the voivodeship self-government, including the precise definition of the relations between the Voivode and the self-government that will allow to avoid duplication of the measures of these two entities, between the government and other entities, in the multi-level governance system of the development policy, which requires the assurance of appropriate horizontal and vertical coordination for the efficient implementation of the regional policy objectives, as well as basing the relations between these entities on partnership and cooperation in the efforts aimed at the achievement of common objectives defined in relation to the territory.

The third objective of the NSRD is aimed at creating institutional and legal conditions for the implementation of pro-development measures in Poland by strengthening the strategic dimension of regional policy, improving the quality of public policy management, including the proper territorial mainstreaming, ensuring adequate mechanisms for cooperation and coordination in multi-level governance system and by networking of cooperation between various actors involved in the implementation of this policy, so as to build the social capital, strengthen the relevant competences and capacities to manage development.

Only through the introduction of noticeable qualitative changes in the above-mentioned areas, including legal and organisational changes, it is possible to create an effective and efficient system for management and implementation of public policies with a strong territorial impact.

Full utilisation of the strategic experience in managing development gained largely in the processes of programming and implementing the EU’s cohesion policy (pre-accession funds, financial perspective 2004–2006 and the 2007–2013 programming period) will serve the accomplishment of Objective 3 of the NSRD. It will take place through the dissemination
and gradual transfer of the elements of this policy such as: multiyear programming of public interventions; coordination of numerous instruments implemented in the multi-level governance system; monitoring of the course of interventions at each stage of its implementation and evaluation of policy effects, to the processes related to planning and implementation of all development policies exerting influence on the territories in Poland.

NSRD strives for the improvement of the quality of the territorially oriented public intervention by means of use of experience of the EU’s cohesion policy and closer linking of regional policy with the national system of strategic management of development, under which uniform standards are introduced that concern programming of development, monitoring, evaluation and implementation of pro-development measures. The measures taken under Objective 3 supplement this process of organisational and institutional changes by linking the regional policy closely with other public policies, including spatial policy, both at the level of strategic objectives and the method of implementation and financing, as well as by means of introduction of new systemic and institutional tools, mechanisms and solutions serving the purpose of effective and efficient implementation of regional development objectives.

Furthermore, institutional links are being introduced between public and non-public entities operating for the regional development, serving the purpose of shaping an appropriate space for sharing knowledge and experience by means of created platforms of strategic discussion, effective utilisation of channels for circulating information between the entities operating at various levels and implementation of institutional cooperation programmes, such as twinning cooperation in order to develop learning processes. Cooperation networks allowing for greater synergy of measures through the development of cooperation culture and constituting the hotbed of innovative solutions, including the institutional ones, will be established for the purpose of improving the efficiency, effectiveness and partnership of the regional policy under implementation.

At the same time NSRD departs from the provision of support in the form of direct subsidies and takes up concentration on strategic projects of key importance for the development. Such a project approach will be wide-spread both at the national level under the regional policy and sectoral policies with strong territorial impact and at the regional level. In order to implement the integrated approach, NSRD promotes solutions based on the instruments of global grant, which will serve the improvement of the public intervention in reference to various areas, in particular in reference to urban areas.

A prerequisite of effective implementation of the NSRD objectives, including Objective 3, might be the development of a package of institutional and legal solutions, including but not limited to legislative changes concerning the division of competences between the government and self-government administration.

The action lines under Objective 3 concerning the construction of an effective and efficient system for the implementation of territorially oriented development measures in Poland include:

1.1 Strengthening the strategic dimension of regional policy
1.2 Improving the quality of public policy management, including the proper territorial mainstreaming
1.3 Conversion and reinforcement of the coordination in the multi-level governance system
1.4 Support for building of social capital for regional development on the basis of network for cooperation between various actors in the regional policy.

Re 3.1. Strengthening the strategic dimension of regional policy

The shortcomings of strategic reasoning in Poland, as indicated in the diagnosis, which result from the sectoral approach to programming and implementation of support, lack of the inter-sectoral and inter-level cooperation ability, as well as absence of access to relevant information and data serving the strategic management of development, cause difficulties in the definition of development objectives, in particular by region, as well as inconsistency of the policy implementation method and evaluation and implementation of pro-development measures. Therefore an effective and efficient conduct of the regional policy requires its strategic dimension to be strengthened by means of creation of institutional conditions for shaping and developing of strategic reasoning about the development at the national, regional and sub-regional level.

An improvement of the strategic dimension of the regional policy should allow for the proper course of processes of programming and implementing the support by selecting an appropriate vision, directions, objectives and priorities for development processes on the basis of the assessment of development trends on a regular basis, as well as the assessment of effects of the hitherto conducted measures in the field of regional development. Strengthening the strategic dimension of the regional policy signifies also a concentration of the previously dispersed territorially oriented measures implemented under various sectoral policies on the achievement of strategic development objectives. The introduction of strategic development planning system allowing for programming of cohesive and complementary measures under different strategies and programmes for the implementation of the common medium- and long-term strategic objectives of the national and regional development will serve this purpose.
In response to the shortcomings of the strategic discussion it seems necessary to strengthen the role of the Development Policy Coordination Committee as the strategic forum of governmental debates on development policy, including regional policy. The Committee operating under the instruction of the President of the Council of Ministers since April 2009 will play a significant role in marking out the directions of the country’s development, monitoring and assessment of the implemented development policy instruments, deciding on the changes in the functioning of the mechanisms ensuring the implementation of the regional policy and development of recommendations concerning improvement of the regional policies development, including the proposals of modifying the territorially oriented measures.

In order to create an adequate space for sharing of knowledge, experience and information stimulating strategic reasoning about the development at the national, regional and sub-regional level, a special forum for strategic discussion will also be established – the National Territorial Forum initiating debates on strategic trends and forms of regional development, as well as spatial dimension of the development policy between various public and non-public entities involved in the activities for the development. Its major tasks will cover the analysis of the key processes and phenomena exerting influence on the regional policy, assessment of the progress in regional policy implementation and spatial results of sectoral policies implementation, as well as formulation of opinions and recommendations within the scope of the territorial dimension of national and EU policies. The development of the strategic discussion at the national level will contribute to the reinforcement of its importance also at other levels of managing the regional policy, in consequence creating similar bodies at the regional level as well.

The strategic discussion carried out under the National Territorial Forum will be supported by the conclusions and recommendations following from the strategic reports on socio-economic, regional and spatial development\(^{99}\) drawn up by the minister competent for regional development and similar reports elaborated by the voivodeship self-governments in respect to the given region. At the same time, annual reports on regional and spatial policy are being introduced, which include the assessment of progress in implementation of the regional policy objectives laid down in the NSRD, including the applications within the scope of assessment of the manner of functioning of the regional policy implementation system. Consequently, it will enable the efficient and regular acquisition of information on the efficiency of functioning of the institutional system applied to implement the regional policy, which will form the basis to formulate the proposals of legal and organisational changes.

The strategic dimension of the regional policy will be strengthened by the inclusion of regional development programming and coordination processes in the general implementation stream of pro-development measures in Poland under the national governance system of the development of Poland\(^{100}\). This means linking the strategic planning instruments prepared in order to implement the regional policy closely with the national development programming system by subordinating the regional development objectives to medium- and long-term strategic objectives set at the national level. It is also related to the inclusion of the strategy’s objectives prepared by the local self-government in the development objectives defined by the voivodeship self-government in order to assure cohesion of measures programmed in reference to a territory. It will be promoted by close cooperation between the voivodeship and local self-government at the stage of preparing the strategic documents and the operational and implementing ones in order to jointly define the objectives, priorities and undertakings serving the regional development. The regional policy defines the objectives for particular territories whose implementation depends on the appropriate financial planning related to these objectives and the measures planned under them.

Furthermore, in the development management system, regional policy as a horizontal policy plays special role serving the integration of the hitherto dispersed development measures and their concentration on achieving the objectives set for individual territories, assuring complementarily of measures taken under various sectoral and horizontal policies in reference to particular areas already at the programming stage. It concerns particularly linking the system of regional planning and spatial planning in order to assure cohesion of strategic and programme documents in reference to the space at the national and regional level. At the regional level it entails the necessity of linking the sectoral strategies, e.g. innovations or IT modernisation, with the voivodeship development strategy in order to concentrate measures taken by the self-government in the areas of strategic intervention that are essential from the point of view of development.

The previous experience has indicated that under the conditions of progressing decentralisation of management of development processes, in order to preserve the strategic dimension of the regional policy measures at various levels, it is necessary to provide increased activity of the minister competent for regional development in the regional policy planning and implementation processes by means of preparation of governmental programmes of particular importance for the implementation of the pursued development objectives (e.g. the programme devoted to the Eastern Poland) or about

\(^{99}\) Pursuant to Article 35 b of the Act on the rules of conducting the development policy.

\(^{100}\) In accordance with the provision of the document: Założenia systemu zarządzania rozwojem Polski [Assumptions of the development governance system of Poland].
particular difficulties concerning implementation (special priorities or programmes oriented at problem areas, programmes of public assistance for certain groups of entrepreneurs, programmes intended for innovative projects and the ones with higher risk level).

Re 3.2. Improving the quality of managing public policies, including proper territorial targeting

The quality of territorially oriented public intervention is improved by basing the planning and implementation processes of public policies at particular stages and at various development management levels on common standards concerning the strategic programming, monitoring, evaluation and implementation of pro-development activities. Such an assumption results from the diagnosis that indicates the absence of continuity of programme works, absence of spatial planning with socio-economic development, also by region, as well as insufficient linking of the programming level with the implementation level. In consequence, the achievement of this objective is supported by proper territorial mainstreaming of sectoral policies and by linking them at the level of objectives, priorities and financing methods with the regional policy by means of territorialisation process and by means of instruments of regional policy implementation such as territorial contract.

The quality of public policies management decides also on the increase in effectiveness and efficiency of implementing mechanisms of the regional policy by means of their re-orientation towards the achievement of development objectives measured by means of material effects. As indicated by hitherto experience in the implementation of the European cohesion policy in Poland (similarly to other countries as well), the focus on effectiveness understood as expenditure of all available European funds occurs with detriment to the efficiency of this policy – understood as the achievement of assumed material or macroeconomic effects in the case of the optimal level of administrative and financial expenditure. The problems resulting from the transfer of management of a substantial part of structural funds to the regional level (such as: slow launch of programmes in some voivodeships, excessive multiplication of procedures, mistakes in the preparation of project selection criteria) cause the formulation of negative opinions on the effectiveness of managing structures at the national and regional level, and thus they cause a negative assessment of the regional policy (and indirectly the territorially oriented one) as the potential instrument of achieving state’s development objectives. Increase in the effectiveness and efficiency of the regional policy is necessary in order to prove its usefulness as one of the primary instruments of achieving the strategic objectives of the state’s development by means of territorially oriented measures.

The quality of development policies is improved by the inclusion of the regional policy in the national system of strategic development management, which introduces uniform support programming rules and common standards for the institutions responsible for the implementation of development policies concerning the method of organisation and conduct of monitoring, evaluation and implementation processes of pro-development measures. For that purpose, the programme preparing public administration to form and conduct the development management policy will be implemented. Comprehensive measures will be implemented under the programme that include among others:

- prioritisation of strategic documents and development of methodological standards in the field of diagnosis, programming, implementation, monitoring and evaluation,
- organisation of the terminology connected with the programming of the regional policy (and development policy in broader sense),
- development of support tools for the development programming and monitoring process, including the uniform national system of key indicators, which is essential from the point of view of diagnosis and monitoring of the socioeconomic and spatial development of the country and its regions, used in strategic documents implemented at the national and regional level and in the development observatories system at the national and regional level.

At the same time, minimal standards will be defined at the national level for particular categories of public services (access and quality), which should be assured within the territory of the entire country.

Perception of the regional policy as the main instrument for the achievement of state’s development objectives by territory (i.e. not only in reference to regions) entails the necessity of linking closely the programming processes and implementation of development measures under various sectoral policies in order to mainstream them in such a manner that allows for the inclusion of territorial dimension in the development strategies and programmes prepared by

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101 Oriented at the employees of public administration at the national, regional and local level who deal with the processes forming the future and manage the development of the country, region, powiat, gmina, i.e. are responsible for the preparation of strategies, programmes or plans and implement them.
particular departments. For that purpose, the rights of the minister competent for regional development will be extended and this minister will conduct an assessment of the strategy projects and development programmes in terms of compliance with the medium-term development strategy of the country, and they will take care of the proper territorial mainstreaming of strategic and implementation documents prepared by particular departments by means of active participation in the works of the Development Policy Coordination Committee.

Effective utilisation of tools for the implementation of strategic regional policy objectives in reference to territories requires the inclusion of public expenditure featuring substantial territorial impact in the implementation of the new regional policy. Although the public finance system currently applicable in Poland is regarded as a strongly centralised ones, the relation between public investments of territorial self-government units and total public expenditure is in Poland higher than the average in the EU-27\(^{102}\) while, on the other hand, public expenditure at the regional and local level in relation to total public expenditure is slightly lower than at the European level\(^{103}\). However, the defective system of funds redistribution still requires improvements, with simultaneous continued decentralisation of public funds, which should evolve into the direction of increasing the share of self-governments in the income structure and public expenditure and take compensating aspects into consideration at the same time. It will allow to increase the funds for development investments and to limit the transfer of funds leaving a given regions and returning to it in another form. Therefore the completion of the conversion process of the distribution system of the territorial development policy is provided for as one of the outcomes of the implementation of Objective 3. According to the subsidiarity principle, this will ensure the determination of the most efficient level of implementation of regional policy measures and assist in complementing the decentralisation process. The process of “territorialisation”\(^{104}\) encompasses a detailed analysis of distribution mechanisms for sectoral policies, but also for measures of the minister competent for public finance and budget, and putting forwards changes in the functioning thereof (in the relevant acts, regulations or other documents laying down the principles for their functioning).

It is also necessary to properly include the new perception of the regional policy in the provisions defining the method of public funds expenditure, including the budgetary ones. Currently, budgetary planning is linked to regional policy to an insufficient degree. It is demonstrated, among others, by dispersed available funds under various budget items. It is a common phenomenon that there is no correlation of investments financed by them with major projects. With regard to all of the foregoing, it is necessary to introduce systemic modifications in the existing legal order of the regional policy implementation, where the modifications concern primarily the introduction of a multiyear financial planning system and streamlining of the system of multiyear programmes, multiyear investments and other instruments serving financial investments.

Also the register and accounting system applicable in the sector of public finance is not capable of providing the data illustrating the flow of public funds by region (territory). Therefore it might be necessary to develop a concept of changes in the accounting system for the public finance, where a regional (territorial) dimension would be assigned to the new one.

In order to improve the quality of the territorially oriented public intervention, it is necessary to concentrate the pro-development measures’ implementation process on the achievement of results, with the use of relevant implementation mechanisms. For this purpose, the NSRD delivers such implementation mechanisms to increase the efficiency and effectiveness of the regional policy as:

- conditional transfer of funds,
- more extensive use of efficiency reserves than it was before.

Conditional transfer of funds will be carried out through the medium of a mechanism making the transfer of funds under the regional policy conditional upon the achievement of assumed material effects within a defined period, at the level of programmes, contracts and projects. It will allow for an increase in the pressure exerted on the achievement of measurable material outcomes, as opposed to the pressure exerted on the expenditure of funds. An additional instrument for the increase in the efficiency of pro-development measures is constituted by the efficiency reserve representing a mechanism of awarding bonuses to entities that are most effective in the achievement of development objectives at a given governance level. As a tool for stimulation of competitiveness between the institutions involved in the implementation of development objectives, the efficiency reserve will contribute to efficient implementation of priority undertakings, assuring at the same time the concentration of additional funds for the most advanced pro-development measures that provide high added value for the regional development.

\(^{102}\) 8.8% for Poland, against 5.4% in the EU-27, on the basis of: Szlachta J.: Wskaźniki decentralizacji inwestycji publicznych w Polsce na tle UE 27 [Indicators of public investment decentralisation in Poland in comparison with the EU-27], Presentation at the Warsaw School of Economics, 2009.

\(^{103}\) 30.8% for Poland, against 33.6% in the UE-27, Ibidem.

\(^{104}\) See Chapter 7.
In order to increase the quality of public policies’ management a constant monitoring and evaluation system for the processes of regional development and effects of regional policy is established in the form of territorial development observatories, including a national observatory and a network of regional observatories in line with the solutions already existing in some voivodeships. The system of observatories will serve the facilitation of monitoring and evaluation of public policies that have territorial impact by establishing a flexible system for the acquisition and aggregation of data, as well as by developing standards of their exchange. The establishment of observatories is aimed at the increase in the usefulness of evaluation research through the use of feedback acquired in the process of regular collection, development and making available the data illustrating both the course of public interventions and the development of the socioeconomic situation within the state’s strategic interventions. In consequence the operation of observatories will contribute to better planning and implementation of the territorially oriented public intervention by means of provision of information, analyses and evaluations of public policies related to the progress in the implementation of the regional policy and scenarios for future for the needs of operational activity and strategic planning.

The shortcomings identified in the diagnosis part, in the field of implementation of the regional policy, concerning a large number of entities involved in the process of implementing pro-development measures featuring various efficiency of performance indicate the necessity of converting the implementation system of development measures into a system of selection of the most efficient implementation level and assurance of a similar institutional capacity of the entities comprising that system. This will be supported by the process of certifying implementing authorities, carried out by the minister competent for regional development and voivodeship self-governments. It will lead to the creation of a regional development support system consisting of institutions with common functioning standards and services provided for the beneficiaries of the regional policy, ensuring the access to counselling, financial and information services of the highest quality. This system should integrate the operation of institutions responsible for the implementation of various development measures in reference to a territory, including various EU funds (ESF, ERDF, EAFRD) in order to enhance the cohesion of territorially oriented intervention, improvement in the effectiveness and efficiency of the processes implementing development measures and improvement in the access of the beneficiaries to various funds intended for development. At the same time, to a broader extent than previously, it uses Community initiatives utilising financial engineering instruments, i.e. JEREMIE, JESSICA and JASMINE, as well as JASPERS, and the financing instrument ELENA.105

As a result of definition of uniform implementation standards, the optimal number of implementation solutions with similar effectiveness and efficiency in the context of achievement of assumed development objectives will be achieved. It will allow to avoid disputes between the government and the voivodeship self-government, and it will limit additional administrative costs of regional policy implementation. At the same time, the anticipated effect of reorganisation will be the definition of the most efficient division of tasks and competences for the implementation of the public intervention at the national and regional level, as well as the reduction in the number of institutions dealing with the implementation of the regional policy, with simultaneous optimal utilisation of the existing structures and involved human resources. Due to the hitherto multiplicity of institutions responsible for the implementation of the regional policy (e.g. the Poviat and Voivodeship Labour Office, the Polish Agency for Enterprise Development and Regional Financing Institutions cooperating with it, the National and Regional Centres of the European Social Fund, Agricultural Advisory Centres, regional and local development agencies, regional branch offices of the Agency for Restructuring and Modernisation of Agriculture, and others), it is not assumed that new institutional structures will be established.

The reorganisation of the regional policy implementation system at the national level in conjunction with other activities reforming the policies with regional coverage, encompassing in particular legislative and legal changes, will lead to increased concentration of measures taken under the regional policy at the national level and will facilitate coordination of the territorial dimension of sectoral policies.

The measures under this problem area of the regional policy will be conducted mainly at the national level by means of implementation of a programme for the preparation of public administration to form and conduct the development governance policy, and implementation of a number of measures oriented at facilitation of planning and implementation of public policies by the minister competent for regional development under the national development governance system, both in the legal field (territorialisation process), as well as institutional (reinforcement of implementing mechanisms) and implementing ones (certification of the implementing institution). The Offices of the Marshal will be included in these measures, where possible, within the scope corresponding to their competences in planning and implementation of pro-development measures in the region.

105 The initiatives have been described in detail in Chapter 8. Financial framework.
Re 3.3. Reconstruction and reinforcement of the horizontal and multi-level coordination system

Due to its horizontal nature and territorial mainstreaming, the regional policy is based on a multi-level governance system, in which various public and non-public entities located at particular levels of the territorial division of the country are responsible for the implementation of development objectives. The previous experience related to the implementation of measures in reference to a territory indicate serious shortcomings of the Polish institutional system as regards coordination of sectoral policies and assurance of cooperation between various entities involved in the development, both in the vertical and horizontal system. In consequence the complexity and difficulty level of conducting the regional policy (as well as any other policy in reference to a territory) requires an increase in the rank in the system of public policies and strengthening of the pressure exerted in order to introduce coordination mechanisms, both under the same policy between various levels involved in the implementation system of that policy, as well as in reference to other territorially oriented public intervention areas.

Therefore, it is essential for effective and efficient implementation of the regional policy in Poland to assure an effective coordination of measures taken by various entities at particular governance levels in the vertical system by means of coordination of measures implemented by the government, territorial self-government units and other entities of the regional policy operating at various system levels, as well as in the horizontal system in reference to measures programmed and implemented by various entities both at the national and regional level. At the same time, it is important for the effective implementation of regional policy objectives to assure, on the one hand, the cooperation between the Ministry of Regional Development and other departments for the purpose of concentration of previously dispersed interventions with territorial impact within the areas of strategic intervention, and, on the other hand, the assurance of close cooperation between the voivodeship self-government and the local self-government, including but not limited to municipal authorities, both at the support programming stage under the regional policy in order to agree on common pro-development objectives and action lines, as well as at the stage of implementing particular undertakings included as objectives set at the regional level.

In order to conduct the development policy in an efficient and coherent manner, coordination mechanisms at the national and regional level are introduced making it possible to decide on the scope of intervention planned to be implemented on a given territory. Strengthening the horizontal and multi-level coordination system additionally requires an increase in the coordination of territorially oriented sectoral policies in the field of rapid response to current issues emerging in the course of implementing these policies and development of systemic solutions aimed at the elimination of emerging problems with more strategic nature. It will be possible due to the use of coordinating institutions such as the Regional Policy Coordination Committee and the monitoring committees operating at the national and regional level.

In order to effectively implement the regional policy, coordination tasks of the minister competent for regional development are extended in reference to other policies, together with simultaneous equipping with appropriate coordination instruments; it concerns, among others, the possibility of minister competent for regional development to issue the guidelines in order to assure uniformity of rules for the implementation of territorially oriented policies. The reinforcement of the MRD’s coordination function requires also the participation of the minister competent for regional development in the process of planning the development measures under the Multiannual Financial Plan of the State, including by territory. It is also important to strengthen the function at the level of the Ministry of Regional Development concerning the coordination of the regional policy with regulating policies, i.e. public aid and public procurement (in cooperation with the Office of Competition and Consumer Protection and the Public Procurement Office and the European Commission). The implementation of the coordination function by the minister competent for regional development may lead to the formulation of proposals regarding the facilitation of the course of development processes in the state by means of changes of institutional and legal nature (e.g. amendments to the Act on the departments of the government administration).

At the regional level, mechanisms allowing for the coordination of measures taken under various policies in reference to the same territories will be strengthened. Measures of the voivodeship self-government in this respect will lead to the assurance of concentration of development undertakings within the area of strategic intervention and their mutual complementarity.

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106 For instance delimiting line between the national public policies.

107 It is the primary document defining the funds for the implementation of the development policy. It contains a multiyear funds forecast for the implementation of development measures financed by the state budget and a list of development programmes accepted pursuant to the rules defined in the Act on the conduct of development policy. The system of multiyear financial planning is related to the objectives and priorities set at the level of development strategies. The allocation of funds is largely subject to assessment of the level of compliance with the objectives and assessment of effectiveness of the implementation system.
Care for the efficiency and effectiveness of the activities undertaken in relation to a given territory by different actors, at various development governance levels (national, regional and local) requires the search for effective methods of communication related to the objectives and methods of their operation. As indicated by the diagnosis, due to various reasons, the hitherto experience of Poland in the implementation of the communication concept on the basis of agreements concluded between the government and voivodeship self-government as a result of the negotiation process have failed. Nonetheless, the progress made in the field of managing the development processes in Poland and common understanding of development objectives by various actors makes it currently possible to make an attempt to base the regional policy, and the territorially oriented measures, on a civil-law agreement, referred to as “territorial contract”, which will mainstream the previously dispersed development measures at the achievement of common objectives defined for a given territory.

This contract will be used for arrangements by the government and self-government concerning the most important objectives and priority projects undertaken and financed under the regional development policy. The new agreements will have the nature of a total contract, which means that it will encompass solely the undertakings whose implementation is essential from the point of view of the regional policy conducted by the government and the development policy conducted by the voivodeship self-governments. Due to concentration of agreed undertakings within the areas of strategic intervention, the principles of geographic and thematic concentration will be consolidated whereas sectoral interventions will be adjusted to the regional needs to a greater extent.

Measures concerning the reinforcement of vertical and horizontal coordination will be implemented both by the minister competent for regional development responsible for the assurance of cooperation of various departments under the Development Policy Coordination Committee and the territorial contract coordinating the preparation at the national level, as well as by the regional self-government responsible for the coordination of measures taken under various policies and at various levels in reference to a given region.

Re 3.4. Support to the construction of social capital for the regional development on the basis of network of cooperation between various actors of regional policy

A basis for full utilisation of the development opportunities defined for particular territories is represented by social capital built on the basis of confidence and partnership between all the participants of the development game, both the public ones – directly responsible for the implementation of the development mission – and all the other partners (social, economic, non-governmental and private sector ones) operating for the regional development. This means that the conduct of the territorially oriented development policy in an effective and efficient manner requires mobilisation not only of material resources (including the financial ones), but also the non-material ones (e.g. knowledge) and the concentration thereof on the most important priorities in order to fully utilise the development potentials found in the regions.

As a result of the decentralisation process, the role of the voivodeship self-government has been increased, but this role is in many cases limited solely to the division of funds that are at the disposal among the beneficiaries, and not the real playing of the role of the region’s leader and host perceived as a cultural community instead of the administrative area. This gives rise to the phenomenon of clientelism, which is favoured by the systemic provision and absence of financial decentralisation of public funds assuring income that is appropriate for the tasks at each governance level (without the necessity of receiving a grant and subsidy at the national level).

In order to increase the efficiency of the regional policy, what becomes necessary is a more active role of the voivodeship self-government that reinforces the strength of the region as a regional self-government community, which has to evolve from “the steward of gifts”108 towards a node, recognised by competences (instead of the administered funds or legal regulations), of the network of social links encompassing all the institutions or the whole regional society.

The method of reaching that goal consists in strengthening and creation of new partnership mechanisms, introduction of visibility in the activities of the public authorities and responsibility, which de facto forms a step towards the construction of the regional potential of the social capital perceived as a good generated in the process of historic duration and gathering of social life experience.

The establishment of the social capital (in a manner that is complementary for measures implemented under the remaining NSRD objectives) serves to introduce networking of the processes related to the implementation of pro-development

108 The term “the steward of gifts” as an institution whose attention is focused to a greater extent on the administration of funds rather than the management of development is derived from the publication “Szafarze darów europejskich” by P. Swianiewicz, M. Lackowska, J. Herbst and A. Mielczarek, SCHOLAR 2008.
measures by establishment of formal and informal relationships between various entities involved in the measures for development operating at different levels of development policy management, including the regional policy – i.e. European, national, regional and local levels, in order to ensure cooperation and coordination of measures and information transfer between all players of the development game.

The cooperation networks created by the minister competent for regional development at the national level and by the voivodeship self-government at the regional level, are to enable involvement of partners into the processes implementing the regional policy, that is processes of programming, monitoring, evaluation, information and communication as well as implementation of activities supporting development. The basic condition for creating a network of relations between public entities and their partners is enhancement of public and private partners’ ability to self-organisation for the purpose of integration of activities pursued for development in their surrounding area, as well as increased operational autonomy of non-public entities in relation to implementation of public tasks. A significant role in this area belongs to the main actors of the regional policy – the minister competent for regional development and voivodeship self-governments, responsible for shaping the conditions for the functioning of the cooperation network, by means of initiating, supporting and promoting new relations, including, for instance, partnerships among local communities, public and private partnerships concluded for the purpose of joint tasks implementation or for the purpose of creating a network of public partners (the gimna, poviat or municipal authorities) within one area, with the view to implement common projects.

Ensuring participation, on a partnership principle, of a wide representation of public and non-public entities in the public debate on the subject of regional development and in the processes of creating strategies and programmes at the regional and national level, among others, by means of participation in consultations of strategic, operational and implementation documents, will contribute to achievement of a public consensus concerning the adopted directions of development on the specific territory, and as a result, to mobilisation and concentration of endeavours targeted at achievement of jointly set out development objectives, which in turn will increase efficiency of the entire implementation system for the territorially-oriented policy. Identification of the population residing the given area with the vision, objectives and priorities concerning development will also contribute to the process of regional identity building, thus, positively influencing development of the social capital in relation to regional development. Involvement of all interested entities in implementation of the development policy will allow, on one hand, for effective implementation of undertakings supporting development, through combining various resources (public/private, government/self-government) for the purpose of achievement of common objectives and on the other hand, it will instil greater trust between the participants in the development processes, in particular, between representatives of the public administration and non-governmental partners, since the success of jointly implemented activities will depend on their partnership cooperation.

The establishment of trust and partnerships will be supported with increased transfer of information between regional policy actors, both as regards the national relationships at the national, regional and local level, as well as international relationships through the establishment of a discussion platform, system for transferring information and “good practices”, as well as channels for exchanging knowledge, experience, ideas and concepts on regional development. In this manner cooperation networks shape appropriate space for creating and developing innovative solutions concerning, primarily, improvement of the manner of implementing development activities, in order to overcome institutional inertia. Thus, the major entities of regional development will promote the innovative nature of solutions and experimentation within development processes by ensuring relevant incentives to the participants of development processes to seek and implement new institutional solutions. Experimentation will concern mainly the piloting of innovative interventions, implementing undertakings with the use of various territorial approaches (e.g. network of functional connections between the cities and the countryside), applying experimental executive mechanisms and new methods of involving partners into processes implementing the regional development objectives. Moreover, promotion will cover measures concerning “institutional experimentation”, consisting in delivery of innovative, efficient soft activities that have impact on increasing the administration capacity to govern development.

Creating a network of development processes also positively influences the process of learning which is indispensable for ensuring long-term success of development processes, facilitating exchange of knowledge, experience and information among participants of the development process. This concerns, in particular, the flow of knowledge between the national, regional and local level of regional policy governance, based on programmes for experience exchange, the so-called "benchlearning", twinning programmes in relationships country-region and region-local communities and on programmes increasing staff mobility within the country, among various levels of territorial division, as well as internationally, among the Polish administration and the administration of other EU countries, through apprenticeships and staff exchange. The basis for supporting the proper course of learning processes is proficient use of the evaluation process results, by means of applying the solutions related to the EU cohesion policy concerning providing access to evaluation research results (organisation of meetings and discussions, maintaining knowledge bases, manuals etc.), and proficient knowledge management, through dissemination of the works of experts, experienced persons and scientific institutions, through elaboration of a catalogue of good practices and establishment of a portal integrating themes and tools for
effective and efficient development activities. Dissemination of knowledge on the subject of regional development will be supported, among others, by observatories of development policies. Such system of providing access to and dissemination of knowledge offers conditions for creating a network of partners involved in regional development, while its informal nature ensures the possibility of continuous involvement of new partners and dissemination of information in a fast and efficient manner, which contributes to building a country which is based on a partnership model.

The cooperation networks cannot function effectively if the entities taking part in development processes do not have proper capacities to program and implement development activities or proper skills to initiate cooperation, to ensure activities coordination and to use information channels, in particular, those based on information and communication technologies. To this end, the programme for preparing the public administration to shaping and pursuing the development management policy, prepared and implemented by the minister competent for regional development, assumes implementation of education and training programmes for the public administration in relation to development management according to a new formula, by means of developing knowledge, skills and attitudes of employees at all levels of development management. Moreover, similar training programmes aimed at enhancing the potential and capacities to cooperate and conduct public activities, including development activities, will be pursued also in relation to partners operating for regional development from outside the public administration. An important tool for enhancing capacity of the public administration to shape and pursue the development management policy is lifelong learning. Under activities enhancing capacity of the administration, the approach towards learning will be developed as well as its presence in the tasks of all ministries and in the tasks of the territorial self-government administration, and emphasis will be put on cohesion of the effects of learning in various ministries and fields and within various territorial combinations. The main actors of the regional policy (government and self-government administration, social organisations) are at the same time organisers as well as addressees of the activities concerning lifelong learning. The process of building appropriate capacity to conduct activities supporting development, in particular, at the local level, is also supported by the properly planned process of exchange of knowledge, experience and information.

Under objective 3 it is also planned to implement activities aiming at building the social capital on the rural areas, through activation of the population residing on these areas, on the basis of experience gained during implementation of the Leader axis under the Programme of Rural Areas Development for the years 2007–2013. With the application of the territorial approach it is possible to precisely determine the problems existing on the specific area and to select better preventive measures.

Activities pursued for the purpose of building the social capital for regional development are pursued primarily at the regional level by voivodeship self-governments which provide conditions enabling creation of a cooperation network in the region. Such support will be supplemented with activities conducted at the national level which initiate, promote and support development of cooperation, partnership, the process of learning, exchange of knowledge and experience as well as the process of experimentation.

| Measures of success of the implementation of Objective 3 of the NSRD include: |
| • improved quality of the debate on the subject of strategic directions and forms of regional development between various public and non-public entities involved in the activity supporting development, |
| • ordered and reduced sectoral division of public interventions, owing to an increased share of expenditure allotted to implementation of objectives determined in relation to territories, |
| • development of cooperation between the main actors of the regional policy (governments, voivodeship self-government), with the increased involvement of other public (local self-government) and non-public entities, |
| • a network of relationships between the public authorities within the multi-level governance system for the purpose of implementing common development objectives in relation to territories, and increased exchange of experience and knowledge between such authorities, |
| • disseminating among the main actors of the regional policy the concept of lifelong learning as an instrument for improvement of the quality of public policies management, |
| • increase in the number of local as well as public and private partnerships contributing to implementation of common undertakings conducted on one area and their greater integration. |
6.3. The NSRD objectives in relation to three dimensions of the strategy: regions – cities – rural areas

The NSRD 2010–2020 regions – cities – rural areas indicates main chains of development which the regional policy refers to. The essence of the new regional policy, which assumes integration of various instruments and their adjustment to the regions’ characteristics, is based on a better application of hidden or improperly used potentials, by means of the so-called territorial approach. The regional policy supports the spread of development processes and improvement of the interregional cohesion through building and developing functional connections between the areas with the largest development potentials (most often those most urbanised) and the territories struggling with development barriers. Such connections concern not only transport but also economic, scientific, social, cultural and institutional connections. The process of building and developing such connections is focused on, in particular, the relationship between cities and rural areas which are in a specific situation due to various development factors.

Regions

The NSRD perceives the Polish regions as the basic point of reference for the regional policy. A region is treated as the main element of the country’s spatial structure, distinguished, first of all, on the basis of the administrative division, and, secondly, in terms of its functions – as a unit with own identity and a specific set of social and economic features, with the voivodeship city connected to the rest of the settlement network.

The regional policy supports development of all Polish regions, regardless of the level of their wealth. With such integrating and multi-sectoral approach, the regional policy constitutes a universal tool for application and enhancement of regional development potentials. In the years 2010–2020 the greatest emphasis will be put on creating conditions for the widest possible spread of development processes from the centres towards the entire area of the regions. This process will be supported by all activities under objective 1, which, on one hand, underline the importance of the regions’ enhancement in relation to issues which determine their competitiveness (voivodeship centres – direction 1.1) and, on the other hand, introduce a coherent set of activities targeted at creating conditions for the spread of development processes and increasing their absorption on the areas outside voivodeship centres (direction 1.2). Activities aimed at the spread of development processes, indicated in the description of objective 1 of the NSRD, comprise creation and improvement of communication connections with the view to increase the availability of communication, to support the existing settlement network within the region – including, in particular, sub-regional cities and rural areas, as well as to use and enhance their competitiveness on the basis of their territorial specialisations.

As a complement to the above-mentioned directions of the policy, the regional policy will include selected thematic activities of the horizontal scope, covering all regions.

The NSRD foresees also activities targeted at enhancement of interregional and intraregional cohesion. Appropriate activities under objective 2 refer to strengthening the existing networks of cities and supporting urban development, development of human resources and social capital, development of entrepreneurship and creating infrastructural and institutional conditions for increasing the level of investments and work efficiency growth. An important factor contributing to a better cohesion within the social dimension is the increased access and improved quality of public services which determine development capacities.

Another factor which is significant for development of the regions is their institutional potential, therefore, a special objective under the NSRD was formulated – “efficiency” (objective 3). Activities under this objective, which concerns better disbursement of public funds, with the application of strategic approach at every level and with developed partnership networks and multi-level governance, will in a considerable manner improve the quality of development policies implemented at the central, regional and local level.

Cities

Under the NSRD the capital cities of the regions are perceived as the main centres of the regions’ development, contributing to the process of building the competitiveness potential of the region. With the strong cities, which host modern and competitive enterprises and offer job posts and high quality educational and cultural services, each region will strengthen its position and the scope of its positive impact will be extended to cover the entire area of the voivodeship. Support for urban centres is one of the basic assumptions of the regional policy since strong cities determine the competitive position of the entire region in the international and national perspective. Support targeted at cities contributes to the process of building the competitive potential of entire regions, increasing their international and national importance and strengthening the regional settlement network.
Other cities (sub-regional centres) which form a supplementary network of the region’s settlement structure also belong to the area of intervention under the regional policy. The regional policy will affect the increase in economic and social importance of sub-regional cities to provide a more efficient use of the potential of an entire region. Sub-regional centres, which function as local development centres, will be supported in relation to spatial, social and economic integration, their investment attractiveness will be increased, and the labour market will be developed, by means of supporting the business environment and development of economic functions of supra-local area of impact. An important aspect of support provided for sub-regional cities is development of the offer of high quality public services. This concerns mainly secondary and higher professional education, health care and culture.

As a supplement to the activities under objective 1 (“competitiveness”), the cities will be also addressees of interventions under objective 2 (“cohesion”) of the regional policy. A weak urban network in Eastern Poland implies that it is necessary to create special support for the purpose of initiating a stable restructuring of this part of the country. Moreover, even in the best developed and the largest urban centres there are poor districts, devastated areas or places which urgently require revitalisation activities. A special direction of activities dedicated to this problem area (2.3) will include integrated revitalisation and restructuring undertakings pursued on the area of such cities, based on precisely specified partnership revitalisation plans.

**Rural areas**

Under the NSRD rural areas are perceived in terms of their functions and not solely as agricultural areas. The intervention planned under the regional policy refers to various types of rural areas and will be differentiated not only in terms of the function and level of their development but also in terms of their location in relation to urban centres. Thus, the activities under the regional policy aimed at development of rural areas will be targeted at various types of rural areas. These include: urbanised rural areas in direct neighbourhood of the biggest cities where it is necessary to improve spatial situation and introduce activities for the purpose of integration of such rural areas with the city areas, as indicated under 1.1.1 and 1.1.2; (b) rural areas within the impact area of the main centres where the factors and phenomena connected with the spread of development processes are strong, which results in their diversified economic structure and relatively good social structure, and (c) rural areas located in the peripheries where the impact of urban areas is slight, which results in the need for intervention which would eliminate a series of adverse social phenomena, adverse economic structure and hindered access to public services.

A cross-sectional approach to development of rural areas employed in the NSRD follows from consideration of their diversity and is targeted, on one hand, at the best possible exploitation of development potentials of the best developed rural areas and at the increase of their potential to absorb development processes (this will be supported with development of functional connections with the cities), on the other hand, it concerns the special treatment of such rural areas which are characterised by the worst access to public services which determine development capacities. The NSRD strongly underlines the need for increased access to public services and improvement of their quality on the most problematic rural areas. Support under the regional policy will be adjusted to a particular situation of each territory.

As well as a special direction under objective 1 (1.2.3) and a special direction of activities under objective 2 (in particular 2.2), the majority of activities implementing the strategic objective of the NSRD will positively influence development of rural areas. These include, among others, activities increasing communication accessibility, development of the business environment institutions, supporting specialisation, horizontal activities related to human resources, the intellectual and social capital, and application of the assets of the natural environment and of the potential of the cultural heritage.

The regional policy in relation to rural areas will be coherent and strictly integrated with other development policies, including, in particular, the agricultural, economic, social, educational, environmental and transport policy.
Table 3. The NSRD objectives in relation to three dimensions of the strategy: regions – cities – rural areas

<table>
<thead>
<tr>
<th>Objective 1</th>
<th>COMPETITIVENESS</th>
<th>REGIONs</th>
<th>CITIES</th>
<th>RURAL AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing transport accessibility of inside the regions – as one of the main factors contributing to the spread of development processes</td>
<td>Enhancing functional areas of all voivodeship centres</td>
<td>Creating conditions for functional integration with the cities – involvement of rural areas surrounding the cities into development processes</td>
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<tr>
<td>Creating conditions for absorption of innovation</td>
<td>Warsaw – the capital city</td>
<td>Increasing the development and absorption potential of rural areas</td>
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<tr>
<td>Human resources</td>
<td>Creating conditions for the spread of development processes towards entire regions</td>
<td>Increasing use of human resources – increasing professional and spatial mobility (including commuting)</td>
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<tr>
<td>Intellectual and social capital</td>
<td>Developing and supplementing metropolitan functions</td>
<td>The use of environmental assets and the potential of cultural heritage</td>
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</tr>
<tr>
<td>Use and enhancement of regional specialisations</td>
<td>Supporting urbanisation processes</td>
<td>Development of poviat cities – local development centres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clusters</td>
<td>Improvement of connections between voivodeship centres</td>
<td>Creating conditions for increasing investments other than agricultural</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening sub-regional cities</td>
<td>Integration of functional urban areas</td>
<td>Local development aimed at improvement of the quality of living, tourist and investment attractiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating favourable conditions for investors and entrepreneurs – finance, services of business environment institutions</td>
<td>Supporting development and role of sub-regional cities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversification and efficient use of energy</td>
<td>Innovation – creation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country’s cohesion – regions of Eastern Poland – still the most underdeveloped part of the country</td>
<td>Science</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interregional cohesion – focus on the most underdeveloped sub-regions</td>
<td>Internationalisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Border areas – accessibility, development of common infrastructure, economic and social integration</td>
<td>Cooperation between the cities – creating a network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 2</td>
<td>COHESION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancement of the existing network of cities, especially in Eastern Poland</td>
<td>Underdeveloped rural areas – social, economic and spatial restructuring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring of cities which lose their economic functions</td>
<td>Improved access to and the quality of public services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revitalisation – spatial, economic and social</td>
<td>Increasing access to the broadband Internet and e-services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancing the urban network in Eastern Poland</td>
<td>Counteracting exclusion from development processes of the areas located in extreme peripheries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 3</td>
<td>EFFICIENCY</td>
<td>Strengthening of the strategic approach at all levels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better territorial orientation of public centres</td>
<td>Underdeveloped rural areas – social, economic and spatial restructuring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordination mechanisms, including multi-level governance</td>
<td>Improved access to and the quality of public services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building the social capital by the cooperation networks of actors in the regional policy</td>
<td>Increasing access to the broadband Internet and e-services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating conditions for increasing investments other than agricultural</td>
<td>Counteracting exclusion from development processes of the areas located in extreme peripheries</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.4. Monitoring indicators for the NSRD 2010–2020

As a consequence of determining the objectives of the development policy in relation to territories, an appropriate territorial level for monitoring their implementation is adopted. The effects of public intervention in relation to territories as well as development tendencies on such territories are monitored in particular with consideration of the following spatial levels of data aggregation:

a) areas determined according to their spatial scope (with the use of the Nomenclature of Territorial Units for Statistics (NUTS) functioning in Poland): territory of Poland, voivodeships – NUTS 2, sub-regions (groups of poviats) – NUTS 3, poviats – NUTS 4, gminas – NUTS 5.

b) areas indicated according to the type of territory – e.g. in the combination: functional areas of voivodeship centres – the remaining areas, areas of strategic intervention.

The core monitoring indicators for the NSRD implementation represent values reflecting the growth, employment and social and economic cohesion. The remaining proposed indicators are of open nature, that is they will be adjusted on a current basis, depending on the needs. The directions of changes in relation to the monitored phenomena determine the assumptions of each objective, thus, in some cases the target condition foresees the decrease of a specific value over time.

Table 4. Monitoring indicators for the NSRD (growth, employment, cohesion in relation to the territorial cross-section)

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP per capita (based on current prices)</td>
<td>%</td>
<td>NUTS 2, NUTS 3</td>
<td>30,872.8*</td>
<td>68,472.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• change of the absolute value and the indicator of the relation of the value in the voivodeship to the average value of the country during the last 3 and 5 years</td>
<td>%</td>
<td>NUTS 2, NUTS 3</td>
<td>30,872.8*</td>
<td>68,472.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Indicator of the actual increase of gross disposable income in the household sector</td>
<td>%</td>
<td>NUTS 2</td>
<td>–</td>
<td>19.1</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Gross value added structure according to the activity type (agriculture, industry and construction, services, including market services)</td>
<td>%</td>
<td>NUTS 2</td>
<td>agriculture: 4.3*, industry and construction: 30.8*, services: 64.9*</td>
<td>agriculture: 3.3, industry and construction: 31.8, services: 64.9</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Total expenditure on R+D activity in relation to GDP, including expenditure incurred by:</td>
<td>%</td>
<td>NUTS 2</td>
<td>0.6*</td>
<td>1.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• enterprise sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour productivity (gross value added per 1 worker) in total and according to the activity type (agriculture, industry and construction, services, including market services)</td>
<td>thousands PLN</td>
<td>NUTS 2</td>
<td>75.6*</td>
<td>137.6</td>
<td>Central Statistical Office</td>
</tr>
</tbody>
</table>

109 The method of estimating the value in the target year has been indicated next to the given indicator in the statistical annex.
### Employment

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate (number of workers aged between 18–59/64 years as % of the total number of persons from this age group) • including the employment rate concerning persons aged between 55–64 years,</td>
<td>%</td>
<td>EU-27, Poland, NUTS 2</td>
<td>64.9</td>
<td>64.3</td>
<td>Central Statistical Office (Labour Force Survey), Eurostat</td>
</tr>
<tr>
<td>Structure of the group of workers according to the activity type (agriculture, industry and construction, services, including market services)</td>
<td>%</td>
<td>NUTS 2</td>
<td>agriculture: 14.0, industry and construction: 31.9, services: 54.1</td>
<td>agriculture: 5.8, industry and construction: 33.0, services: 61.2</td>
<td>Central Statistical Office (Labour Force Survey)</td>
</tr>
<tr>
<td>Unemployment rate according to the Labour Force Survey</td>
<td>%</td>
<td>NUTS 2</td>
<td>7.1</td>
<td>7.3</td>
<td>Central Statistical Office (Labour Force Survey)</td>
</tr>
</tbody>
</table>

### Cohesion

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP per capita</strong> (according to PPS) in the EU-27 = 100</td>
<td>%</td>
<td>Poland, NUTS 2</td>
<td>54.4*</td>
<td>74.3</td>
<td>Central Statistical Office, Eurostat</td>
</tr>
<tr>
<td>GDP per capita in the voivodeships of Eastern Poland (based on current prices) • Poland = 100</td>
<td>%</td>
<td>NUTS 2</td>
<td>71.3*</td>
<td>71.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Average monthly disposable income per 1 person in households</td>
<td>PLN</td>
<td>NUTS 2</td>
<td>1,006.6</td>
<td>1,550.1</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Share of the population aged between 15–64 years with higher education in the total population from this age group • difference in relation to the national average</td>
<td>%</td>
<td>NUTS 2</td>
<td>16.5</td>
<td>24.4</td>
<td>Central Statistical Office (Labour Force Survey)</td>
</tr>
<tr>
<td>At-risk-of-poverty rate, in relation to relative poverty, with consideration of social transfers in the income</td>
<td>%</td>
<td>NUTS 2</td>
<td>17</td>
<td>–</td>
<td>Central Statistical Office (EU-SILC)</td>
</tr>
</tbody>
</table>

* data for 2007
Table 5. Monitoring indicators for objective 1 of the NSRD – Support to the competitive growth of the regions

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening the functions of voivodeship metropolitan centres and integration of their functional areas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of GDP concentration in functional areas of voivodeship centres (Functional Areas of Voivodeship Centres – FAVC)(^{110})</td>
<td>%</td>
<td>FAVC(^{111})</td>
<td>50.8</td>
<td>51.6</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• voivodeship = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of employment concentration(^{112}) – the share of workers employed within the FAVC</td>
<td>%</td>
<td>FAVC</td>
<td>48.8</td>
<td>50.2</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• voivodeship = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importance of the voivodeship city according to MEGA criteria from the ESPON classification</td>
<td>number of cities in specific groups under the classification</td>
<td>voivodeship cities</td>
<td>7</td>
<td>9</td>
<td>ESPON</td>
</tr>
<tr>
<td>• Weak</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strong</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational events in museums per 10,000 inhabitants in the FAVC</td>
<td>number, %</td>
<td>FAVC</td>
<td>42.8</td>
<td>49.7</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• voivodeship = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persons visiting museums and their branches per 10,000 inhabitants in the FAVC</td>
<td>number, %</td>
<td>FAVC</td>
<td>8,124.8</td>
<td>9,508.1</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• voivodeship = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exhibitions in the facilities conducting exhibiting activity in the FAVC (Polish exhibitions in Poland, Polish exhibitions abroad, foreign exhibitions in Poland and international exhibitions in Poland)</td>
<td>number, %</td>
<td>FAVC</td>
<td>2,346</td>
<td>2,815</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• voivodeship = 100</td>
<td></td>
<td></td>
<td>89</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td>187</td>
<td>224</td>
<td></td>
</tr>
<tr>
<td>Core Creativity Class (per cent of population aged between 15–64 years)</td>
<td>%</td>
<td>NUTS 2</td>
<td>5.9</td>
<td>6.5</td>
<td>Eurostat, Labour Force Survey</td>
</tr>
</tbody>
</table>

\(^{110}\) The share of GDP created within the functional area of voivodeship centres has been estimated by means of including to this area: the voivodeship city and the adjacent poviats with the population density of more than 150 persons/m². Then, the functional area has been matched with the values of GDP from specific NUTS 3, on the basis of the proportion of the number of inhabitants in the voivodeship city and poviats with the population density of more than 150 persons/m², to the total population of this voivodeship. The need for estimating GDP results from the fact that the lowest statistical level for which GDP is calculated is NUTS 3, however, not all voivodeship cities constitute a separate NUTS 3.

\(^{111}\) The concept of the functional area of voivodeship centres (FAVC) was introduced in order to underline the role of the areas outside the administrative borders of voivodeship cities, closely connected with voivodeship centres by social and economic dependencies. Therefore, for the purpose of monitoring, the FAVC concept was adopted, which indicates a dense area of poviats surrounding the voivodeship centre, with population density of more than 150 persons/m², in order to better exploit the role of the population potential on the areas surrounding voivodeship cities in the process of enhancing metropolitan functions. The administrative level of determining the FAVC on the basis of poviats to a large extent resulted from the accessibility of the data.

\(^{112}\) In enterprises employing more than 9 persons.
<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of provided passenger transport services per 1 inhabitant of urban areas</td>
<td>number</td>
<td>NUTS 2</td>
<td>174.5</td>
<td>226.8</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• Poland = 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urbanisation rate (understood as the percentage of population residing in gminas with the population density of more than 150 persons/m2)</td>
<td>%</td>
<td>NUTS 2</td>
<td>59.9</td>
<td>65.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of passengers served at airports</td>
<td>number</td>
<td>airports</td>
<td>20,771,172</td>
<td>40,983,484</td>
<td>Civil Aviation Office</td>
</tr>
<tr>
<td>Connection of voivodeship cities with express roads or highways</td>
<td>number</td>
<td>country</td>
<td>6/18</td>
<td>18/18</td>
<td>General Directorate for National Roads and Motorways</td>
</tr>
<tr>
<td>Connection of all voivodeship centres with railways modernised to the average speed of passenger trains amounting to at least approx. 100 km/h</td>
<td>number</td>
<td>country</td>
<td>4/18</td>
<td>18/18</td>
<td>Polish Railways (PLK SA) / Ministry of Infrastructure</td>
</tr>
<tr>
<td>Creating conditions for the spread of development processes and the increase of their absorption outside voivodeship centres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of workers going away for work from the specific poviat in relation to the total number of persons employed in the poviat</td>
<td>%</td>
<td>NUTS 2, FAVC, NUTS 4</td>
<td>9.3% (FAVC)</td>
<td>9.3% (FAVC)</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Average monthly salary gross</td>
<td>PLN, %</td>
<td>NUTS 2, FAVC, NUTS 4</td>
<td>3,474.3 (FAVC)</td>
<td>5,350.5 (FAVC)</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• including cities with the poviat rights outside the FAVC, in relation to voivodeship cities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of registered long-term unemployed persons (without employment for more than 12 months)</td>
<td>%</td>
<td>NUTS 2, FAVC, NUTS 4</td>
<td>30.6 (FAVC)</td>
<td>15.3 (FAVC)</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• including in the areas outside the FAVC, in relation to FAVC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population covered with road isochrone of 60 minutes in relation to voivodeship cities</td>
<td>%</td>
<td>NUTS 2</td>
<td>57.9</td>
<td>68.0</td>
<td>Polish Academy of Sciences</td>
</tr>
<tr>
<td>Deaths per 1,000 persons</td>
<td>number, %</td>
<td>NUTS 4</td>
<td>10.2</td>
<td>11.1</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Structure of deaths according to causes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building competitiveness of voivodeships – themed activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduates from higher education institutions, from the faculties related to mathematics, natural sciences and technical sciences (% of graduates from higher education institutions in total)</td>
<td>%</td>
<td>NUTS 2</td>
<td>18.2</td>
<td>27.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Share of persons aged between 25–64 years taking part in lifelong learning in the total population from this age group</td>
<td>%</td>
<td>NUTS 2</td>
<td>4.7</td>
<td>10.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Name of the indicator</td>
<td>Unit of measurement</td>
<td>Territorial cross-section</td>
<td>Value in the base year (2008)</td>
<td>Value in the target year 2020</td>
<td>Source</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------</td>
<td>--------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Number of entities from the 3rd sector (foundations, associations, social organisations) per 1,000 inhabitants</td>
<td>number</td>
<td>NUTS 2</td>
<td>1.9</td>
<td>3.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Turnout in the elections to bodies of the territorial self-government units</td>
<td>%</td>
<td>NUTS 4</td>
<td>46.0</td>
<td>65.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Gross expenditure for fixed assets in relation to GDP</td>
<td>%</td>
<td>NUTS 2</td>
<td>22*</td>
<td>19</td>
<td>Central Statistical Office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of persons employed in the R+D sector in the total number of workers</td>
<td>%</td>
<td>NUTS 2</td>
<td>0.8</td>
<td>1.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Percentage of innovative enterprises (industrial and from the services sector) according to the types of introduced innovations (new or considerably improved products, new or considerably improved products for the market, new or considerably improved processes)</td>
<td>%</td>
<td>NUTS 2</td>
<td>enterprises from the services sector: 15.6, 21.3</td>
<td>enterprises from the services sector: 24.8, 37.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Gross expenditure for fixed assets in companies with foreign capital in relation to gross expenditure for fixed assets in total</td>
<td>%</td>
<td>NUTS 2</td>
<td>21.7</td>
<td>28.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of newly incorporated companies with foreign capital</td>
<td>number</td>
<td>NUTS 2</td>
<td>1,320</td>
<td>5,000</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of newly registered entities of the national economy in total in the private sector, including self-employed natural persons, commercial companies and commercial companies with foreign capital</td>
<td>number</td>
<td>NUTS 4</td>
<td>314,082, 273,240, 15,608, 3,345</td>
<td>1,871,709, 1,628,319, 93,013, 19,934</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Export in relation to the GDP</td>
<td>%</td>
<td>NUTS 4</td>
<td>37.5*</td>
<td>–</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Share of electric power generated from renewable sources in the total electric energy consumption</td>
<td>%</td>
<td>NUTS 2</td>
<td>2.5</td>
<td>15.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Electric energy consumption per PLN 1 million of the GDP</td>
<td>GW*h/PLN</td>
<td>NUTS 2</td>
<td>0.1186</td>
<td>0.0546</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of foreign tourists using accommodation in tourist facilities offering collective accommodation</td>
<td>number</td>
<td>NUTS 2</td>
<td>4,046,312</td>
<td>5,784,681</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of beds in all-year tourist facilities offering collective accommodation (previous year = 100)</td>
<td>number</td>
<td>NUTS 2</td>
<td>381,604</td>
<td>451,701</td>
<td>Central Statistical Office</td>
</tr>
</tbody>
</table>

* data for 2007

113 On the basis of the results of the research conducted by the Central Statistical Office: Report on the activity of foundations, associations and other social organisations, with the use of the SOF-1 form.
### Table 6. Monitoring indicators for objective 2 of the NSRD – Establishment of territorial cohesion and preventing marginalization of problem areas\textsuperscript{114,115}

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year (2008)</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity rate concerning persons at the working age, i.e. between 18–59/64 years • on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland)</td>
<td>%</td>
<td>NUTS 2</td>
<td>69.9</td>
<td>69.0</td>
<td>Central Statistical Office (Labour Force Survey)</td>
</tr>
<tr>
<td>Share of the population aged between 15–64 years with secondary education in the total population from this age group • on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland)</td>
<td>%</td>
<td>NUTS 4</td>
<td>35.9</td>
<td>38.5</td>
<td>Central Statistical Office (Labour Force Survey)</td>
</tr>
<tr>
<td>Persons who abandon education early (per cent of the population aged between 18–24 years)</td>
<td>%</td>
<td>NUTS 2</td>
<td>5</td>
<td>4.5</td>
<td>Eurostat Structural Indicators</td>
</tr>
<tr>
<td>Registered unemployment rate (including the share of the unemployed aged below 29 inclusive, in the total number of the unemployed) • on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland) • on border areas</td>
<td>%</td>
<td>NUTS 4</td>
<td>9.5</td>
<td>6.9</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Percentage of workers employed in the agricultural sector • on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland) • on rural areas with the lowest level of access for inhabitants to the goods and services determining development capacities</td>
<td>%</td>
<td>NUTS 4</td>
<td>14.0</td>
<td>5.8</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of persons dismissed from work due to the workplace’s fault: • in total • including cities and other areas losing their previous social and economic functions</td>
<td>number</td>
<td>NUTS 4</td>
<td>41,047</td>
<td>–</td>
<td>Central Statistical Office</td>
</tr>
</tbody>
</table>

\textsuperscript{114} With the application of indicators from the study: \textit{Identification and delimitation of problem areas/areas of strategic interventions. Part II – methodology and analysis}. Expertise of the Institute for Structural Research for the Ministry of Regional Development, 17 June 2009.

\textsuperscript{115} The values in the base year and in the target year are average values for Poland, whereas the statistical annex includes average values for voivodeships. The values for specific areas of strategic intervention may be specified only after a detailed delimitation of areas of strategic intervention, depending on the intensity of particular problems, is completed. It should be conducted at the lowest possible level (of a region or a sub-region).
<table>
<thead>
<tr>
<th>Number of entities of the national economy registered in the Central Statistical Register REGON per 1,000 inhabitants at the working age (15–64 years)</th>
<th>number</th>
<th>NUTS 4</th>
<th>143.9</th>
<th>193.0</th>
<th>Central Statistical Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>• on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• including cities and other areas losing their up-to-date social and economic functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of demographic burden – number of non-working age population per 100 persons at the working age</td>
<td>number</td>
<td>NUTS 4</td>
<td>55.1</td>
<td>51.5</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• on the areas of lower accessibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of migration balance in relation to gminas and with the view to permanent residence per 1,000 inhabitants</td>
<td>number</td>
<td>NUTS 4</td>
<td>-0.4</td>
<td>0.00</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• on the areas of strategic intervention with the view to ensure cohesion (Eastern Poland)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• including cities and other areas losing their up-to-date social and economic functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• on areas of lower accessibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of the devastated and degraded lands which require reclamation in the total area</td>
<td>%, ha</td>
<td>NUTS 2</td>
<td>0.204% 63,735</td>
<td>0.153% 47,808</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Population covered with road isochrone of 90 minutes in relation to voivodeship cities</td>
<td>%</td>
<td>NUTS 2, including city/rural areas</td>
<td>85.2</td>
<td>92.0</td>
<td>Polish Academy of Sciences</td>
</tr>
</tbody>
</table>
Table 7. Indicators of access to public services

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year</th>
<th>Value in the target year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Educational services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of children aged between 3–5 years covered with pre-school education (nurseries, pre-school points and complexes) in the total number of children from this age group</td>
<td>%</td>
<td>NUTS 4</td>
<td>50.5</td>
<td>85.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Percentage of children aged 0–3 years covered with early care services</td>
<td>%</td>
<td>NUTS 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of primary and lower secondary school pupils per 1 computer with access to the broadband Internet</td>
<td>person</td>
<td>NUTS 4</td>
<td>20.9</td>
<td>10.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Results of primary school leaving exams, lower secondary school tests and high school leaving exams (coefficient of variation)</td>
<td>points</td>
<td>NUTS 2, 4</td>
<td>27.1*</td>
<td>–</td>
<td>Central Examination Board</td>
</tr>
<tr>
<td><strong>Health care services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deaths of babies per 1,000 live births</td>
<td>person</td>
<td>NUTS 4</td>
<td>5.6</td>
<td>3.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of doctors per 10,000 inhabitants</td>
<td>person</td>
<td>NUTS 4</td>
<td>40.5</td>
<td>50.4</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of nurses and midwives per 10,000 inhabitants</td>
<td>person</td>
<td>NUTS 4</td>
<td>59.9</td>
<td>65.7</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td><strong>Public transport and communication services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of matters dealt with in an electronic way (as % out of 20 basic services)</td>
<td>%</td>
<td>NUTS 2</td>
<td>33</td>
<td>100</td>
<td>Ministry of Scientific Research and Information Technology116</td>
</tr>
<tr>
<td><strong>Environmental protection services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population using the sewage network</td>
<td>%</td>
<td>NUTS 4</td>
<td>61</td>
<td>80</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>• total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• urban areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• rural areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of recycled waste (except for municipal waste) in the overall number of waste produced during one year</td>
<td>%</td>
<td>NUTS 4</td>
<td>74.9</td>
<td>88.0</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Population covered with collection of municipal waste as % of the total population</td>
<td>%</td>
<td>NUTS 2</td>
<td>78.1</td>
<td>85.3</td>
<td>Central Statistical Office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cultural services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of participants in events in cultural centres, clubs and day rooms per 1 inhabitant</td>
</tr>
</tbody>
</table>

* average result from the lower secondary school test, from the mathematics and natural sciences part

**Table 8. Monitoring indicators for objective 3 of the NSRD – Establishment of conditions for efficient, effective and partnership implementation of development activities targeted at territories**

<table>
<thead>
<tr>
<th>Name of the indicator</th>
<th>Unit of measurement</th>
<th>Territorial cross-section</th>
<th>Value in the base year</th>
<th>Value in the target year 2020</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of the gmina covered with applicable local plans of space planning as % of the total area of such gmina</td>
<td>%</td>
<td>NUTS 2, 3, 4, 5</td>
<td>10.57</td>
<td>15.89</td>
<td>Central Statistical Office</td>
</tr>
<tr>
<td>Number of public and private local partnerships and many-entity consortiums concluded for the purpose of implementation of territorial contracts</td>
<td>number</td>
<td>NUTS 2</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
<tr>
<td>Number of non-governmental organisations, associations, social and economic partners participating in consultations on the strategy of voivodeship development /territorial contracts</td>
<td>number</td>
<td>NUTS 2</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
<tr>
<td>Number of projects implemented with the co-financing from the EU funds</td>
<td>number</td>
<td>NUTS 2, 3, 4</td>
<td>–</td>
<td>–</td>
<td>Electronic database: System of project accounting</td>
</tr>
<tr>
<td>Percentage of employees of the public administration units taking part in trainings concerning improvement of the capacity to govern development</td>
<td>%</td>
<td>NUTS 2, 3, 4</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
<tr>
<td>Number of jointly conducted evaluations</td>
<td>number</td>
<td>NUTS 2</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
<tr>
<td>Level of achievement of material indicators for territorial contracts</td>
<td>%</td>
<td>NUTS 2</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
<tr>
<td>Level of territorialisation of public expenditure</td>
<td>%</td>
<td>country</td>
<td>–</td>
<td>–</td>
<td>Regional policy monitoring system</td>
</tr>
</tbody>
</table>

117 The indicators for objective 3 are in majority output indicators, their complete list as well as base and target values will be specified at the stage of the NSRD implementation. At the moment precise specification of the target values is not possible, in particular, since executive documents which will determine some conditions within this scope are under preparation. For instance, the level of territorialisation of public expenditure may be specified only after some decisions on the percentage of public expenditure coordinated under the regional policy in relation to the total amount of “territorially-oriented” expenditure are made and the level of achievement of material indicators for territorial contracts requires specification of uniform standards for determining target values of the indicators measuring material effects and considering material indicators for territorial contracts separately in connection with specific objectives and sub-objectives.
7. NSRD IMPLEMENTATION SYSTEM

7.1. Assumptions of the regional policy implementation system

The flaws of the development management system in relation to the territorial (including regional) focus identified in the previous parts hereof imply that a more efficient system for NSRD implementation should be introduced, based on efficient functioning of public institutions equipped with effective executive instruments, including appropriate legislative and legal as well as institutional solutions, pursuant to the assumptions of Objective 3 of the NSRD.

This system should to a large extent build on the best experience and good practices within the scope of long-term programming of public intervention, coordinating various instruments, monitoring and evaluation as well as partnership cooperation, resulting from implementation of the EU cohesion policy in Poland, however, it heads towards a system independence of such policy and the slackening of the subordination relationship between the domestic objectives and the European ones. Basing on the European experience, the regional policy to a considerable extent uses also its own “institutional memory”, which enables potential avoidance of the previously applied solutions which were identified as ineffective.

The regional policy implementation system belongs to a wider management system of Poland’s development by means of inclusion of regional development programming and coordination processes within the general current of implementation of activities supporting development in Poland. This implies not only a strict interrelation between the strategic planning instruments prepared for the purpose of the regional policy implementation and the system of programming the country’s development, but also creating grounds for such policy implementation mechanisms in the form of common implementation standards in relation to development policies in Poland, in particular within the scope of monitoring and evaluation.

In the Polish development management system the regional policy as a horizontal policy fulfils a special role serving the integration of the so far fragmented development measures and their concentration on achieving the targets set out for individual territories. As a result, the implementation system for this policy should be constructed in a manner, which ensures cohesion of national public policies within the territorial scope, as well as regional development measures conducted by various public entities at various governance levels, aimed at increased efficiency and effectiveness of the national intervention targeted at territories. To this purpose, the regional policy implementation system is constructed on the basis of elementary principles of the regional policy specified in chapter 4 – concentration, partnership and cooperation, conditional nature, decision-making process based on reliable information, integrated territorial approach, coordination, subsidiarity, multi-level governance of the regional development processes and the principle of sustainable development.

7.2. Entities involved in the NSRD implementation

7.2.1. Prime Minister / Council of Ministers / Chancellery of the Prime Minister

The most crucial decisions related to strategic management and approval of strategic objectives lie within the competence of the Council of Ministers. Direct supervision of the country development management, including the regional policy, and ensuring coordination of measures aimed at the specific territories is provided by the Prime Minister by means of, among others:

- managing works of the Development Policy Coordination Committee (DP CC) – a body of the Chancellery of the Prime Minister providing opinions and consultancy,
- coordinating the preparation and consultation process concerning the project of the long-term national development strategy and other documents of strategic nature.

The Chancellery of the Prime Minister and the Board of Strategic Advisors to the Prime Minister assisting the Prime Minister implement the following tasks in relation to the strategic development management:

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118 In compliance with the provisions of the document Assumptions of the System of Polish Development Management.

119 The Development Policy Coordination Committee was appointed on the basis of Ordinance No 21 of the Prime Minister of 11 March 2009 (amended later with Ordinance No 47 of 18 June 2009).
• determining the needs and initiating the most important programme measures, in particular in the long-term perspective,
• assessing the results following from application of methodological and substantive standards as well as organisational procedures under the process of the national development programming,
• enforcing compliance of the selected regulatory initiatives with the objectives of the national strategic development formulated in the strategic documents.

The Council of Ministers is in particular responsible for:

• adopting the National Strategy of Regional Development and other documents of strategic nature, such as the long-term national development strategy,
• approving the report on the social, economic, regional and spatial development with recommendations to be implemented by competent ministers and voivodeship self-governments,
• establishing a negotiation mandate for the minister competent for regional development, thus authorising him to initiate, on behalf of the entire government, negotiations within the scope of the territorial contract.

7.2.2. Minister competent for regional development

Minister of regional development and its ministry perform the role of the main centre within the field of development policy, including the territorially-targeted policies, stimulating and monitoring the operation of the administration at the national and regional level, by means of, among others:

• establishing legal, methodological and organisational as well as institutional grounds for pursuing the regional policy (meta-governance),
• programming and implementing development activities at the national level,
• coordinating development activities having considerable impact on specific territories – at the national and European level, for the purpose of achieving the objectives set out for specific territories,
• vigilance over the proper course of the development activities implementation through relevant monitoring and evaluation mechanisms.

Establishing legal, methodological and organisational as well as institutional grounds for pursuing the regional policy

The minister competent for regional development is responsible for creating appropriate conditions for pursuing the development policy, including creation of appropriate institutional and legal frameworks for the regional policy implementation, by means of participation in establishing the national strategic development management system (the regional policy being its vital element), and for building social support for, and involvement in the policy through inspiring concern with regional development at the national level. This entails responsibility in particular for:

• drawing up appropriate legal acts which establish the frameworks for preparation and implementation of the development policy, including the regional policy, and specify the principles governing the regional development implementation,
• specifying the methodological and substantive standards as well as organisational procedures for the process of strategic development management programming, enforcing their observance by the entities involved in the process in relation to all policies under the development policy, and establishing standards for the regional policy implementation, including the revitalisation scope,
• preparing, in cooperation with the sectoral ministries, minimum access standards for specific categories of public services,
• preparing and implementing programmes aimed at enhancing the public administration potential in the field of development planning and managing,
• implementing the “territorialisation” process concerning sectoral policies, in cooperation with the minister competent for public finance and budget and the ministries responsible for sectoral policies of the greatest territorial impact,
• reorganising the policy implementation system by means of auditing the implementing institutions and certifying the implementing institutions at the national level,
• elaborating a system of “good practices” exchange among the participants to the regional development, among others, through creating conditions for networking and experience exchange120.

120 Under the project described in the part dedicated to Objective 3, which foresees improvement of the governance quality.
• participating in the preparations of the Multiannual Financial Plan of the State and the budget, according to the task scheme.

As part of building institutional relationships with partners at the appropriate levels of regional policy implementation, the minister competent for regional development is responsible for developing cooperation within the scope of regional development at the European and national level. In this way, at the national level the minister fulfils the role of a node for networks of partners which create a multi-level regional policy planning and implementation system. These tasks include:

• representing the government before the European Commission in relation to the community debate on the future of the EU cohesion policy and reporting the debate’s results to the partners at the national and regional level,
• cooperating with international organisations (i.e. OECD, the World Bank and others) in relation to regional development,
• initiating and coordinating the national discussion on the regional policy, its objectives and governing principles,
• moderating the strategic discussion on the regional development by means of managing works of the National Territorial Forum,
• stimulating establishment of multi-entity partnerships for implementation of joint projects within various territorial combinations,
• consulting its planned activities with the partners at the national, regional and local level.

Programming and implementing development activities at the national level

The minister competent for regional development is responsible for a number of tasks connected with programming and implementing development activities. In this field, the minister prepares comprehensive documents of strategic as well as operational and implementation nature manages their implementation and participates in the elaboration of strategic documents of other ministries. This entails responsibility for the following tasks:

• preparing and updating comprehensive, medium-term strategic documents, such as: medium-term national development strategy, national spatial planning concept, supra-regional strategies as well as implementing programmes of considerably shorter time perspective,
• cooperating with the Chancellery of the Prime Minister in relation to preparation of the project of the long-term national development strategy,
• preparing the national strategy of regional development and its potential modifications,
• preparing documents specifying the mode of implementation for specific issues under the regional policy on the basis of the NSRD, e.g. the urban policy,
• preparing strategic documents necessary for implementation of the European cohesion policy in Poland122 and ensuring their cohesion with the provisions of the strategic documents,
• preparing operational and implementation documents at the national level123, including those constituting the basis for obtaining development resources from the EU,
• preparing, in cooperation with the voievodeship self-governments, procedures and guidelines in detail regulating the issues connected with the NSRD implementation, including in particular the manner of accounting for the regional perspective in the strategic documents at the national and regional level,
• managing the selected operational programmes and development programmes at the national level,
• conducting negotiations with the European Commission concerning the documents which specify the development strategy comprising a cohesive set of priorities which are to be achieved through operational programmes and their modifications.

Coordinating development activities having a considerable territorial impact at the national and European level, in order to achieve the objectives set out for specific territories

The minister competent for regional development and its ministry constitute a centre coordinating development activities of territorial focus at the national level. In this scope, the minister carries out tasks related to coordination of all public policies having a considerable territorial impact at the national and European level, in order to achieve the objectives set out for specific territories, both at the stage of programming the development policies of territorial focus as well as at the

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121 Covering the following levels: European – national – regional – local.
123 See point 7.3.
stage of development activities implementation in relation to the territory. The tasks of the minister competent for regional development comprise in particular:

- participating in works of the Development Policy Coordinating Committee (DPCC) and the working teams appointed within it, among others, the Sub-committee for territorial contract124,
- issuing opinions on operational and implementation documents drawn up at the regional level, including the documents which constitute the basis for obtaining development resources from the EU,
- issuing opinions on development strategies and programmes prepared at the national level and assessing their compliance with the medium-term national development strategy,
- coordinating preparation and performance of territorial contracts at the national level, which includes:
  - negotiating, at the level of the Council of Ministers, directions of allocation and the amount of resources assigned for implementation of territorial contracts on the government’s part,
  - preparing the procedure of negotiation, conclusion and performance of territorial contracts and coordinating works on preparation of the list of priority undertakings at the national level,
  - negotiating the contents of the Contracts with self-governments and other entities, in the capacity of the government representative,
- coordinating the regional policy with regulating policies, i.e. public aid and public procurement policies (in cooperation with the Office of Competition and Consumer Protection and the Public Procurement Office),
- participating in works of the Monitoring Committees for operational programmes at the national and regional level,
- issuing opinions on procedures and guidelines related to the NSRD implementation and drawn up at the regional level.

Vigilance over the proper course of development activities implementation through relevant monitoring and evaluation mechanisms

The minister competent for regional development analyses the tendencies and situations related to regional and spatial development and is responsible for vigilance over the proper course of development activities implementation, including those implemented in the regional policy area, by means of creation and application of appropriate monitoring and evaluation mechanisms. The minister assesses the effectiveness and efficiency of the implemented activities supporting development and coordinates the evaluation process at the national and regional level. The tasks of the minister competent for regional development within this scope comprise in particular:

- constructing a monitoring system for development processes having territorial focus and for the results of the pursued regional policy,
- constructing and supervising the operation of the national observatory of public policies, including the regional policy
- applying current analyses and evaluations of public policies having territorial impact, carried out by the national observatory, in order to formulate the current recommendations concerning improvement of the public policies quality in relation to the regional policy and concerning the functioning of the national development management system,
- monitoring the efficiency of the institutional system of the regional policy, including the territorial contracts performance,
- preparing annual reports on the subject of regional and spatial policy with the assessment of the progress in the implementation of the regional policy objectives specified in the NSRD and under the territorial contracts,
- preparing every three years a report on the social and economic as well as regional and spatial development,
- carrying out the process of the national development policy evaluation, including evaluation of the implemented programmes and strategies125,
- preparing recommendations concerning modifications of the approved policy, on the basis of the evaluation research results, including consideration of the analysis of interrelations and impact of the EU strategy and programmes on the national strategies and programmes.

124 The minister competent for regional development carries out his tasks related to coordination also under the NSRF Coordination Committee (appointed by way of Ordinance of the Minister of Regional Development No 6 of 11 April 2007) and under the working groups appointed within it.

125 Both ex-ante (before the commencement of implementation) as well as the current evaluation and participation in ex-post evaluation (conducted in cooperation with the European Commission in relation to the programmes co-financed from the EU funds or with relevant national entities, depending on the territorial scope of the programmes’ impact).
7.2.3. Ministries

At the level of the ministries more emphasis is put on the strategic approach within the planned and implemented activities under the development policy, in order to ensure the nation-wide integrated approach towards implementation of public policies having territorial impact. The role of the ministries is to actively participate in the regional policy programming and implementing process by means of:

- carrying out national interventions concerning public policies in relation to the territorial focus,
- adjusting national public policies having territorial impact\(^{126}\) to the national development challenges specified in the long-term national development strategy and to the strategic objectives set out in the medium-term national development strategy and to the national strategy of regional development.
- participating in the process of “territorialisation” of sectoral policies.
- analysing results and effects of the regional provisions relevant for specific departments of the development strategy, in cooperation with the Ministry of Regional Development,
- participating in preparation of the list of priority undertakings at the national level and negotiating provisions of the territorial contracts on the government part, organised by the minister of regional development,
- updating applicable development strategies and programmes on the basis of the conclusions from the report on the social and economic as well as regional and spatial development prepared by the minister of regional development,
- evaluating sectoral policies, among others, in terms of their impact on specific areas,
- elaborating, in cooperation with the Ministry of Regional Development, minimum access standards for specific categories of public services,
- monitoring the progress of implementation of the development objectives set out for the given area,
- participating in negotiations with the European Commission concerning the documents which constitute the basis for obtaining development resources from the EU,
- participating in works of the DD CC and of the working teams\(^{127}\) appointed under this Committee,
- participating in works of the Monitoring Committees at the national and regional level,
- participating in works of the National Territorial Forum.

7.2.4. Self-governments of voivodeships

Apart from the minister competent for regional policy the crucial actors involved in the regional policy are the Voivodeship Board and the Marshal, in the capacity of representatives of the self-government of specific voivodeship. The self-government plays a vital role in the programming and management process as well as in coordination of development activities at the regional level. Among its most important tasks are:

- programming and managing processes at the regional level,
- constructing a cooperation network at the regional level,
- coordinating activities supporting development implemented within the territory of the voivodeship,
- vigilance over the course of the processes involved in the regional policy implementation within the territory of the Voivodeship, through appropriate monitoring and evaluation mechanisms.

Programming and managing processes at the regional level

The voivodeship self-government is responsible for a number of tasks related to programming and implementation of development activities within the voivodeship territory. Within this scope it participates in preparation of documents of strategic nature as well as programmes and documents of operational and implementation nature, in cooperation and with the use of the potential of the vast network of partners from outside the public sector. This entails responsibility for:

- preparing and implementing the voivodeship development strategy and the voivodeship spatial plan related thereto,
- issuing opinions on the development policy solutions, including the regional development policy solutions adopted at the national and European level, participating in forums of experience exchange as well as presenting suggestions for the policy improvement,

\(^{126}\) I.e. sectoral policies such as: transport, agricultural, rural areas development, economic (including innovation development), employment and educational as well as the policies addressed to specific territories: urban and of rural areas.

\(^{127}\) Currently they take part in the works of the NSRF CC and in the works of the working groups appointed within it.
• participating in development of the NSRD and consultations concerning its provisions prepared at the government level by the MRD,
• participating in drawing up strategic documents necessary for implementation of the EU cohesion policy in Poland,
• drawing up implementation documents, including documents which constitute the basis for obtaining development resources from the EU,
• developing procedures and guidelines governing in detail the issues connected with implementation of the NSRD at the regional level,
• managing operational and development programmes at the regional level,
• participating in negotiations with the European Commission concerning the documents which constitute the basis for obtaining development resources from the EU, in relation to the resources directly allocated for development of the region.

**Constructing a cooperation network at the regional level**

Self-government of the voivodeship plays the role of a node of partner networks which create a multi-level system of the regional policy planning and implementation. It integrates activities of entities operating at the European, national, regional and local level by means of, among others:

• stimulating creation of groups linked in terms of tasks for implementation of joint undertakings and activities,
• involving other entities linked in terms of tasks in the processes of programming and implementing the regional policy at the voivodeship level,
• creating a cooperation platform with partners operating for the regional development, among others, by means of appointing the Regional Territorial Forum or another body of a similar nature in order to stimulate the strategic discussions concerning objectives, directions and effects of the regional policy and in order to provide a platform for information and experience exchange among the actors to the regional policy from the territory of the voivodeship,
• consulting its planned activities with the partners operating for regional development in the same voivodeship,
• ensuring connections of the network at the regional level with the national one, through presentation of the region positions in the strategic discussion with the government and the European Commission as well as through participation in works of the National Territorial Forum,
• ensuring connections of interregional networks to implement common development initiatives as well as to exchange knowledge and experience concerning regional development,
• ensuring connections of the network at the regional level with the European level through the activity of region representations at the EU level, membership in European organisations associating territorial self-governmental units and through participation in works of and cooperation with the Committee of the Regions.

**Coordinating activities supporting development implemented within the territory of the voivodeship**

Voivodeship self-governments ensure, within their competence, coordination of activities undertook under instruments of various sectoral policies at the voivodeship level (e.g. rural development policy), including also coordination of instruments of the EU cohesion policy and the national regional policy. This entails responsibility for:

• participation in works of the Development Policy Coordinating Committee (DD CC) and of the working teams appointed within it128,
• coordinating preparation and performance of territorial contracts at the regional level, which includes:
  ➢ determining the amount of finance allocated by the self-government for performance of territorial contracts,
  ➢ coordinating works on preparing a list of priority undertakings at the regional level and negotiating the list with other territorial self-government units and non-public entities as well as negotiating the contents of territorial contracts with the government, in the capacity of a self-government representative,
• participating in works of the Monitoring Committees for operational programmes at the national and regional level,

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128 Currently they take part in the works of the NSRF CC and in the works of the working groups appointed within it.
Vigilance over the course of processes involved in the regional policy implementation within the territory of the voivodeship

The voivodeship self-governments analyse tendencies and situation concerning the regional and spatial development at the regional level and are responsible for vigilance over the proper course of regional policy implementation through creating and applying appropriate monitoring and evaluation mechanisms in order to enhance efficiency and effectiveness of the implemented activities supporting development, including in particular by means of:

- constructing spatial and regional information systems,
- creating and supervising operation of the national observatory of public policies, including the regional policy,
- monitoring and assessment of progress in implementation of the development priorities set out at the regional level, among others, in the voivodeship development strategies,
- monitoring the progress in implementation of the priority undertakings agreed upon during negotiations concerning the territorial contract implemented within the voivodeship territory,
- preparing every three years a report on the social and economic as well as regional and spatial development,
- participating in the creation of a uniform system of indicators in the form of an electronic statistical database,
- analysing and evaluating accuracy of the general directions of the interventions set out at the programming stage,
- preparing social and economic as well as spatial analyses and evaluations, and development scenarios at the regional level,
- preparing recommendations for the changes in the approved policy, on the basis of the evaluation research results, including consideration of the analysis of interrelations and impact of the EU strategy and programmes on the national strategies and programmes,
- preparing recommendations for changes in the approved policy, on the basis of the evaluation research results, including consideration of the analysis of interrelations and impact of the EU strategy and programmes on the national strategies and programmes,
- evaluating the implemented programmes and strategies.

7.2.5. Voivode

The Voivode supports the Minister of Regional Development in the area of regional policy and supports the coordination of territorially oriented activities of the government administration at the level of the voivodeship. The Voivode has access to information on activities implemented in the voivodeship by sectoral ministers and having a regional impact, and can also counsel the Minister of Regional Development in relation to the tasks which may appear during negotiations of a territorial contract. To this end, the Voivode can recommend the shape of negotiation stances, taking into account the specifications of a particular area. In case the self-government of voivodeships receives financial resources for implementation of the tasks following from the territorial contract, the Voivode, as a body with statutory control and supervision functions, may be assigned the task of conducting a control in order to verify whether the financial resources from the state budget are correctly disbursed.

7.2.6. European Commission

So far the European Commission has played the role of one of the main actors in the regional policy, carrying out the tasks connected with programming, managing and controlling disbursement of the EU structural funds allotted for implementation of the cohesion policy, in cooperation with the government, the national government administration and the voivodeship self-government. The European Commission is in particular responsible for:

- preparing, in cooperation with the Member State, documents which constitute the basis for obtaining development resources from the EU,
- approving strategic documents necessary for implementation of the EU cohesion policy in Poland.

Due to the expected connections of the national regional policy with the EU cohesion policy also after 2013, it is highly desired that the European Commission should use the existing coordination instruments in order to ensure harmonised implementation of all EU policies having strong territorial impact.

The European Commission’s role will be specified in more detail at the later stages of the community debate on the future EU cohesion policy after 2013.

129 Both ex-ante (before the commencement of implementation) as well as the current evaluation and participation in ex-post evaluation (conducted in cooperation with the European Commission in relation to the programmes co-financed from the EU funds or with relevant national entities, depending on the territorial scope of the programmes’ impact).
7.2.7. Local self-government

The units of the local self-government, being elements of the cooperation network at the regional level, will be involved in the regional policy implementation system to a larger extent than so far, both at the stage of its programming and at the stage of implementing development activities on the territory of the voivodeship. The local self-government’s participation in the processes involved in the regional policy programming is crucial in terms of, among others, the necessity of proper specification of priorities, investments and sets of activities for the territory which receives support under the territorial contract, and in order to ensure cohesion of local development strategies, prepared by the local self-government, with the strategic objectives specified at the regional level. The activities of the local self-government may also support the development policy pursued by the self-government authorities of the voivodeship, by means of stimulating and supporting local initiatives aimed at implementation of projects targeted at local development, as well as by implementing own projects compliant with the priorities specified at the regional level, including active participation in delivery of priority undertakings specified in the territorial contract. The local self-government should also actively participate in determining the vision and directions of regional development and in assessment of the results of the regional policy pursued by the government and the voivodeship self-government, by means of, among others, involving its representatives in the strategic discussion on regional development during the National Territorial Forum and on other forums of similar bodies created at the regional level.

Moreover, in view of the role of urban centres in the regional development process, it is crucial to ensure partnership cooperation between the municipal authorities and the voivodeship self-government to properly program support for those areas and to efficiently implement activities supporting development on urban areas. This concerns, in particular, close cooperation at the stage of preparations to the negotiations and during the negotiations with the government concerning the territorial contract, in order to properly determine directions and scope of support for urban areas, as well as at the stage of implementation of priority undertakings specified in the Contract.

In relation to the above, the units of the local self-government involved in the regional cooperation networks may:

- participate in the process of conclusion and performance of territorial contracts,
- participate in consultations concerning strategic and implementation documents or take part to a larger extent in the processes involved in regional development programming,
- participate in works of Monitoring Committees for operational programmes and in works of other coordinating bodies appointed at the regional level,
- take part in the strategic discussion by means of participation in works of the National Territorial Forum and in works of other bodies of a similar nature appointed at the regional level,
- stimulate and support initiatives contributing to regional development at the local level,
- take part in implementation of priority undertakings specified in the territorial contract,
- implement projects compliant with regional development priorities specified at the level of the voivodeship.

7.2.8. Other partners operating for regional development

The cooperation networks created at the national and regional level for implementation of regional policy objectives comprise entities of various statuses, cooperating on the basis of the principle of partnership, that is:

- representatives of social and economic partners,
- representatives of associations and non-governmental organisations,
- representatives of the scientific environment (higher education schools, scientific and research institutes),
- private entities.

Participation of all those entities in all stages of processes involved in planning and implementing development activities ensures effectiveness and efficiency of such processes, through building wide social support and trust among public entities and their partners for the purposes of achieving regional development objectives. The partners are involved in the strategic discussion conducted at the national and regional level on the subject of principles, objectives and future directions of development, and in the processes of programming support for regional development, having the opportunity to actively participate in consultations of strategic and operational and implementation documents, and contributing in this manner to the proper determination of development objectives and priorities for specific areas. This concerns, in particular, the possibility to take part in the process of preparations to negotiations of the territorial contract at the regional level, by means of participation in the consultations concerning the list of priority undertakings prepared by the Voivodeship Board.

Moreover, the partners have considerable influence on the development policy results achieved at the regional level, by means of involvement in the processes related to the regional policy implementation, i.e. monitoring, evaluation, communication
and promotion, and through direct participation in implementation of projects aimed at achieving objectives of regional development specified in the development strategies of the Voivodeship and in the NSRD. In order to follow the partnership principle, the process of informing about the progress in implementation of strategic objectives of regional development will be improved, thus enabling the partners who operate for regional development own assessment of whether the activities of the main public entities responsible for regional development are effective, thrift and legal.

The list of tasks to be carried out by the partners operating for regional development includes mainly:

- participation in formulation of principles constituting the basis for regional policy and in determining objectives and directions of regional development by means of:
  - participation in works of the National Territorial Forum and analogous platforms for strategic discussions created at the regional level,
  - participation in consultations of strategic and operational and implementation documents created at the national and regional level,
  - participation in consultations relating to the substantive and spatial assistance during negotiations of the territorial contracts.

- participation in the processes implementing (monitoring, evaluation, communication and promotion) the development policy through:
  - participation in Monitoring Committees for operational programmes,
  - supporting operation of observatories of development policies at the national and regional level,
  - direct participation in implementation of tasks related to communication, information and promotion of activities supporting development aimed at delivery of the NSRD objectives,
  - monitoring and assessment of the course of development processes under own activity (e.g. research conducted by scientific and research institutes or monitoring of public activity by non-governmental organisations).

- participation in implementation of the development policy by means of:
  - taking over some implementation tasks at the regional level on the basis of an agreement with the voivodeship self-government,
  - creating informal groups for the purpose of implementation of undertakings contributing to achievement of development objectives on the particular territory,
  - implementation of projects, at both regional and local level, in cooperation with public partners (including public and private partnership) in order to carry out undertakings specified in the territorial contract.

7.2.9. Strategic documents of the development policy related to the NSRD

Effectiveness and efficiency of implementation of the development policy whose significant element of horizontal nature constitutes regional policy, are enhanced, among others, by the national system of development programming. The system ensures cohesion of development objectives and activities by means of establishing priorities and determining interrelations among specific strategic planning instruments – development strategies and operational and implementation documents – operational and development programmes.

Both strategies of horizontal nature determining the main directions of national development, i.e. the Long-Term National Development Strategy and Medium-Term National Development Strategy, as well as the strategies relating directly to development of the regions (i.e. National Strategy of Regional Development, supra-regional strategies, strategies of voivodeship development), together with the programmes for their implementation, are of particular importance for the regional policy.

National level

- Long-Term National Development Strategy (LNDS)

The LNDS indicates the main tendencies and challenges arising from both the country’s internal development as well as the changes in its surroundings and presents a comprehensive vision of social and economic development of the country up to 2030, including the regional and spatial perspective. The strategy was prepared on the basis of the document “Poland 2030. Development Challenges”, drawn up by the Team of Strategic Advisors to the Prime Minister of the Republic of Poland.

- Medium-Term National Development Strategy (MNDS)

130 Act of 6 December 2006 on the principles of the development policy making (consolidated text: Dz.U. Of 2009, No. 84, item 712).
The conclusions presented in the LNDS are then included in the Medium-Term National Development Strategy which is the main development strategy. The Medium-Term National Development Strategy is a document determining the basic conditions, objectives and directions of national development under the social, economic, regional and social perspective, which is implemented by development strategies and with the use of programmes.

Moreover, the MNDS indicates areas of strategic interventions of national and supra-regional importance, as well as strategic investments which then are included in other development strategies and programmes, including the NSRD. Thus, integration of the spatial policy and regional policy as well as concentration of state activities supporting development in the key thematic and spatial areas are ensured. Conferring on the areas of strategic intervention, as indicated in the MNDS, the regional perspective by means of their inclusion in the NSRD, allows for preparation of a list of priority undertakings under the territorial contract and for conducting the process of the contract negotiations.

Currently, the National Development Strategy 2007–2015 plays the role of this type of document. The works on its update are being conducted and its time span has been prolonged to year 2020.

- **Supra-regional strategies**

Supra-regional strategies are documents adopted by the Council of Ministers, which relate to a precisely determined territory and cover activities conducted in more than just one voivodeship. They are implemented on crucial areas in terms of the needs of regional development and may also refer to areas of strategic intervention indicated in the Medium-Term National Development Strategy. Currently, the category of supra-regional strategies includes the *Strategy of social and economic development of Eastern Poland up to 2020*.

- **Other development strategies adopted by the Council of Ministers**

They specify the basic conditions, objectives and directions of development in specific areas indicated in the LNDS and MNDS, related to the development of regions, spatial development and specific sectors or fields. They specify in particular: the diagnosis of the matters covered by strategic planning, forecasting development tendencies in the period covered by the strategy, development objectives, indicators of their implementation, directions of interventions and the implementation system.

As a result of the continuous process of ordering of strategic documents, the number of such documents after 2013 will be reduced to nine most important development strategies addressing development challenges outlined in the Long-Term National Development Strategy as well as contributing to implementation of strategic objectives of the Medium-Term National Development Strategy. The NSRD as one of such strategies will specify the objectives of the national development policy in relation to territories and will determine the principles governing implementation of the policies of the greatest importance for achievement of territorial objectives. Such policies include the regional policy, integrated with the policy towards rural areas and the urban policy, as well as the policy towards various special geographical areas (e.g. concerning border areas or other problem areas). For other sectoral policies, the NSRD specifies the coordination principles for implementation of objectives determined in relation to a territory (e.g. for transport policy).

**Regional level:**

- **Voivodeship Development Strategies (VDS)**

These documents, prepared by voivodeship self-governments, constitute the basis for planning and implementing the development policy at the regional level. As a target, they should become documents combining the strategies established at the local level with the vision of development in specific regions and development priorities determined at the national level. They constitute an axis around which the activities of all entities focus, and the basis for territorial contracts.

VDS account for the objectives included in the MNDS and the NSRD as well as in appropriate supra-regional strategies, and are coherent with the vision of the Long-Term National Development Strategy. The provisions of VDS are also coherent with the provisions of the voivodeship spatial planning documents, which allows for an integration of spatial and regional planning.

- **Strategies of other public entities at the sub-regional level**

Various public entities may prepare documents specifying objectives and manner of their achievement in relation to spatial planning. Taking in consideration the NSRD objectives, the strategies prepared for metropolitan areas will be of particular

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131 Other strategies may be created for specific types of problems of supra-regional nature.
importance due to the necessity of proper planning of the urban space development and the necessity of programming support for urban centres being the growth engine. These strategies should provide mechanisms of cooperation between the authorities in gminas which include urban areas, in order to enable establishing common objectives and their implementation. The process of networking of relationships between various entities through mechanisms of cooperation should allow for combining resources for the purpose of common tasks implementation and, indirectly, for enhancement of competitiveness by means of more developed specialisation based on potentials of the entities taking part in the cooperation networks and owing to their efficient use. Since such strategies are particularly important for the development processes, the minister competent for regional development will support initiatives aimed at creation of common strategies for the purpose of urban areas development.

Documents resulting from the EU requirements

- National Reform Programme for years 2008–2011 to implement the Lisbon Strategy (NRP)

A medium-term planning document of the Government, prepared for the purposes of implementing in Poland the renewed Lisbon Strategy132. The structural reforms included in the NRP constitute a system of activities aimed at ensuring stable development of the country and achievement of the greatest possible progress in the process of implementation of the renewed Lisbon Strategy focused on two, common for the entire European Union, priorities: ensuring economic growth and creating job posts.

The NRP’s objective is to create in Poland conditions for conducting business activity which will be the most attractive in comparison to the rest of Europe, at the same time ensuring conditions for development and high living standards to the Polish inhabitants. The implemented reforms create the grounds for stable social and economic development which results in improvement of the living standards of inhabitants.

The reforms under the NRP are implemented within three priority areas:

1. Active Society
2. Innovative Economy
3. Efficient Institutions

7.2.10. Implementing documents under the NSRD

The National Strategy of Regional Development is implemented by means of programmes co-financed both from the national and European funds. The national funds come from various sources (state budget, budgets of territorial self-government units, private funds) which are at the disposal of various public entities.

Until 2013 the implementation system for the state regional policy under implementation of the European cohesion policy in Poland is based on 16 Regional Operational Programmes, one supra-regional programme for Eastern Poland, 4 operational programmes managed at the national level133, Programmes of European Territorial Cooperation (ETC) and Programmes of European Neighbourhood and Partnership Instrument (ENPI). Apart from the programmes implemented under the EU cohesion policy, other programmes co-financed from the EU sources are implemented, which take into consideration the objectives specified in relation to the territory. However, implementation of such programmes faces certain problems concerning coordination with the instruments of the UE cohesion policy, due to community provisions and deficiencies of the coordination system at the national and regional level134.

Programmes and undertakings of various scale which have large impact on achievement of the regional policy objectives but which so far have not been properly included in the regional policy implementation are financed solely from the national funds. These include various development programmes or multi-annual programmes, purpose funds etc.

The NSRD aims at ordering the system of operation and implementation documents and at establishing a clear definition of their role in implementation of the objectives set out in relation to the territories. The platform for coordination of implementation activities will be the territorial contract and its accompanying undertakings set out in the next sub-section.

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132 Adopted by the Council of Ministers on 18 November 2008. The Ministry of Economy is responsible for its coordination.

133 Under Objective Convergence. Moreover, the Operational Programme Technical Assistance is implemented.

134 This is the case in connection with implementation of the Programme of Rural Areas Development managed by the minister competent for agriculture and rural areas development, despite the attempts made so far to coordinate the programmes by way of a demarcation line and at the level of selection criteria in relation to projects established for specific programmes.
After 2013 the system of operation and implementation documents will be rationalised in a manner enabling to achieve the maximum efficiency of the development policy. At the same time, all documents described herein will be subject to strategic environment impact assessment, pursuant to Act of 3 October 2008 on access to information on the environment and its protection, the society’s participation in environmental protection and on environmental impact assessments\textsuperscript{135}.

The table below presents the basic scheme of delivery programmes for implementation of the objectives set out in the NSRD after 2013.

Table 9. Implementation system of NSRD objectives along with matched planning instruments after 2013

<table>
<thead>
<tr>
<th>Objective 1</th>
<th>Objective 2</th>
<th>Objective 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework integrated regional programmes (for each voivodeship) including measures currently co-financed under ERDF, ESF, EAFRD and national resources\textsuperscript{136}</td>
<td>Operational Programme Eastern Poland</td>
<td>Action plan for the strengthening of administration for management of development</td>
</tr>
<tr>
<td>National Competitiveness Programme</td>
<td>Possible horizontal development Programme (or operational programme) of institutional support</td>
<td></td>
</tr>
<tr>
<td>Possible separate operational programme for the metropolitan area of Warsaw</td>
<td>Other programmes aimed at implementation of Objective 2 targeted at definition of the problem areas</td>
<td>Projects under different programmes: framework integrated regional programmes, components of national programmes under objective 1, programmes implementing objective 2 (OP EP, ETC etc.)</td>
</tr>
<tr>
<td>Territorial cooperation programmes implemented under the Cohesion Policy and external policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sectoral operational programmes and development programmes, as well as other implementation programmes coordinated under the process of territorial contract</td>
<td></td>
<td></td>
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</tbody>
</table>

Source: MRD’s own elaboration.

- Framework Integrated Regional Programmes (FIRP)

Currently, the activities under the regional policy are implemented in relation to various programmes, with different levels of complexity and effectiveness. These are financed from various sources: national (government, self-government and private funds) and foreign (mainly from the European Union).

In view of the above, in order to ensure efficiency of the regional policy implementation, the NSRD foresees that voivodeship self-governments will prepare 16 framework integrated regional programmes. FIRPs will set out the manner of coordinating and integrating activities conducted by different public entities for the specific region both at the national and regional level. This concerns both activities financed from the EU funds as well as from the national funds, including activities which will be incorporated as part of the process of territorialisation.

Owing to the framework nature of FIRPs, their elaboration will be independent of the shape of the European policies after 2013.

The framework integrated regional programmes will cover activities pursued at the regional level for the purpose of implementation of the NSRD objectives arising from obligations specified in the territorial contract (with exclusion of the activities foreseen for implementation under the government programmes of regional development managed by MRD and of sectoral nature).

\textsuperscript{135} Dz.U. of 2008 No 199 item 1227.

\textsuperscript{136} Framework integrated regional programmes are not operational programmes according to Art. 15(4) of the Act of 6 December 2006 on the principles of the development policy making.
The NCP is a government programme which serves implementation of Objective 1 of the NSRD at the national level and is focused on only several aspects of regional development (specified in the NSRD), which are most important from the country’s perspective and whose implementation is most efficient at the national level. The NCP will be financed from the state budget funds (partly from the funds from the process of territorialisation of public policies) and from the European funds.

The NCP will be one of the key instruments of the urban policy implementation, supporting activities targeted at construction and development of metropolitan areas, such as Warsaw and other urban centres. It assumes implementation of integrated activities, according to the description of Objective 1 of the NSRD, which will cover:

- development of infrastructural and institutional interrelations among voivodeship cities,
- supporting metropolitan functions which are important in terms of development within the social and economic sphere (including tourism, education, science and culture)
- supporting system solutions improving the quality of spatial planning, supporting construction of complex systems of public transport (in relation to infrastructure, stock and organisational solutions) as well as of public utilities and the job market.

Thus, it will include activities adjusted to the needs of particular urban centres and covering a wider scope than sectoral policies, contributing to the competitiveness of such areas on the domestic and international market based on human resources, R+D and the cooperation network. It will support activities facilitating the functioning of such centres, among others, through integration of urban areas in relation to public transport (e.g. by means of introducing a single ticket) and improvement of the functional quality of urban space. In order to increase the joint responsibility of municipal authorities in relation to the development policy implementation at the regional level under the NCP, a new support mechanism will be introduced in the form of a global grant for urban areas.137

Moreover, the NCP will allow for implementation of large investments of national significance which cannot be implemented by the regions on their own. As a supplement, experimental activities characterised by a higher risk level will be included, in particular in relation to construction of interrelations and creation of conditions for development processes dissemination. Furthermore, the aid will be targeted at attracting external investments to sub-regional centres and to rural areas in order to activate such areas economically. The final arrangements concerning the programme’s scope will be made during negotiations of the territorial contracts.

In view of the most comprehensive nature and a wide area of intervention of the NCP, as well as taking into consideration the anticipated funds for its implementation allotted under the Cohesion Fund, this programme will receive the highest amount of funds under the regional policy after 2013. In relation to the part covering the funds from the EU, the financing principles of the NCP will be consulted with the European Commission.

Separate programme for the metropolitan area of Warsaw

Basing on the current methodology of division of funds under the European cohesion policy and the forecasts concerning the shape of GDP per capita, it should be underlined that the poviat of the capital city of Warsaw and some neighbouring poviatas as well as the powiat in the Mazowieckie Voivodeship contribute to the exceeding by the Mazowieckie Voivodeship of the eligibility level in relation to objective Convergence, set on the level of 75% of the average EU GDP per capita. In relation to the above, when establishing the amount of support for the next budget period of the EU cohesion policy, it may be the case that this area will be covered with another cohesion policy objective than other Polish regions (now objective Regional Competitiveness and Employment) or with transitional support138 which is aimed at mitigating the consequences of the transition of the said region from one object to another, which may result in the reduction of the amount of funds and reduced support possibilities (among others, in connection with eligibility and levels of project co-financing).

Decisions on this issue will be taken probably in 2011, according to the progress in works on the new financial perspective of the EU. As of today, the EU cohesion policy objectives for the next programming period are not known and, thus, there are no grounds for establishing the amount of the budget under the EU cohesion policy or the methodology of funds division for the Member States and their regions.

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137 A detailed construction of this mechanism will be elaborated at the further stage of works connected with preparation of implementation solutions for the NSRD.

138 The so-called phasing-in / phasing-out mechanism.
In consideration of the above and striving to avoid the exclusion of the entire area of Mazowsze from eligibility under cohesion policy objective Convergence, the NSRD assumes establishing a separate programme for the metropolitan area of Warsaw. However, the future status of the capital city against the background of the entire Mazowieckie Voivodeship will require further study research.

- Programmes for implementation of objective 2 (addressed at problem areas)

For the purpose of ensuring stability of the financing sources and taking into consideration the complex nature of restructuring and development issues, implementation of the programme for Eastern Poland will be continued under objective 2 in years 2013–2020. This territory is the largest problem area in Poland, which still requires special treatment as its cohesion with the rest of the country and with the EU is not sufficient in terms of economic, social and spatial aspects. However, the thematic and geographical scope of the programme may be subject to re-specification in view of the provisions of this strategy and the assessment of effectiveness of the financial solutions applied under such perspective. Therefore, the activities under the Programme Development of Eastern Poland, to a large extent will have impact on the development of communication connections, as well as on the development of the network of cities.

For the purpose of implementation of the activities concerning border areas, the programmes of cross-border cooperation will be continued with the participation of the EU funds, however, their number, scope and manner of implementing may be changed in comparison to the situation under the financial perspective 2007–2013, due to arrangements concerning the new financial perspective after 2010.

Apart from the programme for Eastern Poland and the programmes of cross-border cooperation, other operational programmes may also be prepared, aimed at the specific problem areas relevant from the point of view of implementation of the state regional policy. These will relate to problem areas indicated in the NSRD which have a particularly high level of negative spatial, economic or social aspects and which the regional authorities and other public entities have not been able to handle under their competence and under implementation of the Regional Operational Programme so far.

These activities will be supplemented by local enhancement of development of such urban functions which contribute to restructuring of rural areas and concern improvement of the public space planning as well as localisation of the administrative, economic and cultural functions. In addition, support for activities aimed to improve the quality of technical infrastructure, including improvement of local roads, will be determined by development at the local level.

Apart from restructuring activities, an important component of the regional policy will be countervailing actions to improve access to public services for enhancing the quality of life and work in underdeveloped rural areas.

- Implementation of objective 3

Delivery of objective 3 concerns implementation of a series of activities of institutional, legal and financial nature. A great part of these activities will be implemented directly on the basis of the NSRD and the action plan accompanying it. Activities of investment, training and consulting nature will be implemented under various operational programmes – the platform for coordination within this scope will be an action plan of no implementation nature, to be separately prepared by the MRD and aiming at enhancement of the administrative potential to manage development of Poland. If the activities under specific operational and development programmes do not guarantee implementation of the objectives of the Plan…, it will be allowed to prepare and implement a development programme to support modernisation of public institutions within a specified and precisely defined scope, which may be included in the National Competitiveness Programme. The need for such programme may result from the analysis of development tendencies in relation to space and of efficiency of the regional policy included in the annual reports prepared by the MRD.

- Operational programmes and other delivery programmes of sectoral nature

On the basis of the assumptions of the NSRD and the results of the procedure of concluding territorial contracts, and also in case of preparing a new strategic document for the purposes of the EU cohesion policy in Poland, the MRD will formulate its guidelines concerning the mode of ensuring implementation of the territorial objectives under programmes (development, operational, multiannual programmes and others) and other instruments for implementation of the development policy. The adjustment of the programmes to the needs of the regional policy will concern, apart from specifying the funds in relation to territories as provided in the Act on the principles of the development policy making, also modification of objectives and selection criteria for projects/financed operations in order to achieve a balance between the possibilities of territorial and spatial objectives implementation.

Apart from instruments whose interventions will be adjusted strictly to the territorial conditions, there will be also programmes of sectoral nature for implementing large national investments, among others, of linear nature (e.g. transport), co-financed under a separate instrument of EU financing – currently, the Cohesion Fund.
• Efficiency reserves

Under implementation of all objectives, according to the provisions assuming enhancement of the conditional nature of the regional policy and support for its efficiency, reserves of financial funds (both national as well as those from the EU) will be created, which would be activated by the MRD on the basis of the progress in implementation and achievement of the indicators specified in the territorial contracts. It is assumed that the reserves will in total amount to 10% of the entire allocation for implementation of the NSRD – the detailed principles of their division will be specified in 2011, before conclusion of the first territorial contracts. They will be activated on the basis of assessment made by the parties to the territorial contract.

7.3. Horizontal and multi-level coordination mechanisms

7.3.1. National level

Development Policy Coordination Committee (DPCC)

The DPCC’s main tasks are setting the direction for the State’s development, monitoring and assessment of the implemented development policy instruments. The Committee’s tasks have been specified in detail in Article 35a (2) of the Act on the principles of development policy and the Order No 21 of the President of Council of Ministers of 11 March 2009 concerning Development Policy Coordination Committee. The Committee’s role is strengthened by constant or periodical involvement in its activity of the representatives of voivodeship self-governments and other main regional policy authorities (with the exclusion of ministries).

The regional policy tasks include in particular:

• constant monitoring of State development task implementation, including regional policy,
• periodical assessment of effectiveness and efficiency of development policies, including regional policy and developing and accepting recommendations of the basis of the assessment,
• deciding on improvements and their development in functioning of mechanisms providing implementation of regional policy (including public policies of territorial scope) for full integration of its instruments,
• negotiation of the substantial and financial perspective of territorial contracts on the government’s side,
• monitoring of territorial contracts implementation as a part of the Subcommittee on territorial contract implementation established to this aim,
• project counselling of so-called complex national development strategies and other strategies and development programmes,
• preparation and negotiation of propositions pertaining to coordination of sector policies, including i.e. quick reaction to current issues arising at the implementation of policies of territorial influence and developing systemic solutions to the arising problems,
• developing solutions to particular issues by the intermediary of working groups.

Monitoring Committees

The use of positive experience of implementing the European cohesion policy in Poland results in the keeping of monitoring committees for operational programmes on the national level, which oversee the efficiency of management and implementation of the instruments of regional policy implementation. They provide strategic and operational ongoing coordination, through, a.o. adequate setting of the criteria of project choice/financed operations, providing implementation of the objectives set in strategic and operation and implementation documents.

The MC is headed each time by the representative of the minister competent for regional development.

The Committees members are:

• representatives of the minister competent for regional development,
• a representative of the President of the Council of Ministers,
• representatives of other competent ministers,
• a representative of the Marshalls’ Convention,
• representatives of national-level organisations of territorial self-government units.

139 Amended by the Order no 47 of the President of the Council of Ministers of 18 June 2009.
• representatives of employers’ and employees’ associations,
• representative/s of non-governmental organisations,
• representatives of academic and scientific milieus.

Representatives of other institutions may also take part in the sittings as observers.

The membership, tasks and mode of operation of Committees are specified in detail in Guidelines of the Minister of Regional Development.

7.3.2. Regional level

Coordinative functions on the regional level are carried out by the selected units in Marshall offices and the bodies responsible for the monitoring of the voivodeship development strategy, and, additionally, monitoring committees for operational programmes on the regional level, which thus provide the involvement of partners on the regional level. The regional level committees function in a similar way as the MC programmes on the national level.

The members of the Committees are:

• representatives of voivodeship self-governments,
• powiat representatives in a voivodeship,
• gmina representatives in a voivodeship,
• the territorially relevant voivode or his/her representative,
• representatives of the minister competent for regional development,
• representatives of employers’ and employees’ associations,
• representatives of non-governmental organisations as defined by the Act of 24 April 2003 on public benefit and voluntary work140, active in the territory of a voivodeship,
• representatives of academic and scientific milieus from a voivodeship.

Representatives of other institutions may also take part in the sittings as observers.

The rules of Committees’ activity are specified in the relevant Guidelines of the Minister of Regional Development.

7.3.3. Territorial Contract

A territorial contract is concluded to coordinate pro-development undertakings of the government and a self-government, aiming at the achievement of common objectives set with respect to the specific territory. The instrument provides for larger adaptation of sector intervention to the region’s needs by setting national priorities against regional expectations and conditions. It is to be achieved by means of territorially-oriented interventions of particular units on the national level, and through the negotiation processes on the regional level. At the same time the contract makes possible provision of complementarity of interventions through the implementation of joint government and self-government measures, and through the integration of different types of projects (soft/hard) into one undertaking.

Coordination of the measures between the government and self-government, their concentration in the strategic intervention areas and, mobilisation and joining of the State funds of large influence potential will make possible achieving increased development effects as a part of the achievable synergy.

An added value to the undertakings included in the contract is a possibility of negotiating measures and expenses of funds depending on decisions taken at diverse levels of the multi-level (European, national and regional) governance system. The parties to the contract get mutual advantages, such as:

a) directing the self-government undertakings is such a way as to serve the implementation of national regional policy through additional financing from the State budget of specific undertakings implemented by self-government partners;

b) identification of government-implemented undertakings and their localisation in the region, tied with strengthening of the financing of undertakings implemented in the region by the government by means of self-government funds;

c) implementation of undertakings complementary to the government undertakings financed from self-government funds.

140 Dz.U. No 96, item. 873 as amended.
Territorial Contract implementation period

Territorial contract is concluded, as a rule, for the minimum period of 3 years, after which it may be subject to assessment. During the assessment the parties may make adjustments on the basis of current long-term programmes, in particular adjustments of the financing of the undertakings of with the implementation period exceeds 3 years. Such an assumption makes possible flexible adaptation to changing social, economic and institutional conditions of the implemented pro-development measures.

Participating entities

The key role among entities participating in preparation and implementation of a Territorial Contract is carried out by the Ministry of Regional Development on the one hand – as a coordinator of preparatory negotiation processes, negotiations and contract implementation on the government side, and by the voivodeship self-government responsible for the processes on the regional level on the other. The contract is concluded between the government party represented by the minister competent for regional development and a voivodeship self-government\(^{141}\). Both entities provide wide participation of all the main regional policy actors acting for implementation of the undertakings specified in the Territorial Contract.

To provide successful contract implementation on the national level it is necessary to include other ministries in preparation and contract negotiation processes, in particular pertaining to the negotiation of types of intervention undertaken with respect to particular territories and ways of their financing within the sector policies. To achieve this aim ministries partake as well in the process of “demarcation of territories” consisting in the reshaping of territorial distribution system of State budget funds.

Public entities on the regional level (i.e. municipal, gmina, poviat authorities and other entities), as well as other partners acting for the region development (social and economic partners, representatives of non-governmental organisations and private partners) directly interested in participation in contract implementation, take part as partners in the implementation of priority undertakings, by forming partnerships or informal groups for the period of contract implementation. The undertakings lead to the change of the role hitherto played by the entities partaking in the implementation of pro-development undertakings for greater networking of their relation. The entities may also take part in monitoring and evaluation processes of the undertakings implemented within the contract framework, and are provided with updated information on contract preparation, negotiation and implementation progress by means of websites of the Ministry of Regional Development and voivodeship self-government, which should provide an opportunity of providing greater social control over the measures for regional development.

Territorial and geographical scope

The contract covers priority strategic intervention undertakings understood as the most important from the government and self-government perspective, vital for the development of the intervention area and serving to implement regional policy objectives agreed between the government and the self-government party at contract negotiation.

The undertakings included in the contract cover the territory of voivodeships. Depending on the needs, though, it will also be possible to conclude other territorial contracts with geographical destination. Their preparation depends on the results of discussion within the framework of the National Territorial Forum and on recommendations resulting from annual reports by the Ministry of Regional Development on the analysis of tendencies and efficiency of regional policy.

The process of converting fund allocation system

Launching the territorial contracts under a new changed formula will be preceded by a process implemented by the minister competent for regional development in cooperation with individual departments that will cover the reconstruction of the system of territorial allocation of resources (so-called territorialisation), which consists in assessment of efficiency and usefulness for the implementation of the regional policy objectives defined in the NSRD, sector policies distribution mechanisms and the financial instruments applied by the territorial self-government units and other public entities operating at different levels of management. The current system covers many independent allocation mechanisms for voivodeships, under different ministries and government institutions, which are not coordinated with one another (e.g. dedicated funds, multiannual programmes).

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\(^{141}\) In case of undertakings requiring involvement of other public entities (e.g. territorial self-government units on the gmina or poviat level and their unions) or other partners (e.g. representatives of institutions, non-governmental organizations), voivodeship self-governments will be allowed in future to consider concluding contracts with local self-governments and other partners acting for the development in the territory of a voivodeship, based on territorial contracts between the government and a voivodeship self-government, in order to negotiate the scope of common undertakings, distribution of tasks and responsibilities at their implementation and the way of financing.
The process consists in implementation of three alternative solutions providing adaptation of diverse sector/horizontal policies of significant territorial influence to the implementation of effective regional policy, so that the regional policy instruments be consistent, complementary, and divided in a clear way for the NRSD goals. The solutions include:

A. **Liquidation of an instrument** and allocating the hitherto used funds to the implementation of the regional NRSD policy exclusively to the territorial contract system,

B. **Liquidation of an instrument and transfer** of tasks and funds included within its framework to a level other than the national level of development policy implementation\(^{142}\),

C. **Retaining the instrument as an element of sector policy** with modification at the same time of rules of allocation with respect to the area, so as they include to a larger extent national development goals for the territory.

Additionally, some decentralised undertakings and the undertakings in case of which difficulties arise with respect to the defining of the best implementation level, i.e. national or state level, require an analysis\(^{143}\). In this case, with respect to certain undertakings it may be concluded that some undertakings are better implemented on the national than on the regional level (e.g. State Aid undertakings). This makes possible the determination of the optimum implementation level on the national or regional level, which rightly direct the negotiation process of territorial contracts. At the same time, as a part of the territorialisation process it will also become possible to implement changes to the financing of the self-government units system, e.g. by means of establishing the regional VAT as in the solutions adapted in other countries\(^{144}\).

### 7.4. Strategic support instruments to the regional policy dimension

#### 7.4.1. National Territorial Forum

The Forum is a strategic discussion instrument, shaping and stimulating strategic thinking on the development on the national, regional and sub-regional level through initiating debates a. o. on directions and forms of regional development implementation. The Forum provides space for the exchange of knowledge, experience and information between different public and non-public entities involved in pro-development undertakings, therefore it constitutes an implementation of the partnership principle. Moreover, as an advisory body to the Ministry of Regional Development it is also responsible for setting the right direction of its activity toward other units, territorial self-governments and other entities (e.g. with respect to spatial, regional, municipal, transport, rural development policies etc.)

The tasks of the Forum include in particular:

- the analysis of key processes and phenomena influencing regional policy, with particular respect to the influence of policies and EU Community strategies on regional policy in Poland,
- progress assessment of regional policy implementation and territorial results of sector policies implementation,
- opinion-making and recommendations pertaining to territorial dimension of national and EU policies, on the basis of the accessible analyses, evaluations and reports, including analyses by observatories serving to monitor regional policy,
- the assessment of the report on social, economic, regional and spatial development prepared by the minister competent for regional development and similar reports prepared by the voivodeship self-governments pertaining to a given region and making recommendations on next editions of these reports.

The Forum operates on the basis of annual working plans, which are subject to the approval of the minister competent for regional development. As a rule, the Forum gathers once in six months. The minister competent for regional development presides over the Forum. In extraordinary situations the minister competent for regional development may call an extraordinary sitting of the Forum.

Within its framework working groups may be established to work on particular problems. The groups gather on a more frequent basis, e.g. once a quarter.

The National Territorial Forum consists of:

- a representative of the President of the Council of Ministers,

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\(^{142}\) To voivodeship self-governments, other territorial self-governments, other entities.

\(^{143}\) These result from the experience gathered at the implementation of the undertakings co-financed from the cohesion policy, the Common Agricultural Policy and Common Fisheries Policy.

\(^{144}\) Such a solution has been adopted e.g. in Canada.
• representatives of the minister competent for regional development,
• representatives of the ministries of public funds and budget, economy, labour, science, national education, rural development, environment, transport, internal affairs and administration, and other departments depending on the subject of the prospective meeting,
• representatives of voivodeship self-governments,
• representatives of unions/organisations of territorial self-government units,
• representatives of the national observatory for development policy,
• a Central Statistical Office representative,
• representatives of non-governmental organisations and social partners active on the national level,
• academic experts and practitioners, representatives of the European Commission, OECD, World Bank etc. invited individually, depending on the subject of the prospective meeting.

Representatives of the territorial development observatories may also become a part of the National Territorial Forum at the moment of their implementation on the regional level.

Moreover, at the regional level Voivodeship Boards may set up Regional Territorial Forum (RTF) as an advisory body, or extend the tasks of the existing advisory bodies in order to ensure strategic discussions about the directions of development of a given region and to establish a platform to exchange information and experience between the regional policy actors from the area of the given voivodeship. The tasks of such a body may include designing of the draft regional development strategy on the basis of discussion on voivodeship regional policy, the analysis of strategy and programme implementation with respect to the compliance with voivodeship development strategy, and the assessment of the results of the implementation of the regional policy in a voivodeship bearing in mind social and economic issues.

The regional forum should consist of representatives of territorial self-government units from the area of a voivodeship, government administration from the voivodeship, social and economic partners, representatives of non-governmental organisations, academia, research and poll institutions and external experts depending on the issues to be discussed at the meeting. The Voivodeship Board shall be responsible for the specification of tasks and participants of such a body.

The minister competent for regional development shall be responsible for preparation of specific guidelines on tasks, structures and activity of the National Territorial Forum and rules of cooperation between the NTF, RTF and the development policy observatories. It is planned that the Forum’s activity will start to operate in 2010.

7.4.2. Strategic report

Specific propositions pertaining to changes to the essence of development territorial policies, their objectives and implementation methods are included in the report on social, economic regional and spatial development, prepared by the Minister of Regional Development on the basis of evaluation and analyses results. It serves as a basis of settlements pertaining to fund allocation within the regional policy framework, or their adjustments and fund distribution within the framework of additional policy execution mechanisms (e.g. efficiency reserve). Conclusion of the report will also serve to make a total assessment of implementation of territorial contracts. The report develops propositions of budget changes and modifications of the multiannual financial plan.

The report is developed once in three years, presented to the Development Policy Coordination Committee (DDCC) and approved by the Council of Ministers, due to the recommendations on changes to the currently binding strategies and development programmes, changes that also cover sector policies and legislative changes area, and also pertaining to institutional sphere.

Voivodeship self-governments are responsible on the regional level for preparation of similar reports on the social, economic and spatial development of regions in three-year cycle, thus making a consistent strategic reporting system. Strategic regional reports prepared by voivodeship self-governments are the basis for preparation of the report on social, economic, regional and spatial development and, at the same time, a standard means of monitoring the voivodeship development strategy.

The minister competent for regional development shall develop uniform reporting standards on national and regional levels.

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145 Developed pursuant to Article 35b of the Act on the principles of development policy making, by the minister competent for regional development.
7.4.3. Tying the financing with the achievement of the set results in the specified time

The conditionality rule of allocating funds to regional policy financing

The conditionality rule means that allocating funds for regional development depends on the achievement of the assumed material effects (including those pertaining to institutional development) on the basis of territorial indicators agreed on at the territorial contract negotiation process, applying to the primary goals or specific instruments implementing a given territorial contract. The indicators are mostly based on the indicators included in the NSRD and their values are determined at the procedure of establishing a Territorial Contract.

The so-called positive valuation results in the government party’s obligation to give the voivodeship self-government certain advantages in exchange for fulfilling the previously negotiated conditions. A case in point may be giving funds for regional development under the condition of achieving the assumed material effects negotiated at the territorial contract negotiation process.

The negative valuation means on its turn imposing sanctions in case of a breach of specific obligations, which in the case of territorial contracts may mean suspension of transfers for the implementation of a given priority activity.

This means that the government party is guaranteed that the assumed effects be achieved and the self-government party is guaranteed additional financing of strategic undertakings for the development of the region.

If the contract includes that the government party gives funds to the self-government party, or the government/self-government party gives funds to another institution responsible for the implementation of a given priority activity, contracts will be concluded between the institutions giving funds and their beneficiaries. The agreements shall determine the indicator values and the verification period for their achievement (minimum one year) according to the indicator values and verification period settled for in the contract.

Progress assessment against the set indicators will take place on an annual basis in the reports on regional policy gathering information from monitoring and reporting systems. In case of the establishment of lack of progress explanation procedures will be launched to determine the causes and decide on the corrective measures with the participation of the government and self-government party. The reports will also include risk assessments pertaining to priority undertakings undertaken in a given area. The financing institution (the government/self-government party) may suspend funds to the moment of explanation of reasons. If problems pertaining to the implementation of the activity make its timely implementation impossible, the procedure of renegotiating the contract will be implemented to change the way of implementation of a given activity (e.g. the choice of a different implementing institution) or to transfer means for implementation of other priority undertakings.

Efficiency reserve

The efficiency reserve is an efficiency-increasing tool serving the regional development, which constitutes the competition tool between the institutions involved in implementation of the territorial contract. The reserve determines a.o. the proportion of the funds which would be used after the indicators determined in contracts be achieved. As a tool for achievement of the NRSD objectives, the efficiency reserve will contribute to efficient implementation of priority undertakings, assuring at the same time the concentration of additional funds for the most advanced pro-development measures that provide high added value for the regional development.

The reserve will be divided once in three years at the implementation of a given territory contracts edition. Its amount is determined in the State Multiannual Financial Plan.

The basis for the division of the reserve will be the assessment of implementation results of territorial contracts, included in a strategic report on regional and spatial tendencies. The report will indicate the most effective and efficient undertakings that serve the regional development, identified in the evaluation process. The assessment of the results of territorial contracts will be based on the analysis of indicators specified in contracts.

The division of the efficiency reserve will be based on quantitative criteria (the level of use of contracted funds) and qualitative criteria (the level of achievement of qualitative criteria). The quantitative criteria will be decisive for the access to the reserve share (after achieving a given threshold) and the qualitative criteria will serve to prepare the ranking list of voivodeships

146 Specified depending on the moment of contract implementation the publication of the strategic report on regional and spatial tendencies takes place.
as a basis for percentage share of funds between voivodeships. As a result of the reserve share contract provisions may be subject to renegotiation in order to select the undertakings to spend efficiency reserves for.

Part of the reserve funds (up to 5%), dedicated for a voivodeship may be used as a bonus for the employees of institutions responsible for implementation of the given undertakings. Moreover, part of the reserve (up to 10%) may be dedicated (as a bonus) to co-financing of the undertakings of the biggest added value, regardless of the effects of contract implementation on the voivodeship level.

7.5. Monitoring and regional policy evaluation system

Monitoring and regional policy evaluation system is an integrated system which makes possible the analysis of all processes in territorial system, developed in cooperation with the President of the Central Statistical Office and the Main Geodesy and Cartography Office, whose main institutional elements are the system of development observatories and evaluation units on the national and regional level.

7.5.1. Territorial development observatories

The monitoring system of regional policy, functioning at presents, makes possible observation of changes which occur in the areas supported by the policy, reaching to the lowest management level. Further facilitation of monitoring and evaluation of public policies with territorial influence, which will be directly reflected in the improvement of the quality of their management, is to be achieved through the system of territorial development observatories, which is constituted by the national observatory\textsuperscript{147} and regional observatories, developed obligatorily by voivodship self-governments. In order to monitor and assess the public intervention as a whole, which has territorial influence, the observatories form a cooperation and information exchange system between the most important public entities taking part in implementation of development policy, both on national and regional level, and with institutions on supra-national level (e.g. OECD), involved in particular in processes of monitoring and evaluation of pro-development measures on the national level and in regions. All national and regional institutions conducting research, education and information activity pertaining to development management, i.e. research institutes, universities, associations and non-governmental organisations, whose knowledge, experience and information gatherers and results of the research may support result assessment of the pro-development undertakings and stimulate discussion on future regional development directions, are included in the system.

Thus the system of development policy observatories constitutes a node of the system of institutions serving the regional development, where information streams on regional development both from the whole regional policy monitoring system, evaluation units in Marshall offices and particular ministries, and from other information sources on changes to the situation in regions (e.g. OECD reports, statistics from European and national databases, scientific research) meet.

Due to the above the tasks of the observatories exceed the requirements resulting from formal regulations of the European cohesion policy for monitoring and evaluation, and cover, a.o.:

- performing of current analyses and evaluations of public policies on the basis of comparable and aggregate data which would serve to optimisation of the fund use,
- conducting research and strategic analysis on current situation, development tendencies and forecasting of social and economic changes to occur in regions,
- performing diagnosis for the needs of operational activity and strategic planning,
- preparing scenarios for future and providing information that will help to choose the best development strategy,
- providing information on the implementation progress of regional policy, relevant for granting of further funds for development undertakings,
- supporting of the building of an adequate monitoring system for public interventions, directed territorially through
  - the development of a flexible data gathering system, which would provide opportunity of quick reaction to changing macroeconomic conditions,
  - development of standards of data exchange to be used by courts and self-governments which would make possible aggregation of comparable data to inform the society of changes in a transparent manner.

\textsuperscript{147} On the basis of the plan of works it will gather, compare and analyse data on development undertakings (both implemented and planned) that could influence regional development. It will use to this aim undertakings of diverse institutions which monitor and analyse the use of all public funds (State and EU funds).
The results of the observatories’ activity are to support strategic discussion which constitutes a part of the National Territorial Forum and contributes to the report on social and economic, regional and spatial development prepared by the minister competent for regional development.

The minister competent for regional development is responsible for the development of the national observatory and supervises its activity. On the regional level the responsible body is the voivodeship board.

7.5.2. Report on regional policy

Annual reports on regional and spatial policy (including municipal policy, rural development policy etc) constitute a more operative element of the reporting system on implementation of regional policy, which includes on the strategic level the report on social and economic, regional and spatial development, prepared by the minister competent for regional development and voivodeship self-governments. They serve to support discussion on executive mechanism efficiency of regional policy among the actors of regional policy and constitute a basis for operative undertakings in the area of regional policy coordination and implementation.

7.5.3. Development indicators base

The basis for a uniform monitoring system of regional processes and regional policy implementation will be an electronic indicator database in the form of statistical database on a national level and territorial units, constituting an element of the programme of constant improvement of public administration capacity to plan and manage development in Poland. The base will include indicators pertaining to main objectives and detailed implementation instruments of regional development, important for the diagnosis, monitoring and evaluation of social, economic and spatial development of the country and its regions. The indicator base and the way of their representation and development will make possible monitoring of social and economic situation and the results of development policy implementation in different areas: regions, subregions, different types of rural areas, urban areas.

The database will be constructed on the basis of the NRSD findings and will constitute the basis for monitoring of territorial contracts and implementation of the NRSD objectives and its implementation documents.

7.5.4. Evaluation units on national and regional levels

Within the framework of the regional policy evaluation system function evaluation units responsible for the evaluation processes of public policies, including their territorial influence. Evaluation undertakings are coordinated by the National Assessment Unit (NAU) within the structure of the Ministry of Regional Development. The NAU closely cooperates with evaluation units within the structures of Marshall offices and other evaluation units from different departments.

The role of the NAU and regional and department evaluation units is above all implementation of evaluation analysis which assesses territorial effects of the implemented public policies and providing recommendations for national and regional authorities, as well as close cooperation with the system of observatories of public policies in order to provide complementarity and cohesion of the undertaken evaluation undertakings.

7.6. Implementing NSRD institutions

Due to the imperfections identified in the diagnostic part of the implementation system it seems necessary to develop a lasting, transparent and efficient system of supporting institutions for regional development relying as much as possible on the existing structures. Unification of the activity of those institutions, in particular their legal form and development of minimal service standards are a desired direction of changes.

The reform of the regional policy implementation system on the national and regional levels provides for rationalising of the number of institutions involved in the process and redefining their functions after 2013. One of its assumptions is systematic support of self-government bodies within the implementation processes and redirecting some tasks in this respect to professional public institutions, which can combine competences of different entities, such as regional development agencies, labour offices or institutions from outside the public sector, after their certification by a competent Marshall office in cooperation with the Ministry of Regional Development. On the basis of an agreement or a contract part of the tasks on

148 Complex strategies including regional ones, and sector strategies and development programmes on national and regional levels.
the regional level will be delegated to such institutions. The system of special institutions implementing new mechanisms aiming at undertakings related to revitalisation and R&D will need for a special framework.

The point of origins for changes will be the efficiency audit performed by the Minister competent for regional development from 2011 on, on the basis of the Guidelines developed by the Minister competent for regional development pertaining to audit and certification of implementing institutions. Its results will constitute a basis for consolidation of a part of the tasks pertaining to implementation on the national level in one institution reporting to the minister competent for regional development, which will also be responsible for the development of management and regional policy implementation standards, of which the part will be divided between the institutions reporting to sectorial ministers, e.g. PAED.

The delegating of tasks relative to the implementation to professional institutions with relevant experience, competences and staff potential will serve to increase efficiency of the task implementation in particularly complex areas, which are currently performed by many different entities reporting to the sector ministers (e.g. The Agency for Restructuring and Modernisation of Agriculture – ARMA, Poviat Labour Offices). They are to implement integrated undertakings (e.g. which combine the ERDF and ESF interventions) of complex character (e.g. requiring combination of science and business, revitalisation, based upon global grant etc.) adapted to the conditions and needs in particular areas, mostly to rural areas.
8. FINANCIAL FRAMEWORK

Specification of the sources and amounts of outlays for the implementation of the NSRD within the entire period of implementation of the strategy (until 2020) is burdened by high uncertainty. The difficulties mainly relate to the amounts allocated to its implementation after 2013. The uncertainty relates in particular to the scope of funds allocated to execution of territorial contracts at the disposal of the Minister of Regional Development and other competent ministers (also under the territorially coordinated sectoral programmes), as well as funds at the disposal of Poland after 2013 with regard to the new EU budget.

Discussion regarding the allocation of funds among respective regions and states at the European level will most probably commence in 2011, once the main assumptions of the financial perspective after 2013 and developments in EU cohesion policy will have been agreed. In Poland, the sources of financing and specific amounts will be specified consequently to territorialisation of sectoral instruments, described in the NSRD, as well as under territorial contracts.

Therefore the below provisions should be considered assumptions allowing for implementation of the adopted objectives of the NSRD.

8.1. Sources of financing

The multi-level and partnership system of regional policy planning and implementation that was introduced by the NSRD has increased the number of public entities, whose funds can be used for the implementation of regional policy objectives in a direct manner – as an element of territorial contracts, or an indirect one – as an element of sectoral programmes, whose instruments are coordinated in order to achieve the development objectives set out in relation to a given territory. As a result the number of regional policy funding sources will be significantly increased. Nevertheless, regional policy will never substitute sectoral policies; instead, it will create a coordination framework for them. Funds allocated to regional policy will be specified separately from funds allocated to sectoral and horizontal national policies.

After 2013, Poland will be the largest beneficiary of the two Community policies being vital for the achievement of NSRD objectives: EU cohesion policy and support for rural areas (at present, under the Common Agricultural Policy). Achievement of NSRD objectives will also be supported by political commitment to participate in the implementation of the Community political objectives by 2020, in particular with regard to support for R&D sector, “green economy”, energy efficiency, vocational activation and improvement of the quality of human capital, as well as EU focus on responding to global challenges, such as ageing of populations, climate changes or access to new sources of energy. This allows to state that the main source of financing of the NSRD will be the EU budget: the difference with regard to the current programming period will thus involve not the directions of financing (at present, it is also the EU budget), but subordination of disbursing those funds for objectives of the policy established at the national level and ensuring mechanisms for better coordination of instruments of different Community policies.

Other public funds may also participate in the financing of programmes and projects which may also be covered by a territorial contract.

The state budget will contribute to the implementation of NSRD objectives in three cases:

- as a source of co-financing of programmes launched by MRD, such as the National Competitiveness Programme, OP Eastern Poland, territorial cooperation programmes implemented under the cohesion policy and external policies;
- as a source of co-financing of framework integrated regional programmes;
- as a source of co-financing of sectoral programmes and other programmes financed from national sources, which will be coordinated in order to achieve the objectives of territorial contracts.

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149 Annual EU budgets are adopted taking into account mid-term financial framework, i.e. financial perspectives. They are developed for the periods of a few years (5 to 7 years) and permit to initiate common measures whose time horizon is longer than one year.
The resources originating from the budgets of the territorial self-government units will, on the one hand, ensure the necessary co-financing of projects under the operational programmes co-financed by the EU and, on the other, they will participate in the delivery of other programmes funded from the national sources covered with the territorial contract.

It is important that territorial contracts involve a broad spectrum of regional policy actors in the context of financing and that they covered, apart from funds of territorial self-government partners and funds from the state budget, also funds of state special purpose funds, funds of units and other organisational and legal entities of the public finance sector, as well as private funds. Furthermore, significance of loan, guarantee and credit warranty funds should also increase, as well as the offer of other financial services provided by the banks. The popularisation of public-private partnership mechanisms and forms also has to gradually gain in importance.

8.2. Amount of funds

The amount of funds allocated to regional policy in years 2010–2020 will depend on:

- effective coordination and reorientation of expenditures from social and sectoral measures towards regional measures. This will permit to reorient funds in areas that are most important for regional policy;
- gradual territorialisation and increased participation of self-governments in the structure of public revenues and expenditures, which will allow to increase the amount of funds for development investments implemented independently or in connection with national and EU funds;
- introduction and effective implementation of the Multiannual Financial Plan of the State as the main mechanism ensuring multiannual (4 years, in accordance with the Act on public finance of 16 July 2009) allocation of funds to priority areas of the state’s development intervention and the Multiannual Financial Forecast in territorial self-government units;
- introduction of solutions with regard to task-oriented budget;
- enhancement of capacity of public administration to program, manage, monitor and provide financial control of funds allocated to the implementation of regional policy;
- support granted to Poland under the new EU financial perspective and for funds allocated to the implementation of regional and supraregional operational programmes, as well as the degree of territorialisation of sectoral programmes.

Therefore the estimated amounts allocated to the implementation of NSRD objectives in years 2010–2020 should be at present (as of the beginning of 2010) specified with particular care, since they depend on successful implementation of objective 3 of this strategy and on the result of negotiations with the European Commission with regard to the future financial perspective.

Given the differentiation in the possibilities of obtaining resources for regional policy (predetermined, above all, with the availability of European resources) the NSRD implementation can be divided into two stages: 2010–2013 and 2014–2020.

1st stage – until 2013

Until 2013 the main source of financing of regional policies will be the EU funds and national funds launched for co-financing under the cohesion policy and loosely related funds granted to Poland for the implementation of the territorially determined objectives, such as e.g. support for the development of rural areas under the Common Agricultural Policy.

Under the current financial perspective, Poland is the largest beneficiary of EU cohesion policy. For years 2007–2013, allocations for Poland amounted to almost EUR 67.3 billion, which accounts for 19.4% of all funds under this perspective (including the Cohesion Fund). The cohesion policy in Poland is implemented on the basis of the National Strategic Reference Framework 2007–2013. Total amount of funds (including national funds) for the implementation of NSRF will amount to approximately EUR 85.6 billion. Funds mainly come from the European Regional Development Fund (EUR 34.076 billion), the European Social Fund (EUR 9.7 billion) and the Cohesion Fund (EUR 22.18 billion). The remaining amount comprises funds from the state budget (EUR 5.9 billion), other public funds, mainly funds from territorial self-government units (EUR 6.0 billion) and private funds (EUR 6.4 billion)\footnote{The amount of budget negotiated for the current financial perspective (for years 2007–2013) accounts for 1.05% of EU GNI. In the current period, funds for liabilities have been established at the level of EUR 864.3 billion, while funds for payments at the level of EUR 820.8 billion. From this pool, EUR 347.4 billion, i.e. 35.7% of the total EU budget, have been allocated to cohesion policy. The majority of funds under the cohesion policy (over 81.6%) have been allocated to the implementation of projects under objective 1: Convergence (of which 1/4 are funds under the Cohesion Fund). Implementation of objective 2: Regional and Employment Competitiveness was supported with 15.8% of funds, while objective 3: European Territorial Cooperation, with 2.5%.}.

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Under the total pool of EUR 67.3 billion allocated to Poland for years 2007–2013, the total amount of EUR 25.4 billion has been directly allocated to the implementation of NSRD objectives, of which:

- 25% to regional operational programmes,
- 3.4% to OP Development of Eastern Poland,
- 2.5% to cross-border cooperation programmes,
- 8.8% to regional priorities under OP Human Capital (which accounted for 60% of total allocation under OP Human Capital),
- 2% under national performance reserve created from funds from the European Regional Development Fund and the European Social Fund.

In addition, cross-border cooperation programmes are also implemented under the European Neighbourhood and Partnership Instrument (for the total amount of EUR 318.33 million, of which: the Lithuania – Poland – Russia Programme for the amount of EUR 132.13 million and the Poland – Belarus – Ukraine Programme for the amount of EUR 186.2 million).

Sectoral operational programmes (excluding OP Human Capital) co-financed under the EU cohesion policy only in a few cases take into account territorial specific nature and differentiate their objectives and implementation instruments in this respect. Nevertheless, some of them are vital for the achievement of objectives defined in the NSRD (e.g. with regard to strengthening of metropolitan functions).

Under other Community policies, EUR 13.2 billion (in current prices) from the European Agricultural Guarantee Fund for Rural Development is provided for the support of restructuring of agriculture and development measures on rural areas and approximately EUR 3.9 billion is allocated to its co-financing from national sources (mainly from the state budget). It is assumed that approximately EUR 0.7 billion from the European Fisheries Fund will be allocated to restructuring of fisheries and dependent areas, with approximately EUR 0.1 billion for its co-financing. Moreover, Poland receives considerable funds with regard to direct payments for farmers, interventions on agricultural markets and export subsidies under the European Agricultural Guarantee Fund.

Among other Community budget funds being the source of financing of the implementation of measures which have impact on the achievement of regional policy objectives, one should list, inter alia, the Seventh Framework Programme for Research and Technological Development of the European Community (2007–2013), the Competitiveness and Innovation Framework Programme 2007–2013, programmes implemented under the Trans-European Transport Networks (TENs), programmes relating to education, youth or culture and audiovisual sector\textsuperscript{151}. Moreover, Community initiatives using financial engineering mechanisms, such as JEREMIE, JESSICA and JASMINE\textsuperscript{152}, as well as the JASPERS\textsuperscript{153} initiative and the ELENA\textsuperscript{154} financing mechanism, are of particular importance.

Implementation of NSRD objectives may also involve other funds from foreign sources, e.g. from loans from the European Investment Bank (EIB), under which Poland has received EUR 10 billion for the co-financing of programmes and projects from 2007 until the beginning of 2010.

Both the Community resources and the resources derived from other foreign sources are complemented with national resources coming from the state budget, the budget of the territorial self-government units and private resources.

\textsuperscript{151} In the first two years of implementation of the Seventh Framework Programmes, over 6,000 of small and medium-sized enterprises from the entire Europe have received in total over one billion euro. The share of Polish enterprises in this project is over 26%.

\textsuperscript{152} JEREMIE (Joint European Resources for Micro to Medium Enterprises) – a joint policy initiative of the EC in cooperation with the EIB Group in order to promote increased access to finance for the development of micro, small and medium-sized enterprises. JEREMIE is a scheme of implementation of structural funds, falling beyond the scope of the system of grants and assuming support for measures using financial engineering instruments.

JESSICA (Joint European Support for Sustainable Investment In City Areas) – a joint policy initiative of the EC in cooperation with the EIB and the Council of Europe Development Bank (CEB), in order to promote sustainable investment in urban areas. JESSICA provides for the creation of special urban development funds or trust funds financed from structural resources, whose task will be to support, with the use of financial instruments, projects implemented under the integrated urban development plans.

JASMINE (Joint Action to Support Micro-finance institutions in Europe) – a joint policy initiative of the EC in cooperation with the EIB Group and the European Investment Fund for the development of microcredit institutions in Europe. It provides for technical assistance to microcredit providers in order to help them to reach the position of credible financial intermediaries and to facilitate access to capital.

\textsuperscript{153} JASPERS (Joint Assistance In Supporting Projects In European Regions) – a joint policy initiative of the EC in cooperation with the EIB and the European Bank for Reconstruction and Development (EBRD) providing technical assistance to new EU Member States in preparation of infrastructural projects in the transport and environmental sectors.

\textsuperscript{154} ELENA (European Local ENergy Assistance) – a joint policy initiative of the EC in cooperation with the EIB Group for mobilisation of funds for large projects in sustainable energy, providing technical assistance in preparation of investment projects relating to energy efficiency and renewable energy sources.
Moreover, public funds disbursed independently are also used, whose precise calculation is impossible. Their system of distribution among respective voivodeships is at present composed of many independent algorithms, more or less formal, thanks to which the funds allocated to the ministers and government institutions are distributed among voivodeships. The amount of funds that are annually distributed with the use of the abovementioned algorithms may be estimated at least at PLN 130 to 140 billion. These funds are several times higher than those formally considered the source of financing of regional policy projects, whose distribution may be coordinated by the MRD.

The algorithms for distribution of national funds are not altogether coordinated: this relates both to the method of their creation (selection of criteria on the basis of which the funds are distributed) and to their implementation (respective ministers have great freedom both in creation of distribution mechanisms and in deciding on matters pertaining to areas where distribution algorithms are not formalised). Consequently, the “real regional policy” does not stem from measures oriented towards specific measures, but from separately functioning mechanisms of allocation of funds, whose disbursement is not, in fact, coordinated by anybody.

It is assumed that this stage will cover the necessary process of identifying and estimating the amounts of resources allocated to the NSRD implementation, which are within the scope of competences of the ministers competent for individual horizontal measures and relevant agencies and funds. This will enable coordination and concentration of measures undertaken within the framework of regional policy (according to the objective 3 of the NSRD) in the second stage. In line with the initial estimations the “territorialisation” of sectoral policies will result in the possibility of mainstreaming approx. PLN 3–5 billion to the regional policy.

By the end of 2011, the amount of EUR 1.3 billion will be distributed under the national performance reserve provided for in the NSRF 2007–2013. Allocation mechanism for the national performance reserve is a strong competitive tool among institutions involved in the implementation of instruments which will directly achieve NSRD objectives until 2013. It is assumed that 38.5% of this amount will be allocated to the implementation of regional operational programmes and possibly OP DEP, while 39% of funds will be distributed for national programmes. The remaining part of the reserve (22.5%) will be allocated to the Operational Programme Human Capital, financed under the European Social Fund.

2nd stage – after 2013

It is assumed that at the end of 2013 the amount of funds disbursed by the EU budget, the national budget and other public entities (including territorial self-governments) for the implementation of NSRD objectives will equal no less than 3% of the national GDP as of 2008. This amount is composed of expenditures incurred for the implementation of framework integrated regional programmes and development and operational programmes dedicated to the implementation of NSRD objectives. The amount does not include expenditures which will be subject to coordination mechanisms specified when territorial contracts are concluded.

Therefore the measure of effects of the NSRD in financial terms will be substantial reorientation of public expenditures towards increased share of expenditures for the implementation of objectives set with regard to territories, and thus organisation and reduction of the “sectoral nature” of public intervention.

In financial terms, 3% means the average annual amount of approx. PLN 34 billion. It is estimated that on average approx. PLN 24 billion per year from this amount will come from EU resources. The rest will originate from public entities.

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155 The most important algorithms of this type include the distribution of the part of educational general subvention for territorial self-government units, the funds of the National Health Fund among voivodeship branches of the NHF, the funds for the financing of highly specialised medical procedures and other centralised health programmes, the Labour Fund, the State Fund for Rehabilitation of Disabled Persons, funds for the implementation of Regional Operational Programmes, funds under such programmes, where voivodeship administration perform the function of intermediate bodies and where regional component has been separated, i.e. the pool of funds granted for distribution to voivodeship intermediate bodies, funds under the Rural Development Programme, funds for national roads, grants for rail infrastructure, funds for culture and schools of art (primary and high schools), funds for the financing of multiannual programmes, funds for environmental protection, state budget funds for voivodes, selected grants for public universities.

156 Specifically, EUR 1,331,304,099, of which 77.5% from the European Regional Development Fund (EUR 1,031,082,162) and 22.5% from the European Social Fund (EUR 300,221,937).

157 According to the current estimations, EUR 512 thousand.

158 See chapter 7.

159 For comparison: it is estimated that the amount of funds allocated by all public entities directly to the implementation of NSRD objectives in 2008 was PLN 5.6 billion, i.e. approximately 0.45% of GDP, and in 2013 it will reach approximately PLN 25.5 billion, i.e. approximately 1.6% of GDP.
8.3. Main assumptions of distribution of funds for NSRD objectives

Due to high uncertainty with regard to estimated distribution of funds for regional policy after 2013, at present only preliminary attempts to distribute public funds indicatively to respective programmes involved in the implementation of the NSRD. It seems that development of detailed proposals regarding distribution will be possibly only during the negotiations of the new EU financial perspective.

It is assumed, on the basis of preliminary estimations, considering the scale and importance of challenges of regional policy, as well as developments in the proposed support for regional policy and anticipating the emphasis of the future EU cohesion policy on issues supporting development, that the majority of national funds, i.e. 63% (including EU funds) allocated to the NSRD will be disbursed for the implementation of measures developing competitiveness of Polish regions under objective 1. This results from the specific nature and character of measures aimed at implementation of objective 1, covering all sixteen voivodeships, which favours increased scale of financing of this objective under regional policy.

Objective 2, related to support for equalisation measures, as a rule concerns individual problem areas covered by a set of restructuring measures and improved access to basic public goods and services. Assuming that marginalisation processes affect a limited territory within Poland, approximately 30% of funds will be allocated to the implementation of this objective under regional policy. Under objective 2, allocation of funds to the framework integrated regional programmes will result from the outcome of negotiations regarding territorial contracts.

The lowest relative level of support in the total pool of funds for regional policy will contribute to objective 3 of the NSRD in order to render implementation of public policies of territorial significance more efficient. It is assumed that approximately 7% of funds will be allocated to development-related measures under regional policy.

Under implementation of all objectives it is predicted that, according to the assumptions of enhancing the conditional nature and supporting efficiency of regional policy, to create a reserve of funds (both national as well as those from the EU) which would be activated by the MRD on the basis of results from the progress in implementation and achievement of the indicators assumed in the territorial contracts. It is assumed that the reserves will in total amount to 10% of the entire allocation for the implementation of the NSRD – the detailed principles of their division will have been specified by 2011. They will be activated on the basis of the assessment made by the parties to the territorial contract.

Allocation to respective voivodeships will be the sum of funds allocated to objective 1 of the NSRD (which will be implemented in all regions) and to objective 2 addressed to selected problem areas. In total, at least 70% of resources under the regional policy will be allocated to the implementation of framework integrated regional programmes under the NSRD. After 2013 approximately 20% of the resources will be allocated to the national programmes implemented under the NSRD and managed by the MRD. The level of support will depend on the level of intensity of socio-economic problems.

Detailed distribution of national public funds (including EU funds) to respective objectives at present cannot be presented, since it depends on too many factors, such as outcome of negotiations with the EC regarding the Community budget and EU cohesion policy and agricultural policy, including allocation for Poland, and on actual location of rural areas support instruments at the EU level (under CAP, as it is the case at present, or integrated with the EU cohesion policy) and the results of territorialisation of sectoral policies.

Assumptions for the co-financing of programmes and projects

Under the implementation of the NSRD, the level of co-financing of programmes and projects will be differentiated. This is to ensure:

• concentration of funds on projects that are most desirable in strategic terms,
• taking into account the level of economic viability of the planned investments and the rules of public aid,
• equalisation of access to external financing of development projects for public entities having limited possibility to finance investments from loans,
• enhanced interest of beneficiaries in detailed assessment of economic survival rate of individual projects after external co-financing has expired.

Similarly to the rule of co-financing in force for the European Cohesion policy, the amount of contribution under the NSRD will depend on the level of concentration of social and economic problems on a given territory. This means that the poorest regions may receive larger support than the regions with higher level of social and economic development.
In the case of infrastructural projects, the basic level of co-financing of projects carried out by beneficiaries in order to achieve NSRD objectives and to generate the assumed indicators is 50%. This level relates to average total amount of co-financing from the state budget, off-budget funds or EU funds. This level can be increased up to 75% (or 85%, if EU regulations so permit) in the case of implementation of projects of public institutions on areas at risk of marginalisation and covered by objective 2 of the NSRD.

Considering the formulated rules of concentration of regional policy measures on measures supporting development, it is assumed that certain types of projects of the greatest importance for development will receive higher co-financing under objective 1 both in the case of the framework integrated regional programmes and in the National Competitiveness Programme. They include projects supporting the R&D sector, projects relating to energy efficiency and diversification of energy sources, human resources or networking.

The amount of support for projects subject to the rules adopted for public aid will be specified in the prepared aid schemes.

Detailed description of the co-financing caps with intervention map with regard to geographic areas and themes will be prepared with an algorithm of distribution of funds under respective problem areas and voivodeships by the end of 2010, e.g. on the basis of the results of works of the working group on financial issues.
MINISTER
OF REGIONAL DEVELOPMENT
Elżbieta Bieńkowska

OPINION
CONCERNING THE COMPLIANCE OF THE DRAFT DEVELOPMENT STRATEGY WITH THE MID-TERM NATIONAL DEVELOPMENT STRATEGY

prepared in accordance with the provisions of Article 14 of the Act of 6 December 2006 on the principles of running development policy

(Dz.U. No 227, item 1658, as amended)

Name of the document:
National Strategy of Regional Development 2010–2020: Regions, Cities, Rural Areas

Ministry preparing the document:
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Conclusions from the conducted compliance analysis:
The above-mentioned document is compliant with the mid-term National development Strategy taking into account the requirements of the Act of 6 December 2006 on the principles of running development policy (Dz.U. No 227, item 1658, as amended)

Signed:
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