

CO-OPERATI

DEVELOPMENT STRATEGY
OF THE MAŁOPOLSKA REGION
FOR 2011-2020

MANAGEMENT
HUMAN CAPITAL
CITIES
PARTNERSHIP
INNOVATIONS
MAŁOPOLSKA BRAND
COMMUNICATION
SCIENCE
TECNOLOGY
KNOWLEDGE-BASED ECONOMY
TOURISM CULTURAL HERITAGE

PROFESSIONAL ACTIVITY
INFRASTRUCTURE
INFORMATIZATION SAFETY
HEALTH ENTREPRENEURSHIP
INTELLECTUAL CAPITAL





Dear Readers,

The Region's Self-government has prepared an ambitious vision of the region's development for the nearest decade. It is supposed to help in realization of aspirations and dreams of Małopolska residents. During the last 10 years, the self-government has taken over numerous tasks from the government administration. We have gained new competences and larger influence on the region's development, also thanks to the EU funds. Over the last decade the world has changed and we must meet the new challenges that the European Union – in which we want to play the role of a strong region – is facing.

Implementing our vision of development, we are concerned about good exploitation of the greatest capital of the region, that is its residents – their knowledge, skills, entrepreneurship, creativity, talents, energy and aspirations. We want the strategy to contribute to strengthening social bonds and building Małopolska residents' pride of what – thanks to the joint effort – we will manage to achieve.

Over the next 10 years, we will strive to help our economy develop even faster, raise Małopolska's investment attractiveness and constantly strengthen its position as a region of knowledge, that takes advantage of modern technologies and innovative solutions. We wish Małopolska to be an attractive place to live, learn, work and spend leisure in. In our strategy we dedicated a lot of space to five subregions of Małopolska. They are all diverse therefore we decided that it was purposeful to mark up an individual development path for each of them so that their unique potential can be exploited to the fullest.

Not only is the Development Strategy of Małopolska Region a result of unanimous, over two-year long work of the representatives of the region's self-government of two terms, supported by experts, but it is also a result of direct commitment of 1,500 Małopolska residents who participated in the public debate prior to adopting the document by the Regional Assembly. We would like to thank everyone for the provided remarks and suggestions. Many of them were used during the works on the strategy. I would like all Małopolska residents to feel they can influence its implementation. I believe that together we can build a modern Małopolska.

A handwritten signature in blue ink that reads "M. Sowa". The signature is stylized and fluid.

Marek Sowa
The Marshal of the Małopolska Region

**DEVELOPMENT
STRATEGY OF THE
MAŁOPOLSKA
R E G I O N
2011
2020**



MAŁOPOLSKA 2020
Unlimited possibilities

*Annex no. 1 to the Resolution No. XII/183/11
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I INTRODUCTION

Development strategy of the region is the basic and most important document of the region's self-government, determining the areas, goals and directions of intervention of the development policy that is being conducted in the regional sphere.

Considering the obligations arising from the Act on Region's Self-Government, the basic responsibility of the region's self-government, in creation and implementation of the region's development strategy, focuses on the widely understood civil and cultural awareness, modern economic development, as well as sustainable management of the environment and public space.

Within the system of management of the development policy, the strategy plays a key role as a general action plan of the authorities of the regional self-government in the process of managing the region, but also as a tool of communication and partner-based co-operation with the regional community.

"Małopolska 2020" Strategy talks about what we, as a regional community, can and want to accomplish in a ten year perspective – in comparison to our current development position and thanks to our expectations and ambitions for the future.

Strategy is a tool supporting positive changes in the region and levelling the barriers which arise in the environment. In a dynamically changing reality, Strategy is ambitious to support the members of the regional community in effective discovering of potentials and full use of the development opportunities.

Development Strategy of the Małopolska Region for 2011-2020 (DSMR) has been prepared as a result of over 2 years of work carried out by the Board of the Małopolska Region – with participation of Councillors of the Małopolska Region and experts taking part in the works of the Team for Updating the Development Strategy of the Małopolska Region until 2020.

Document considers conclusions and recommendations formulated within the broad public debate that consisted in particular in: territorial consultations on potentials, barriers and the region's most important issues in the perspective of year 2020, cycle of regional conferences, as well as numerous consultation meetings with participation of representatives of key environments and regional institutions. Final version of the document has been prepared by considering the results of the ex ante external evaluation and strategic environmental impact assessment.

Development Strategy of the Małopolska Region for 2011-2020 takes into consideration goals of the strategic documents, valid at the European and national levels, i.e. A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020 and National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas. Furthermore, the document takes into account results of works on the package of national strategic documents inclusive of Long-term National Development Strategy until 2030, Concept of National Area Development until 2030, Mid-term National Development Strategy until 2020 and integrated national sector development strategies.

Premises for Updating the *Development Strategy of the Małopolska Region*

Adopted at the beginning of 2006, second in the row development strategy of Małopolska – *The Małopolska Region Development Strategy for 2007-2013* became a sign of a rational political choice, based on an attempt of connecting the directions and instruments of traditional pro-cohesive investment and social policy with a modern, pro-innovative policy specific for the reality of post-industrial economy. This direction of conduct has been successfully implemented in recent years.

Noticing however, that in the period of time since finishing works on the document, both in the external environment and the internal relations, there have been many changes that are important for the development of the region – both in the next couple years and in the long-term perspective, **authorities of the Region's Self-government, decided it was purposeful to carry out a review, and in consequence – an update of the *Development Strategy of the Małopolska Region*.**

It is important to emphasize, that the beginning of updating of the Strategy – in the fourth year of its implementation, no premises that would justify the decision on refusal or thorough questioning of the visions and strategic objectives regarding Małopolska's development, adopted in that document, were identified. Therefore, the third – in the 10-year history of the regional self-government – strategy, the *Development Strategy of the Małopolska Region for 2011-2020*, is an update of the assumptions of the so-far prevailing policy, based on re-definition and creative expansion.

In the stratum of **changes occurring in real terms**, the following most important processes and factors justifying purposefulness of updating of *Development Strategy of the Małopolska Region* should be pointed out:

- deepening differentiation of level and speed of social and economic development in particular parts of the Region, especially in the subregional perspective;
- growing global pressure on better concentration and specialization, both thematic and territorial, employing potentials decisive for the region's competitive advantage;
- growing importance of spatial availability of goods and services of basic importance for the social and economic development, with simultaneously progressive process of transformations of the region's settlement system;
- need of territorial differentiation of policy towards functional areas, as important areas of spatial integration, especially at the subregional level;
- growing role of urban centres in providing public services and generating permanent workplaces;
- functional transformations of rural areas and their high, yet still insufficiently utilized, residential potential;
- growing impact of demographical changes on economic processes occurring in the regional space;
- growing importance of multi-aspectual safety, especially in context of climate and civilization changes – for balancing growth and quality of life;
- consequences of the global financial crisis, the consequence of which has been the economic slowdown, also in the regional dimension.

In the stratum of **changes occurring in the regulative environment**, that form the group of circumstances justifying formal need of updating of the Strategy, the following should be pointed out:

- ensuring the cohesion between regional strategy and goals of the strategic documents at the European and national level: A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020 and *National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas*;

- taking into consideration current results of works on the national strategic documents: *Long-term National Development Strategy until 2030*, *Concept of National Area Development until 2030*, *Mid-term National Development Strategy until 2020*, and integrated national sector development strategies;
- elaboration of adequate programme frameworks for updating of the *Spatial Development Plan of the Małopolska Region*;
- definition of assumptions indispensable for the implementation of territorial cohesion concept and new trends of economy of places and economy of flows.

Updating of the Strategy means also prolonging its horizons until year 2020, which is dictated by need of:

- ensuring cohesion with the perspective adopted for the *Mid-term National Development Strategy until 2020*, *National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas*, and other integrated, sector strategies of the government;
- acceptance of the horizon convergent with the timeframes of the next financial perspective of the European Union and the horizon of *A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020*.

Evaluation of the Implementation of Development Strategy of the Region for 2007-2013

On the 30th of January 2006, the Regional Assembly of the Małopolska Region, by way of Resolution No. XLI/527/06, adopted *The Małopolska Region Development Strategy for 2007-2013*. This document designated the general framework of planning and programming of region's development policy in the mid-term perspective. Areas and directions of policy defined in the Strategy became the base for determination of priority directions of interventions within Małopolska Regional Operational Programme 2007-2013.

With reference to the assumptions of the Strategy implementation system, in the first quarter of 2010, the **mid-term evaluation of implementation of Development Strategy of the Małopolska Region¹** was conducted. From the balance made for the first two years of the taking effect of The Małopolska Region Development Strategy for 2007-2013 it is concluded that **in total 248 from 321 actions adopted for directions of policy defined in the document have been implemented or undertaken**. In the framework of Field A: *Economic competitiveness*, 119 out of 158 anticipated actions were implemented or undertaken. On the other hand, in the framework of Field B: *Social development and quality of life*, 100 out of 126 anticipated actions were implemented or undertaken, whereas within the Field C: *Institutional Potential*, 29 out of 37 actions described in the Strategy were undertaken or implemented.

Analyzing the results of the conducted evaluation, it is important to notice, that the subject of the accomplished balance was the introductory stage of Strategy implementation, in which many of the undertakings were in the conceptual phase or at the stage of preparation for implementation, in the consequence of which, there was a need of carrying out the necessary assumptions and the generalization at the stage of their interpretation. It should be especially emphasized that the period of time serving as the evaluation's time horizon was at the same time the stage of starting and first phase of implementation of Strategy implementation's key instruments which are: Małopolska Regional Operational Programme 2007-2013 and the regional component of the Human Capital Operational Programme.

¹ Report: *Ocena śródkresowa w trakcie realizacji Strategii Rozwoju Województwa Małopolskiego 2007-2013 w latach 2007-2009* [Mid-term evaluation during the implementation of the The Małopolska Region Development Strategy for 2007-2013 between 2007 and 2009], The Marshal's Office of the Małopolska Region (UMWM), Kraków 2010.

Policy directions characterized by high activity in the field of implemented actions

In the group of policy directions for which the conducted balance proved a high level of actions that were undertaken, and at the same time the implementation of which should be considered satisfying, there are directions connected with:

- support for individual entrepreneurship,
- development of leisure services,
- protection and shaping of the cultural landscape,
- protection of the regional cultural heritage.

The greatest participation of implemented actions can be seen in the policy directions in which activity of the entities other than regional administration interested also in autonomous realization of actions, is present.

Policy directions characterized by low activity in terms of the implemented actions

In the group of policy directions, for which in the first phase of the Strategy implementation low activity in terms of the implemented actions was noted, there are mostly directions related to improvement of the road network and infrastructure of the Kraków Metropolitan Area, as well as development of information society infrastructure and the environmental protection. Moderate progress in the implementation of adopted actions was also characteristic for directions related to improvement of functioning of the administration in terms of increasing of the efficiency of the public administration office s operation, improvement of qualifications of employees, e-administration, as well as intra-regional promotion. Directions in which the implementation was undertaken either at an unsatisfactory level, or those characterized by low level of implementation, are related especially to the areas connected to infrastructural undertakings of a long implementation time, that require substantial financial expenditures.

Policy directions, the implementation of which has not been undertaken

Among the policy directions, for which the majority of assumed actions has not been undertaken – in the analysed period of time – there were those related to supporting the international competitiveness of the Małopolska enterprises and institutions, development of intellectual property industry, ecological safety and the protection against ecological disasters as well as protection of bio- and geo-diversity. **It is important to emphasize that among the actions which has not been undertaken in the analysed period of time, there are some, the implementation of which in the perspective of the Strategy was actually declared or foregone.**

Detailed balance of the Strategy implementation status on the level of policy directions is illustrated by the following balance sheet:

Table 1. Balance of DSMR's actions, within the Field A: ECONOMIC COMPETITIVENESS.

DEVELOPMENT POLICY'S AREA/ POLICY DIRECTIONS	ACTIONS			
	UNDER POLICY DIRECTION	IMPLEMENTED SATISFACTORILY	IMPLEMENTED UNSATISFACTORILY	NOT UNDERTAKEN
	158	57	62	39
AREA I ACTIVE AND KNOWLEDGE-BASED SOCIETY	36	19	13	4
I.1. Quality and level of education of the inhabitants	15	8	5	2
I.2. Development of the information society	6	3	2	1
I.3. Support for individual entrepreneurship	4	3	1	0
I.4. Development of the labour market	6	3	3	0
I.5. Support for and promotion of talents	5	2	2	1
AREA II THE ECONOMY, OPPORTUNITIES FOR OUR REGION	71	29	21	21
II.1. Fostering the worldwide competitiveness of enterprises and institutions from Małopolska	6	0	2	4
II.2. Development of innovations and modern technologies	9	2	3	4
II.3. Sustainable agriculture, including organic farming	11	4	3	4
II.4. Attracting direct investment to the region	6	0	4	2
II.5. Development of the leisure industry	31	23	8	0
II.6. Development of the intellectual property industries	8	0	1	7
AREA III INFRASTRUCTURE FOR REGIONAL DEVELOPMENT	32	6	16	10
III.1. Development of intra and interregional road connections	9	2	5	2
III.2. Development of infrastructure for the information society	7	2	3	2
III.3. Increased role of public transport in the region	14	2	7	5
III.4. Comprehensive management and development of the economic activity zones	2	0	1	1
AREA IV KRAKÓW METROPOLITAN AREA (KMA)	19	3	12	4
IV.1. Strengthening the European position of the KMA and development of its metropolitan functions	9	2	6	1
IV.2. Balancing the internal structure of Kraków Metropolitan Area	10	1	6	3

Table 2. DSMR's actions' balance within the Framework Field B: SOCIAL DEVELOPMENT AND QUALITY OF LIFE.

DEVELOPMENT POLICY'S AREA/ POLICY DIRECTIONS	ACTIONS			
	UNDER POLICY DIRECTION	IMPLEMENTED SATISFACTORILY	IMPLEMENTED UNSATISFACTORILY	NOT UNDERTAKEN
	126	50	50	26
AREA V INTRA-REGIONAL COHESION	55	31	18	6
V.1. Improvement of healthcare and health protection	8	5	1	2
V.2. Integration-oriented social policy	10	9	1	0
V.3. Improved condition of Małopolska families	9	2	6	1
V.4. Increased citizen security	7	4	2	1
V.5. Enhancement of civil society and building regional identity	17	11	4	2
V.6. Development of public service centres' networks	4	0	4	0
AREA VI ENVIRONMENTAL PROTECTION	37	7	20	10
VI.1. Protection of water resources	11	2	5	4
VI.2. Air protection and increased use of non-conventional energy sources	7	3	3	1
VI.3. Waste management	9	0	8	1
VI.4. Ecological security and protection against the consequences of natural disasters	10	2	4	4
AREA VII REGIONAL LANDSCAPE AND HERITAGE	34	12	12	10
VII.1. Protection and enhancement of the cultural landscape	4	4	0	0
VII.2. Preservation of bio- and geo-diversity	14	3	6	5
VII.3. Protection of the cultural heritage of the region	5	5	0	0
VII.4. Regeneration of degraded areas	11	0	6	5

Table 3. DSMR's actions' balance within the framework of Field C: INSTITUTIONAL POTENTIAL

DEVELOPMENT POLICY'S AREA / POLICY DIRECTIONS	ACTIONS			
	UNDER POLICY DIRECTION	IMPLEMENTED SATISFACTORILY	IMPLEMENTED UNSATISFACTORILY	NOT UNDERTAKEN
	37	10	19	8
AREA VIII TERRITORIAL CO-OPERATION	8	4	4	0
VIII.1. Promotion and strengthening of the national and international position of Małopolska	3	2	1	0
VIII.2. Development of interregional cooperation	3	2	1	0
VIII.3. Intraregional promotion	2	0	2	0
AREA IX MODERN PUBLIC MANAGEMENT	29	6	15	8
IX.1. Higher efficiency of public administration offices	7	0	5	2
IX.2. System for improvement of employees' qualifications	4	0	4	0
IX.3. E-administration	7	2	3	2
IX.4. "Transparent Małopolska"	5	1	1	3
IX.5. Regional research and analyses	6	3	2	1

Conducted analysis indicated two fundamental **problem areas in the process of Strategy implementation**, that are the main reasons for the low level of implementation or implementing of the actions within the frameworks of adopted policies, i.e.:

- a) **limited formal influence of the regional administration**, understood as marshal office and its subordinate units, directly responsible for the process of implementation of the Strategy for **realization of significant scope of tasks included in its intervention, but transcending the region self-government's sphere of competence**, that includes especially:
- tasks implemented by the central offices of the national administration: Regional Water Management Board, Agency for Restructuring and Modernization of Agriculture – in terms of agrotourism, activity related to agriculture and other actions related to supporting sustainable agriculture, including ecological agriculture, National Forests – in the area of improvement of the forest's health condition;
 - tasks related to the issues of law regulations, in case of which the initiative and property lie within central authorities, e.g. regulations related to genetically-modified food, creation of an integrated safety system, development of medical rescue system, protection of children deprived of parental care;
 - tasks requiring system solutions at the central level, especially tasks in the area of railway transport and development of telecommunication systems;
 - tasks belonging to the sphere of county self-government units' properties – such as tasks in the area of activity conducted by the county labour offices, building of secondary education objects, as well as tasks of municipality self-government units – such as promoting of biological sewage treatment, development of green areas in the urbanized areas;
 - tasks implemented by the national operational programmes' beneficiaries, including institutional beneficiaries, functionally independent from the region's self-government, which concerns

among others support of guarantee and high risk funds through the Bank Gospodarstwa Krajowego and *venture capital* institutions, actions in the scope promotion of continuing education and co-operation between higher education institutions and enterprises, as well as education of leisure animators by non-government organizations;

- tasks implemented in the framework of private entities, in case of which the omission might be caused by insufficient economic incentives (e.g. in the scope of dissemination of low waste technology of production or waste recycling)
 - tasks the undertaking of which depends on the potential and interest of entrepreneurs, such as tasks related to intellectual property industries' development.
 - tasks the implementation of which depends on the individual will and interest of region's residents, especially in the scope of environmental protection, because of lack of instruments in the form of economic incentives (e.g. asbestos's removal, building of onsite sewage treatment systems, optimization of water use, etc.);
- b) limited functionality of the Strategy's monitoring system in the scope of capacity of recording actions in the framework of national operational programmes**, implemented by the beneficiaries functionally independent from the self-government of the region, both entrepreneurs and other institutional entities.

Analysis of the financial aspect of the Strategy implementation carried out for years 2007-2008, points on a balance between expenditures for the actions supporting the strategic objectives determined for two main fields of activity. **In the framework of Field A: Economic competitiveness the expenditures amounted to PLN 2,664 million, whereas in case of Field B: Social development and quality of life – PLN 2,661 million².**

The expenditures classified in the monitoring system as designed for implementation of the Strategy (without The Integrated Regional Development Programme), constituted in years 2007-2008 approximately 2% of the regional GDP's value. It is important to emphasize, that for the evaluation of the Strategy's goals' accomplishment level, the influence of two other factors – favourable economic situation in the period 2005-2008 and the regulative and allocation decisions at the national level – played a greater role. In relation to the first of the mentioned factors, it is important to notice, that thanks to good economic outlook, both economic and social ratios have undergone improvement. It was also possible to increase the expenditures for the realization of public activities, including those designed in the Strategy. On the other hand, the favourable shaping of the GDP's ratio in the context of the EU in the last years of the analysed period of time, was partially caused by the unfavourable economic situation in other EU countries, thanks to which Poland and Małopolska's economic development, especially in the year 2008 speeded up.

Relatively positive evaluation of the occurred changes is to a great extent determined by the period of time, during which it was carried out, as well as the reference point, that is the beginning of year 2010, based on the data for years 2005-2008. Deeper evaluation of the conducted interventions' effectiveness will be possible after the outgoing of the consequences of the crisis in the EU countries. It should answer the question whether Poland's favourable situation including that of Małopolska, is an effect of milder passing of the current crisis, or delay of its consequences in relation to other countries due to delay of the business cycle.

² Based on: *Raport monitoringowy z realizacji Strategii Rozwoju Województwa Małopolskiego w latach 2007-2008* [Monitoring Report on Implementation of The Małopolska Region Development Strategy in 2007-2008], The Marshal Office of the Małopolska Region, Kraków 2009.

INITIAL POSITION³

³ In general depiction, description of Małopolska's initial position was based on: (a) analysis of historic data for the period of time 2005-2009, (b) development trends' prognosis in the perspective of year 2020, and resultant from those analyses (c) identification of key challenges for the region. Considering the available data, in case of selected phenomena and processes the historic data analysis of different time period has been applied. In a few cases the reference point used for the historic analysis data was year 2010.

As a result of the globalization process and the civilization changes, the public actions supporting development processes, are implemented in the space described by the phenomena less and less dependable on the official authority. Standards of social and economic development are changing. There is **growth of concentration of resource and economic activity** in the metropolis and big urban centres – due to the achieved profits. Information and knowledge are becoming a more and more important driving force of the developing economies, especially **new knowledge and ideas for its practical use**.

In view of changing role of spatial conditionings, development expansion of **big cities** occurs mostly thanks to intensive human capital flows as well as values and non-material goods. **Knowledge, competences and adaptive capabilities** become a key for the development of intelligent economy. Simultaneously their negative consequence is danger of such occurrences as: depopulation and exclusion. The importance of individual **aspirations and activities** rises, and so does the scope of responsibility of the participants of development processes. Domination of **social and cultural diversity** as well as **incertitude and risk in economic dimension** – are the main characteristics of new global reality.

Evaluation of the current development status of Małopolska, based in thinking about the region's development in the long-term time perspective, means necessity of **another look on internal potential and regional space**. Appeal of the region as a dwelling, work and leisure place is not only a result of the **physical capital** – basic infrastructure and natural resources – concentrated within it. The location appeal is becoming more and more dependable on **intellectual capital** – level of education, individual talents, knowledge, creativity and aspirations, as well as **symbolic capital** – attachment to traditional values, identity and feeling of bond with a certain place and its unique image. In the context of intra-regional specifics, Małopolska is characterized by large diversity both in terms of economic and social development and the characteristics of cultural and natural space. Those characteristics have significant impact on shaping of the specific – in terms of potential functions – areas of spatial integration.

In view of significant changes in the external environment, **regional policy must in an equal measure answer the needs diagnosed at this point, as well as go out to meet the tendencies and processes, the manifestations of which – today noticed indirectly – will become key factors of development success in the future**.

Nowadays Małopolska is a **region of unlimited, yet still insufficiently utilized possibilities**. Our region is an area of unique potentials, characterized by clearly diversified spatial structure. It is also a space requiring special responsibility related to the need of preservation and protection of the most precious values and resources that constitute a part of the identity and quality of public space – in the face of current weakness of the legal protection system – endangered by progressing growth of anarchy and degradation. Those characteristics form together the diversified image of region's development position.

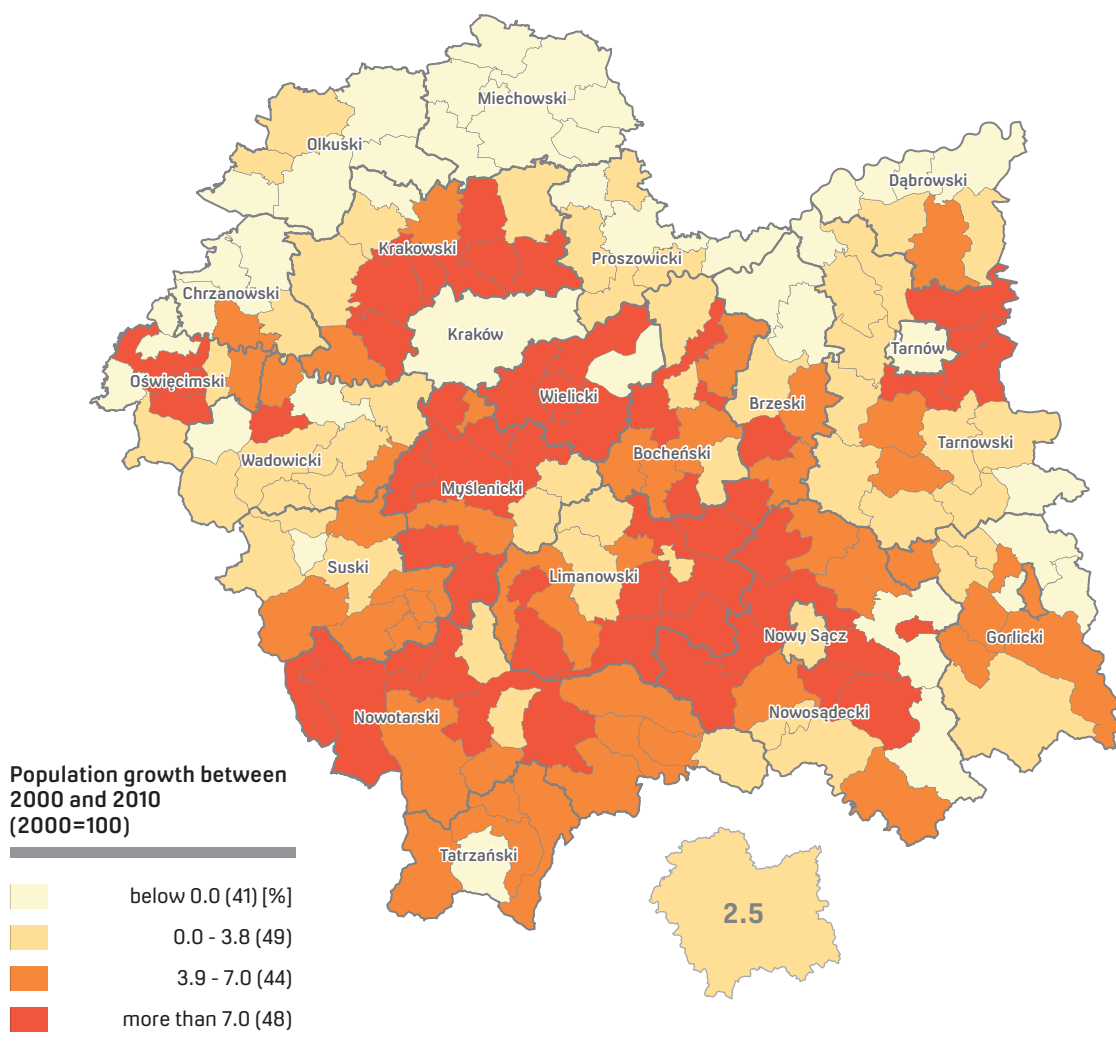
Below the evaluation of the initial position of Małopolska has been carried out, considering **diagnosis of present** situation of the region, **prognosis of development trends** in terms of selected economic and social processes, as well as a catalogue of **key challenges**, constituting the fundamental point of reference for the vision, areas and goals of "Małopolska 2020" Strategy.

General Economic and Social Situation of Małopolska

1. Małopolska region's territory amounts to 15,183 km², which is 4.9% of the country's territory and ranks the region 12th. Among 182 municipalities of the region, there are 46 urban and rural municipalities, 14 urban municipalities and 122 rural municipalities.
2. In 2010 Małopolska was inhabited by 3.31 million people, which was 8.7% of the country's population and ranks the regions 4th – following the Regions of Mazowieckie, Śląskie and Wielkopolskie. During the 2001-2010 decade this number grew by 2.5%. In that period the highest growth occurred in the following counties: Wielicki County (11.1%), Tarnowski County (9.1%), Krakowski County (8.1%) and Myślenicki County (5.1%).

The decade-highest Małopolska's population growth in 2010 was influenced by favourable dynamics of demographic phenomena: population growth and a positive permanent migration balance.

Map 1. Population growth in Małopolska between 2000 and 2010 (2000=100).



Source: *Ludność, ruch naturalny i migracje w województwie małopolskim w 2010* [Population, natural movement and migrations in the Małopolska Region], Statistical Office in Kraków 2011.

3. The region is characterized by high population density: 218 people per km² (2nd place in the country with the average of 122 people per km²). In the Małopolska cities there are on average 988 people per 1 km² (Kraków: 2,314, Tarnów: 1,584, Nowy Sącz: 1,468). On rural areas the population density amounts to 124 people/km² and for many years this value has ranked Małopolska first among all the regions. The most densely-populated counties are located in the western part of the region (Oświęcimski County, Chrzanowski County, Wadowicki County) and in the immediate vicinity of Kraków (Wielicki County).

Economic Situation⁴

1. Małopolska is among the group of regions that between 2005 and 2008 increased their share in generating domestic GDP⁵. In the abovementioned period the region was ranked every year 5th in the country, following the regions of: Mazowieckie, Śląskie, Wielkopolskie and Dolnośląskie – generating 7.4% of the GDP in 2008. In the analysed year the increase of the GDP volume amounted to 17.0% (total for the country 19.2%) in comparison to 2005 (in fixed prices), which ranked Małopolska only 9th among the regions. GDP per 1 resident amounted to PLN 28,900, i.e. 86.3% of the country average. That result ranked Małopolska also 9th in the country.

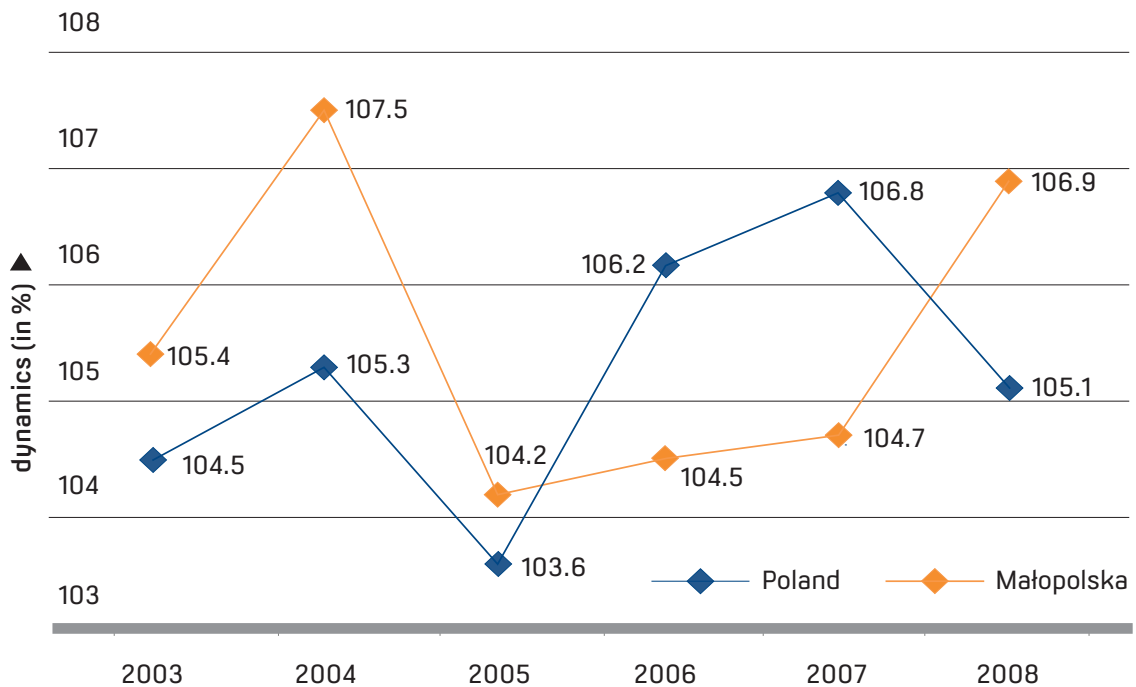
The analysis of the generated GDP in the subregion perspective suggests that Kraków performs the role of the centre of Małopolska economic development and one of the centres of greatest development potential in Poland. Kraków concentrates 41.4% of the GDP value generated in the region, which is 3.1% of the country value (2nd place, following Warsaw: 13.2%). At the same time the city together with the Krakowski Subregion generates 57.3% of the Małopolska GDP, which is 4.3% of the GDP of Poland. Oświęcimski Subregion generates 16.6% of the regional GDP, Nowosądecki Subregion – 16%, Krakowski Subregion – 15.9% whereas Tarnowski Subregion – 10.1%.

The distribution of GDP per capita in the subregion perspective confirms strong diversification of the economic potential in the region perspective. With 155.1% of the average for the country, Kraków is ranked 3rd among all the subregions, following Warsaw and Poznań. All other subregions in Małopolska quote GDP values per capita at the level lower than the country average. Nowosądecki Subregion is ranked 64th, Tarnowski Subregion holds 59th position, Krakowski Subregion – 54th, whereas the Oświęcimski Subregion – 43rd. Compared to the EU-27 average, according to the data for 2008, the GDP indicator per capita amounts to, respectively, for Kraków: 87%, Oświęcimski Subregion: 42%, Krakowski Subregion: 38%, Tarnowski Subregion: 35% and Nowosądecki Subregion: 33%.

⁴ Analysis conducted on the basis of the Dynamic Scholastic Equilibrium Model (DSGE) of large scale EUImpactMod III, elaborated in the Institute for Structural Research, calibrated for the regions' economies and aggregated to the country level.

⁵ *Produkt Krajowy Brutto. Rachunki regionalne w 2008 r.* [Gross Domestic Product. Regional Bills in 2008], Central Statistical Office (CSO), Statistical Office in Katowice, Katowice 2010.

Chart 1. GDP dynamics (in %, fixed prices – current prices from the previous year; previous year=100).



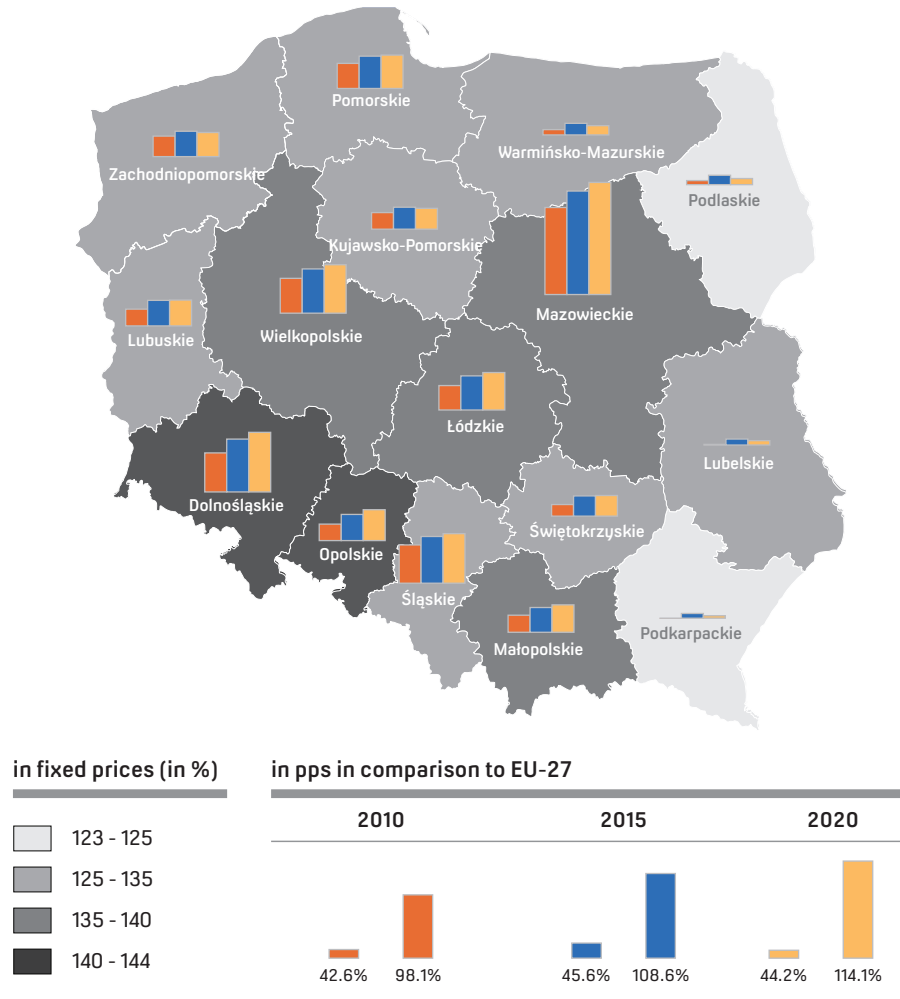
Source: Own work on the basis of CSO's data.

Indicator of the GDP growth dynamics, used for evaluating the progress of economic changes, ranked Małopolska 3rd in 2008, following the Regions of: Podkarpackie, Śląskie and Łódzkie. Małopolska was in the group of seven regions the dynamics of which was higher than the country average which amounted to 105.1% (2008).

Forecasts suggest that in the perspective of year 2020 Małopolska will reach 60.1% of the average GDP level per capita for EU-27. In this regard the region will be at the 8th position in the country. The unchallenged leader will still be Mazowsze that will be the only region to exceed the average level of this indicator for EU-27, reaching 114.1% of the EU average. Comparing the forecast Małopolska results to the Eurostat data (48.6% of GDP per capita for EU-27 in 2008), the process of bridging the development gap in comparison to the EU average will be 11.5 percentage points (pp).

The average annual pace of actual growth of GDP per capita for Małopolska between 2010 and 2020 will be 3.1% and will be at the level of ca. 0.1% above the average forecast at the country level whereas the highest average pace of growth for this indicator is predicted in the regions of Dolnośląskie (3.7%), Opolskie (3.6%) and Mazowieckie (3.4%).

Map 2. GDP growth per capita in the perspective of year 2020: in fixed prices and pps in comparison to EU-27.

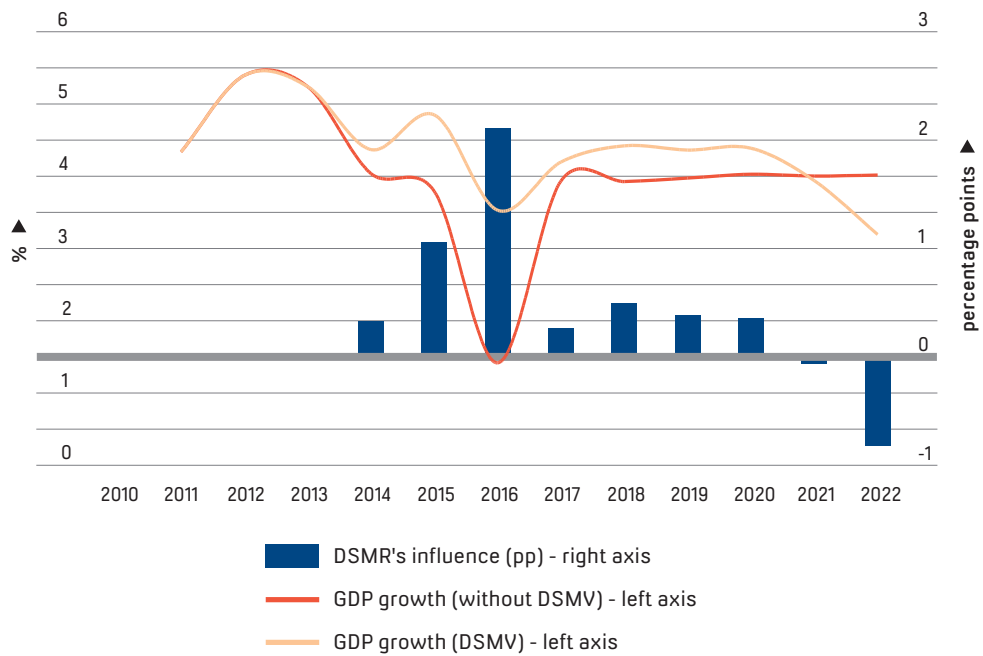


Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników*, [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 and National Cohesion Policy 2007-2013 as well as other selected macroeconomic indicators at national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

On the other hand, simulation of macroeconomic impact of *Development Strategy of the Małopolska Region for 2011-2020*⁶ showed that it clearly appears in the second part of the implementation period. The (integrated) regional operational programme, implemented within the new financial perspective of the EU, may become an important factor adding to the dynamics of the economic development. It is estimated that visible acceleration of the economic activity will occur between 2014 and 2022 when the average annual pace of economic growth will be higher than in the scenario that does not take into account the implementation of the Strategy – by ca. 0.4 pp.

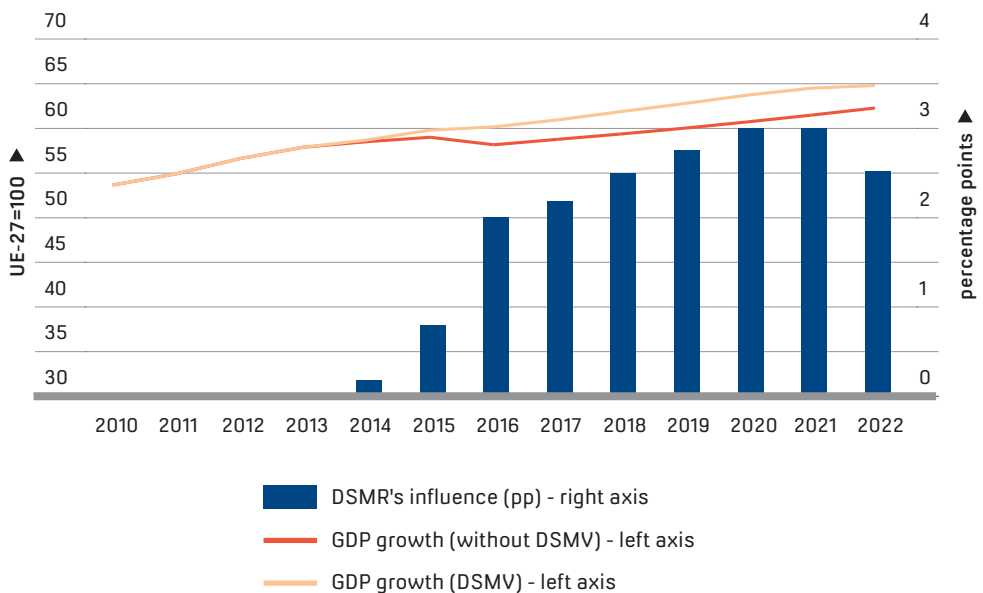
⁶ Simulation was carried out in the framework of the project: *Ocena ex-ante projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020* [Ex ante evaluation of the Development Strategy of the Małopolska Region for 2011-2020], Institute for Structural Research, Warsaw 2011. Basis for the conducted estimated were assumptions regarding the financial projection presented in the chapter *Financial Framework* (variant III).

Chart 2. Estimated influence of the DSMR on growth of actual GDP in Małopolska.



Source: Ocena ex-ante projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020 [Ex ante evaluation of the Development Strategy of the Małopolska Region for 2011-2020], Institute for Structural Research, Warsaw 2011.

Chart 3. Estimated influence of the DSMR's implementation on the level of GDP's convergence per capita in Małopolska in comparison to the EU-27 countries.

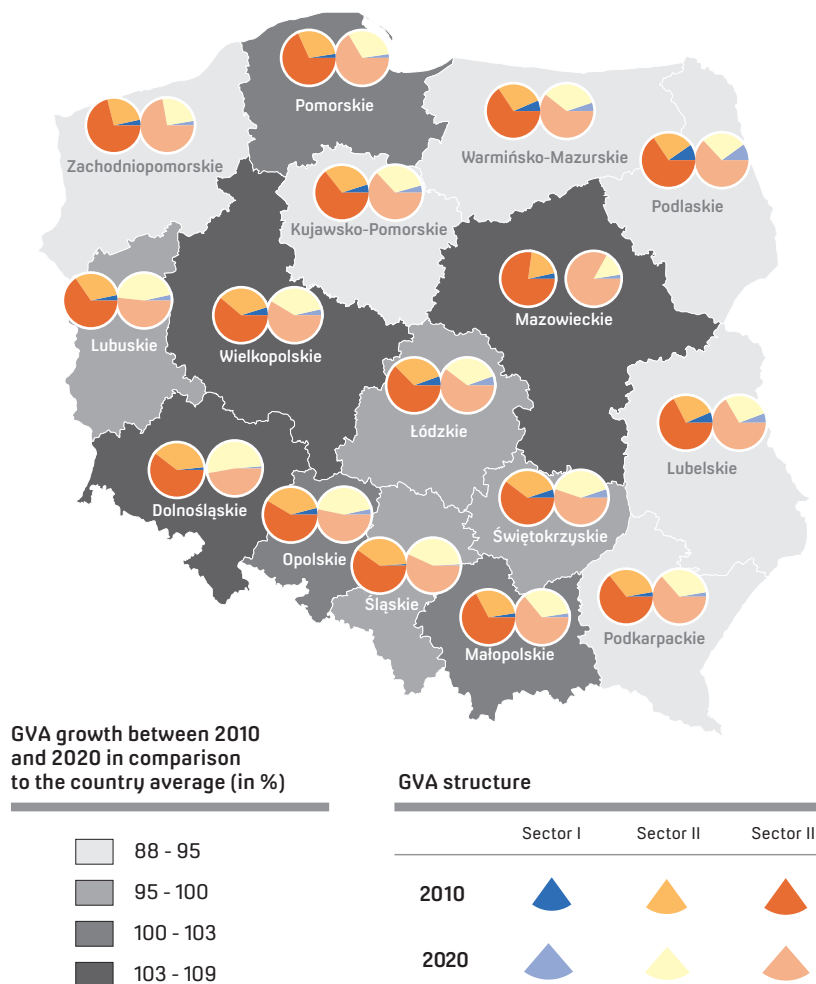


Source: Ocena ex-ante projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020 [Ex ante evaluation of the Development Strategy of the Małopolska Region for 2011-2020], Institute for Structural Research, Warsaw 2011.

Positive influence of the Strategy implementation on economic development between 2014 and 2020 means also significant acceleration of the actual convergence of Małopolska in comparison to the average level of economic development in the EU countries. In 2010 GDP per capita in the region is estimated to reach the level of 53% of the EU-27 average. In the baseline scenario, at the end of the decade, the increase of the level of this indicator may be expected to exceed 60%. It is predicted that thanks to the Strategy implementation, convergence will be additionally strengthened, thanks to which in 2020 GDP per capita in Małopolska will reach ca. 63% of the EU-27 average.

- Małopolska generates 7.4% of the gross value added (GVA), which is PLN 68,823 calculated per 1 working person (country average: PLN 78,778). Despite relatively high level of education of working resources, in terms of work productivity, Małopolska is quite distant from the country average and other regions (12th position). In terms of GVA structure, the region has the agriculture participation lower than the country average (by 1.1% in 2008), despite significant share of agricultural holdings. Share of industry and financial services together with company and real estate service is also slightly lower than the Polish average.

Map 3. Gross Value Added in the perspective of 2020: in total (PLN million, current prices) and divided into sectors (PLN million, current prices).



Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników* [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 and National Cohesion Policy 2007-2013 as well as other selected macroeconomic indicators at the national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

Małopolska is 3rd in the group of regions that are characterized by higher than the Polish average rate of units conducting activity related to trade and repair; hotels and restaurants as well as transport, warehouse management and communications, i.e. the units that in the domestic economy between 2005 and 2008 reached the highest share in generating gross value added. After the decrease from the level of 28.8% of GVA of the region in 2005 to 27.3% in 2007, there was another increase to the level of 27.8% in 2008.

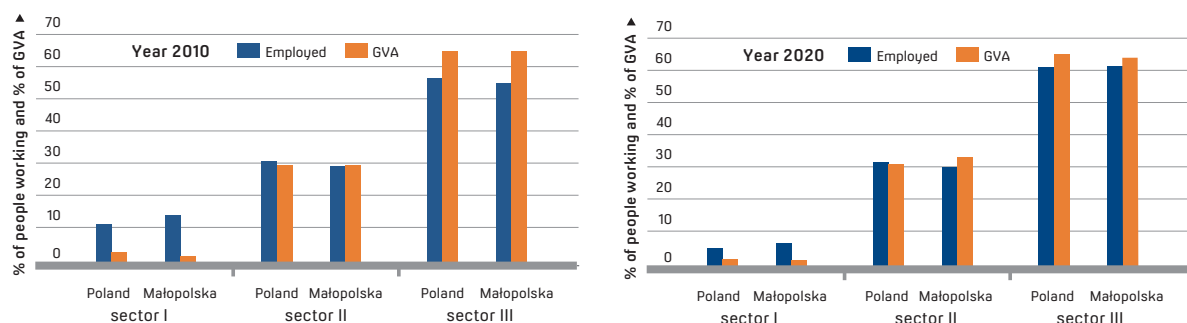
The region holds also a stable 1st position in terms of construction industry's share in generating regional GVA. The percentage of units conducting activity related to construction industry ranged from 6.7% in 2005 (country average: 5.6%) to 8.3% in 2008 (country average: 7.0%).

It is forecast that in the perspective of year 2020 Małopolska will be in the group of regions with growth at least equal to the country average. The growth of gross value added influences not only the growth of GDP, but it may also lead to increasing the level of employment.

The growth of work productivity is of key importance for the growth of GDP per capita. The importance of this factor is additionally strengthened by the ongoing demographic changes, and in this context, particularly by decreasing the percentage of the population in the working age. In the perspective of year 2020 the forecast work productivity in Małopolska will not reach the country average: it will stop at 85.8% whereas exceeding the country average is predicted to occur in 6 regions, with Mazowsze being still the leader. In relation to the EU-27 work productivity, the forecasts show that Małopolska will reach the level of 62.9%.

Forecasts for 2020 show that there will be only slight changes in the structure of gross value added, both at the national and regional level.

Charts 4 and 5. Structure of gross value added according to sectors and structure of people working in sectors.



Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników*, [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 and National Cohesion Policy 2007-2013 as well as other selected macroeconomic indicators at the national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

Comparing the GVA structure between 2010 and 2020, in case of Małopolska it is predicted that the share of sector I (agriculture) will remain unchanged whereas the employment in that sector will considerably decrease, which may indicate the growth of its productivity. At the same time, it is predicted that there will be growth of 3.3 pp of sector II share (industry and constructions) with similar decrease of sector III share (trade, services and transport). At the national level, the growth of sector II share should be accompanied by decrease of share both in sector I and III.

3. Małopolska is among regions that are attractive in terms of conditions for investments. In the ranking prepared by the Gdańsk Institute for Market Economics⁷, Małopolska was ranked 4th in 2010 in the group of regions characterized by high investment attractiveness, following the regions of: Śląskie, Dolnośląskie and Mazowieckie. It means a rise by one position in comparison to 2008 and 2009, and at the same time the decrease by one position in comparison to 2005. Among the subregions characterized by the highest investment attractiveness for the industry activity the following subregions were classified: Oświęcimski Subregion (8th) and Krakowski Subregion (9th). The Krakowski Subregion is also 2nd in terms of investment attractiveness for the technologically advanced activity and 4th in the country in terms of investment attractiveness for the service activity.
4. Accrued value of foreign direct investment (FDI) implemented in the region between 1989 and 2008 exceeded USD 12 billion. It means that Małopolska's contribution is ca. 8% of total expenditure incurred by the companies with foreign capital in Poland. Influx of FDI in Małopolska in 2009 is estimated to be at the level of EUR 0.55 billion, whereas in 2010 – EUR 0.49 billion, which on an average annual basis for 2007-2010 gives it 5th position among all the regions (6.1% of the national value)⁸.
5. The value of export of the Małopolska Region in 2009 amounted to EUR 4.6 billion, and that of import EUR 5.2 billion. In comparison to 2008 the value of both import and export decreased; however the decrease of the import value was faster than that of export. As a result, there was an improvement in terms of balance of trade turnover that reached the value of EUR 0.55 billion.

Between 2000 and 2008 Małopolska was ranked 2nd among all the regions in terms of the dynamics of growth of the export value, i.e. export value in 2008 increased 3.9 times in comparison to 2000 (country average: 3.0). Despite that, dynamics of growth of export of the region has been characterized by decreasing tendency since 2006, whereby in 2009 – in comparison to the previous one – that dynamics was the lowest (-27.4% in comparison to -15.5% for Poland). Since 2008 the region's share in terms of export and the share of Poland in terms of import in general have decreased. Share of Małopolska in Polish nationwide import has decreased from 6.1% to 5.5%, whereas in export from 6.3% to 5.5%. The region's share in the domestic export decreased to the level from 2002, 2003 and 2005.

Share of Małopolska in the Polish export is smaller than its share in generating the all-Poland GDP. The region's contribution to the domestic export is still not adequate to the development opportunities of the region. What is more, in comparison to other regions, high technology products still are of relatively little importance for the Małopolska export: according to OECD's classification the share of high technology branches in the regional export is estimated to be at the level of 0.7%, whereas according to the WIFOI's classification, the share of technologically intensive branches is at the level of 14.5%⁹.

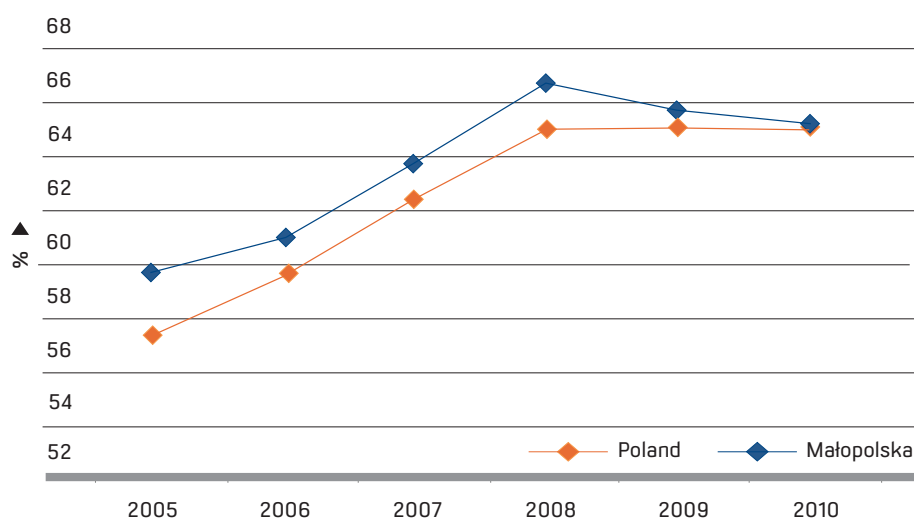
6. Since 2007 Małopolska has been witnessing a successive growth of the professional activity rate of people in the working age (18-59/64-years old) – from 69.7% to 71.8% in 2010, which is a level similar to the country average. In an average annual perspective (according to LFS) in 2010 the number of professionally-active population in Małopolska amounted to 1.43 million and increased slightly in an annual perspective (1.41 million in 2009)

⁷ *Atrakcyjność inwestycyjna województw i podregionów Polski* [Investment Attractiveness of Polish Regions and Subregions], Gdańsk Institute for Market Economics, Gdańsk 2010; Evaluation of the regions' investment attractiveness was based on the analysis of universal location factors, i.e. transport accessibility, labour resources, absorption capacity of the market, economic infrastructure, social infrastructure, economic development level, environmental condition, common safety level, regions' activity towards investors. On the other hand, the subregions' investment attractiveness evaluation was conducted in terms of: industrial activity, services activity and technologically-advanced activity.

⁸ *Szacunek PKB per capita i bezpośrednich inwestycji zagranicznych w województwach oraz wskaźniki wyprzedzające koniunktury* [Estimate of GDP per capita of foreign direct investments in the regions and leading indicators of the economy], Bureau for Investments and Economic Cycles by order of Ministry of Regional Development, Warsaw 2011.

⁹ *Handel zagraniczny Małopolski 2008* [Małopolska International Trade 2008], The Marshal Office of the Małopolska Region 2009.

Chart 6. Employment rate of people in the working age (18-59/64-years old): average annual perspective (%).



Source: Own work on the basis of CSO's data (LFS).

Average annual employment rate between 2005 and 2007 was higher in Małopolska than in Poland, in 2008 the two rates became equal, and in 2009 and 2010 the rate for Małopolska was slightly lower than the country average. The employment rate for people in the working age for Małopolska between 2005 and 2010, was at the level only slightly higher than the country average (respectively: 65.1% and 64.9% in 2010). Its value is visibly differentiated in terms of gender and amounts to 59.7% for women (country average: 60.3%) and 70.2% for men (country average: 69.2%).

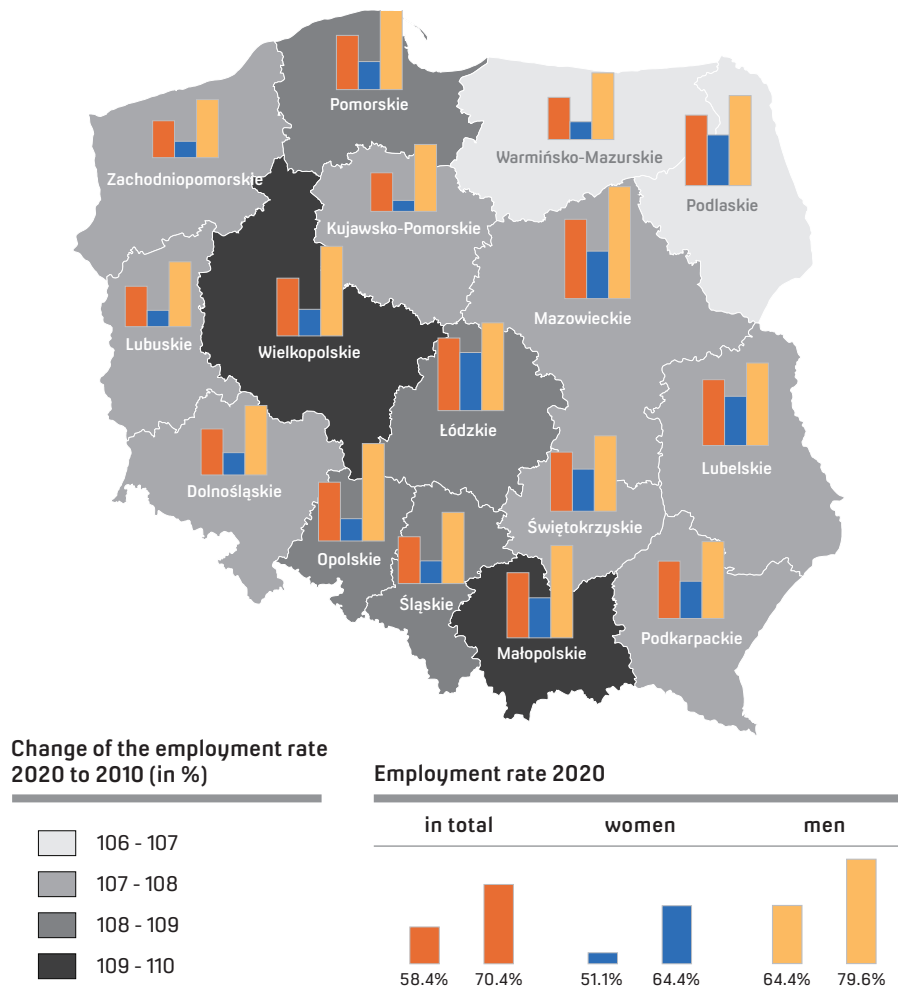
In 2009 the highest employment rate in region maintained in the group of people in their thirties and forties (respectively: 82.9% and 82.8%) The lowest employment rate is characteristic for people over 50 (28.9%) and people under 29 (42.4%). In these two categories the employment rate for Małopolska is lower than the country average. The situation of young people on the labour market is generally unfavourable. A positive signal is an increase of employment in the annual perspective by nearly 2% in the group of people over 50 (in comparison to 2008).

Over more than a decade, Małopolska has been characterized by unfavourable, sector-based employment structure, which stems from the still-considerable share of those working in the agriculture. Employment in this sector remains incommensurably high in comparison to the GVA generated by this sector. At the same time, over the last couple of years, there has been a positive tendency related to the increasing employment in the services sector and decreasing share of those employed in the agriculture as well as faster pace of this process in comparison to other regions. Share of employment in agriculture in Małopolska is currently slightly higher than the country average (respectively: 15.4% and 13.2% in 2009).

In terms of average employment in individual sections in 2009, the highest increase in comparison to 2005 occurred in the area of professional, scientific and technical activity (63%), constructions (43%) as well as accommodation and gastronomy (34%).

One of the priority actions oriented towards the development of the labour market is increasing the number of working people, which in conjunction with efficient allocation of the resources may constitute an important factor adding to the dynamics of the region's economic development.

Map 4. Employment rate (15-64-years old) in the perspective of 2020: in total and divided into women and men.

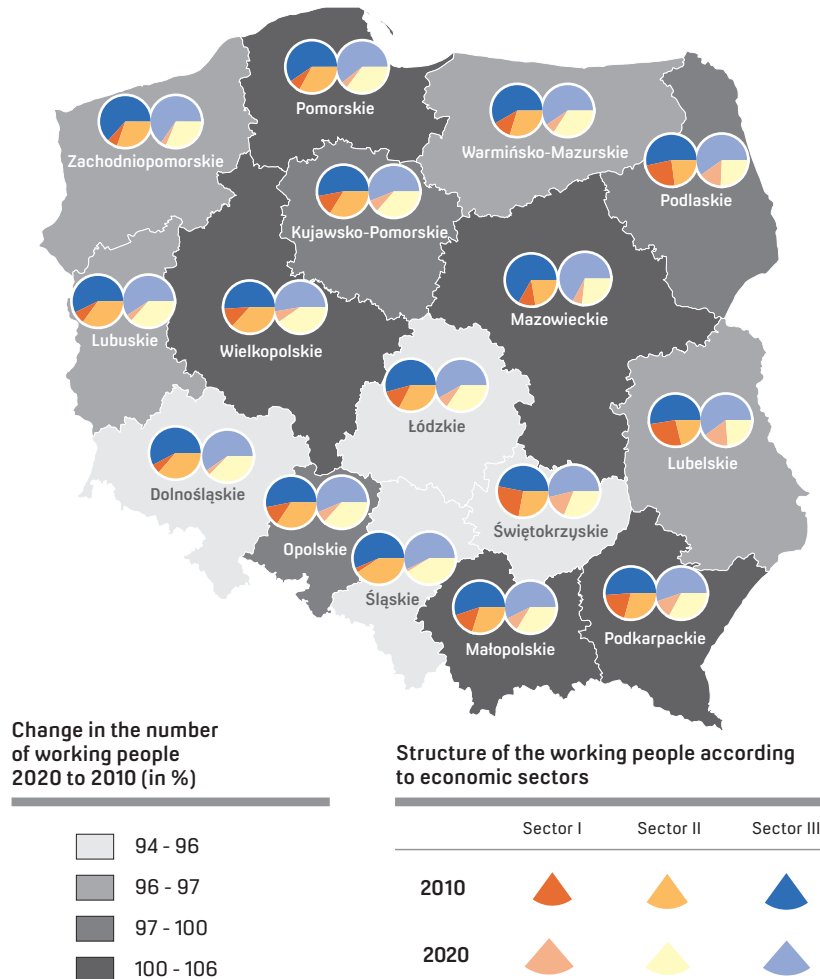


Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników*, [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 and National Cohesion Policy 2007-2013 as well as other selected macroeconomic indicators at the national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

In the perspective of year 2020 the employment (15-64-years old) is predicted to grow both nationwide, where the employment rate is to reach 64.5%, and at the regional level. It is predicted that in case of Małopolska it will reach 66.4%, placing the region on the 4th position in the country. It is worth emphasizing that despite predicted employment growth – both of women and men – it is predicted that the differentiation of the value of this rate will increase, in terms of gender, to the disadvantage of women. It is estimated that it will amount to 66.4% for women and 74.1% for men (in comparison to the country average respectively for women: 57.5% and for men: 71.6%).

- In the average annual perspective (LFS data), the number of working people remained unchanged at the level of 1.3 million people (in comparison to 1.25 million people in 2005). The conducted forecasts show that in 2020 in comparison to 2010 a positive trend will appear on the Małopolska labour market. It is predicted that Małopolska will have the highest pace of increase of the working population (5.5%) in Poland. Another positive tendency will also be marked by positive changes occurring in the structure of those working according to sectors, confirming the increasing importance of sector III (services, trade and transport) with the decrease in the share of those working in agriculture.

Map 5. Change in the number of working people (15-64-years old, thousands) in the perspective of 2020: in total and divided into sectors.



Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników* [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 & National Cohesion Policy 2007-2013 and other selected macroeconomic indicators at the national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

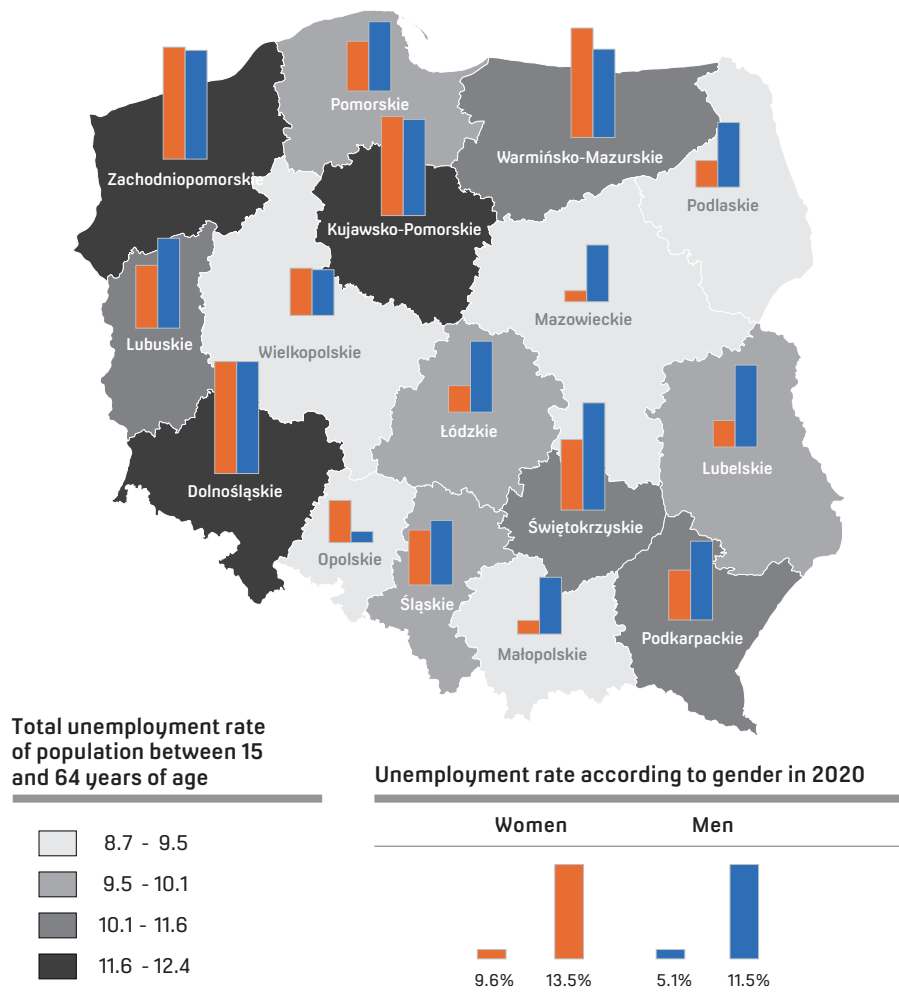
8. According to the statistics of county employment offices, starting from 2001, the number of the unemployed in Małopolska gradually decreased with various dynamics, until 2009, when the tendency broke. On the basis of the Central Statistical Office's (CSO) data, the unemployment rate registered by the end of 2010 amounted in Małopolska to 10.4% (in comparison to 9.7% in 2009 and 13.8% in 2005), whereas the country average was 12.3% (in comparison to 12.1% in 2009 and 17.6% in 2005). On the other hand, the annual average unemployment rate in Małopolska (according to LFS) amounted in 2010 to 9.1% (in comparison to 8% in 2009 and 15.2% in 2005) with country average of 9.6% (in comparison to 8.2% in 2009 and 17.7% in 2005)¹⁰. Three consecutive years saw the decrease of the registered unemployed remaining without a job for more than 1 year (from 49.8% in 2006 to 26.7% in 2009), whereas in 2010 this rate increased to 29.7%.

¹⁰ Differences between the unemployment level registered by employment offices and the values resulting from the LFS are a consequence of applying different methods. A positive difference between the unemployment rate according to LFS and the unemployment rate registered in Małopolska grew considerably in 2002 and remained unchanged until 2005, where the tendency reversed. Visible disproportions maintained in 2006 and 2007 (registered unemployment was higher than LFS by respectively 3.9% and 5.7%, whereas analogically for the country these differences amounted to respectively 1.0% and 1.6%). Since 2008 the disproportion between the registered unemployment level in Małopolska has decreased to 1.5% whereas on the country level it increased to 2.4% in 2008 and 3.7% in 2009.

Yet the unemployed in Małopolska have better education compared to the country. There are fewer people with middle school education and lower, whereas more with higher education, post-secondary education and vocational education as well as high secondary education. Both in the region and in Poland there is an increase of people with higher education and secondary education, and decrease of people with the lowest level of education.

Forecasts for 2020 predict that the unemployment rate in Małopolska will remain at the level of 8.8% and it will be the best result among all the Polish regions, following Mazowieckie Region (8.7%).

Map 7. Unemployment rate (15-64-years old) in the perspective of 2020: in total and divided into women and men.



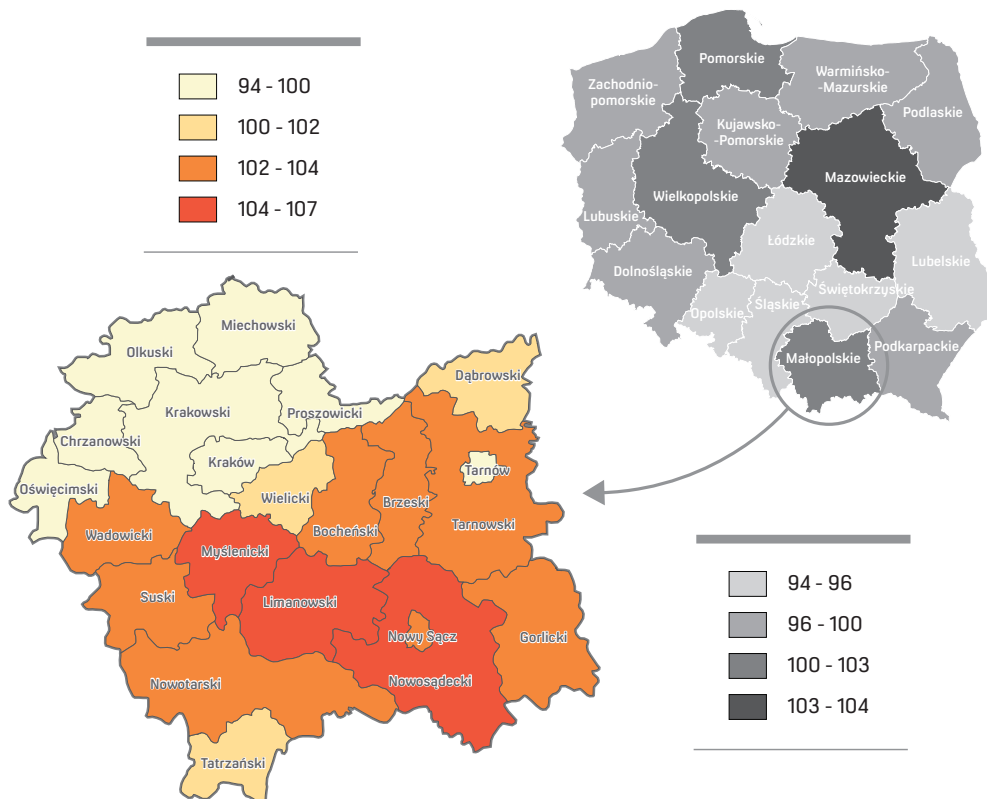
Source: Own work on the basis of: *Wpływ realizacji polityki spójności na kształtowanie się głównych wskaźników dokumentów strategicznych – Narodowego Planu Rozwoju 2004-2006 i Narodowej Strategii Spójności 2007-2013 oraz innych wybranych wskaźników makroekonomicznych na poziomie krajowym i regionalnym. Raport półroczny 2010. Część II: zestawienie wyników* [Influence of the cohesion policy on shaping main indicators of strategic documents – National Development Plan 2004-2006 and National Cohesion Policy 2007-2013 as well as other selected macroeconomic indicators at the national and regional level. Mid-year Report 2010. Part II: List of Results], Institute for Structural Research by order of Ministry of Regional Development, Warsaw 2011.

Social Situation

9. Compared to the country, the median of the age of Małopolska population in 2009 was slightly lower (36.6-years old for the region in comparison to 37.7-years old for Poland). The age structure is characterized by higher share of population in the pre-working age: 20.0% (country: 18.9%), whereas it is lower in the working age: 63.7% (country: 64.5%) and in the retirement age: 16.3% (country: 16.5%). The average lifespan of the Małopolska residents is longer the country average. Men live longer by 1.6 year (average: 73.1 years), whereas women by 1 year (average: 81.1). Between 2000 and 2009 the age of men prolonged by 1.8 year, and that of women by 1.3 year. Changes in the structure of the population age reflect the ongoing process of the region population ageing. It is noticeable in the change of the value of the demographic dependency ratio. In 2000 for every 100 people in the working age there were 67 people in the non-working age: 43 people in the pre-working age and 25 in the retirement age. On the other hand, in 2009 the ratio decreased to 57, whereby the decrease regarded only people in the pre-working age, where the dependency amounted to 31 people.

In the perspective of year 2020 a gradual increase of Małopolska population is predicted. In comparison to the situation as of the end of 2009 it should amount to ca. 2.01% whereas the predicted value of this rate for the country should be -0.88%. Accrual increase of the number of population will occur probably also in the regions of: Mazowieckie, Pomorskie and Wielkopolskie¹¹.

Map 8. Dynamics of changes in population number between 2010-2020 according to the regions and counties of Małopolska (in %).



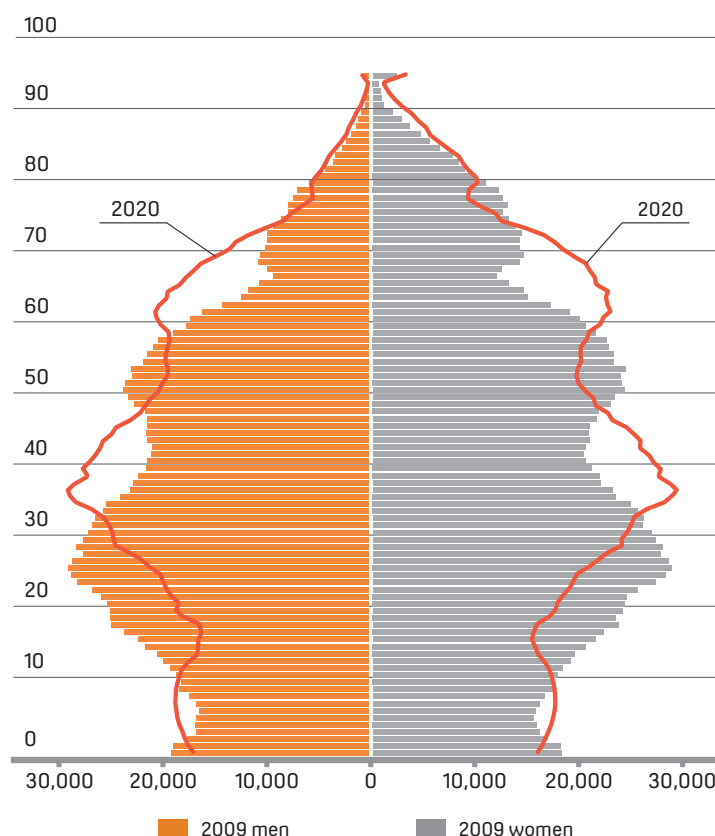
Source: Own work on the basis of: *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO 2009.

¹¹ *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO 2009.

10. Since many years Małopolska has been the second region (1.34‰) – following Mazowsze – characterized by high positive migration balance. Similar situation, but of lower rate, can be noted only in the regions of Pomorskie, Wielkopolskie and Dolnośląskie. In 2009 the decade-highest level of migration balance was registered: the population increased by 4,400 people, i.e. 2 times more than in 2008 (2,200 people). The increase occurred due to a significant decrease in de-registrations, in particular to abroad. In 2009 the tendency of increasing population growth in the region maintained. Population growth was higher than in 2008 by over 300 people and amounted in total to nearly 7,500 people. It means a consolidation of the positive tendency persisting from 2003.

It is predicted that between 2010 and 2020, in absolute figures, there will be an increase in the number of Małopolska residents of ca. 66,400, whereby the population growth will be compounded by two tendencies: natural movement and migration movement. It is assumed that in the next years the relatively high birth rate will remain unchanged, which is due to the fact that the population boom of the turn of the seventies and eighties will enter into the childbearing age and also because the fertility rate is expected to grow. The maximum of births will probably occur between 2014 and 2015, and then the number of births will gradually start to decrease. At the same time, Małopolska will remain an attractive settlement place for people out of the region. With reference to the change in the population structure, it is expected that there will be a significant growth of the number of people in the retirement age and, at the same time, the decrease in the number of children and youth.

Chart 7. Age pyramid of Małopolska residents in 2009 and 2020.



Source: Own work on the basis of: *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO 2009.

11. The consequence of increase in the number of people in the retirement age will be a significant growth of demographic dependency ratio, calculated as the number of people in the non-working age per 100 people in the working age. It is forecast that the demographic dependency ratio will increase from 57.1 in 2009 to 65.0 in 2020.

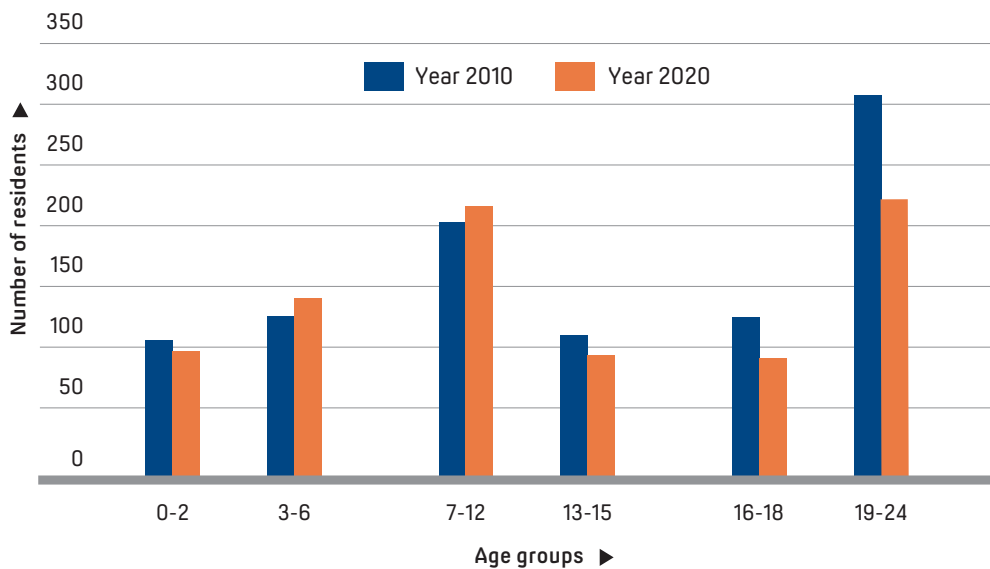
Table 4. Age structure of the Małopolska Region's population according to economic age groups in 2009 and 2020.

AGE	2009			2020		
	IN TOTAL	MEN	WOMEN	IN TOTAL	MEN	WOMEN
	in %					
Pre-working age 0-17-y.o.	19.9	21.1	18.9	18.8	20.0	17.7
Working age 18-59 women/ 18-64 men	63.8	68.2	59.6	60.6	65.7	55.8
Retirement age 60-y.o. and more women/ 65-y.o. and more men	16.3	10.7	21.6	20.6	14.3	26.5

Source: *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO, 2009.

12. The population size of **people in the pre-working age**, i.e. children and young people under 24 years of age will decrease between 2010 and 2020 by 12.6%; however the changes differ depending on age. The current population boom will significantly increase the population size of the group between 3 and 12-years old whereas other groups will experience a decrease. Between 2010 and 2020 in the groups corresponding to: "day-care age" (0-2-years old) – a decrease of 5.1% is predicted; pre-school age (3-6-years old): an increase of 12.2%; primary school age (7-12-years old): an increase of 3.7%; middle school age (13-15-years old): decrease of 16.6%; upper secondary school age (16-18-years old): a decrease of 29.4%; group corresponding to the student age (including post secondary schools): a decrease of 27.5%. It must be considered that as a result of the education reform, starting from 2012 children at the age of 6 will already go to school. However, in order to maintain data comparability, the current age brackets of the groups were maintained. These changes will reflect in problems with availability of places in pre-schools as well as high concentration of primary school classes in 2020 in comparison to 2009. At the same time, thanks to the decrease of the number of children in the "day-care age", middle school students, upper secondary school students, and in particular, students, reserves in the facilities of these types of schools will appear. It will require actions oriented towards the re-organization of the education at these levels, both in terms of education quality improvement and optimal use of learning facilities.

Chart 8. Children and youth according to age groups in 2010 and 2020.



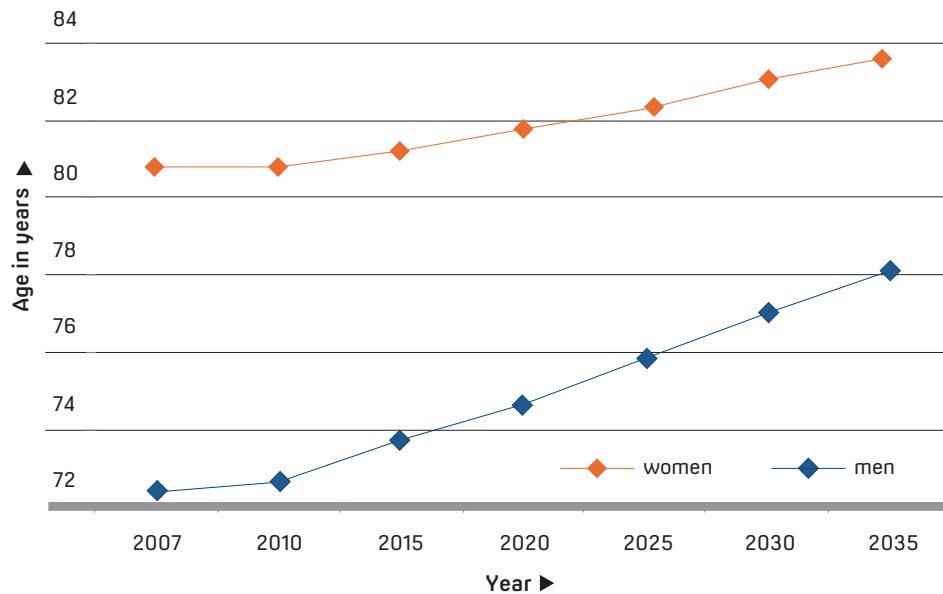
Source: Own work on the basis of: *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO 2009.

13. Over the next decade, the group of **people in the working age** in Małopolska will decrease by 60,800 people. At the same time, there will be a shift of population towards immobile working age (45-years old and older). It stems from the fact that the generation of demographic low of the nineties is entering into the working age whereas at the same time the generation of the population boom of the seventies is reaching the limit of immobile age. This process will pose a serious problem both in social and economic dimension, due to the negative influence that these changes have with regard to the functioning of the labour market in terms of demand, i.e. of the employees. The yardstick of this situation will be decreasing of the professional activity rate in general (15-years old and older) from 53.6%¹² to ca. 51%¹³. The answer to this forecast tendency may constitute the "import of the workforce" understood as the growing phenomenon of economic migration from east and far east regions, or raising the retirement age.
14. Analysing the situation of **people in the retirement age** it must be emphasized that over the last couple of years the lifespan has prolonged considerably and according to the available forecasts such a tendency will remain unchanged also in the following years. The process of prolonging the men's lifespan will be particularly rapid; from 73.1 years in 2009 to 74.7 years in 2020 and 78.1 in 2035, which means an increase of 5 years, whereas in the case of women prolonging lifespan in the same period is expected to be at the level of 2.5 years. The result of ongoing demographic changes will be transformations in the age structure of Małopolska residents, including also the increased percentage of people in the old age. In the perspective until year 2020 the population of people at the age of 85 and more will increase by ca. 61% i.e. by over 25,000 people.

¹² Source: *Badanie Aktywności Ekonomicznej Ludności*, [Labour Force Survey] 4th quarter of 2009, Central Statistical Office (CSO).

¹³ Own calculations.

Chart 9. Forecast average lifespan of women and men until 2035.

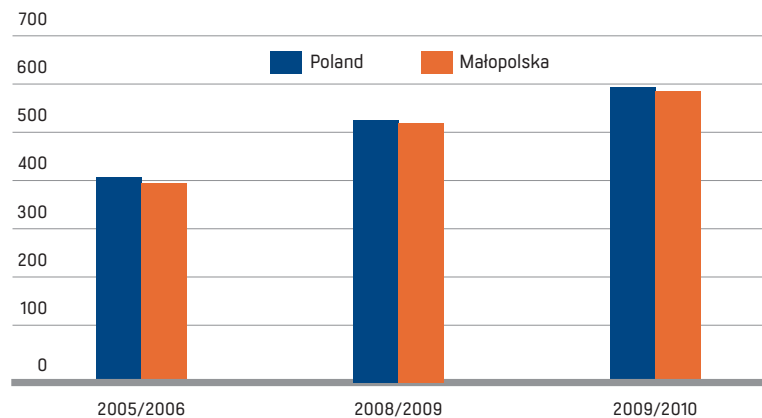


Source: *Prognoza ludności na lata 2008-2035* [Population Forecast for 2008-2035], CSO 2009.

Intellectual Capital and Knowledge-based Economy

1. In Małopolska the rates regarding children's participation in the pre-school education are unfavourable. The number of children in the pre-school facilities per 1,000 children between 3 and 5-years old increased slightly in the region over the last couple of years (from 400 in 2005 to 587 in 2009); however, it is still lower than the country average (respectively: 410 and 597). The number of children receiving pre-school education, as well and number of places in pre-schools is still two times lower in the countryside than in cities.

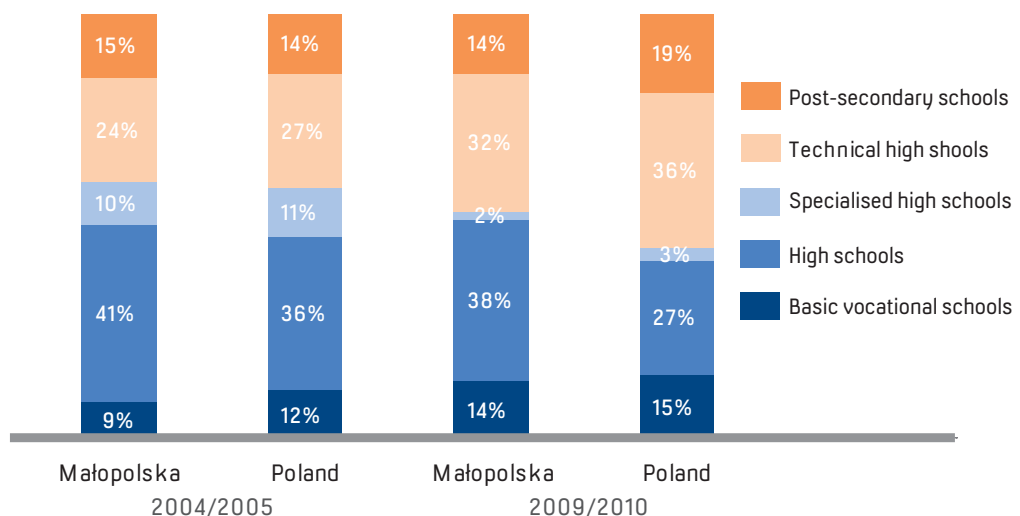
Chart 10. Number of children in pre-school facilities per 1,000 children aged 3-5: Małopolska compared to the country.



Source: Own work on the basis of CSO's data.

2. Compared to other regions, Małopolska is characterized by high results obtained in the final primary school examination as well as in the final middle school examination: both in Humanities part and in Mathematics and Natural Sciences part (2nd position, following Mazowieckie Region in 2009). Małopolska has also a high passability of the high school final examination. In terms of passability among the graduates, the region is ranked first. The best results in the final primary school test were obtained by pupils from Kraków. In the final middle school examination (in both parts) the best results were obtained by the middle school students from Kraków and Nowy Sącz middle schools as well as from Myślenicki and Wadowicki counties.

Chart 11. Students according to school types.



Source: Own work on the basis of CSO's data.

3. Vocational schools in the school year 2009/2010 educated over 22,000 students (ca. 10% of all the students in Poland). Technical high schools educated 53,700 students (9.5% of all the students in Poland) whereas upper secondary school educated 22,900 students (8% of the students in Poland).

In 2009 44% of the total number of graduates completed higher vocational studies, of which 86% obtained the title of *licencjat* (corresponds to B.A.), and 14% the title of *inżynier* (corresponds B.Sc. or engineer). Similarly to other regions, a problem that is still important in terms of functioning different types of professional training facilities is a discrepancy between the education model – its programme and form – and employers' actual needs.

4. Ranking of the best higher education facilities, published by the Shanghai Jiao Tong University (Academic Ranking of World Universities) for 2010 includes only two Polish universities: the Jagiellonian University and the Warsaw University. However, similarly to other years, these universities were classified only in the fourth hundred.

In the academic year 2009/2010 there were 33 higher education facilities operating in Małopolska. 212,000 students studied there, which constitutes 11% of the total number of students in Poland (2nd position following Mazowieckie Region, an increase of 11,000 in comparison to 2005/2006). After the number of students dynamically grew between 2000 and 2005 (ca. 7-8% annually), the increasing tendency slowed down and in 2009 it fell to 0.5%. In terms of number of students of higher education facilities majoring in mathematics, natural sciences and technology from among the total number

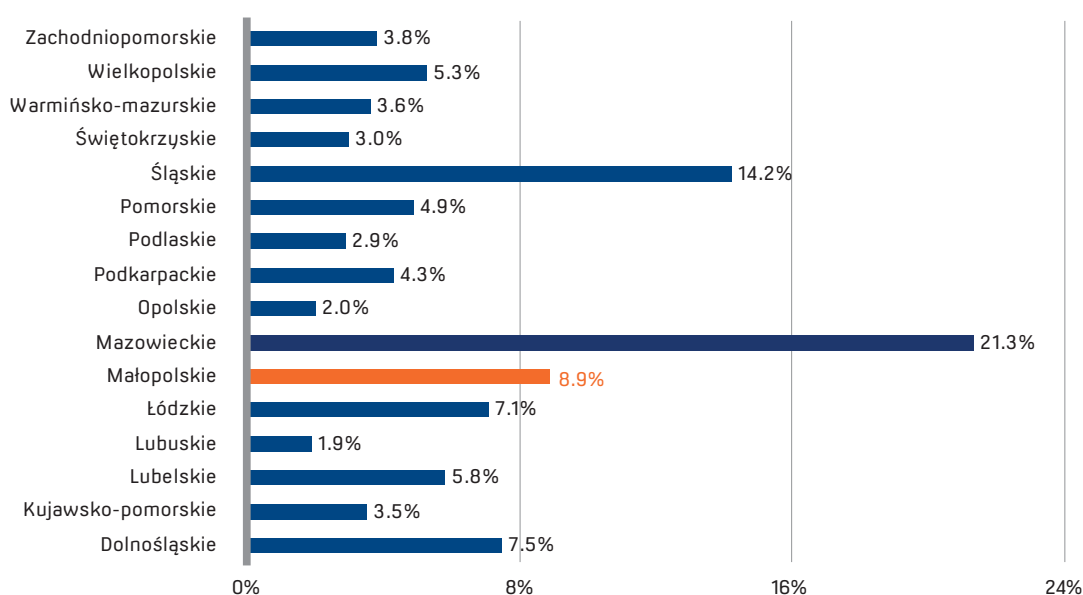
of graduates Małopolska was ranked 1st in 2009/2010 (27% in comparison to the country average: 22.2%). At the same time, due to the number of graduates majoring in the abovementioned fields, the region holds 3rd position, following the regions of: Śląskie and Zachodniopomorskie (21.7% whereas the country average is 17.3%).

In the Małopolska higher education facilities in the academic year of 2009/2010, 12,602 academic teachers were employed (an increase of nearly 1,600 in comparison to 2004/2005). Although it ranks Małopolska on the high, 2nd position (following Mazowieckie Region) and constitutes over 12.4% of the total number of academic teachers in the country, the number of academic personnel is considered to be insufficient.

5. Similarly to other European regions, most people in Małopolska complete their higher education before reaching the age of 25, and almost everyone does it before reaching 35. Considering changes occurring on the labour market, the capacity of lifelong learning is becoming particularly significant. Raising skills on different stages of life is a necessary condition for those who wish to meet the increasing needs of the labour market. In terms of adults' (25-64-years old) participation in education and trainings, in that age group, the region is ranked not only below the EU average, but also below the Polish average. In 2009 in case of Małopolska, that rate amounted to 4.1%, whereas the country average was: 4.7% and the EU 27 average: 9.3%. In 2010 the rate for Małopolska and Poland grew respectively to the level of 4.8% and 5.3%.

The number of participants of PhD studies in the region remains relatively stable, reaching the level of 4,900 people (an increase of 500 people in comparison to 2005/2006) in the academic year of 2009/2010. At the same time, in the last couple of years, the Małopolska residents more frequently start education in the form of post-graduate studies. In the academic year of 2009/2010, 18,000 students chose this form of education (an increase of 7.7% of students in comparison to 2005/2006). It is worth emphasizing that the share of traditional forms of continuing education is nowadays decreasing to the benefit of education of non-formal and incidental course, realized in the form of trainings, practices and internships, as well as correspondence and e-learning courses.

Chart 12. Human resources for science and technology: experts in physical, mathematical, technical, natural and health-protection sciences in 2009.

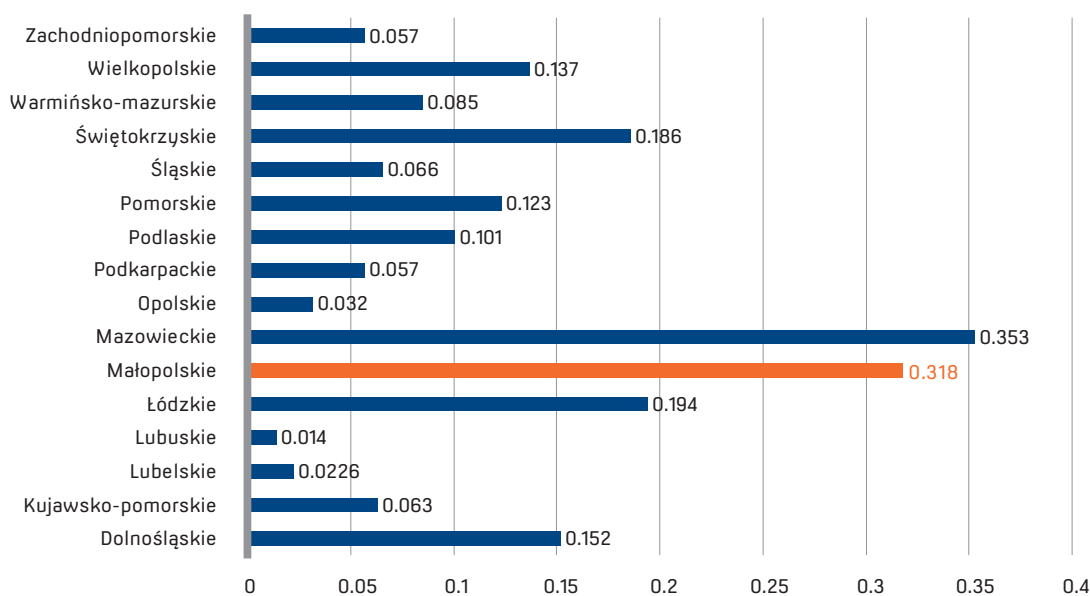


Source: Own work on the basis: *Nauka i technika w Polsce w 2009* [Science and Technology in Poland in 2009] CSO 2010.

6. The region has significant institutional potential in the area of innovativeness. In the framework of the comparative analysis of innovativeness of the Polish regions, conducted in 2008, Małopolska was ranked 2nd (following Mazowieckie Region)¹⁴. At the same time, the “Regional Innovation Scoreboard 2009” report placed Małopolska, together with the Regions of: Śląskie, Dolnośląskie, Pomorskie and Mazowieckie, in the group of regions characterized by the medium-low level of innovativeness. Other regions were classified in the group of regions of low innovativeness¹⁵.

In terms of research and development (R&D) activity, Mazowieckie Region is the unchallenged leader, but high positions of Małopolska in case of most indicators are also a proof of the region’s high potential in this field. In 2009 112 units conducted research and development activity in the region (4th position), incurring the expenditure of PLN 922.6 million for R&D works, which constitutes 10.2% of the total expenditure in Poland (3rd position). In comparison to 2005, the growth of expenditure for R&D amounted to ca. 26%. Despite a significant increase of funds intended for research, it is difficult to speak about strong improvement in terms R&D financing. The still-low rate of the relation of R&D expenditure to GDP, amounting to 0.95% in 2008 (0.6% for the country, 2nd place) shows that the level of financing this field is insufficient. Employment in R&D in 2009 amounted to 13,900 people (11.5% of the total number of the employed in the country, 2nd place).

Chart 13. Funds for primary research/GDP in 2008 (in %).



Source: Own work on the basis of: *Nauka i technika w Polsce w 2009* [Science and Technology in Poland in 2009], CSO 2010.

Beside the Regions of Mazowieckie and Wielkopolskie, Małopolska belongs to the group of regions of the highest potential in the R&D activity connected to biotechnology. In 2009 8.3% of the total units conducting this type of activity were operating in the region (4th position), employing 4.7% of the employees (6th position), and incurring in total the expenditure of 8.1% (4th position).

¹⁴ *Analiza porównawcza innowacyjności regionów w Polsce w oparciu o metodologię European Innovation Scoreboard* [Comparative Analysis of Innovativeness of Polish regions based on the *European Innovation Scoreboard* methodology], Institute for Sustainable Technologies – National Research Institute, 2008.

¹⁵ *Regional Innovation Scoreboard (RSI) 2009*, Institute for the Protection and Security of the Citizen in co-operation with the European Commission and Maastricht University, 2009.

Taking into consideration the intellectual property protection, the region's situation is relatively favourable. The Małopolska universities as well as science and research units conduct unique and specialist research the result of which were in 2009 as follows: reporting 258 inventions (8.9% on the national scale) and 98 utility models (13.4% on the national scale), as well as 141 granted patents (9.2%) and 45 protection rights (10.4%).

7. The region has a broad network of the business environment institutions. In the ranking prepared by the Polish Agency for Enterprise Development in 2010 the region with its 55 centres for supporting innovations and entrepreneurship was ranked 4th, following the Regions of Śląskie, Mazowieckie and Wielkopolskie (an increase from 47 and from 6th position in 2007).¹⁶ What is noticeable is that these centres are clearly concentrated in the area of Kraków.
8. The situation of Małopolska in terms of innovative enterprises' share as well as expenditure for innovative activity is not favourable. In terms of share of industry enterprises that have introduced product and/or process innovations – in the total number of enterprises between 2007 and 2009 – the region is much below the country average (respectively: 34.3% and 35.3%). At the same time the share of expenditure incurred in Małopolska for innovative activity in terms of product and process innovations in industry was in 2009 at the level of 4.6% of the total expenditure on the national scale. It means that the research potential that Małopolska has, does not translate sufficiently into the level of innovativeness of the regional economy.
9. Between 1999 and 2009 the number of business entities (without people conducting individual agricultural holdings) in Małopolska increased by 32%. Apart from 2006 when there was a slight decrease, the decade saw the tendency of systematic growth in the number of registered entities. In 2010 the number of enterprises grew by 5.5% in comparison to the previous year. The number of entities in the Małopolska Region constituted 8.5% of the total number of entities registered in Poland.

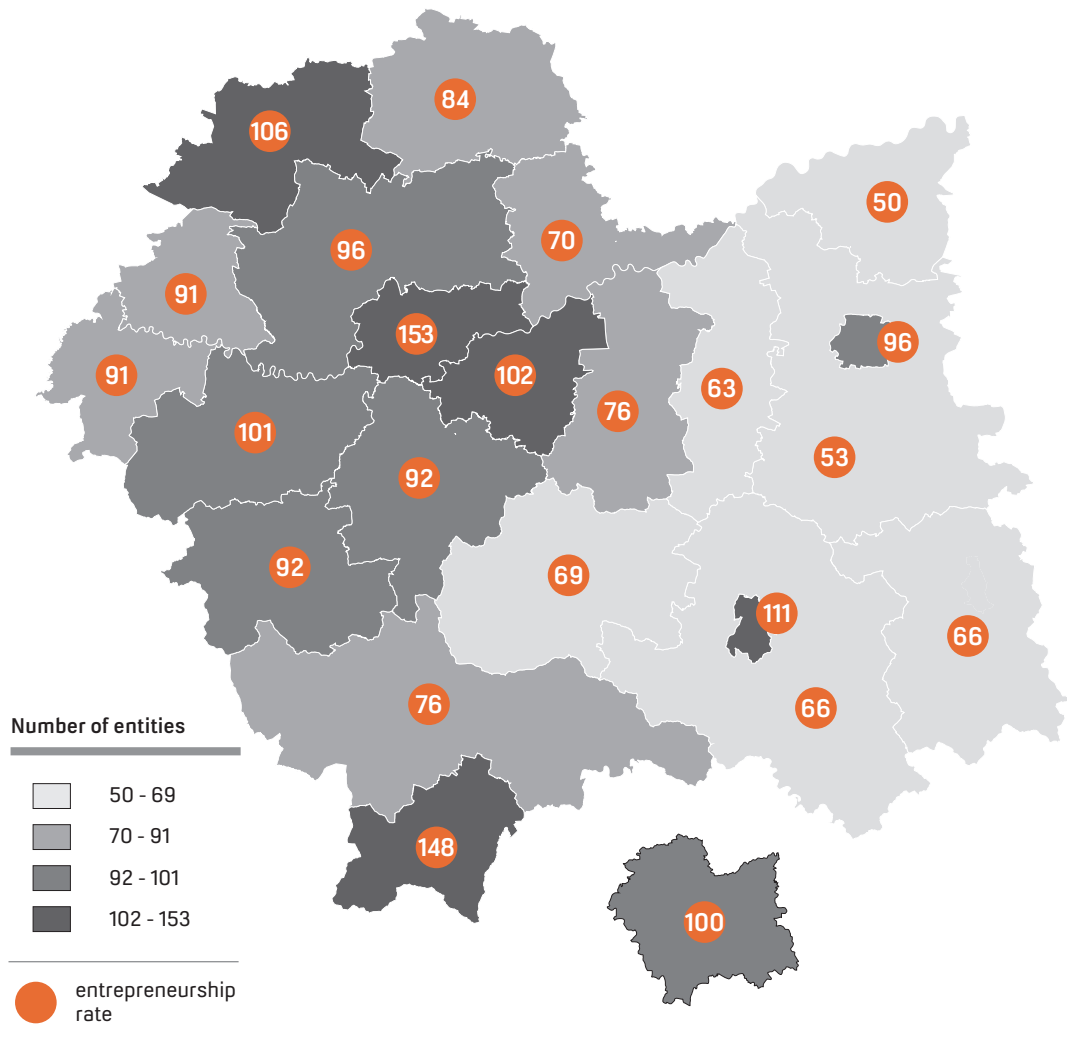
The greatest number of entities were registered in the city of Kraków (34.9%) and in the following counties: the Krakowski County (7.4%), Wadowicki County (4.8%), Nowotarski County (4.3%) and Oświęcimski County (4.2%). The fewest entities were situated in the following counties: Miechowski County (1.3%) and Dąbrowski and Proszowicki counties (each of them 0.9%). From the county perspective, the highest growth of the number of entities occurred in Tarnowski County (by 8.5%) and in Krakowski, Limanowski and Wielicki Counties. In Kraków the number of registered business entities increased annually by 5.0% to 115,700 in Tarnów by 3.8% to 11,000 and in Nowy Sącz by 4.8% to 9,400.

In terms of type of activity the greatest number of companies in 2010 operated in the following industries: trade and repair (27.2%), constructions (13.4%), processing industry (10%) as well as professional, scientific and technical activity (8.5%).

In 2010 the entrepreneurship rate in Małopolska, i.e. the number of business entities per 1,000 residents, amounted to 100 (an increase from 86 in 2005). The highest rate was registered in Kraków (153) and in Tatrzański County (148), whereas the lowest in Dąbrowski County (50) and Tarnowski County (53).

¹⁶ *Ośrodki innowacji i przedsiębiorczości w Polsce. Raport 2010* [Centres of Innovations and Entrepreneurship in Poland. Report 2010], Polish Agency for Enterprise Development, Łódź/Warsaw 2010.

Map 9. Entities of national economy per 1,000 residents according to counties in 2010.



Source: Own work on the basis of CSO's data.

- Since 2009 promotional activities in the economic field, oriented towards attracting foreign investors, have been coordinated by the Business in Małopolska Centre. The result of its actions is, among other things, Małopolska 2nd position in the category of *Promotion Strategies of Foreign Direct Investments* in the *Top 5 Eastern Regions FDI Strategy* ranking, a report that evaluates European cities and regions in terms of economic development (*The European Cities and Regions of the Future 2010/11*).

Challenge:

Intellectual capital and knowledge-based economy

Intellectual capital is the sum of capital created by people and institutions, it is a potential of external image as well as internal social relations. Intellectual capital conditions the development, in particular in the areas based on knowledge and creativity. Due to high intellectual capital and the position of the country leading academic centre, **Małopolska is predestined to play the role of the economic leader in the space of innovativeness – the European region of knowledge.** Using these assets skillfully should result in new, strategic view on the areas of competitive advantage of the region. It regards in particular the high technology industry, electronic media and other advanced branches of the economy.

Social and economic processes taking place over the last couple of years extort the **necessity of adjusting the regional labour market to the current and long-term needs related to the consequences of demographic and technological changes.** Therefore, the region's development policy should ensure its residents **proper conditions for educating and improving competences as well as raising and changing competences.** Changes in the work organization and increased expectations of the employers in terms of the employees' level of skills lead to the confrontation of vocational education with new, successively increasing requirements, which as a consequence extorts the adjustment of educational offer to the current and future labour market requirements.

At the same time it must be emphasized that what needs to be implemented is a **new model of supporting the entrepreneurship** in the region, which will be basically based on repayable support instruments as well as on active business environment. These actions must be accompanied by **forming entrepreneurial attitudes that should be promoted since the earliest stages of education** and constitute a fixed element of education at every education level.

Regional Heritage, Culture and Tourism

1. Małopolska has rich and unique cultural and landscape qualities. In the region there are 8 – out of 13 places in the country – complexes protected as UNESCO World Heritage, as well as 5 complexes of monuments established by the President of the Republic of Poland as Historic Monuments. The region's register of historic monuments includes ca. 47,000 monuments, whereas in the register of monuments of the Małopolska Region kept by the region conservation officer there are 3,170 immobile monuments.

In terms of the number of monuments the capital city of the region is unbeatable: there are 1,153 monuments. There is a significant number of monuments also in the following counties: the Nowotarski County (246 monuments), Nowosądecki County (238), Gorlicki County (193) as well as Krakowski County (186). The fewest monuments are in Miechowski County (26), Dąbrowski County (27) and Chrzanowski County (31).¹⁷

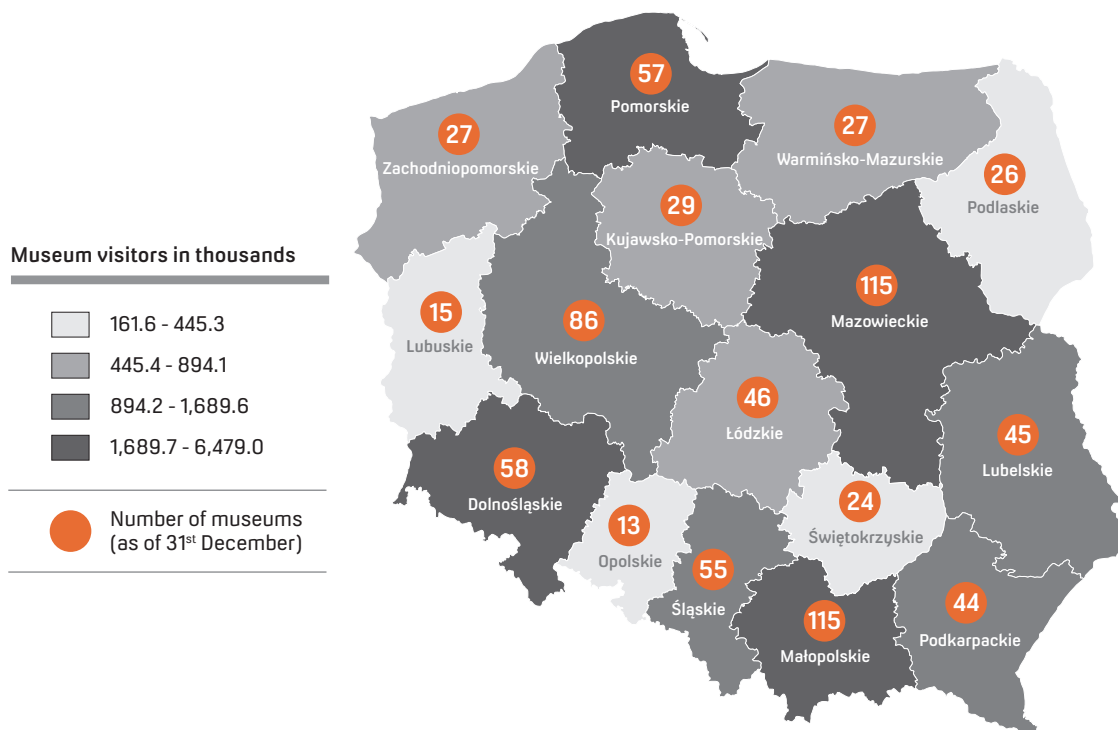
¹⁷ On the basis of the Region Office for Monuments' Protection in Kraków – as of January 2011.

2. Compared to other regions, Małopolska is distinguished by rich and unique nature resources. More than a half of the region has been covered by legal protection (ca. 8% of all protected areas in Poland). In terms of share of legally protected areas, Małopolska comes 2nd in the country.

The region has the greatest number of national parks (6), including 2 parks established as the UNESCO Biosphere Reserves. In addition to that, there are 11 landscape parks, 10 landscape protection areas, 85 nature reserves, ca. 2,000 natural monuments, 80 documentation sites, 33 ecological lands, 3 landscape-nature protected complexes: the Sola River Valley, Lubinka, the Grodzisko Island, as well as 11 birds' Special Protections Areas (SPAs) and 88 nests' Special Areas of Conservation (SACs).

3. Every year the Małopolska Region assigns considerable funds on financing the protection of the monuments located in the region. In the last years these expenditures ranged from PLN 1.1 million (2005), through PLN 4.8 million (2007) to PLN 5.5 million (2010). It is worth emphasizing that from among other regions, only Dolnośląskie Region assigns comparable amounts on financing the conservation works (PLN 21 million, between 2007 and 2010), whereas in the case of other regions the financing ranges from PLN 0.4 million to PLN 14 million (between 2007 and 2010).
4. Małopolska is one of the leading regions in terms of activity related to culture and cultural heritage. In terms of the number of cultural institutions and people visiting them, it has been ranked among the leading regions for many years. By the end of 2010 out of the total number of 1,004 cultural institutions, the greatest percentage constituted public libraries (75.5%), museums (11.4%), galleries (6.6%), cinemas (4.5%) as well as theatres and music institutions (1.6%).

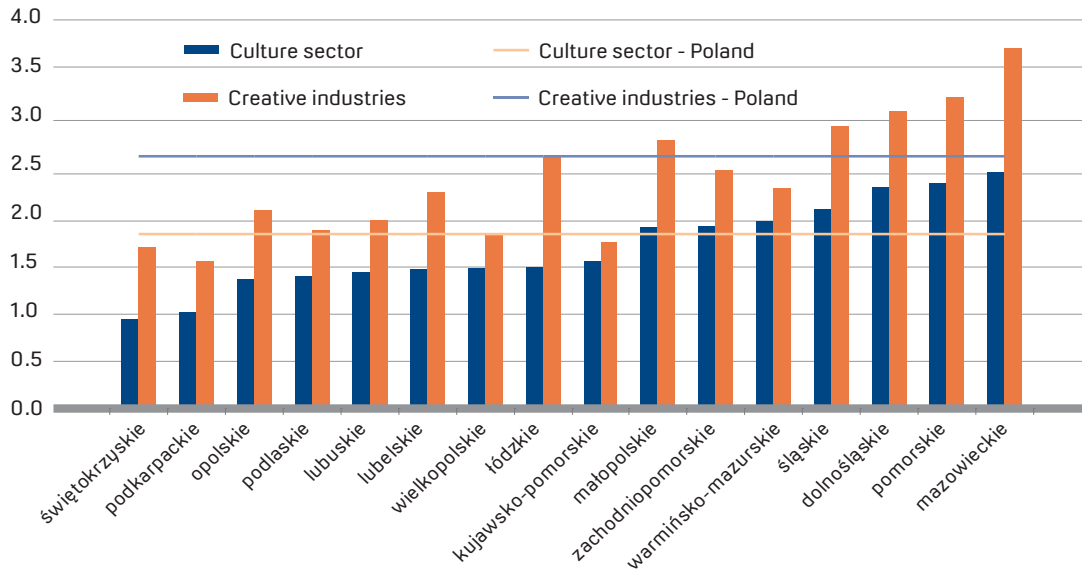
Map 10. Museums and visitors in 2010 – Małopolska compared to the country.



Source: *Działalność instytucji kultury w 2010 roku* [Activities of cultural institutions in 2010], Signal Information, CSO 2011.

5. In 2008 the cultural industry in Poland employed ca. 260,000 people (1.9% of all the working people in the country) whose work allowed to generate PLN 17.6 billion (1.6% of the Polish GDP). In the same year in the Małopolska Region 22,700 people worked in the cultural industry (over 2% of all the working people in the region), and the generated value added amounted to ca. PLN 1.02 billion (nearly 2% of the Małopolska's GDP)¹⁸.

Chart 14. Share of culture sector and creative industries in added value in total in 2008.



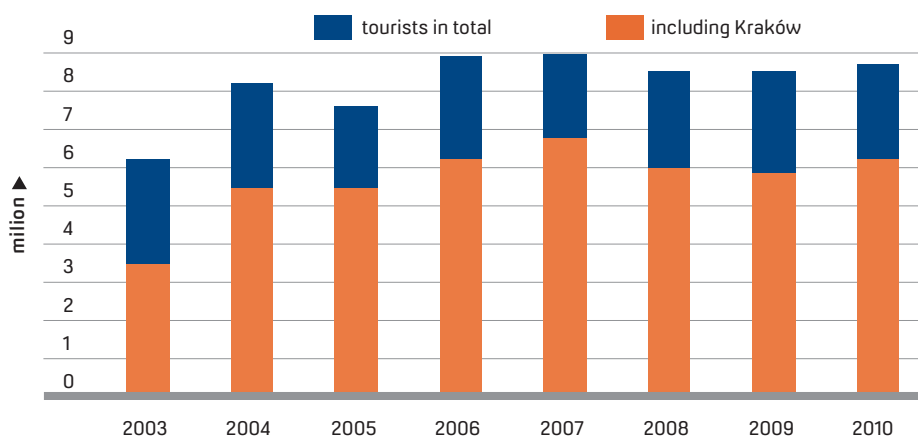
Source: *Znaczenie gospodarcze sektora kultury. Wstęp do analizy problemu* [Economic importance of culture sector. Introduction to the problem analysis], Institute for Structural Research, 2010.

6. From the perspective of cultural development, art education plays a significant role not only as an education centre but also as the organizer of numerous cultural and artistic events. In the region for many years there has been the expanded network of facilities educating children and youth in artistic faculties. Since 2004, the number of art schools (of 1st and 2nd grade) has been regularly increasing, whereby in 2007 thirteen new facilities opened. In 2009/2010 there were 61 art schools of 1st and 2nd grade. Art education at higher level is offered by: The Ludwik Solski State Drama School, Academy of Music and Academy of Fine Arts whereas culture management studies were offered in 2011 by: the Jagiellonian University, AGH University of Science and Technology, Tischner European University as well as the Jesuit University of Philosophy and Education "Ignatianum" in Kraków.
7. Every year Małopolska registers the increase of the number of people attending sport clubs: from 80,000 (2000) to 96,000 (2010) people practicing various sport disciplines in ca. 1,400 clubs. Małopolska residents' interest in various forms of sport activity is accompanied by successive development of sport and recreational infrastructure. In the framework of developing the essential sport infrastructure, since 1999 financial support from the region has been provided for the implementation of 296 tasks related to construction, modernization and renovation of sport facilities. In 2009 the sport infrastructure in the region comprises 4,206 facilities.

¹⁸ *Znaczenie gospodarcze sektora kultury. Wstęp do analizy problemu* [Economic importance of culture sector. Introduction to the problem analysis], Institute for Structural Research, Warsaw 2010.

8. In terms of country tourism, Małopolska is one of the most often visited region. Between 2003 and 2007 there was an intense development of tourism, characterized by a permanently increasing tendency of both visitors and tourists (except for a periodical decrease in 2005). Only year 2008 (mainly due to the global economic crisis) brought with it the decrease in the number of visitors coming to Małopolska (by 5.65% in comparison to 2007), as well as tourists (decrease: 4.82%). That tendency maintained also in 2009 when the region was visited by 12.3% fewer visitors (10.9 million people) in comparison to the previous year, with only a slight increase (0.14%) of the number of tourists. However, according to the estimated data in 2010 (in comparison to the previous one) not only did the number of tourists in the region increase (8.7 million) but also that of visitors (11.4 million)¹⁹. Promotion of the region is of great importance for the tourism development in the region. The percentage of people visiting Małopolska, who came across the advertisement encouraging to visit in the region, increased in the case of the Poles from 36% in 2007 to 45% in 2010, in the case of foreign tourists there was an increase from 16% to 31% in those years.

Chart 15. Estimated number of tourists: in total, including Kraków.



Source: Own work on the basis of research of MOT *Ruch Turystyczny w Małopolsce w 2009 roku* [Tourist Traffic in Małopolska in 2009] oraz *Badania ruchu turystycznego w województwie małopolskim w 2010 roku* [Research on tourist traffic in the Małopolska Region in 2010], PBS DGA, Sopot 2010.

9. In order to meet the expectations of that new positive tendency that has appeared in the Małopolska tourism, it is necessary not only to further develop the system of education and a system that will improve personnel's qualifications adjusted to tourism's requirements, but also to systematically expand the tourist infrastructure, that will allow the development of various tourism branches on the basis of rich cultural heritage and diverse natural qualities of the region. According to the data for 2010, Małopolska holds 1st position in the country in terms of the number of hotel facilities (364 facilities) and 2nd position in terms of number of tourists using the group accommodation facilities (2,872,500 people). What is equally important is that in the region there are 9 out of 44 Polish spa resorts (2nd position in the country), constituting good base for the development of health and spa tourism.
10. In Małopolska there are numerous tourist trails, and the most popular are: culture trails (Małopolska Wooden Architecture Route, the Trail of the Eagles' Nests and the UNESCO Route of Małopolska; trails presenting the region's heritage: the Małopolska Traditional Crafts Route, the Renaissance

¹⁹ *Badanie ruchu turystycznego w województwie małopolskim w 2010 roku* [Research on tourist traffic in the Małopolska Region in 2010], PBS DGA, Sopot 2010.

Route, the Gothic Route; pilgrimage routes such as: St. James's Route in Małopolska, St. Simon's Route or routes related to the figure of John Paul II; rural areas routes such as: The Małopolska Countryside Fragrant with Herbs and well as Małopolska Countryside for Children; routes emphasizing the region's culinary heritage: Małopolska Gourmet Travels, Małopolska Oscypek Cheese Trail, the Plum Trail. Currently the works on developing supra-regional trails are being conducted (First World War Eastern Front Trail and South-West Cistercian Trail).

Challenge: Regional heritage, culture and tourism

The unique character of cultural resources and rich cultural and natural landscape require **change in the manner of thinking about the culture and regional heritage – in the context of the region's economic development strategy**. New way of perceiving these potentials should lead to attributing them **the role of important factors in social and economic development, generating a significant part of the regional GDP in the areas of services and production, and generating extra employment**. Regional heritage referred to the particular potential of culture, history and regional identity, but also nature qualities, should be treated as fundamental elements of the potential of regional opportunity, conditioning **the development of activity based on leisure industry**.

Nowadays the culture, similarly to creativity, is becoming an important competitiveness factor. **Therefore, the expenditure allocated for the development of cultural industry should be treated not as assets "spent", but rather "invested" in valuable undertakings (from economic point of view)**. Quality and accessibility of culturally-attractive places as well as the possibility of developing individual passions and talents, not only influences the attractiveness of place of residence but decides, to the great extent, about the tourist and business popularity. It should be noted that many investors conduct the evaluation of risk of foreign direct investments on the basis of evaluation of civilization development, including cultural development, in the region.

An important element of Małopolska's competitive advantage, important from the point of view of life quality on the region, is **rich qualities of natural environment**. However, these resources are not used to the fullest due to the **inefficient system of legal protection and underdeveloped mechanisms of protecting and shaping the cultural and natural landscape of the region**. Maintaining the regional heritage for the future generations is one of the most fundamental elements of this group of challenges.

Communication Infrastructure

1. Communication structure of the Małopolska Region is formed by two main routes that are fragments of international routes: E77 (Gdańsk – Warsaw – Kraków – Zvolen – Budapest), in the framework of which national roads no.7 and E40 are located, including the fragment of A4 motorway that makes part of trans-European corridor: Berlin – Wrocław – Katowice – Kraków – Kiev. The region is also covered by railway lines of international importance, i.e. E30 line and C-E30 line, also belonging to the 3rd Pan-European Transport Corridor: Berlin – Wrocław – Katowice – Katowice – Kraków – Kiev.

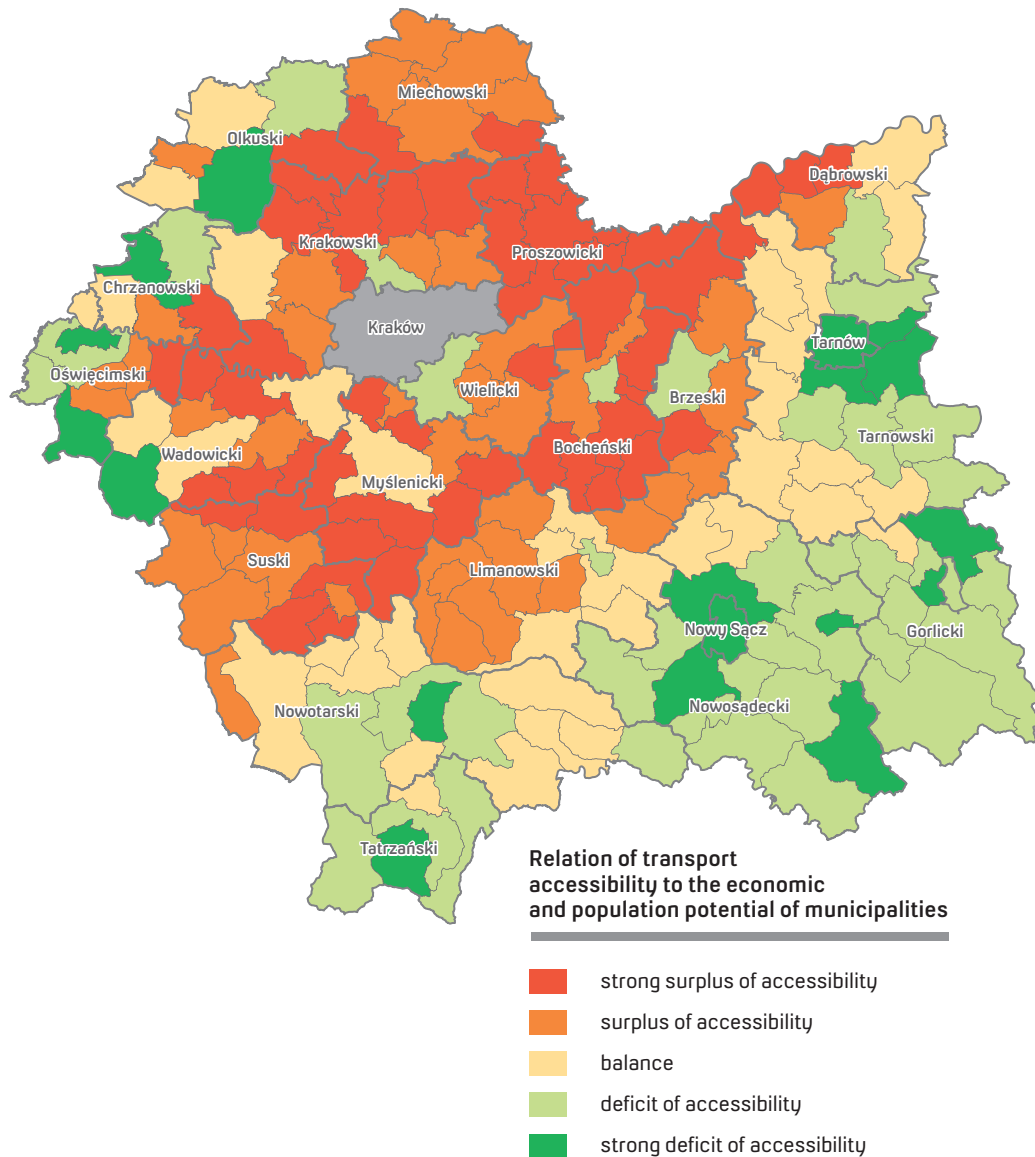
2. Network of Małopolska is made of a connected and inter-complementary system. The basic road structure of the region is made of national roads, of the total length of 993 km, of which 269 km run through urban areas and the regional (region) roads of total length of 1,412 km, of which 241 run through urban areas. Complementary structure, that is an important element of the region's internal communication, is district (county) roads of the total length of 6,631 km and local (municipality) roads of the total length of 19,144 km.
3. An important problem of the Małopolska roads is the traffic load, both on national roads and regional (region) roads. It is confirmed by traffic measurements conducted both at the national and regional level. General traffic measurement conducted by order of General Directorate for National Roads and Motorways in 2010 ranks Małopolska 2nd in the country, following Śląskie Region (analogically to the 2005 measurement), with average daily traffic load amounting to 12,953 (country average: 9,888 vehicles). The 2005 measurement showed the daily traffic load was of 10,636 vehicles. The registered pace of growth is 21.8% in comparison to the country average amounting then to 8,244, with pace of growth of 19.9%. With reference to international routes running through the area of Małopolska, in case of E40 road – the most traffic-loaded road in the country – the traffic load amounts to 25,158 vehicles/24h (pace of growth in comparison to the 2005 General Traffic Measurement: 46.3%), whereas for E77 road: 18,469 vehicles/24h (growth: 22.5%) in comparison to the average for express roads amounting to 16,667 vehicles/24h (growth: 22.9%). Average daily traffic load on regional (region) roads, according to the measurement conducted in 2010, amounts to 5,524 vehicles/24h and in case of 24 sections included in the research it exceeds 10,000 vehicles/24h, whereas the average daily traffic load on regional (region) roads according to General Traffic Measurement from 2005 amounted to 4,382 vehicles/24h, which means an average growth of traffic by ca. 26%.
4. Apart from heavy traffic load of the Małopolska roads, another significant problem in terms of road transport is poor condition of road paving; this problem concerns in particular national roads. According to the data of General Directorate for National Roads and Motorways, even 27% of national roads in the region are sections of poor technical condition, that require immediate renovations. It is the highest value of this rate among all the regions, with country average amounting to 19%. Despite relatively high rate of general road density in the region (1.85 km/km² – 2nd position in the country, with the average amounting to 1.23 km/km²), in southern and eastern parts of Małopolska, lack of transportation connections of high capacity parameters is particularly noticeable.
5. The region is covered by 1,130 railway lines. According to the available data, in 2008 the greatest percentage constituted the primary lines (536.7 km, i.e. 52.83%) and secondary lines (209.6 km, i.e. 20.63%) whereas main lines constituted 15.17% (154.1 km) of the total lines' length. The network of railway lines served ca. 25% of Małopolska's territory, and standard of its accessibility amounts to 7.4 km/100 km² which means that it is slightly higher than the rate for the country which is 6.5 km/100 km². Very poor railway accessibility of southern and south-eastern counties of Małopolska together with low quality of railway infrastructure that poses limitations as to the permissible speed on individual trails, still constitute a significant problem.
6. Time accessibility with reference to the main urban centres plays an important role in increasing the competitiveness of the whole region. Good time accessibility of urban centres is a condition not only for building the spatial coherence of the region's territory but also for creating conditions for spreading development impulses and for better using the region's advantages and potential, including human potential.

The analysis of road accessibility conducted by means of the excess field and accessibility deficit method for all the municipalities of the Małopolska Region, by applying synthetic indicator of time accessibility and the population and economic potential²⁰ shows that the highest accessibility deficits

²⁰ Analysis of the road accessibility by means of method of surplus fields and accessibility deficit was based on the synthetic rate of time accessibility (weighted sum of accessibility to Kraków, airport, motorway junction, border crossings, the closest subregional city and Counties cities) and population and economic potential (sum of the residents and ten-fold of the number of entities registered in the REGON system) for each of the municipalities of the Małopolska Region.

are to be found in the region's important economic centres with great number of residents, poorly or relatively poorly connected (in terms of road connections) with Kraków. These cities are: Nowy Sącz, Oświęcim, Kęty, Andrychów, Zakopane and Tarnów. On the other hand, compact areas in the region, affected by the accessibility deficit are south-eastern and southern part of the region, especially Sądeckczyzna and Podhale, including the least accessible County, i.e. Gorlicki County.

Map 11. Surpluses and deficits of transport accessibility according to population and economic potential of the Małopolska Region's municipalities.



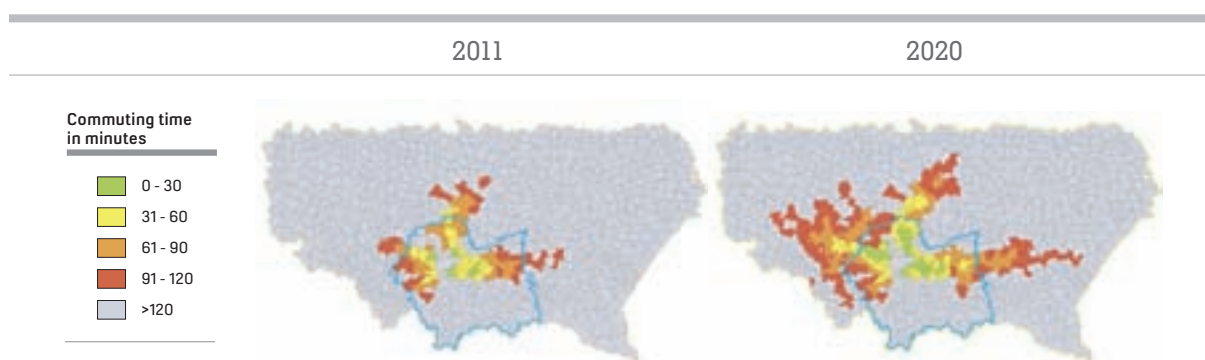
Source: Ocena projektów realizowanych w ramach osi priorytetowej 4. MRPO „Infrastruktura dla rozwoju gospodarczego”, [Assessment of projects implemented in the framework of priority axis of 4th MRPO “Infrastructure for economic development”], Centrum Studiów Regionalnych (Centre for Regional Studies) UniRegio, Kraków 2011.

Communication accessibility, influencing various spheres of social and economic life, constitutes a crucial element of spatial organization. Good accessibility of Kraków and other subregional centres is a necessary requirement for guaranteeing territorial cohesion of the region. Conducted

analysis of road and railway time accessibility²¹ confirms that Małopolska is a region of a large scale of challenges in this regard.

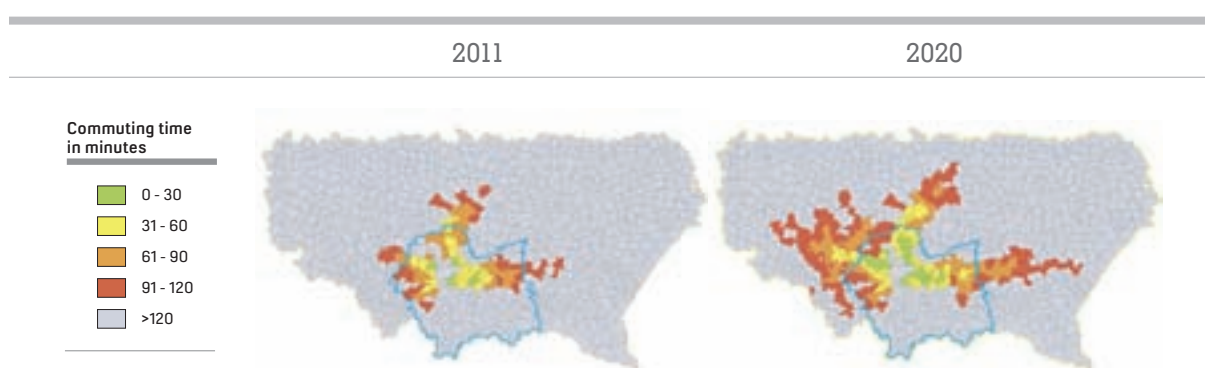
The maps below present time accessibility of selected Małopolska cities in 2011 together with the projection for 2020, that is a simulation of the influence of communication structure's complementation, including the postulated concept of main communication routes' structure in the region. The examples presented below regard: Kraków (supra-regional influence); Tarnów and Nowy Sącz (subregional influence) as well as Nowy Targ (main urban centre in Podhalański Subregion) and Trzebinia (railway junction in Western Małopolska). In case of Nowy Sącz and Nowy Targ, as centres particularly affected by very low railway accessibility, a 2030 simulation was presented too, based on the criterion of full implementation of the assumptions included in *Master Plan for Railway Transport in Poland until 2030*.

Maps 12 and 13. Railway time accessibility of Kraków in 2011 and 2020.



Source: Dr R. Guzik, *Ekspertyza dotycząca wyznaczenia liczby mieszkańców w izochronach 30, 60, 90 oraz 120 minut dojazdu do wybranych miast Małopolski* [Expert report on establishing the number of residents in isochrones 30, 60, 90 and 120 minutes of travel to selected Małopolska's cities], Kraków 2011.

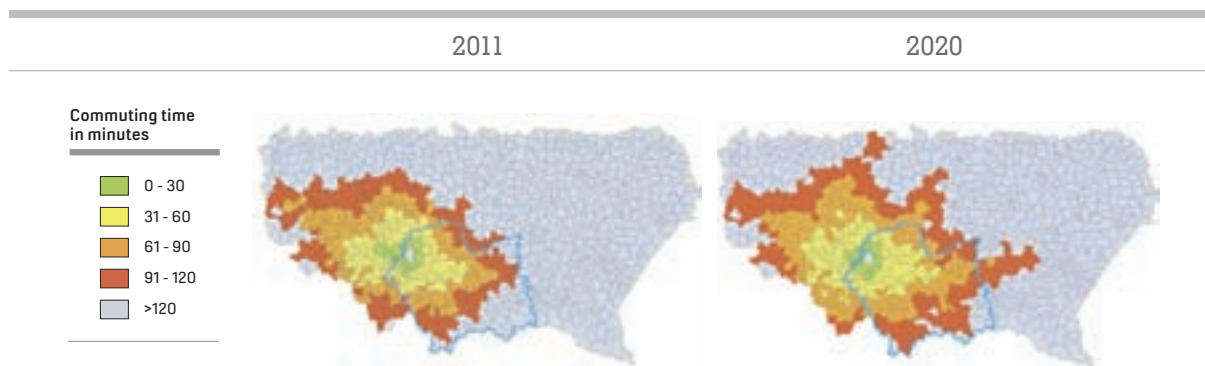
Maps 14 and 15. Road time accessibility of Kraków in 2011 and 2020.



Source: Dr R. Guzik, *Ekspertyza dotycząca wyznaczenia liczby mieszkańców w izochronach 30, 60, 90 oraz 120 minut dojazdu do wybranych miast Małopolski* [Expert report on establishing the number of residents in isochrones 30, 60, 90 and 120 minutes of travel to selected Małopolska's cities], Kraków 2011.

²¹ Research on communication accessibility (road and railway) of selected Małopolska cities in 2011 and 2020 aimed at estimating the number of Małopolska residents and those from out of the region living in isochrones 30, 60, 90 and 120 minutes of travel to the cities the accessibility of which was examined.

Maps 32 and 33. Road time accessibility of Trzebinia in 2011 and 2020.



Source: Dr. R. Guzik, *Ekspertyza dotycząca wyznaczenia liczby mieszkańców w izochronach 30, 60, 90 oraz 120 minut dojazdu do wybranych miast Małopolski* [Expert report on establishing the number of residents in isochrones 30, 60, 90 and 120 minutes of travel to selected Małopolska's cities], Kraków 2011.

7. High air accessibility of the region is an important factor conditioning its investment attractiveness. Therefore, there is a strong need not only of expanding the John Paul II International Airport Kraków-Balice, but also expanding the transport offer. The John Paul II International Airport Kraków-Balice, a member of the TEN-T airport network, has been qualified to the Main Airport category and it constitutes the main back-up airport for the Okęcie Airport. It covers within its range ca. 7.9 million residents within a radius of 100 km from Kraków, which corresponds to the time of travel to the airport amounting to ca. 90 minutes. This rate is considered to be a global standard in evaluating potential passenger market for airlines using the given airport. In terms of volume of passenger traffic, the John Paul II International Airport Kraków-Balice, serving ca. 3 million passengers every year, is ranked 2nd in the country (2.84 million passengers in 2010), following the Okęcie Airport (8.67 million passengers in 2010).

In the region there are also three sport airfields with grass surface: Kraków-Pobiednik Wielki, Nowy Targ and Nowy Sącz – Łososina. Adding a network of airports/local airstrips operating at the subregional level to the transport structure of the region may potentially constitute an additional development impulse, by enabling better exploitation of internal potentials of the lands located in their area of influence.

8. The on-going processes of metropolization and suburbanization pose specific challenges to the transport system, including public transport organization. The increasing range of spatial influence of the cities together with intensification of their interrelationships, as well as related problems related to the communication trails being overcrowded, lead to the search for solutions that would improve the attractiveness of public transport. It must be emphasized that the organization and intensity of communication connections testify to both the strength and organization degree of every urban system as well as to its being nodal and coherent. Cities' communication connections with their direct infrastructure (as well as connections with other cities) play an important role, particularly in terms of conditions for exploiting the population and economic potential of the area but also in terms of connections with other cities.
9. In case of Małopolska interurban connections constitute ca. 15% of all connections in the region. The analysis of the connections' index for the cities shows Kraków's dominant role in the system of passenger transportation. What is characteristic for Kraków is not only the greatest number of connections, but also the highest percentage of the incoming connections (2/3). It shows the importance of the role of region capital as the central city and economic centre. Lower positions are held by, apart from Tarnów and Nowy Sącz, centres located along the western border of the region. These include Krzeszowice and Trzebinia, that owe their position to the transit, and Chrzanów and Oświęcim (thanks to their well-functioning public transportation and the railway connections).

10. Water transport may perform the function of the region's complementary transport branch in the future. The territory of Małopolska is crossed by the route of Upper Vistula, 280 km long, composed of two sections. The first one starts at the Przemsza's estuary to Vistula: it is the so-called Upper Vistula Cascade (Kaskada Górnej Wisły). The second section starts from the barrage in Przewóz (92.15 km) to the San's estuary (in 280 km). Due to the condition of the sea lane of the Małopolska waterway, there is currently no possibility of full exploitation of this branch of transport.
11. Among the key problematic issues of the transport, apart from insufficient number of roads characterized by the appropriate road capacity, fatigue strength and surface quality, or low quality of railway infrastructure, there is also the problem of creating conditions for intermodal development of transport of bulk materials. Important European communication trails, running through the territory of the region, both from south to north and from east to west, create "natural" conditionings necessary for broader exploitation of this kind of transportation solutions. Taking advantage of Małopolska's location qualities could allow the creation of conditions that would enable to integrate various transport branches in a more economically-efficient and environment-friendly manner.
12. Applying advanced ICT technologies, contributing to strengthening the transportation system through improving the traffic, rolling stock and infrastructure management, is also quite important from the point of view of efficiency and effectiveness of functioning of cities' communication structures, including public transportation and intermodal/modal transportation.
13. Compared to the country, Małopolska is one of the regional leaders in terms of development of the information society. The informatization process is proceeding particularly well in big cities and on the areas where the IT infrastructure is well-developed. In terms of the number of households equipped with a computer with access to the Internet, according to the data of Central Statistical Office (CSO), in 2010 63.6% of the households in Małopolska Region had that access (of which the broadband access: 43.3%). It ranks Małopolska on 4th position in the country, right behind the Regions of: Pomorskie (64.3/35.6%), Mazowieckie (64.2/47.7%) and Śląskie (64.1/41.8%), with the country average of 59.6%, of which the broadband access: 43.3%. For example, in 2005 the country average in terms of the number of households equipped with a computer with access to the Internet was 22.5% towards 56.4% of households equipped with a computer.

In case of enterprises, according to the data as of January 2010, 95.7% of the enterprises in Małopolska has access to the Internet, of which 68% connects with the Internet by means of the broadband connection, which ranks the region 7th in the country. The percentage of the Małopolska enterprises that have their own website does not exceed 67% whereas in terms of the percentage of enterprises using the Internet for contacts with public administration, Małopolska with its 88% is ranked 11th in the country, with country average of 89.3%.

Challenge: Communication infrastructure

Modern and efficient communication infrastructure is one of the principal factors stimulating economic growth and enabling spatial spreading of the benefits stemming from it. The current condition of the transport infrastructure in Małopolska may be viewed as a factor minimizing the pace of economic growth of the region and the possibilities of deriving benefits from the direct accessibility to the international transportation routes.

Unique environment qualities together with rich tourist qualities impose specific requirements to the Małopolska transportation structure. Communication challenges of the regions are determined not only by specific physiographic conditions and the size of tourist traffic, but also by aiming at increasing the investment attractiveness, creating favourable conditions for economic activity and establishing new investments, including the R&D activity. **Creating conditions for exploiting the tourist and economic potential of Małopolska requires strengthening of air transport, as one of the development stimulus.**

The main centre generating the development of Małopolska, a real growth pole and at the same time the region's window on the world is Kraków. **Its position, as one of the main nodes of the currently-forming network metropolis, determines basic challenges for the communication system within the metropolis in terms of its connections with the environment, both close environment (regional and national one), and international environment.**

Important factors, influencing the requirements for the region's communication system, are the on-going demographic, economic and functional & spatial changes as well as the accompanying processes determining the cities' evolution, such as metropolization and suburbanization. In the light of these changes, **building efficient and friendly systems of urban and suburban transport, becomes of key importance.**

In the perspective of the next decade, an important **challenge will still be considerable improvement of transport accessibility of the areas characterized by the lowest accessibility in the region, with the emphasis on southern and south-eastern areas of Małopolska together with the border zone.** Peripheral location together with a very poor provision of transport, constitute a serious barrier for the social and economic development of these areas and a potential reason of social exclusion of their residents.

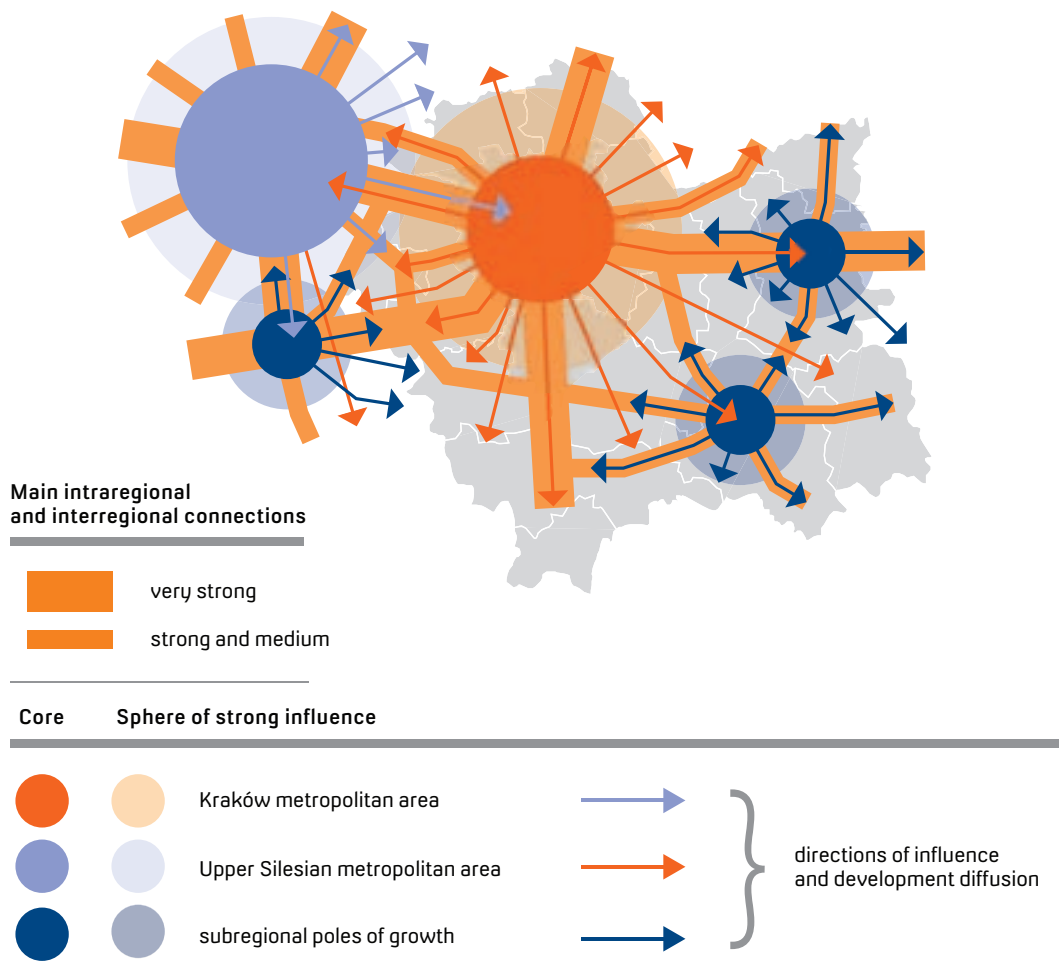
A second, equally important dimension of the region's communication, is **ICT infrastructure.** A considerable group of Małopolska rural areas and small cities' residents has no possibility of using modern ICT solutions. It stems from the fact that private operators, acting for commercial purposes, continue not to identify this group as a source of significant income for their activity. Their actions focus on regions where ICT infrastructure is relatively well-expanded. Therefore, **guaranteeing access to this type of modern infrastructure to the region's residents will remain the element of actions targeted at counteracting the occurrence of civilization exclusion and leveling its signs.**

Functional Areas at the Regional Level

1. Małopolska's system of settlements is of polycentric and hierarchical nature. The central element of the system are big urban centres, that are the current and potential growth poles. Similarly to other regions, also Małopolska is characterized by spatial concentration of the population and economic activity in the functional areas of big cities, as well as in medium cities and the rural areas surrounding them. In such spatial structures the intensity of settlements is increasing and the economy structure is being differentiated in relation to the development of service, production and residential functions.

In the perspective of year 2020 in Małopolska's spatial development the tendency aimed at **strengthening and stabilizing the balanced system of settlements, based on the network of main cities that are well-interconnected and have their own infrastructure**, will be consolidating. In the long perspective, this process should lead to **dispersing the effects of development processes**, occurring mainly in Kraków Metropolitan Area and Upper Silesia Conurbation, as well as complementarily in subregional centres: Tarnów and Nowy Sącz and Bielsko-Biała.

Map 34. Current and potential poles of growth influencing Małopolska's development.



Source: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim* [Research on functions, potentials and development trends of the cities of Małopolska Region], Jagiellonian University by order of UMWM, in the framework of Małopolska Observatory of Development Policy, Kraków 2010.

2. **Kraków, as a centre of regional and national importance**, is the heart of the area of the greatest positive influence for the Małopolska development. In the urban centres' hierarchy, Kraków belongs to the category of centres of fundamental importance for the country's system of settlements and for its economy, next to Warsaw, Gdańsk-Gdynia, Wrocław, Poznań, Katowice and the Upper Silesian Conurbation, Łódź, Szczecin, Bydgoszcz with Toruń and Lublin. Apart from the three last cities, all other, including Kraków, in all the studies related to the EU spatial policy, are classified as the so-called MEGA centres, among 72 biggest urban centres of the European Union. The capital city of Małopolska already performs the role of the international tourist centre, capable of competing with Prague or Budapest, as well as the role of a centre where the knowledge industries are dynamically developing.

Kraków Metropolitan Area is a zone of concentration of economic activity, based on foreign investments influx and internal factors, determining its competitive advantage. In the last decade, Kraków Metropolitan Area registered the highest level of favourable change in terms of economic growth and life quality. This area is successively increasing its demographic potential and expanding the range of territorial influence. At the moment it covers the area of ca. 4,300 km², inhabited by ca. 1.5 million people. Population potential ranks Kraków Metropolitan Area 3rd in Poland (following the Upper Silesian Metropolitan Area and Warsaw Metropolitan Area). The ongoing metropolization should lead to further extension of the metropolitan area and to achieving, within the next decade, the population potential of ca. 2 million residents.

Among the most important characteristics of Kraków and its functional area the following functions may be included: scientific functions as well as cultural and economic functions of supra-regional importance. In terms of size of the economic base expressed by the number of employee surplus, Kraków maintains firm advantage over other cities of the region. The number of employee surplus in the region's capital amounted to 84,200 people in 2008, which constituted the value nearly 10 times higher than in case of Tarnów, the city that comes 2nd in the classification, and 13 times higher than in case of Nowy Sącz. Among specialized centres of market services, Kraków, as the only city in the region, is a specialized centre for business services. In the region's capital, in terms of various types of services, more than a half of entities (on the regional scale) is located. The second exogenic branch of Kraków's economy, i.e. the one oriented towards serving recipients out of the city, is the hotel industry and gastronomy, whereas the third one: education. Also the share of other services and construction industry is higher than the average for other Polish cities.

3. Second level in the settlement hierarchy is occupied by **Tarnów** and **Nowy Sącz**. These centres have single institutions of regional range, but the strength and range of influence make of them only subregional centres. The analysis of the current development position of Tarnów and Nowy Sącz shows that they are quite strong, polyfunctional and differentiated economic centres that are not currently generating strong development impulses, capable of adding to the dynamics of the development of Małopolska's eastern and south-eastern part. The current pace of these cities' development is too weak to ensure permanent development within their subregional environment. Spatial range of positive influence of Tarnów and Nowy Sącz, including the range of suburbanization process, is being limited by poor communication connections of these cities with their background, but also by poor accessibility of higher-rank public services. At the same time, the positive feature of these areas is their significant demographic potential, amounting to ca. 460,000 residents in each of the subregions.

Tarnów and Nowy Sącz perform their function of main centres of public services and economic centres for eastern and south-eastern Małopolska. These centres are of multi-functional nature and of differentiated economic structure, composed of various service and industry activities; however, it is Nowy Sącz that shows stronger functions in terms of market services. The extent to which these cities provide services did not change radically between 2000 and 2010. At the same time, in terms of dynamics of economic growth, between 1999 and 2008, Tarnów and Nowy

Śącz developed more slowly than the average for the region's cities. It reflects in the situation on the labour market, i.e. poor dynamics of the number of people working in the city itself and the subregion's unemployment rate that is higher than the average.

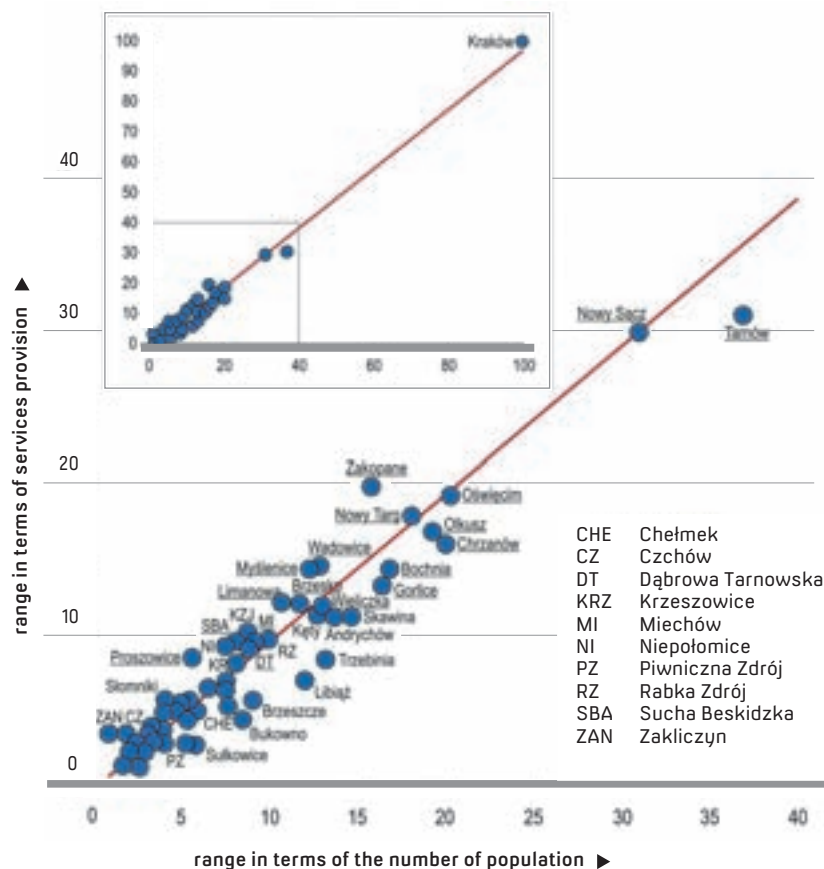
4. At the supra-local level, county cities play a particular role in the system of settlements. They have a fully-developed set of institutions of the county range, characterized by good market services' provision, strong economic base in services and adequately large area of the background for which they perform a central function. The strongest centres in this groups are Nowy Targ and Oświęcim. Both cities are provided with single central functions of subregional range.

The characteristic feature of the settlement network is lack of subregional centre in the western, industrialized part of the region, with county cities: **Oświęcim, Chrzanów and Olkusz** belonging to the strongest supra-local centres in the region. None of the three supra-regional centres has a clear advantage over the other and can be considered a service centre in terms of higher-rank services for other cities and for the whole subregion. One of the factors impeding the creation of a strong centre in this part of the region are dominant directions of communication loads, that lead to the fact that the main cities of this area do not create a complementary settling complex. Communication connections between these three centres are relatively weak, which regards particularly Olkusz. On the other hand, loads towards Kraków and cities of the Śląskie Region are much stronger than the mutual connections. Demographic potential of the functional areas around these three centres is of ca. 360,000 residents. Moreover, the western part of the region is a zone of the increasing influence of two metropolitan areas, characterized by high pace of growth and increasing life quality rates. These cities have a considerable development potential, despite dangers related to the structural problems of the local industry. What may impede the economic development of this area is the predicted population regress in this part of the region. It is expected that within the next decade, Western Małopolska will become the external zone of both Kraków Metropolitan Area and Upper Silesian Conurbation.

5. **The southern part of Małopolska** is composed of areas that are rich in terms of nature and landscape. This part of the region is characterized by high tourist attractiveness, supported by relatively well-developed infrastructure, oriented towards the tourist traffic and spa treatment management. The centre which in this part of the region has single supra-county functions is Nowy Targ. However, demographic and economic potential of its functional area is only slightly more than half the size of the Tarnowski and Nowosądecki Subregions' potential. Moreover, apart from Zakopane, potential centres that are or could be in the zone of Nowy Targ's influence, are characterized by poor development dynamics. In terms of many basic services, the southern part of the region shows the direct load towards Kraków. The subregion is not capable of reaching the development level comparable to that of Nowy Sącz or Tarnów, due to the insufficient demographic and economic potential. However, it is necessary to strengthen the Nowy Targ's function as the main centre of this part of the region, and to strengthen specific, complementary functions of Zakopane.
6. **The northern parts of Małopolska** remain a specific area. In this part of the region the agriculture is well-developed and it is based on bigger – in terms of territory – farms than in other parts of the region. At the same time, it is relatively the most underdeveloped part of the region in terms of economy. In Miechowski County and Proszowicki County as well as in a part of Krakowski County and Olkuski County, slow pace of economic restructuring and persistent dependency on income from agriculture may be observed. These areas are characterized by unfavourable demographic processes: population migration, low population growth and high percentage of population in the retirement age.
7. Between 1999 and 2008 Kraków and most centres in the metropolitan area registered high pace of growth, with a particularly significant growth in its southern and eastern parts as well as in Kraków itself. Metropolization of the region's territory resulted in strengthening the position of the

region's capital and also that of the majority of metropolitan zone. However, spreading of development impulses from Kraków is not uniform, and the capacity of absorbing them depends on features of the centres located in individual parts of Małopolska. The barrier to the economic growth is the peripheral location and poor communication accessibility, which is particularly noticeable in the southern-east part of the region (Gorlicki County). As a result of strong metropolization processes, in the analysed period the gap between the metropolis and the main subregional and supra-local centres (Tarnów, Nowy Sącz, Nowy Targ and the cities of Western Małopolska: Oświęcim, Chrzanów and Olkusz) widened.

Chart 16. Range of Małopolska cities in terms provision of services in 2010 – vs. the number of population.



Source: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim* [Research on functions, potentials and development trends of the cities of the Małopolska Region], Jagiellonian University by order of UMWM, in the framework of Małopolska Observatory of Development Policy, Kraków 2010, on the basis of: Panorama Firm, CSO as well as official websites of institutions and official data.

8. It must be emphasized that the range of cities in the settlement system does not change in short period of time, which is confirmed also in the analysis of the extent of providing services. In this regard, the regional centre (of 1st rank: Kraków) is decidedly dominant. The next group is formed by two subregional centres (of 2nd rank: Tarnów and Nowy Sącz). The following nine cities are centres of supra-local range (of 3rd rank with the strongest cities being Zakopane and Nowy Targ as well as Oświęcim, Olkusz and Chrzanów), the influence range of which goes beyond – in terms

of some services – the county's borders.²² In terms of services' provision there is no strong supra-local centre in the northern part of the region where county cities' potential is much weaker.²³

Challenge: Functional areas at the national level

Małopolska's location attractiveness depends to the great extent on its **specific, territorially differentiated development potentials**, optimal exploitation of which will be one of the main challenges of the regional policy in the perspective of the next decade.

The fundamental dilemma in the discussion on spatial dimension of the region's regional policy is the question of the appropriate exploitation of the **Kraków Metropolitan Area's** potential and effects of its development, in order to add to the dynamics of the whole Małopolska and to balance its development. In order to accomplish that, it is necessary to support actions thanks to which Kraków's positive influence, noticeable in more and more parts of the region, will favour sustainable development, also with regard to the peripheral areas, that do not currently show noticeable connection with the region's capital.

Focusing on developing the regional co-operation, and also on the appropriate exploitation of potentials of **other subregions**, will be a condition for increasing the Małopolska's economic growth. Skillful **co-operation in the subregional, region and macro-regional dimension** will constitute the factor determining the success of the strategy of exploiting the Małopolska's competitive advantage in the national and European space.

Small and Medium Cities, Rural Areas

1. In the Małopolska Region there are 61 cities among which the major part are small and medium centres. Since 2005 the municipal rights have been granted to 6 other cities: Zakliczyn, Wojnicz, Szczucin, Bobowa, Radłów and Nowe Brzesko. The density of urban network is of 4 towns per 1,000 km² with the country average for Poland of 2.9 cities per 1,000 km² – and is relatively high. Most of this network is composed of small units and their location in the area of the region is non-uniform. In the western part of the region, the urban network is very dense and exceeds on average 10 urban units per 1,000 km² (Oświęcimski County and Chrzanowski County), whereas in the north-eastern part the cities' density rate does not exceed 2 urban centres per 1,000 km² (Brzeski County, Dąbrowski County and Miechowski County).
2. In 2010 the Małopolska cities were inhabited by 1,627,800 people, with nearly 23% of residents living in Kraków. After the population growth in the 90s, the beginning of the century brought changes in the cities' development. The number of cities with actual growth of population decreased, whereas the number of cities characterized by actual population decline started to increase. The territory of the Małopolska Region was divided into two parts: the central one where the population growth prevailed and the peripheral areas that were becoming depopulated. The population growth occurred in the cities that are situated within the range of influence of Kraków (Niepołomnice, Świątyniki Górne, Wieliczka), as well as in the cities of well-developed spa functions (Muszyna,

²² Other cities in the group are: Wadowice, Bochnia, Myślenice and Gorlice.

²³ Miechów, Dąbrowa Tarnowska and Proszowice are centres of 4th rank. Other county cities (Limanowa, Brzesko, Wieliczka, Sucha Beskidzka) fall into the same category together with cities without county status, with relatively well level of providing (Kęty, Andrychów, Krynica-Zdrój, Rabka-Zdrój) and located in the vicinity of or well-connected with Kraków (Skawina, Niepołomice, Krzeszowice, Trzebinia). Other cities are centres of lower rank (5th and 6th). Among them medium, industrial cities of Western Małopolska (Libiąż, Brzeszcze i Bukowno) characterized by decided service deficit should be noted. Other cities form a network of small local centres. It is composed in particular of a large group of small cities with weakly-developed service functions, located mainly in the eastern and southern part of the region.

Szczawnica). On the other hand, cities with well-developed administrative functions (Bochnia, Limanowa, Myślenice) were characterized by higher population growth over negative migration balance. The actual population decline, caused mainly by population migration, occurred in the recent years in the cities of Western Małopolska such as: Alwernia, Andrychów, Kęty, Libiąż, Olkusz, Brzeszcze, Chrzanów and Oświęcim. Similar situation was registered in the cities located in the western and northern parts of the region (Biecz, Gorlice, Miechów, Proszowice, Tarnów, Tuchów). These cities, despite the performed administrative and service functions, have failed to create good settling conditions for people.

Demographic processes within the last 20 years resulted in full transition from young to old age structures since currently all the region's cities are IV-V²⁴ types. The greatest demographic difficulties concern the cities of considerable importance for traditional industry (Gorlice, Bukowno), where only significant economic transformations may stop the migration among young people, whereas favourable age structure is easier to maintain in the cities where new investments are located (e.g. Niepołomnice).

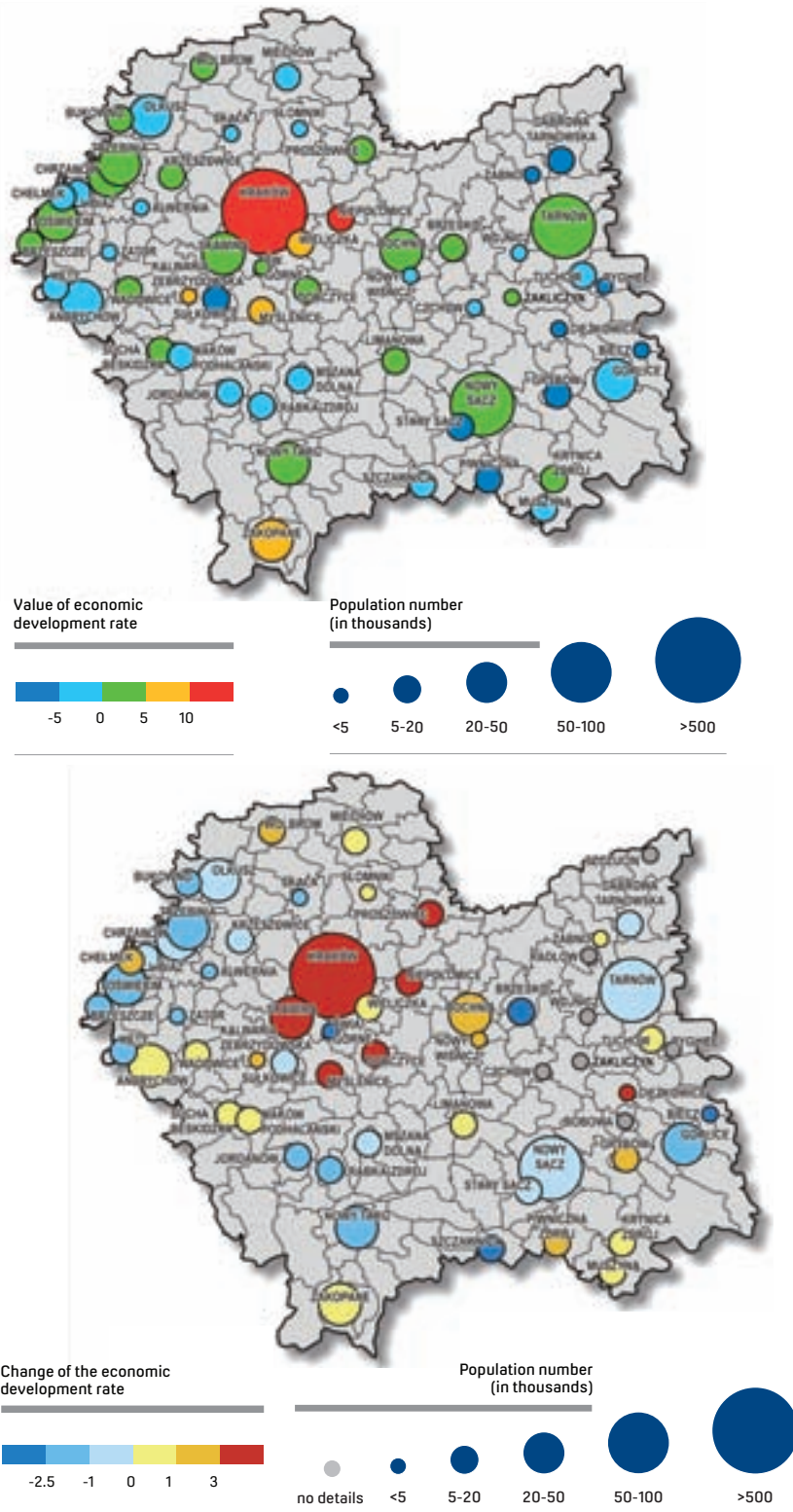
3. The Małopolska cities differ in terms of level and pace of economic growth. The level of economic growth is clearly related to the size of the city. In the last decade, among small and medium cities, higher development level was characteristic mostly for the centres that have well-developed activities oriented mainly towards serving the recipients from out of the city. On the other hand, the pace of economic growth of the cities was not directly dependant on the city size. In this period, the relatively fastest-developing cities were the ones situated in the metropolitan zone, due to the positive influence of Kraków.

In the last years, what may be observed is the process of dynamic growth of the centres connected with the economic activity zones (e.g. Dobczyce, Niepołomnice) as well as the centres characterized by high spa potential (e.g. Muszyna and Piwniczna). The role of small cities and the rural areas surrounding them is much bigger in terms of new investments (*greenfield*) than that of investments in general. What decides about their location attractiveness is mainly the accessibility of those areas with respect to main communication routes and markets.

4. The urbanization rate, understood as the percentage of people living in municipalities of population density exceeding 150 people/km², amounts to 72.6% in case of Małopolska, with the average for Poland of 59.9%. Together with the increase of society's affluence and the development of communication network, the processes of residents' migration to big cities' suburban zones are increasing. In the mid nineties of the 20th century, suburbanization occurred around Kraków on a larger scale, whereas with the beginning of the century – in the western part of the region and in suburban municipalities of Tarnów and Nowy Sącz. Currently the intensification of this process may be observed, especially in the Kraków suburban zone, where it has gone much beyond the range of municipalities directly adjacent to the city. In the forthcoming years, the intensification of this process is predicted to occur in municipalities such as: Bochnia, Wadowice, Kęty, Nowy Targ and Gorlice where its initial phase may already be observed, but also in the municipalities located at the main road communication routes.

²⁴ On the basis of typology defined in: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim* [Research on functions, potentials and development trends of the cities of the Małopolska Region], Jagiellonian University, Kraków 2010. Type I: cities in their demographic youth (high load of people at pre-working age); Type II: cities of late demographic youth (surplus of the labour force); Type III: cities in a transitional early-working phase (relatively high load of non-working and retirement population, low share of the immobile working age population); Type IV: cities in a transitional late-working phase (low share of very old population, considerable resources of mobile and immobile-age labour force); Type V: cities of demographic senility, little resources of young labour force, very low load of the population at pre-working age).

Maps 35 and 36. Level of economic development of cities in 2008 and the change between 1999-2008²⁵.



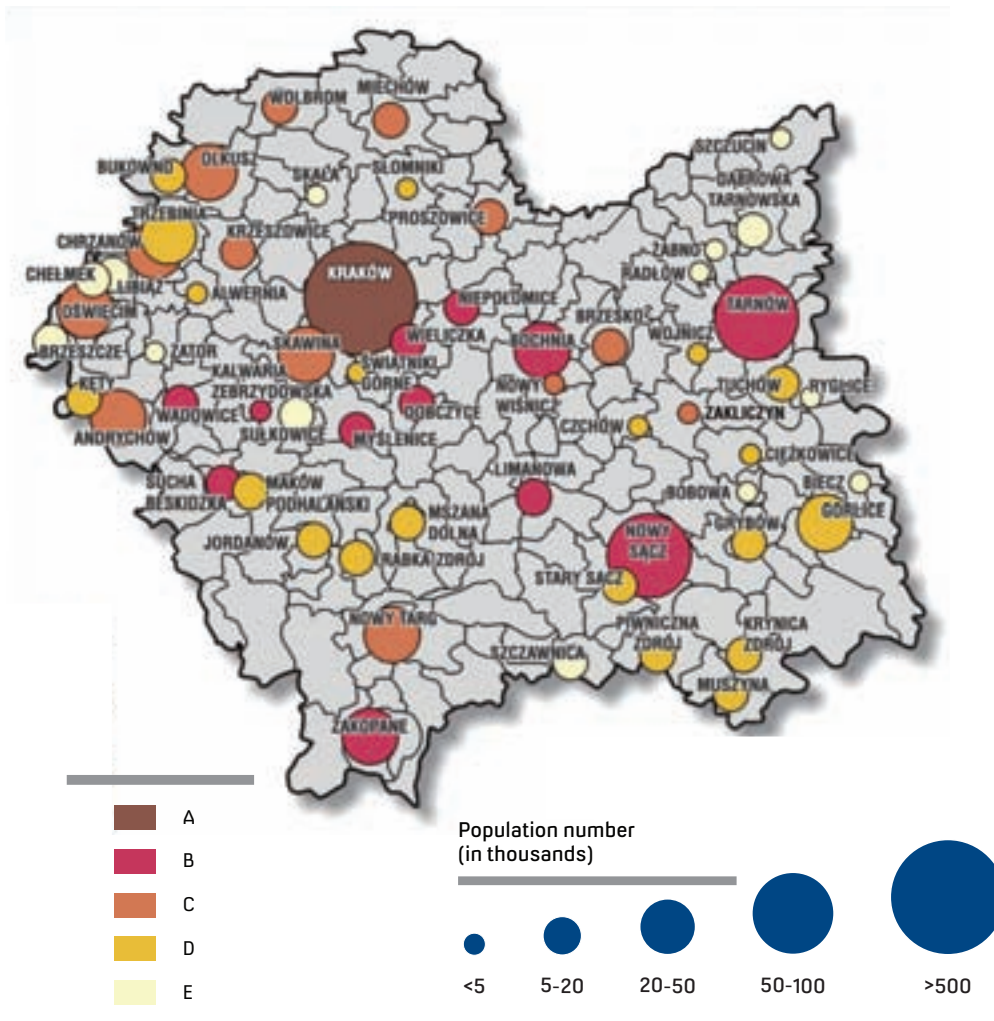
Source: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim* [Research on functions, potentials and development trends of the cities of the Małopolska Region], Jagiellonian University by order of UMWM, in the framework of Małopolska Observatory of Development Policy, Kraków 2010.

²⁵ Classification of the cities according to their economic development takes into account such factors as: the number of natural persons conducting business activity, the number of commercial law companies, the activity of foreign capital, the number of people working in non-agricultural sector, the number of registered unemployed, the degree of diversification of the economic base, the surface of commissioned and completed apartments, the amount of own revenue of municipalities' budgets, amount of income from PIT.

- The processes of cities' development, regeneration of the crisis areas as well as suburbanization are closely interrelated. On the one hand, suburbanization strengthens social and economic urbanization of the areas surrounding the cities, increasing demographic and economic potential of the functional urban areas, and by intensifying the relationships, it also contributes to increasing territorial coherence on the local scale. On the other hand, suburbanization processes may result in weakening the cities by losing affluent, well-educated residents, and by decreasing the tax base.

Agricultural lands have a considerable percentage in the structure of urban areas' exploitation, in comparison to the relatively limited volume of the development areas. The process of changing the status of the farm land (from agricultural to residential) is very slow, which means that investment processes are slowed down too. The percentage of agricultural land areas decreased only by 0.2% in comparison to 2005, and in 2009 constituted 47.8% of the cities' area, whereas the built-up and urbanized areas amounted to 22.2%.

Map 37. Typology of Małopolska's cities due to their development potential until 2020²⁶.



Source: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim*, [Research on functions, potentials and development trends of the cities of the Małopolska Region], Jagiellonian University by order of UMWM, in the framework of Małopolska Observatory of Development Policy, Kraków 2010.

²⁶ Classification of cities according to their potential taken into account indicators such as: economic development level, development's pace of growth in the last decade, degree of economic differentiation, labour market force and human capital quality as well as city functions – in particular the developed functions of market services or diverse and dynamic industry sector. In classification A – E, group A refers to the cities of high development potential whereas group E – to cities of relatively low development potential.

6. In terms of development potential in the perspective of year 2020, the situation that seems the most favourable is that of the cities situated in Kraków's surroundings, in particular of Niepołomnice, Wieliczka, Myślenice, Bochnia, as well as Dobczyce and Kalwaria Zebrzydowska. The above-average potentials of Skawina, Proszowice, Krzeszowice and Nowy Wiśnicz as well as the northernmost county centre of the region, Miechów, must be attributed to the influence of the region's capital. In the western part of Małopolska, where the influences of Kraków and the Upper Silesian Conurbation overlap, none of the cities may be attributed, in the perspective of the next 10 years, a big development potential in terms of function and economic structure as well as the development dynamics in the last decade. Apart from Chrzanów, Oświęcim and Olkusz, a relatively high potential is characteristic for smaller cities: Andrychów and Wolbrom. Industrial centres dominated by big establishments, such as Bukowno, Trzebinia, Kęty, Brzeszcze, Libiąż and Chełmek as well as Zator, have lower potential. In the southern part of the region the centres of highest development potential are: Limanowa, Sucha Beskidzka and Zakopane. A relatively weaker development is characteristic for the cities in the southern and south-eastern part of the region, including Szczawnica and the cities of Gorlicki County, for which a relatively poor communication accessibility constitutes a barrier to development. In the eastern part of the region, except for Tarnów, the above-average development potential is characteristic for Brzesko and Zakliczyn. However, in case of small cities in this part of Małopolska, it is relatively weak; it regards in particular the cities to the north of Tarnów, including the county centre, Dąbrowa Tarnowska.
7. Since 2000, Małopolska has been registering a systematic growth of the population living in the rural areas. The highest growth of the rural population, in that period, was registered in the municipalities of Zielonki (by 29.5%), Michałowice (by 22.6%), Mogilany (by 20.8%) as well as Osiek (by 26.4%). On the other hand, the greatest decrease of the population living in the rural areas occurred in the municipalities of Słaboszów and Bolesław (the Dąbrowski County) – in each of them by 6.7%. High population density in the rural areas, with considerable dispersion of settlements, may pose a threat to the environmental resources, and is connected with significant burden and high costs of providing and maintaining technical infrastructure. The education level of people living in the rural areas, despite constant improvement, is still considerably lower than that of the cities' residents. A particularly low education level is characteristic for the areas where agricultural functions prevail. However, this feature is characteristic for other regions too: population working in the agriculture is usually the most poorly-educated professional group.
8. According to the 2010 data, Małopolska is ranked 1st in terms of number of agricultural holdings (12.4% of all agricultural holdings in the country). At the same time, the region holds the last position in terms of agricultural holdings' size, measured by the average surface of agricultural lands in the agricultural holding in total and in the households conducting agricultural activity (respectively: 2.31 ha and 2.80 ha). Communiting of the agrarian structure is a condition that has remained unchanged for many years, and the actions undertaken in order to integrate the lands have not brought the intended results. Compared to other regions, Małopolska holds 3rd position in terms of number of ecological farms: since 2005 their number grew from 320 to 2,183 in 2010 (in Poland, respectively: 1,951 in 2005 and 20,956 in 2010). Favourable natural conditions, agriculture's area structure and rich social and cultural traditions conduce to the development of ecological production and high-quality food products.
9. The development of rural areas and agriculture in Małopolska is determined by spatially-diverse natural resources. On the region's territory there are three natural and economic zones, arranged in a parallel manner:
 - northern zone, sparsely-populated, characterized by smaller communiting of the agrarian structure and by relatively greater significance of the agricultural income – with tendency to concentration of the land exploited for agriculture,

- central zone, densely-populated, highly-urbanized, inhabited mostly by dual-vocational population and characterized by high dispersion of land exploited for agriculture, with tendency to further dispersion of the households,
 - southern zone (submontane and mountain) of high landscape qualities, and at the same time difficult conditions for agricultural production, characterized by households' dispersion and great significance of income obtained from non-agricultural sector, with tendency to maintain the current structure.
10. The structure of agricultural production in Małopolska is characterized by very high advantage of the work factor over other factors: land and capital. The incomes of individual households in the region come from various sources. Few households earn their living by conducting agricultural activity as the predominant income of individual households. The greatest number of households declares income from pensions and annuities, remunerated jobs and non-agricultural business activity.

Challenge:

Small and medium cities, rural areas

The development of small and medium cities in Małopolska constitutes a condition necessary to spatially balance the region's development and improve intra-regional coherence.

Regional policy for the next decade should focus on the challenge of assigning to small and medium cities a function of local centres of public services and actively-developing labour markets.

Appropriate development of rural areas in Małopolska is a significant challenge in the context of their natural potential and functions, thanks to which expanding the income base of these areas will become possible.

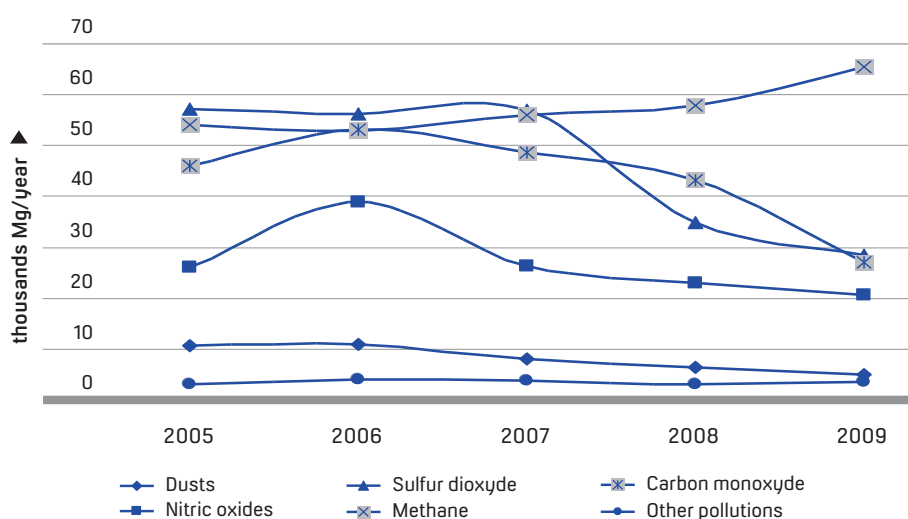
In the recent years, rural areas in Małopolska have been subject to dynamic economic, social and spatial transformations, stimulated by investment processes. In relation to that, the role of agriculture in the rural areas' development has changed. The predominant source of income of rural households has become social transfers, then, income from non-agricultural business activity, whereas agriculture comes only third. These changes constitute undoubtedly a development opportunity for the Małopolska countryside, but at the same time they are connected with a threat to its traditional functions and natural resources.

Safety

1. Last years have shown an increase in exploiting the renewable energy sources. In 2005, production of electricity from renewable energy sources amounted to 6.1 GWh. Currently the region is ranked 6th in the country in terms of electricity production (690.52 TWh) from renewable energy sources, which constitutes 8.04% of the produced electric energy from renewable energy sources in Poland. The total power of installations generating electricity from renewable energy sources in Małopolska is currently ca. 180 MW. The main sources of renewable energy are geothermal water-beds and energy potential of the region's rivers (57.36% of the total electricity production from renewable energy sources in the region).
2. In 2010 in all the air protection zones in the Małopolska Region qualified as C-zones, the acceptable levels of pollution with PM10 dust and target pollution levels of benzopyrene were exceeded. The range of measured average annual concentration of PM10 particulates in the Małopolska Region varied from 43 $\mu\text{g}/\text{m}^3$ to 79 $\mu\text{g}/\text{m}^3$ (acceptable level: 40 $\mu\text{g}/\text{m}^3$) in 2010. In case of benzopyrene these values varied from 5.2 ng/m^3 to 11.8 ng/m^3 (target level: 1 ng/m^3) in 2010. The highest percentage of the PM10 and benzopyrene's emitted load in the region is due to the emission from surface

sources. In addition to that, the acceptable levels of nitrogen dioxide were exceeded (Kraków Agglomeration). Average annual concentration of the nitrogen dioxide in 2010 ranged from $7 \mu\text{g}/\text{m}^3$ to $70 \mu\text{g}/\text{m}^3$ (acceptable level: $40 \mu\text{g}/\text{m}^3$). Emission of dust and gas pollutions from establishments particularly troublesome for the air purity amounted in 2009 to 143,700 Mg (4,300 Mg of dust pollutions, 139,400 Mg of gas pollutions, without CO_2). At the same time, the recent years have seen systematic decrease of emission of industry-related pollutions into the air: in 2009 it decreased by 24% in comparison to 2005.

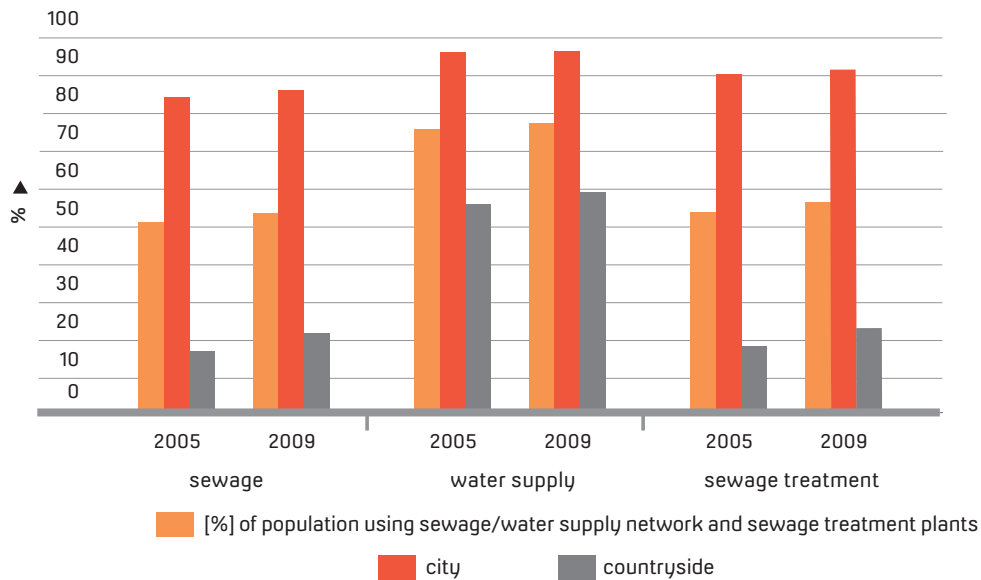
Chart 17. Volume and structure of pollutions emitted into the air (thousands of Mg/year).



Source: *Województwo Małopolskie 2010* [the Małopolska Region 2010], UMWM on the basis of *Wojewódzki Bank Zanieczyszczeń Środowiska* (Region Environmental Pollution Data Bank).

- Acoustic environment is shaped mainly by road traffic. The systematically-increasing number of cars affects negatively the quality of environment in the region. It regards mainly passenger cars, the number of which increased by 50% in comparison to 2000. As the noise monitoring measurement from 2010 shows, exceeding of acceptable noise levels in the region occurred in all the measured points (15 points, not included in the obligation of implementing the acoustic mapping), both in the day and at night. The problem of localizing bothersome objects near residential buildings is increasing, together with the problem related to the noise generated by commercial activity and small plants. Ventilators and air-conditioners as well as refrigerant units, woodworking devices, drying-rooms, power tools, concrete mixers and grinding machines have become the predominant sources of industry noise. The acoustic mappings conducted in 2007 for roads with traffic volume exceeding 6 million vehicles per day (ca. 160 km) showed that exceeding of acceptable noise levels in the region occurs in the areas located at roads that are ca. 100 km long.
- Since 2000 the decrease of water intake for municipal purposes has been noticeable. In 2009 the water intake for the national economy and population's needs decreased by 44% in comparison to 2005, amounting to 524.2 hm^3 . For production purposes the water intake amounted to 55.1%, for water-supply network exploitation: 30.3%, whereas for irrigation in agriculture and forestry as well as for filling and replenishing fish ponds: 14.6%. In the discussed period, 463.3 hm^3 of water were used (47.7% less than in 2005). Water consumption for the industrial needs constituted 58.3% (77.7% in 2005); from the network waterworks: 25.2% (22.9% in 2005) whereas for irrigation in agriculture and forestry: 16.5% (9.4% in 2005). Consumption of water from water-supply network in households amounted to 26.9 m^3 per 1 resident.

Chart 18. Percentage of population using the sewage network, water supply network and sewage treatment plants.



Source: Own work: on the basis of CSO's data.

5. Municipal services management of the region is based in 66.4% on surface water. The degree of degradation and contamination of the water resources is affected to the great extent by the amount of produced sewage. In 2009, in Małopolska 486.7 hm³ of municipal and industrial sewage were drained into surface water or ground (45.8% less than in 2005). Industrial sewage constituted 81.9% (89.5% in 2005), and the municipal sewage – the remaining 18.1% (10.5% in 2005). The amount of sewage requiring purification was subject to decreasing tendency. During the recent years, the region has shown to be better and better-equipped with technical infrastructure. The length of separate water-supply network in 2009 amounted to 17,300 km (24.6% more than in 2005), whereas the length of sewerage network in relation to 2005 increased by 9.3% and amounted to 9,500 km. In the discussed year, there were 318 sewage treatment plants operating in the region (81 industrial ones and 237 municipal ones), that were used by ca. 55.0% of the population (51.6% in 2005).
6. In 2010, as a result of the conducted business activity, 6,089,200 Mg of waste was produced in the region, of which 89.78% was recycled, 8.87% neutralized and 1.33% stored. In comparison to 2005, the amount of that waste decreased by 35.8% and at the same time, the percentage of recycling process increased considerably by 22.7%. In case of municipal waste in 2009 765,000 Mg of waste was collected, including 79,000 in a selective manner. In comparison to 2005, the percentage of waste collected selectively increased from 3.8% to 10.3%. In 2009 the waste collection covered 79.2% of the population, which gives Małopolska 9th position in Poland. The amount of municipal waste per 1 resident in 2009 amounted to 208 kg (increase by ca. 7% in comparison to 2005). In Małopolska the municipal waste was stored on 37 controlled landfill sites. In 2009 there were 344 illegal landfill sites (nearly 2,000 of them were eliminated).
7. Mountain character of the majority of Małopolska's rivers influences the flows' irregularity. The region, situated entirely in the basin of Upper Vistula, is among the group of the regions with the highest level of flood hazard (that is by ca. 15% higher than the country average). In terms of hydrology, the greatest flood hazard is posed by watersheds of Soła and Dunajec, but also of Raba, Skawinka and Uswicza. In order to protect the region from flood, there are 1,016.3 km of flood levees

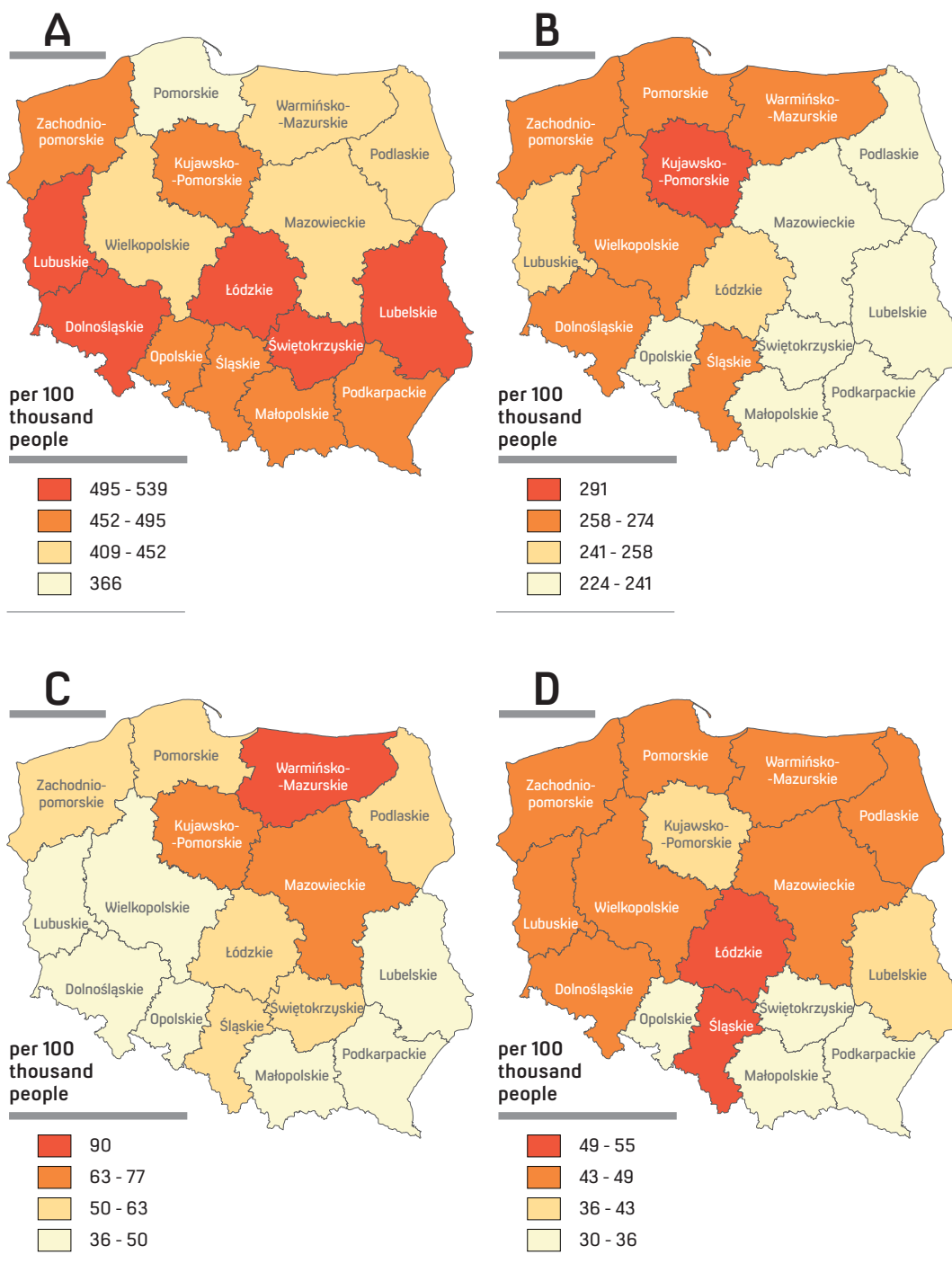
and dammed reservoirs on: Dunajec (Czorsztyn-Niedzica, Rożnów, Czchów), Raba (Dobczyce), Ropa (Klimkówka) and Dłubnia (Zesławice). The reservoirs' total capacity is ca. 600 hm³, which covers only 7% of the region's needs. The presence of high flood hazard in the region is caused by concentration of spatial development, erecting buildings in rivers and creeks' valleys, topographic structure and tradition of dispersing the buildings.

8. Małopolska's relief and geological structure cause mass movements: landslide and creep. The vast majority of landslides are located in the southern part of the region in the area of the Outer Carpathians. Some of the landslides are dormant, which means that they have reached a balance; however, it may be distorted as a result of a change in external conditions, causing their movement. Lack of full recognition of the areas endangered with landslides, leaves room for freedom in developing these areas, and – as a consequence – it increases the level of danger and causes losses related to the landslide activity.
9. Due to the diversity of relief, geological structure as well as climatic, hydrological and soil conditions, in Małopolska there are optimal conditions for many species of plants, animals and fungi, which determines its great biological diversity. In the northern and central part of the region, there are refuges protecting mainly the forest habitat and xerothermic turf with rich orchid centres. Refuges located in the southern part, in the Carpathians' range, protect many rich mountain habitats. They are unequivocally a refuge for rare species of bats and big carnivores: wolves, lynxes and bears as well as endemic habitat for mountain plants. In terms of number of species of protected animals, it is estimated that in the region there are: 28 bisons in closed breeding centres, 159 chamois, 25 bears, 3,000 beavers, 60 wolves, 165 woodgrouses, 290 black grouses and 40 lynxes. The region's forestation rate is ca. 28.5% of its surface (437,656 ha).
10. In Małopolska there are ecological corridors, running parallel through the Carpathians' range: Carpathian Corridor and Southern Corridor; the latter running parallel to the former, through Pogórze. Moreover, to the northern-west of Kraków and at the border of the Regions of Małopolska and Podkarpackie, the Southern-Central Corridor runs. They are eco-corridors of national and international importance, the function of which is to protect ecological connectivity in a large spatial scale. In the framework in these corridors and beyond them there are corridors of regional and local importance.
11. In 2010 in the framework of stationary medical care there were 14 regional (region) hospitals, 19 district (county) hospitals and 7 department hospitals operating in the region. Moreover, in the region there were 37 non-public healthcare centres and 34 public and non-public long-term care centres.

The total number of bed places, in public and non-public healthcare centres in the region amounted to 17,653 (16% more than in 2005). The rate of bed places in general per 10,000 residents amounted to 53.3 (against 53.0 assumed by the Małopolska Health Protection Programme). The rate of short-term bed places per 10,000 residents amounted to 32.9 (the value assumed by the MHPP: 35.5), whereas the rate of long-term bed places rate per 10,000 residents: 15.4 (the value assumed by the MHPP: 12.0). The psychiatric bed place rate per 10,000 residents amounted to 5.0 (the value assumed by MHPP: 5.5).

In 2009 in the Małopolska Region 14,933 deaths due to cardiovascular diseases were registered (4th position on the national scale) and an increase by 5.6% in comparison to 2005. A similar increase of deaths by ca. 6% was registered due to respiratory diseases: 1,390 deaths (4th position on the national scale). In case of neoplastic diseases, in relation to year 2005, there was an increase of 3.5%: 7,586 deaths (5th position on the national scale). The mortality rate decreased in case of deaths due to digestive system diseases: 1,132 (6th position on the national scale).

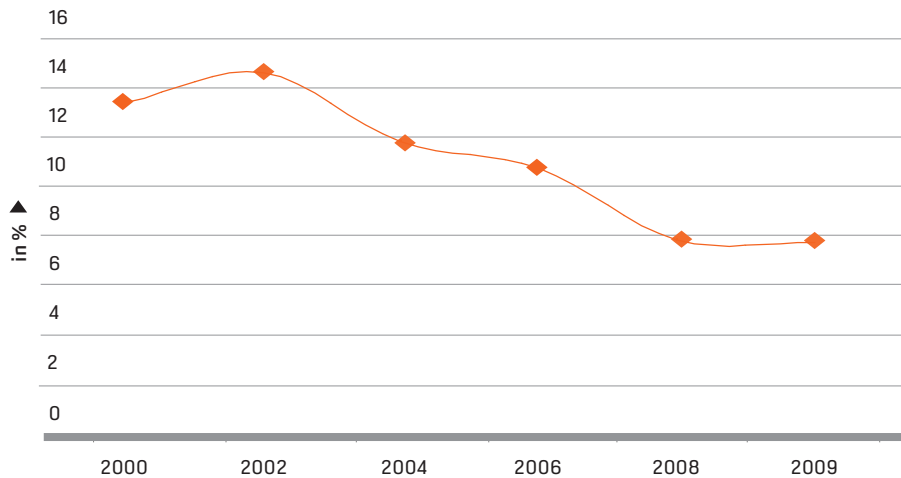
Maps 38, 39, 40 and 41. Standardized death rates in 2009 due to: cardiovascular diseases (A), neoplastic diseases (B), respiratory diseases (C), digestive system diseases (D).



Source: Own work: on the basis of CSO's data.

12. In 2010 in Małopolska there were 2,587 foster families (in comparison to 2,677 in 2005) in which there were 3,987 children (in comparison to 3,972 in 2005), i.e. 67% of the total number of children deprived of parental care. The proportion of children in foster families and in facilities varies: in 12 counties the group of children in foster families varied from 80% to 100% of the total number of children being raised up out of family.

Chart 19. Percentage of Małopolska residents covered by social assistance.



Source: Own work on the basis of data of: Ministry of Labour and Social Policy and Statistical Office in Kraków.

- 13.** In 2010, 259,400 region's residents, i.e. 8% (in comparison to 11% in 2005), were covered by the social assistance in the region. The greatest number of beneficiaries came from Nowosądecki County, Dąbrowski County, Gorlicki County and Limanowski County. Similarly to the previous years, in 2010 the most common reasons for providing the assistance were: poverty (59%), unemployment (40%), long-lasting disease (33%), helplessness in terms of social and behavioural issues (32%), disability (30%). The benefits covered 111,000 Małopolska families (in 2005: 100,800 families). The greatest number of families benefiting from the assistance were families with children, including multi-children families (16%), as well as single-parent families (11%) and pensioner families (24%).
- 14.** According to data from 2007, the number of the disabled people in Małopolska was highest among all the regions and amounted to 539,650, which constituted 11.85% of all the disabled people in the country. Estimates of the State Fund for Rehabilitation of Handicapped People (PFRON) show that the number of disabled people in the region grew, in comparison to 2006, by 2,672. In terms of disabled people's employment rate (15-64-years old), the trend in Małopolska is unfavourable in comparison to the country. In 2005 the rate for the region was 20% (with country average of 17.7%), whereas in 2009 and 2010: 19.7% (with country average of, respectively, 20% and 20.5%).
- 15.** In 2010 94,300 crimes were registered in the region (18% less than in 2005). The percentage of criminal offences significantly decreased (by 24%), whereas the level of crimes against economy remained unchanged. In 2010 crime detection rate amounted to 66.1% (19% more than in 2005). The highest crime detection rate was registered in the following counties: Miechowski County, Brzeski County and Gorlicki County (ca. 85%).

In the same year, there were 38,400 traffic incidents. 4,000 of them were road accidents (ca. 10% less than in 2005) and 34,400 road collisions (ca. 14% more than in 2005). The death toll decreased by 42% in comparison to 2005: 235 people, as well as the number of the injured: by 11% in comparison to 2005 – slightly over 5,000 people.

In total, 61,600 incidents occurred in the region, including 49,400 local hazards; 10,500 fires and 1,670 false alarms. In comparison to 2005, the general number of incidents increased by 46.7%. The number of fires slightly decreased (by 4.6%), whereas the number of local hazards increased by 66% as well as the number of false alarms (by 37%).

Challenge: Safety

In the reality, where the quality and level of life depend to a greater and greater extent on global factors and processes, the challenge of **guaranteeing a multidimensional safety** is acquiring a new meaning.

Despite improvement of the natural environment's condition in the recent years, mainly thanks to active investment policy, but also thanks to successively increasing ecological awareness, **a still-important problem remains ensuring safety in the areas of widely-understood natural environment.** It concerns, in particular, the improvement of water quality, protection against flood and drought, regulating waste management, limiting the emission of air pollution and increasing the exploitation of renewable energy sources.

In view of the increasing importance of demographic changes, guaranteeing safety in health and social area remains an important challenge. Improving health safety of Małopolska residents should be achieved by means of strengthening and rationalization of functioning of the regional health protection system – by improving the quality and access to medical services, especially the specialist ones. The new model of social policy should focus equally on leveling and counteracting various forms of social exclusion. Modern social policy must lead to efficient reaction not only on traditional challenges, recognized so far, but also on those the consequences of which will be faced by the region in the long run, as for example ageing of the society.

Management of the Region's Development

1. The great majority of local self-government units of the region (93.2%) have their own strategy²⁷. The value of this indicator ranks Małopolska third among all regions and is higher than the national average i.e. 87%. Despite the widespread ownership of strategic documents, the difficulty in determining strategic objectives can be seen, while the programming process is usually dominated by sectoral thinking, hindering integration of the activities carried out by the subjects involved in shaping the development of the region and leading to the dissipation of intervention, and also to reducing the potential effect of economy of scale. The evaluation of strategy for the implementation of its objectives carries 76.8% of territorial self-government units in the area of Małopolska (5th place among the regions, the average for the country amounts to 74.6%), although it is not always based on formalized procedures and indicators that provide quantifiable data for proper updating of the document. Taking into account the instruments to assess the feasibility of financing of the planned projects: a multi-annual investment plan and multi-annual financial plan, the percentage of local administrative units in Małopolska with the indicated tool amounts respectively to 87.8% (14th place in the country, with the average of 93.1%) and 43.2% (10th place in the country, with the average – 40.3%).

²⁷ *Zdiagnozowanie potencjału administracji samorządowej, ocena potrzeb szkoleniowych kadr urzędów administracji samorządowej oraz przygotowanie profili kompetencyjnych kadr urzędów administracji samorządowej* [Diagnosing the potential of self-government administration, evaluation of training needs of personnel of self-government administration and preparation of competence profiles of personnel of self-government administration offices], Ministry of the Interior and Administration, Warsaw 2009.

2. Regional survey of opinion of residents of the Małopolska Region, conducted in 2008 and 2010²⁸ indicates that the institutions of self-government in Małopolska (the office of the city / municipality, the county starosty, marshal office, office of the voivode) are given relatively high level of confidence on the part of residents. In comparison to earlier studies, the percentage of people giving local self-government units full or limited confidence remains at a similar level and is the highest in relation to municipalities: 74.7% (a slight increase from 71.8%). The county starosty has a 50.6% full or limited trust (decrease from 53.9%), while the index value for the marshal's office and the office of the voivode essentially does not change and fluctuates around 37%. Residents of the region generally evaluate well the co-operation with all self-government offices and region office. Compared to 2008, the percentage (average increase of 20 percentage points) of respondents very or fairly well evaluating such aspects of the functioning of offices as: competence of civil servants, honesty, efficiency and speed of settlement of cases, courteous treatment of customers and the convenience of office hours (the value of indicators varies between 54% and 63%), has significantly increased. Rated the least was the ability to contact the administration via the Internet: almost 30% very or rather satisfied (slight increase from 26.6%).
3. Residents of Małopolska are characterized by a strong sense of regional identity. Attachment to the region in a large or very large extent declare ca. 92% of respondents in 2010 (an increase of 10% against 2008), almost the same as in case of those declaring a commitment to the inhabited town. When assessing changes in living conditions over the past two years, respondents from Małopolska declare moderate optimism. The largest number of people does not notice any major changes (over 40% of responses). Improvement of living conditions is felt by one in four residents, but slightly more people (over 27%) determines the direction of change negatively. Despite the declared strong ties with the region, the level of active involvement in public affairs, reflected in the activities of various organizations and associations, is small, and in comparison with 2008 is falling. Social activity is usually in form of involvement in charity and social activities of non-government organizations (10.5% of respondents, decrease by 1.5%) and sports clubs and hobby and leisure-related associations (decrease from 11% to 7.5%).
4. In 2008, 6,600 of active foundations, associations and other social organizations functioned in Małopolska. About 2/3 of them works locally, the actions of remaining ones is supra-local. Organizations with a supra-local range are characterized by a higher level of professionalization than local organizations. On the other hand, local organizations are more rooted in the problems and expectations of local communities in which they operate, thus, it is easier for them to offer residents forms of social and economic stimulation, corresponding to real needs. Less than half of the Małopolska NGOs uses the help of volunteers while more often they are organizations having their headquarters in the cities. Every second organization with charitable status participates in the 1% campaign and most often they are organizations from Kraków, and those acting supra-locally and located in cities²⁹.
5. Government partnership with the third sector is an important element stimulating local and regional development. In the recent years, the mainstream of co-operation of Małopolska NGOs with the public administration focused on raising funds, with often articulated non-acceptance of procedures for inspection and verification of funds spent. An important drawback may be the limited capacity for intra-sector co-operation, used among others for creating a strong representation of the sector in dealing with regional and local administrations. Although almost all municipalities of Małopolska organize competitions for NGOs to carry out public tasks, and the source of public funds provided to NGOs in 2004-2008 were mostly self-government's budgets (69%), according to the organizations surveyed agreeably indicated insufficient financial resources which self-governments allocate for

²⁸ *Badanie opinii mieszkańców, przedsiębiorców oraz przedstawicieli organizacji poza-rządowych z terenu województwa małopolskiego na temat kluczowych obszarów polityki rozwoju województwa określonych w Strategii Rozwoju Województwa Małopolskiego na lata 2007-2013* [Opinion survey of residents, businessmen and NGO's representatives from the Małopolska Region on key areas of Region's development policy determined in the Strategy of Development of the Małopolska Region for years 2007-2013], by order of The Marshal Office of the Małopolska Region in 2008 and 2010.

²⁹ *Potencjał Małopolskich Organizacji Pozarządowych* [Potential of Małopolska non-governmental organizations], Małopolska Social Policy Observatory, 2010.

this purpose as main barrier to co-operation with local authorities. Moreover, unfavourable legal regulations and the related complex procedures in the area of co-operation are pointed out too.

6. The authorities of Małopolska Region participate with the involvement in activities aimed at strengthening territorial co-operation. Building partnerships with territorial self-governments is used by the current co-operation in bodies such as the Forum of Voits, Mayors and the Presidents of Małopolska and the Convention of Starostes of Małopolska Region. The region is also represented in the works of the Commission of Association of Polish Regions (Komisja Związku Województw RP), the Joint Commission of Government and Local Self-Government (Komisja Wspólna Rządu i Samorządu Terytorialnego) and the Convent of Marshals of the Regions of Poland (Konwent Marszałków Województw RP). These bodies provide the possibility of active participation in the legislative process and influencing the shape of development of the relevant regional laws, and also creating an opportunity for debate about the role of regions in the development of the country. In the framework of co-operation with neighbouring regions, with the involvement of self-governments of both regions, in 2011 joint works on preparing a strategy for development in the Małopolska and Śląskie Regions have been undertaken.
7. Region's strategic management process is supported by the Małopolska Regional Development Observatories (Małopolskie Obserwatoria Rozwoju Regionalnego) that are analytical facilities of region self-government authorities. Tasks performed in the framework of the Observatories include assessment of the effectiveness of public policies and improve decision-making processes used in managing the development of the region. The purpose of the network formula of Observatories is to organize the regional system and the integration of research and evaluation of public policies, but also the introduction of their results in the circulation of public debate. Ultimately, network, operating at present in the formula of four autonomous structures, should develop into a regional think tank, reinforcing process: research – public debate – decision-makers. At a strategic level coordination of Observatories' works is provided by Małopolska Council of Regional Development and Evaluation Observatories. It functions as an advisory board to the action area of the Region Board in matters relating to regional development and regional development directions of research policy. This council functions as complementary to other regional consultative and advisory bodies such as the Joint Commission of Local and Economic Self-Governments of Małopolska, Małopolska Innovation Council, Małopolska Council of Public Benefit or Małopolska Council of Information Society.
8. Important elements of territorial co-operation are international partnerships. The first document declaring such co-operation with the participation of Małopolska Region was the agreement with the Land of Thuringia, ratified in the 1999. So far, Małopolska authorities have signed 14 co-operation agreements with regions of 13 countries, and also undertaken co-operation with Belgium and Germany under the three intergovernmental agreements concluded by the Polish Government. Region also works in international organizations: Association of European Regions (AER) and the European Association for the Information Society ERIS@.
9. Małopolska, as one of the first Polish regions, established a regional office in Brussels in 2002. As part of its activities Małopolska Days in Brussels are organized annually. The fourth edition of the event in 2010 was attended by more than 1,000 people (comparable with the year 2009), a special website was visited nearly three thousand times i.e. 300 more visits than in 2009 (1,658 visits to the Polish version of the website, 688 visits to the French version and 623 visits to the English version).
10. Since 2004 Małopolska Region has been carrying out advertising campaigns. In the early years they would be organized in the spring – autumn cycle and would be aimed at inviting to visit the region respectively in summer or winter. With time, it was decided to organize image campaigns, leading to create the desired perception of Małopolska in the target groups, as well to elicit positive associations with the region.

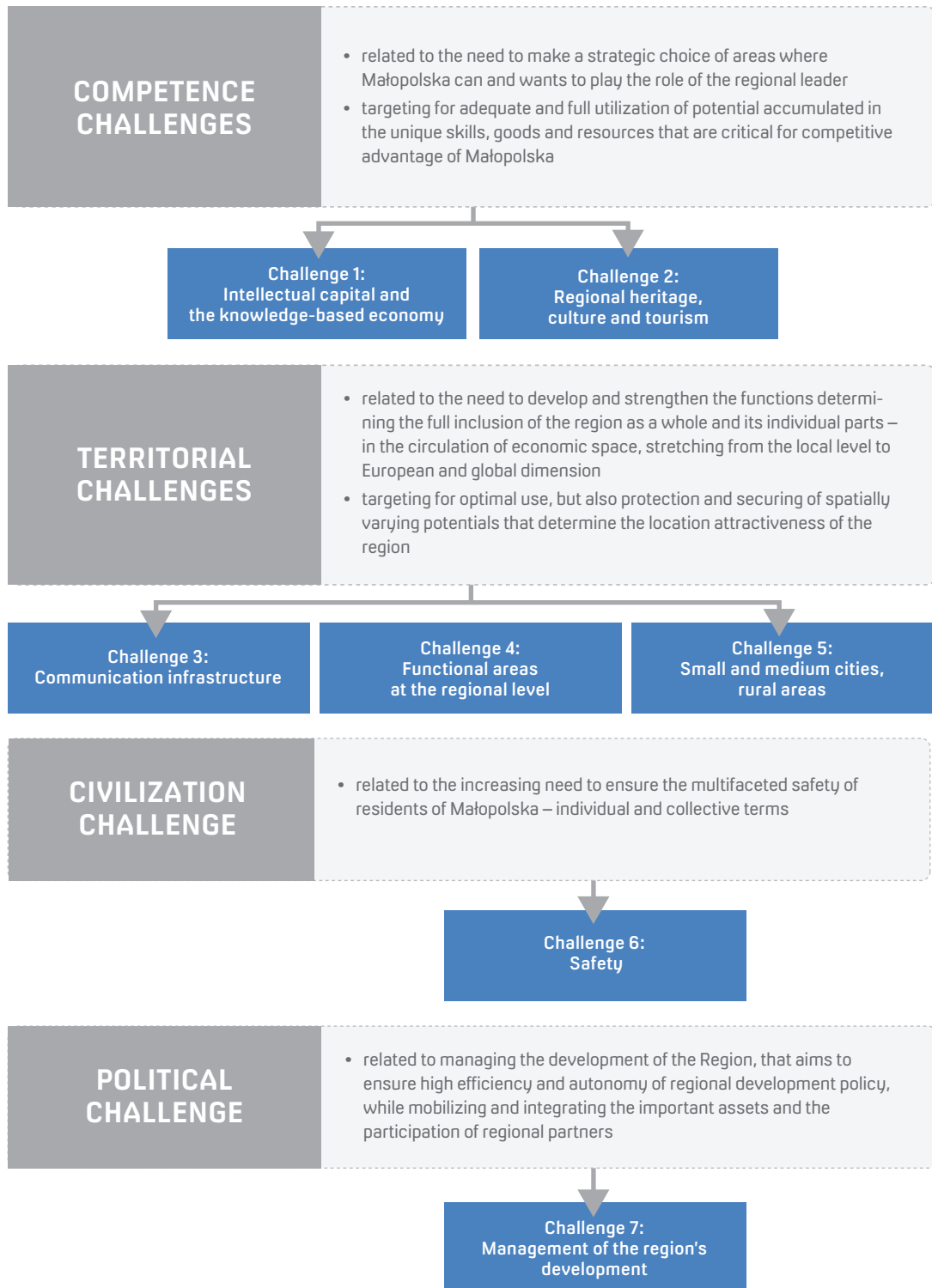
Challenge: Management of region's development

In relation to the progressive strengthening of the role and increasing responsibilities of regions, effective management of development in the region increasingly depends on the strategic management and flexible coordination of key regional subjects.

The development of the **region, defined as a corporation of interests, competences and influences of different entities**, requires: (a) an efficient system for **management of the implementation of tasks falling within the competence of the region's self-government**, (b) the effective **coordination of actions and animating co-operation undertaken by self-government's partners**, particularly local self-governments and key regional institutions, (c) effective **influence on the processes occurring in the external environment**, including participation in the negotiation of certain decisions and choices made in the framework of government's regional policy, and (d) the effective promotion of the region.

An effective system of implementation of the region's strategy should take into account activities and involvement of the region's own resources as well as utilization of the potential of all relevant regional subjects. For this purpose, the mechanisms and measures to boost the activity of external partners should be defined and an effective formula of **intra-regional co-operation** between the regional administration and key partners of the region's self-government should be determined.

Figure 1. Diagram of the key challenges for Małopolska in the perspective of year 2020.



Source: Own work.

MAŁOPOLSKA 2020 STRATEGY

Long-term Development Model: Perspective 2030

Choice of strategy for Małopolska region is an answer to the question about conditionings and development opportunities of the region also in the long-term time horizon. Because of that, the rational decision process about the vision and goals of the Małopolska's development in the next decade, has to be based on assumption of long-term development strategy of the country and its concept of spatial management.

In conditions of growing global competitiveness, development is a sum of more and more factors, from which only some depend on the actions of the self-government of the Region and other public entities. Among the traditional historic, political, cultural and environmental factors, new important ones based on demographical and economic changes connected with economy of flows arise. As these factors are an important group of elements impacting the chances of reaching the strategy's goals, they have to be counted for its formulation and realization.

Development of Małopolska is a consequence of unique characteristics of the region: **diversified economic structure, favourable geographical allocation, external connections, high level of intra-regional coherence and unique image**. However, rising to the basic environmental, economic, social and political challenges depends to a large extent on processes implemented in the national and international dimensions. The question about the long-term development concept for Małopolska is a question about the plan of action which – in spite of the existing infrastructural backwardness – will allow for full utilization of the chance for change of civilization thanks to the appropriate diagnosis and utilization of factors strengthening the development opportunities of the region.

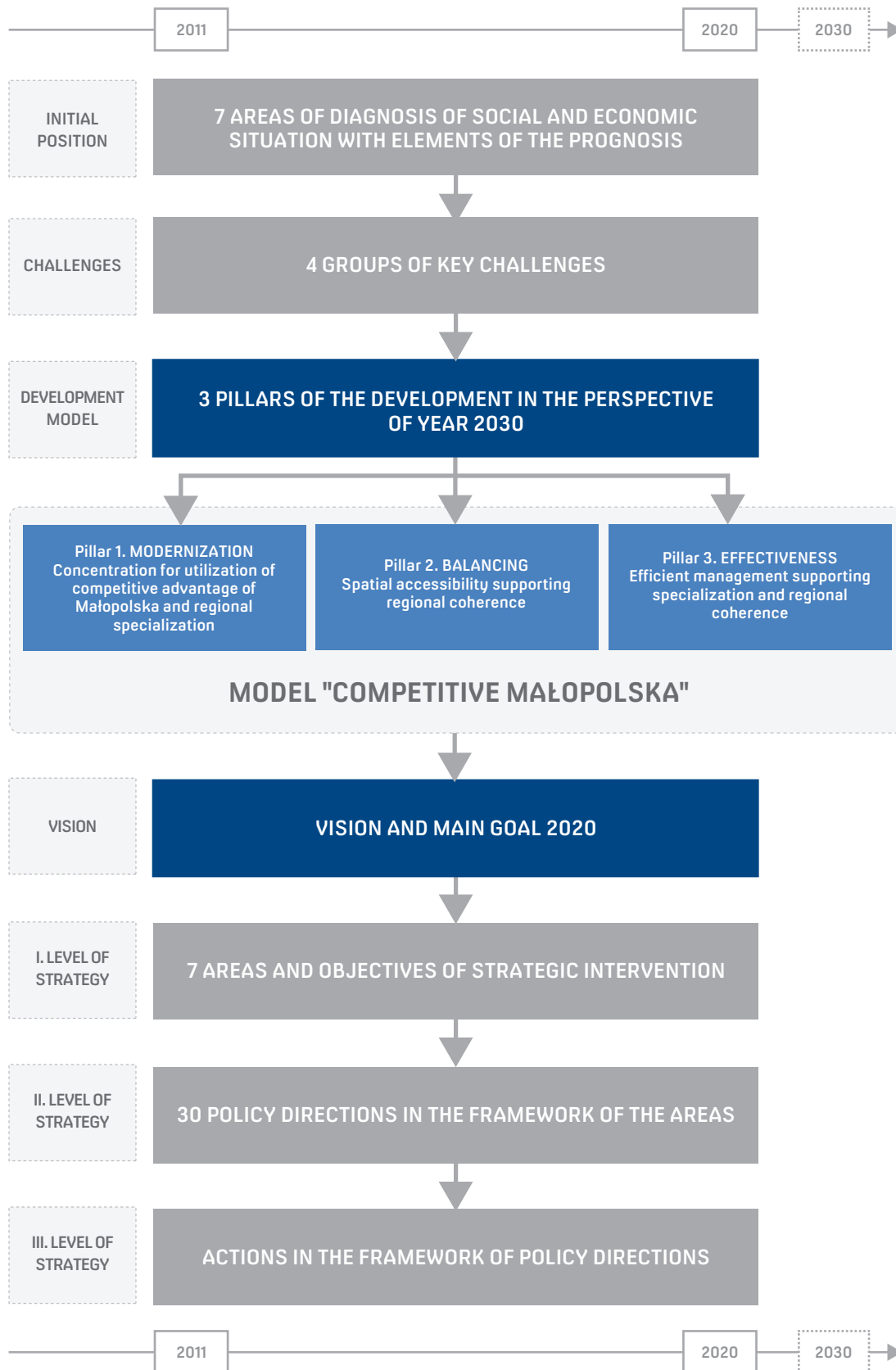
Model of lasting development of Małopolska in the long-term is based on the following assumptions:

- concentration of the development's effects and the manufacturing potential in the economically stronger centres is an objective and consolidating process;
- higher living standard in the areas of lower level and pace of growth of development can be reached through their economic integration with stronger centres;
- polycentricism of the settlement system with its core being Kraków and subregional centres along with small and medium cities is in favour of the region's sustainable development;
- regional competitiveness depends on the spatially diversified, unique resources and characteristics of Małopolska, which also conditions relative immunity to the consequences of external economic crisis.

Due to the above, development model of competitive Małopolska in the perspective of 2030, is based on three pillars:

- **Pillar 1. MODERNIZATION**, meaning concentration of actions and measures for utilization of the competitive advantage of Małopolska and regional specialization in trade and territorial perspective;
- **Pillar 2. BALANCING**, through spatial availability of resources, goods and services, supporting the regional coherence in the economic and social perspective.
- **Pillar 3. EFFECTIVENESS**, meant as efficient management supporting specialization and coherence of the region.

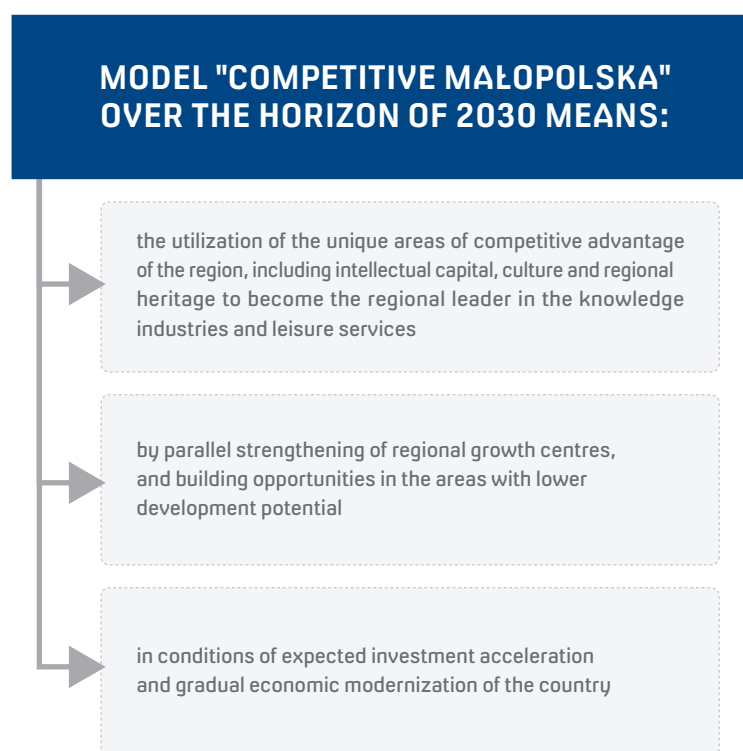
Figure 2. Development Strategy of Małopolska – perspective 2020 and 2030.



Source: Own work.

Development model of Małopolska in the next two decades will be based on parallel support for the areas and centres providing the growth of economy and creation of conditions for improving the opportunities for development in the other parts of the region. Building the development opportunities in the areas of lower level and dynamics of development, will not mean traditional compensation policy, but better than previous utilization of regional poles of development for the whole Małopolska.

Figure 3. Małopolska's long-term development model – perspective 2030.



Source: Own work.

In the scenario of growing pressure of the global factors, such as developing economic polarization and the growth of importance of Asian countries, climate changes or demographic dangers – Małopolska should not find itself in the position more difficult than other Polish regions. Smoothing away the negative consequences of these processes will be possible thanks to **strengthening diversified service-sector regional economy**, but also thanks to creation of conditions favourable for **improving the investment and residential attractiveness** of the region.

Basing on the assumption of the country's macroeconomic stability and gradual increase of scale and pace of the investment processes, competitiveness' growth of Małopolska will be reached by effective utilization of **sectors of the economy of the regional opportunity**³⁰. Long-term region's development policy will be based on **creation and strengthening of the growth centres network's functioning**. The core of this structure will be Kraków, as one of the interchange centres of the national network metropolis as well as Tarnów and Nowy Sącz as the subregional growth centres – along with their functional zones, and also areas determining the growth centres in the southern and western parts of Małopolska.

³⁰ Justification for the choice of key sectors of regional opportunity was carried out in the framework of economic diagnosis presented in the general part of *Initial position*, as well as sections: *Intellectual capital and knowledge-based economy* and *Regional heritage, culture and tourism*.

Network of these centres – well connected with the national centres, with each other and with their functional surroundings – will create the conditions for adding to the dynamics of Małopolska's development through fuller utilization of potentials in different parts of the region. **Spatial planning in the region, coherent with the national concept, will remain one of the main instruments strengthening regional competitiveness in conditions of growing economic, social and territorial coherence.**

"Małopolska 2020" Vision

Ten years ago the first development strategy of Małopolska – *Development Strategy of the Małopolska Region for years 2000-2006* – determined the vision of our region's development. In the symbolic form of policy declaration it was then written: *We are writing the Development Strategy of Małopolska feeling responsible for ourselves and our children. Regarding the question on our vision of tomorrow's world we answer: we wish Małopolska to be a region of opportunities. In the changing world, we want to preserve our identity and heritage, but simultaneously, adapt in the best possible way to the rapid changes around us. We wish to be conscious co-originators and participants of the development and full citizens of the modern world which modern Małopolska is a part of.*

Adopted in year 2006 the second development strategy of the region, recognized and confirmed this conception of Małopolska' development. Authors of the document declared: *We wish Małopolska to be a region of opportunities, comprehensive development of people and modern economy, strong with the activity of its inhabitants, drawing from heritage of the past and preserving identity in the integrating Europe. We recognize and declare, that the mission of Małopolska Region's self-government is to create the conditions for realization of created in year 2000 vision of the region as a region of opportunities – opportunities utilized and not wasted.*

In the changing reality, the regional community stands invariably in front of a need of building its own openness for change and ability to utilize the new possibilities related to it. Richer in the experience of the last eleven years of regional self-governance and seven years of presence in structures of the united Europe, today we are much more conscious of the fact that **regional development is an effect of group efforts based on individual aspirations and abilities.** Therefore, we again wish to declare that the superior concept of the acting strategy in the perspective of year 2020 is the concept of creating conditions for **individual human development with respect to the common good**, and the most important category of the strategy remains **human being in the regional community and space.**

Confirming the rightness of current vision of our region's development – we declare:

"MAŁOPOLSKA 2020" VISION

We wish Małopolska to be an attractive place to live, work and spend leisure in, a European region of knowledge and activity, strong with the universal values, identity and aspirations of its inhabitants, consciously drawing from the heritage and regional space, creating opportunities for the development of people and modern economy.

Furthermore, we wish the vision of region's development, agreed on in the broad space of public debate, become accepted and shared obligation of the regional community as a whole, and subject of active co-operation of entities representing different interests and needs of key environments of the region.

Małopolska in year 2020 is a **region in which tradition connects with modernity**. Our region substantially reduced distance to the top economically developing Polish regions. It has become possible thanks to utilization of pro-growth macroeconomic stability of the country and rational concentration of resources on supporting key regional investments. In the regional dimension the problem of civilization exclusion of residents has ceased to exist. Region has become better internally communicated and available in both national and European space. Strong economic position of Małopolska has been achieved to the great extent as a result of much better utilization of internal subregional potentials. Thanks to the improvement of conditions for investment, the development processes have been dynamised, which can be seen in the gradual widening of the ray of regional growth poles' positive impact.

Małopolska is a region attractive for investments – thanks to creation and optimization of conditions beneficial for development of knowledge-based economy, professional activity and entrepreneurship.

The main branches of competitive regional economy are industries of knowledge and modern technologies, utilizing the key development assets of Małopolska: intellectual capital, activity and entrepreneurship of its residents. Economic development strategy of Małopolska is implemented by specialized managerial personnel, administrating the qualified labour resources and modern infrastructure. Research-development units functioning within the network of effective co-operation with industry sector – ensure generating, flow and absorption of knowledge practically useful for the regional economy. Simultaneously, the education system in Małopolska has been adapted to the great extent to the requirements and profile of the regional labour market.

An important element of the economic changes occurring in the region is the gradual turn from the information society to the digital society. Better digital availability contributes to the improvement of medical services and social integration's quality, and it ensures the possibility of better utilization of cultural assets. The quality of administrative, labour and educational services is improving, which leads to further development of competences and improvement of professional mobility.

Małopolska has strengthened its position as a regional leader in terms of leisure industries – utilizing the resources of regional heritage and culture.

Thanks to the new look at the role of culture and regional heritage – the share of leisure industries has substantially grown in the economic development of Małopolska. It has become possible thanks to the appropriate strategy of use and protection of natural and symbolic region's assets. As a result of improvement of the tourist and culturally attractive areas' communication accessibility, new workplaces have been created – also in the areas that used to be traditionally problematic. In the national and European space, there has been a clearly better level of recognition of Małopolska brand as an attractive place for spending leisure. Based on a high standard and categorization of services, a complex offer of leisure sector has become an integral element of the region's economic offer.

Regional space has become more accessible – as a result of coordinated communication policy, including transport policy.

In result of concentrated investment policy Małopolska has considerably reduced the civilization distance in all communication infrastructure fields. Regional transport network has become substantially closer to the concept of target system, the full attainment of which is planned by year 2030. Region has become functionally tied with the main development centres in the country. Thanks to the active

co-operation and efficient advocacy of regional interests, Kraków has been tied with fast railway connection with Warsaw and Katowice. Rail, road and air transport have all improved their efficiency thanks to better systems integration in terms of passenger transport.

As a result of improvement of time accessibility of the subregional cities: Tarnów and Nowy Sącz – the levels of employment and use of public services including those of higher-rank located in those centres are rising. Actions undertaken in this field have contributed to limiting of the migration movement related to change of place of living, also in the previously peripheral areas.

Kraków Metropolitan Area has strengthened the position of knowledge and innovations hub and as well as economic and cultural centre competing in the European space.

During the period of 10 years, Kraków has further strengthened its position in the regional, national and European dimensions. Kraków Metropolitan Area is an important regional hub within polycentric network metropolis that constitutes the core of the national settlement system. Advancing integration in the metropolitan network has led to the creation of strong macro-regional systems, including area determined by system Kraków – Częstochowa – Upper Silesia Conurbation – Bielsko-Biała – Rybnik. This structure is linked to the conurbation of Ostrava in the Czech Republic, creating an area of substantial economic and population potentials.

In the national and international space, Kraków has developed co-operation with centres important in science and research-development sectors. Thanks to that, the attractiveness of locating advanced industry and modern services in the city has improved. One of the consequences of this process is attraction and concentration of the so called creative class in this area. Simultaneously, thanks to the active promotion of the economic, cultural and symbolic advantages of Kraków, in relation with advantages of the whole Małopolska – the persisting high level of tourism is to a greater extent based on discovering new places in the region. Metropolitan area constitutes an attractive place of residence, work and investment. Good quality of public transport assures relatively short commute time and high standard of travel within the metropolitan area for all the residents.

Selective policy of support for the diversified competitive advantages of Małopolska has contributed to acceleration of economic development of individual subregions.

In the framework of partner regional co-operation main goals of the regional strategy of individual subregions: Tarnowski, Sądecki, Podhalański Subregions and Western Małopolska have been set. Thanks to strengthening of ties between the capital of region and Tarnów and Nowy Sącz and main urban centres of western and southern parts of Małopolska – there has been substantial improvement of intra-regional integration. One of the results of the above is also the reduced dependence of access to the attractive jobs and public services to the residence area.

As a result of balancing of the development processes, a growth of shares of specific subregions in economic growth has occurred. Thanks to implementation of spatial differentiation of support directions mechanisms on subregional scale, internal integration of actions based on common goals and benefits has occurred. High territorial diversity of Małopolska reflects in successive specializing and complementing of functions of individual areas in the region.

Małopolska has become a place of residence and work – also on the local scale – thanks to strengthening of integration of small and medium cities and rural areas.

During a decade further development of small and medium cities of the region occurred. Substantial growth in the accessibility of public services provided accordingly to the standards established for the services of fundamental importance for social and economic development can be noted.

As a result of the above, opportunities for civilization development of rural areas have improved. Thanks to the improvement of accessibility and quality of services provided in higher-rank centres and

reduction of commute time to bigger cities, a substantial development of residential function of the rural areas in Małopolska has occurred. Simultaneously marginalization of peripheral areas of the lowest transport accessibility and worst accessibility of public services has been stopped.

Improvement of living standard occurs as a result of increase of number of jobs outside agriculture – in consequence of better spatial and professional mobility conditions. In the areas characterized by productive potential, the competitiveness of farming is growing – mostly thanks to specialization and connection of agricultural production with availability and transfer of services. Thanks to high urban standards rationalization of public space's management has occurred. Settlement processes endangering the spatial order, such as sub-urbanization and dispersion of the building developments in the rural areas, are successfully regulated by integrated spatial planning.

Małopolska is a safe region, resistant to both individual and collective dangers.

As a result of rational and consistent healthcare and social policies, the residents of Małopolska live longer and more actively. Despite relatively favourable demographic situation, actions aimed at responding to the consequences of aging of population have been undertaken. Strategy of action based on the rule of solidarity of generations contributed to the development of care for both the youngest and the oldest residents of the region. Growing group of people in the retirement age is not treated as a burden but as an opportunity for the regional economy, considered to be a group of recipients of specialist health and care services. Thanks to that the residential function of Małopolska has been strengthened.

System of early warning against natural disasters has been developed in the region's area. Areas most endangered by occurrence of natural disasters – especially floods – have been secured. Extension of technical infrastructure along with spatial planning contributed to limiting of construction in the flood lands and changing of utilization's direction of these areas. After the completion of construction of reservoir on Skawa in Świnna Poręba planned for the end of year 2013, the flood danger in Upper Vistula basin will be substantially reduced. Impact of the industrial production on the air and water quality has been limited to the acceptable minimum levels through successive implementation of the best practices and construction or modernization of heating and water and sewage systems. During the decade, level of use of renewable energy sources has grown substantially.

Development processes occurring in the regional space are supported by strategic intervention of regional authorities.

Efficiently working regional institutions create favourable conditions for release of economic potential and realization of individual development aspirations of residents. Thanks to consolidated practice of region's development management, based on intra-regional partnership, the level of social capital and citizens' activity in the region has improved substantially. So has the level of efficiency of seeking for key issues for Małopolska on national and European arena. Residents of Małopolska are actively involved in public affairs and proud of their regional identity, while Małopolska is a substantial regional entity, the voice of which is being heard within and beyond country's borders.

Main Goal and Indicators of Achievements

Main goal of the development strategy of Małopolska indicates the general direction of action in realization of the region's vision that we wish to achieve in the perspective of year 2020.

Considering present and expected – future development position of Małopolska, we predict that this vision will be implemented throughout the **main goal**, that is:

MAIN GOAL

Effective use of regional opportunity potentials for economic development and increase of social and spatial coherence of Małopolska in regional, national and European dimension.

The catalogue of realization of the Strategy's main goal along with the base and target values is presented below. Values of the indicators for Małopolska are presented on the background of those values for Poland and European Union and on the comparative background of selected Polish and European regions.

Indicators of the main goal's accomplishment³¹

INDICATOR	SOURCE	BASE VALUE				TARGET VALUE 2020		
		SELECTED REGIONS	POLAND	SELECTED EU REGIONS	UE 27	MAŁOPOLSKA LEVEL	MAŁOPOLSKA CHANGE	
GDP in PPS per capita (%) UE27=100	Eurostat (2008)	Wielkopolskie: 58.6 Pomorskie: 53.4 Dolnośląskie: 60.6 Łódzkie: 52.2	56.2	Thüringen (Germany): 84.1 Rhone-Alpes (France): 106.8 Jihovýchod (Czech Republic): 73.3 Itä-Suomi (Finland): 88.8 Småland med öarna (Sweden): 110.4	100.0	48.6	63.0	+14.4
		Wielkopolskie: 7.5 Pomorskie: 6.4 Dolnośląskie: 10.1 Łódzkie: 7.6	8.2	Thüringen (Germany): 10.6 / 7.5 Rhone-Alpes (France): 8.7 / 9.5 Jihovýchod (Czech Republic): 5.6 / 6.7 Itä-Suomi (Finland): 10.9 / 8.2 Småland med öarna (Sweden): 8.1 / 8.4	8.9	8.0	5.9	-2.1
Unemployment rate (%, according to LFS) data for EU regions in cross section: region / country	Eurostat (2009)	Wielkopolskie: 17.5 Pomorskie: 21.2 Dolnośląskie: 19.8 Łódzkie: 20.2	21.2	Thüringen (Germany): 27.9 / 26.4 Rhone-Alpes (France): 28.6 / 28.7 Jihovýchod (Czech Republic): 16.9 / 15.5 Itä-Suomi (Finland): 31.3 / 37.3 Småland med öarna (Sweden): 26.3 / 33.0	25.2	21.7	23.5	+ 1.8
		Wielkopolskie: 79.9 / 71.7 Pomorskie: 80.0 / 72.1 Dolnośląskie: 79.2 / 70.5 Łódzkie: 78.9 / 69.1	80.0	Thüringen (Niemcy): 82.3 / 76.3 • 82.7 / 77.6 Rhone-Alpes (Francja): 85.6 / 79.0 • 84.8 / 77.6 Jihovýchod (Czechy): 81.5 / 74.7 • 80.5 / 74.1 Itä-Suomi (Finlandia): 82.7 / 75.0 • 83.3 / 76.5 Småland med öarna (Szwecja): 83.5 / 79.6 • 83.3 / 79.2	82.2	80.9	84.7	+ 3.8
Average further life of women/men data for EU regions in cross section: region / country	Eurostat (2008)	Wielkopolskie: 16.6 / 35.1 / 48.3 Pomorskie: 7.4 / 33.6 / 59.0 Dolnośląskie: 7.3 / 35.2 / 57.5 Łódzkie: 12.9 / 33.4 / 53.7	13.2	Thüringen (Germany): 2.2 / 32.7 / 65.1 • 1.7 / 28.7 / 69.6 Rhone-Alpes (France): 1.7 / 26.7 / 71.6 • 2.9 / 23.5 / 73.6 Jihovýchod (Czech Republic): 4.6 / 39.3 / 56.1 • 3.1 / 38.6 / 58.3 Itä-Suomi (Finland): 9.4 / 21.6 / 69.0 • 4.6 / 23.8 / 71.6 Småland med öarna (Sweden): 4.4 / 27.1 / 68.5 • 2.2 / 20.1 / 77.7	5.6	15.4	8.1	-7.3
		Wielkopolskie: 12.9 / 33.4 / 53.7 Pomorskie: 7.4 / 33.6 / 59.0 Dolnośląskie: 7.3 / 35.2 / 57.5 Łódzkie: 12.9 / 33.4 / 53.7	31.2	Thüringen (Germany): 2.2 / 32.7 / 65.1 • 1.7 / 28.7 / 69.6 Rhone-Alpes (France): 1.7 / 26.7 / 71.6 • 2.9 / 23.5 / 73.6 Jihovýchod (Czech Republic): 4.6 / 39.3 / 56.1 • 3.1 / 38.6 / 58.3 Itä-Suomi (Finland): 9.4 / 21.6 / 69.0 • 4.6 / 23.8 / 71.6 Småland med öarna (Sweden): 4.4 / 27.1 / 68.5 • 2.2 / 20.1 / 77.7	27.7	30.3	30.8	+ 0.5
Structure of workforce by the economic sectors (%): - agriculture, - industry, including construction, -services data for EU regions in cross section: region / country	Eurostat (2009)	Wielkopolskie: 12.9 / 33.4 / 53.7 Pomorskie: 7.4 / 33.6 / 59.0 Dolnośląskie: 7.3 / 35.2 / 57.5 Łódzkie: 12.9 / 33.4 / 53.7	55.6	Thüringen (Germany): 2.2 / 32.7 / 65.1 • 1.7 / 28.7 / 69.6 Rhone-Alpes (France): 1.7 / 26.7 / 71.6 • 2.9 / 23.5 / 73.6 Jihovýchod (Czech Republic): 4.6 / 39.3 / 56.1 • 3.1 / 38.6 / 58.3 Itä-Suomi (Finland): 9.4 / 21.6 / 69.0 • 4.6 / 23.8 / 71.6 Småland med öarna (Sweden): 4.4 / 27.1 / 68.5 • 2.2 / 20.1 / 77.7	(2007)	54.3	61.1	+ 6.8
		Wielkopolskie: 12.9 / 33.4 / 53.7 Pomorskie: 7.4 / 33.6 / 59.0 Dolnośląskie: 7.3 / 35.2 / 57.5 Łódzkie: 12.9 / 33.4 / 53.7	55.6	Thüringen (Germany): 2.2 / 32.7 / 65.1 • 1.7 / 28.7 / 69.6 Rhone-Alpes (France): 1.7 / 26.7 / 71.6 • 2.9 / 23.5 / 73.6 Jihovýchod (Czech Republic): 4.6 / 39.3 / 56.1 • 3.1 / 38.6 / 58.3 Itä-Suomi (Finland): 9.4 / 21.6 / 69.0 • 4.6 / 23.8 / 71.6 Småland med öarna (Sweden): 4.4 / 27.1 / 68.5 • 2.2 / 20.1 / 77.7	(2007)	54.3	61.1	+ 6.8

³¹ With exception of indicators related to: GDP and structure of workforce, target values of the indicators presented in the table have been estimated in the framework of the project: Weryfikacja i ocena doboru wskaźników monitorowania dla projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020 wraz z rekomendacjami dotyczącymi zmian w tym zakresie (Komponent 1) oraz analiza i dobór wartości bazowych wskaźników monitorowania wraz z prognozą ich wartości docelowych (Komponent 2). [Verification and evaluation of choice of monitoring indicators for Project of Development Strategy of the Małopolska Region for years 2011-2020 along with recommendations related to changes in this scope (Component 1) and analysis and choice of base values of monitoring indicators with prognosis of their target values (Component 2)]. Wrocław Regional Development Agency, Wrocław 2010. Target value of the indicators related to: GDP and structure of workforce have been estimated based on: Ex-ante evaluation of Development Strategy of the Małopolska Region for years 2011-2020 project, Institute for Structural Research, Warsaw 2011.

Areas of Development Policy

For the realization of the main goal of "Małopolska 2020" Strategy, public policies based on **seven fundamental areas of the region's self government's actions i.e. areas of development policy** will be implemented. In regards to the construction of The Małopolska Region Development Strategy for 2007-2013, an updated structure of intervention areas includes especially the new areas of development policy of the region, as well as new directions and methods of action in the current areas.

For every of the seven areas of the development policy, the **strategic objective** has been formulated, being the description of the desirable directions of change or the target state and position of the region in perspective of year 2020.

Strategic objectives of the individual areas are matched by measure of success – in form of measurable **indicators of achievements**. It is assumed that the measurement of success of Strategy's realization will be the achievement level of beneficial changes registered by measurable and available indicators, which describe expected in the long-term horizon long-lasting effects of the interventions supporting the region's development. In result, each of the strategic objectives has been described by the indicators of achievements, for which the base and target values – in the comparative perspective i.e. on the background of Poland and selected regions – have been defined.

Each of the strategic objectives in the framework of the areas will be implemented by distinguishing of the **development policy directions**, composed of catalogue of actions which will constitute the fundamental point of reference for creating or actualizing the priorities of the regional field strategies and regional programmes and plans of region's development – in perspective accepted as a time horizon for realization of the Strategy.

In relations to each of the policy directions the **strategy of action** has been formulated, determining the desirable target state for it, and also demonstrating the factors beneficial and limiting the possibilities of accomplishment of the change being a consequence of the strategic objective's realization. The strategy of action determines also the scope in which the interventions and goals undertaken in the regional level will support realization of the strategic objectives in national and European dimensions.

Actions determined for individual policy directions will be the basic point of reference for concentration of programme, financial and organization activities of the region's self-government in the horizon of the coming decade.

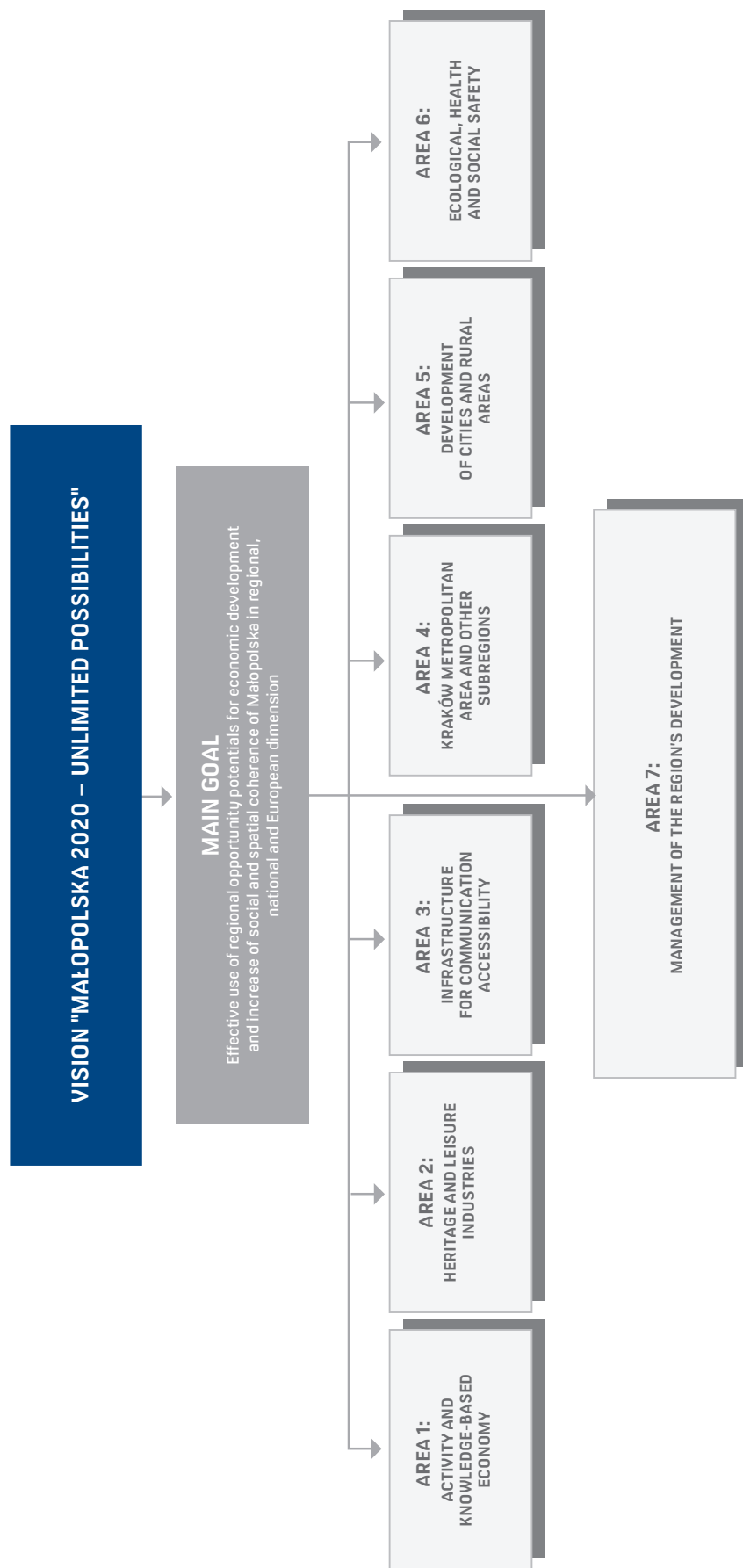


Figure 4. The structure of "Małopolska 2020" Strategy.

AREA 1

ACTIVITY AND KNOWLEDGE-BASED ECONOMY

Strategic Objective

Strong position of Małopolska as a region attractive for investment, based on knowledge, professional activity and entrepreneurship of its residents.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOŚLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Share of children age 3-5 included in pre-school education (pre-schools, pre-school points and centre) in this age group, divided for urbanized and non-urbanized areas by the criterion of density of population (150ppl./km ²)	CSO (2009)	60%	48%	57%	55%	54.3%	53%	85%
		76%	61%	70%	70%	-	61%	85%
		46%	30%	39%	33%	-	35%	85%
Graduates of higher education facilities with math, natural science and technical majors (% of general universities and colleges graduates)	CSO (2009)	15.1	17.3	21.4	15.2	17.3	21.7	24.8
Total expenditures for R&D in relation to GDP, including those incurred by: – enterprise sector	CSO (2008)	0.52%	0.57%	0.44%	0.54%	0.60%	0.95%	1.83%
		0.13%	0.25%	0.16%	0.10%	0.19%	0.28%	0.71%
Number of enterprises (running a business activity) with number of employees up to 9 people per 1000 residents	CSO (2009)	49.9	49.7	45.3	42.4	43.7	44.5	56.9
Professional activity rate of people in the working age	CSO (2009)	71.6	68.6	70.4	72.3	70.9	71.5	68.9

DIRECTIONS OF DEVELOPMENT POLICY

1.1. Development of Intellectual Capital

Strategy of Action:

In a dynamically changing economic reality, the role of traditional sectors is diminishing to the benefit of new sectors of regional opportunity. This process has to be accompanied by change in perceiving of skills, competences and knowledge in context of building the region's economic advantage. Because of the current position and resources, Małopolska can be viewed as not only "services" region, attractive leisure place, but also "creative" region, rich in intellectual capital, creating favourable conditions for progress in creative and innovative environment. Development of creativity potential will be achieved through creation of conditions enabling identification and shaping of talents. Because of that, the correct realization through education system and its basic functions – egalitarian i.e. assuring availability of early education essential for the appropriate development of skills and competences, and the elite one i.e. improving the quality of education conditioning shaping of talents – is becoming especially important.

Right utilization of intellectual capital also means supporting the conditions for new dimension of social mobility. Transformations on the labour market along with simultaneous increase of demographical changes causes the life cycle to become to the great extent determined by cycles of professional activity, in which the adaptation related to openness for constant learning and perfecting one's skills becomes a basic characteristic. Action strategy in this scope will support actions leading to increase of the percentage of adult residents of Małopolska participating in various forms of continuing education. Current level both in the region and the whole nation presents itself unfavourable with comparison to the European Union's countries. Shaping of lifelong learning culture will be based on promotion of abilities necessary for gaining knowledge and improving availability and attractiveness of the education offer. On this background it is, first of all, necessary to broaden the adult education system with other than formal paths of education and to direct the conducted education to provide practical skills. Development of new education forms will without a doubt become more important in the upcoming years, also thanks to new possibilities connected to digitalization and development of advanced telematic technologies.

Key Actions:

- 1.1.1. Implementing the mechanisms of discovering, shaping and supporting talents:
 - broadening of the education offer for school-age children and youth, with special consideration for teaching the key competences, i.e.
 - language skills,
 - math and basic science and technical skills,
 - computer skills,
 - learning skills,
 - social and civil skills,
 - initiative and entrepreneurship skills,
 - cultural awareness and expression,

- improvement of quality and availability of services in terms of elementary education, provided by centres of pre-school education and in other forms.
 - implementation of programmes directed at identification and development of pupils students' individual skills,
 - support for the talented youth through a system of scholarships and prizes,
 - support for young scholars and authors through creation of conditions favourable for improvement of their technique, implementation of effective scholarship system and support for research and creative projects.
- 1.1.2.** Shaping and promoting the attitudes related to lifelong education and taking advantage of continuing education.
- 1.1.3.** Infrastructure modernization and development as well as improving the quality and accessibility of services provided by continuing education centres (supra-local and regional ones).
- 1.1.4.** Developing the offer in terms of services regarding raising and changing qualifications at different stages of life – in connection with the needs of the regional labour market.
- 1.1.5.** Implementing a formal system of recognizing and confirming key competences and skills acquired informally, including connecting of adult education with the European standards of acquiring qualifications.
- 1.1.6.** Implementing system solutions and mechanisms enabling to conduct and take advantage of distance learning.
- 1.1.7.** Implementing system solutions increasing the level of participation of the elderly people in the continuing education system, including financial instruments for supporting universities of the third age.

1.2. Building the Infrastructure of the Region of Knowledge

Strategy of Action:

In a long-term perspective improving or at least maintaining of the current speed of development will not be possible without implementation of strategic policy of building the knowledge region infrastructure, which is the next pillar of knowledge-based economy.

Currently in Małopolska the quantitatively developed network of institutions in the R&D field is already functioning. However, qualitative improvement of functioning of those institutions requires a further, consistent development of broadly defined infrastructure, including both the traditional base of technology and industry parks and the technology incubators, as well as instruments of financial support of the innovative policy. In development of innovative branches of economy, technological clusters and parks will play an important role. It is typical for such networks and centres, that the enterprises located within them compete with each other, but also cooperate in the areas in which it is possible to have the synergy effect. It refers to conducting joint research-development works, diffusion of *know-how*, personnel transfers, concentration of resources, openness to innovation, attraction of new resources and enterprises, as well as risk reduction. Important success factors in this area will be interest and possibility of transfer and absorption of knowledge, as well as ensuring the proper supply of human resources – among others – thanks to attraction and concentration of the so-called creative class in the region. An important element of the action strategy will be also creation of favourable conditions for

greater concentration of foreign capital in sectors of advanced technologies. Currently, with relatively big number of companies with foreign capital investing in the region, their capital concentrates mostly in the sectors of medium and low technologies.

Action strategy's goal, directed at strengthening of Małopolska's position as a Knowledge Region, will be the optimal utilization of economic and scientific potential of the region and its inclusion in the European research space. Especially important for achieving it will be the improvement of availability of financing of the innovative entrepreneurship – among others – through developing of networks of co-operation on the regional plane between the investors and entrepreneurs looking for sources of financing of their businesses. Ultimately, the above actions should lead to better commercialization of research and change in the awareness and attitudes – in direction which recognizes the innovativeness as a strategic choice and not just a current need.

Key Actions:

- 1.2.1. Supporting the development of the business incubators as well as industrial and technology parks, functioning in the area of modern technologies.
- 1.2.2. Developing instruments of financial support for innovative undertakings: *venture capital* funds, seed funds, angel investor networks.
- 1.2.3. Building the network co-operation of technology transfer centres on the basis of integrated system of information management.
- 1.2.4. Implementing the system of incentives for academic entrepreneurship (*spin-off* and *spin-out* types).
- 1.2.5. Creating infrastructure conditions for the enterprises dealing with creative activity:
 - support for centres working on developing projects, design and development of creative products,
 - creation of regional centre of creative products and services, with participation of subjects working in the creative fields in the region's key areas of focus.
- 1.2.6. Supporting actions aimed at implementing and popularizing modern ICT technologies.

1.3. Comprehensive Support for Modern Technologies

Strategy of Action:

Third segment of the action strategy directed at building the position of Małopolska as a Knowledge Region will be creation of conditions favourable for development in those areas of modern technologies in case of which the existing potential and market demand give a base for creation of technological specialization of Małopolska in comparison with the country as a whole and Europe. Actions in this scope will be based on the appropriate orientation of the education process and stimulation of attitudes towards better activity and openness for co-operation in the space of knowledge and creativity – through:

- education and appropriate management of personnel of the regional knowledge-based economy,
- creation of internal system of innovation and high technologies support,

- creation of plane of dialog and co-operation between main participants of the system: research centres, universities, regional and local authorities, development agencies, local enterprises, capital and financial institutions as well as links acting as a go-between in transfer and commercialization of technologies.

Self-government's policy in this area will focus on implementation of mechanisms preferring development of technologies the potential of which indicates that in the future they can determine the specialization of Małopolska. Realizing the new perspective in the region, solutions conditioning the appropriate development path of 10 key technologies classified in 3 areas will be implemented:

- in the area of safety and comfort of living: energetically self-sufficient construction, clean energy technologies as well as material engineering and nanotechnology for special use,
- in the area of medicine and health: tissue engineering, drugs and technologies locally destroying cancer, monitoring and control of medical conditions and streamlining of the healing process based on the data analysis,
- in the area of information and visualization: touchless computer interface, intelligent systems and universal access to information.

Realization of the regional strategy of "intelligent specialization" will be based on attracting solutions important for the society and business in the region, but also on the export of technologies generated in Małopolska. As a result, the region's policy will be based on comprehensive approach: from education of personnel through research-implementation activity to creation of incentives system for strengthening of co-operation of key participants in the regional innovations system. Supporting role will be played by currently shaped region's economic brand, developed thanks to the activity of the leading institutions supporting region's economic development.

Key Actions:

- 1.3.1. Extending the range and quality of education of modern economy personnel in the framework of directions that are a priority for the region's development, including those related to technologies crucial for the regional specialization.
- 1.3.2. Development of scholarship system in connection with applied research.
- 1.3.3. Supporting the research activity oriented towards implementation goals, commercialization and patent protection.
- 1.3.4. Implementing mechanisms that stimulate the co-operation between enterprises, R&D units and universities in terms of innovations and new technologies' transfer and absorption.
- 1.3.5. Supporting actions related to the practical application of key technologies, determining the region's specialization.
- 1.3.6. Implementing mechanisms of financial and consultative support for the purpose of identifying, distributing and commercializing the Małopolska products and creative services.
- 1.3.7. Active external promotion of Małopolska as the region of knowledge and creativity.

1.4. Development of Professional Education and Support for Employment

Strategy of Action:

Action strategy in the area of professional activity and labour market development will be based on actions leading to modernization and development of professional education and growth in the employment rate.

Essential element of the action strategy will be strengthening of relations and co-operation between schools and work environment in order to ensure possibility of practical education and professional training. To achieve that, the investment in professional development of teachers-practitioners, technical and didactic upgrading of schools and centres as well as popularization and implementation of good European practices must be implemented. Actions in this scope will answer the need of professional education system in a way leading to the situation of students leaving the school being appropriately trained for employment or further education.

Guaranteeing of common access to high quality professional education, oriented on its practical dimension will directly correspond to the changing requirements of the labour market and need of creation of effective system of moving from education to professional activity.

Key Actions:

- 1.4.1. Development of education offer and quality of professional education on secondary and higher level – including the needs of the regional labour market.
- 1.4.2. Modernization and development of schools and education institutions' infrastructure, with particular focus on didactic and ICT base for vocational education.
- 1.4.3. System personnel support for vocational education's development.
- 1.4.4. Implementing mechanisms intended for vocational education.
- 1.4.5. Improving the quality and efficiency of services in terms of planning and developing professional career and supporting the employment.

1.5. Strengthening and Promoting of Entrepreneurship

Strategy of Action:

Regional labour market's development will be accompanied by the improvement of conditions for development of Małopolska's entrepreneurship. Action strategy in this scope will be used for creation of entrepreneurial aspirations and attitudes among the region's residents, basing on their – currently high – level of economic activity.

Regional model of supporting entrepreneurship will be based on one hand on broad and easily accessible repayable instruments offer, and on the other, on active and consistent with entrepreneur's real requirements – activities of business environment institutions. Actions related to that will be consistent with the diagnosed situation, in which the above-average density of business environment network, offering services for SME sector, is not accompanied

by coordination of these institutions' actions. As a result their offer is often not adjusted to the entrepreneurs' needs.

In the upcoming years, the co-operation connections, understood as formal centres of cluster type and cluster initiatives will become an attractive formula for entrepreneurs' co-operation. The abovementioned formula is already in the area of interest and planned support of the regional cluster development policy. The goal of the action strategy in this scope will then be the strengthening of competitiveness of small and medium enterprises through stimulation of co-operation between subjects in the framework of the defined sector.

Strengthening of entrepreneurship will also be reinforced by the system of effective incentives for conducting business activity. Public support will be used for broadening of their market, getting access to new technological solutions and more effective utilization of resources.

Actions leading to strengthening of social capital, which should be treated as an important pro-development resource especially in the process of construction of network relations in the economic space, will be an important element of the action strategy. High level of social capital is a condition necessary for development of modern regional economy based on co-operation and partnership of institutions in the framework of public sector and in relations of public administration with the private and social sectors. Building social capital will be perceived in categories of investment in the basis of the region's economic development.

In the framework of strengthening the region's economic attractiveness, a coordinated system of professional support for investors – both the ones already conducting business in the region and those interested in starting it – will be implemented. Promotion of entrepreneurship and development of inter-sector partnership for education and promotion of corporate social responsibility will be an important element of the actions in this framework.

Key Actions:

- 1.5.1. Developing the offer and improving the accessibility of repayable financial instruments of the enterprises' activity, including loan funds and guarantee funds.
- 1.5.2. Strengthening the potential and developing the business environment's institutions.
- 1.5.3. Supporting actions strengthening the development of social entrepreneurship.
- 1.5.4. Implementing the efficient model of supporting the co-operation connections, including clusters.
- 1.5.5. Developing the regional system of serving the investments and entrepreneurship's promotion.
- 1.5.6. Promoting the corporate social responsibility.

In the European dimension, interventions included in the **Area 1**. will support realization of **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020** in the scope of:

- Priority 1. *Smart growth developing an economy based on knowledge and innovation.*
- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 1**. remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 1. *Support for the competitive growth of the regions.*

AREA 2

HERITAGE AND LEISURE INDUSTRIES

Strategic Objective

High attractiveness level of Małopolska in the area of leisure industries thanks to utilization of regional heritage and cultural potential.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOSŁĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA	
Employed (actual workplaces) according to sections, PKD 2007 Section I (Business related to accommodation and gastronomy services)	CSO (2009)	11,732	8,561	12,029	7,277	140,399	18,319	24,066	
Those using the accommodation in the tourist facilities of group accommodation (in thousands of people):	CSO (2009),	1,457.3	1,610.7	1,802.4	923.7	19,353.7	2,720.6	3,793.7	
	data for Kraków: research by MOT (2009)	243.5	254.7	365.2	115.5	3,861.9	810.5	1,376.8	
Those using the cultural facilities:	CSO (2009)	• public libraries (readers per 1,000 residents),	163	140	178	164	172	203	192
		• theatres (spectators per 1,000 residents),	203	344	292	208	301	340	423
		• cinemas (spectators per 1,000 residents),	1,002	1,284	1,129	855	1,022	1,081	1,277
		• museums (visitors per 1,000 residents)	326	805	461.8	275	556.6	1,832	3,167
Gross added value according to section PKD 2004 Section H Hotels and restaurants (in millions of PLN)	CSO (2008)	1,182	764	1,071	781	13,485	1,422	1,829.3	

DIRECTIONS OF DEVELOPMENT POLICY

2.1. Protection of Małopolska's Cultural Space

Strategy of Action:

The result of planned and implemented actions will be the transition from the passive protection based mostly on conservation actions, to effective and rational management of culture as well as cultural and natural heritage. It is then necessary to take up actions, the main objective of which will be not only comprehensive protection and sustaining of cultural heritage resources but also generating the impulses for its further development. Actions understood as such, should be the base of modern management of the culture model, which will allow full utilization of natural and cultural advantages of Małopolska. In order to achieve this objective, it is crucial to implement mechanisms including the cultural heritage in the economy cycle preserving at the same time the priority role of the regional heritage. Furthermore, new functionalities of the monuments must be added through determination and dissemination of modern "monument use" model. It should be done simultaneously with exhibiting their authenticity. Such model will connect the monument's protection, greater availability and search for new forms of care, as well as create conditions favourable for the development of leisure industry's sector.

Key Actions:

Actions undertaken in the scope of regional culture and natural heritage protection and landscape development:

- 2.1.1. Creating sustainable cultural landscape.
- 2.1.2. Improving the monuments' condition and manner of use, as well and counteracting the process of their degradation.
- 2.1.3. Protecting and creating the buildings of historic cities and towns.
- 2.1.4. Protecting the traditional regional buildings and rural landscape systems.
- 2.1.5. Preventing the degradation of valuable cultural landscapes and the devastation of monuments and their environment.
- 2.1.6. Comprehensive regeneration of degraded areas.
- 2.1.7. Preservation and revaluation of the cultural heritage, including restoration of value of the damaged objects and new determination of monumental value of individual objects designated for unconditional preservation.
- 2.1.8. Preserving multicultural wealth as well as local and regional identity, especially by supporting the folklore and folk tradition and art.
- 2.1.9. Functional management of culture and cultural heritage, including the development of the partnership of public, non-government and private sector.
- 2.1.10. Research and documentation of the regional cultural heritage.
- 2.1.11. Improving the functioning of institutions protecting the monuments.
- 2.1.12. Implementing the mechanisms incorporating the heritage value into the market.
- 2.1.13. Preventing the degradation and protecting the resources of the region's natural heritage.
- 2.1.14. Creating a system and procedures for natural heritage management.

- 2.1.15. Integrated protection of cultural landscape and the environment, especially in terms of high aesthetic level of the environment and spatial order.

2.2. Sustainable Development of Infrastructure and Commercialization of Leisure Services

Strategy of Action:

Appropriate use of resources of regional heritage, both cultural and natural, is a prerequisite for strengthening the region's external competitiveness and improvement of its attractiveness as a place of residence and leisure. With the full exploitation of regional heritage and culture's potential, it will be possible to provide a high share of leisure industries in the economic development of the region.

Sustainable and comprehensive development of tourism in Małopolska – in the era of almost universal access to tourism services and the increasing role of this domain as a branch of the economy – is an extremely important task due to the economic development of the region. Therefore, its implementation requires the creation of competitive advantage through the development and diversification of the offer based on the full range of Małopolska tourism products creating not only an opportunity to practice various forms of tourism, but also using specific values of the various parts of the region. Therefore, the strategy of action should lead to the distribution of tourism in the region, whilst concentrating support for the use of the potentials of the places of most valuable qualities, with the largest share in the generation of income from tourist services.

Actions undertaken in the framework of policy realization will be focused on infrastructure development – in conjunction with the standardization, categorization, and commercialization of services including the creation and effective use of regional products.

Supported actions in the framework of direction should directly contribute to:

- increasing the attractiveness of the region;
- increasing the residential potential of Małopolska;
- effective use of existing and proposed infrastructure – by providing its multifunctional nature, e.g. in water reservoirs or running trails.

Key Actions:

In the framework of policy direction actions related to the development of tourism trends, determining the competitive advantage of Małopolska will be supported in particular:

- 2.2.1. Urban and cultural tourism.
- 2.2.2. Pilgrimage tourism.
- 2.2.3. Active, recreational and specialist tourism.
- 2.2.4. Spa and pro-health tourism.
- 2.2.5. Tourism on rural areas.
- 2.2.6. Business tourism.
- 2.2.7. Cross-border tourism.

2.3. Training of Personnel for the Leisure Industries' Development and Service

Strategy of Action:

In order to actively support the development of leisure sector, it will be necessary to stimulate the activity of residents for the full and effective use of the potential of culture sector and creation of tourist offer that will contribute to the growth of entrepreneurship and the strengthening of social capital in Małopolska. Actions undertaken in this regard should focus on dissemination and professionalization of education in the field of broadly defined culture, cultural heritage and tourist services. An important element of action strategy will also be mobilizing activity of Małopolska residents in the area of physical culture, sport and recreation. This area requires intensive efforts to create optimal conditions for the development of various forms of sport and physical activity.

Key Actions:

- 2.3.1.** Development of personnel's education and training in the area of:
- tourism service,
 - developing and popularizing physical culture, sport and recreation,
 - cultural industries, cultural animation and management of culture and cultural heritage,
 - "dying professions".
- 2.3.2.** Forming and developing of attitudes and competences in terms of:
- culture, including reception of art, by school and non-school education and art projects, as well as increasing accessibility to the high-quality cultural offer,
 - popularizing physical culture among children and youth.
- 2.3.3.** Implementing mechanisms of support for the development and popularization of "dying professions".

2.4. Strengthening the Promotion of Regional Heritage and the Offer of Leisure Industries

Strategy of Action:

Redefinition of culture's place in the strategy for Małopolska leads to deposition of the sector in the wake of the major areas of critical competitive advantage in the region. This implies the need for a more dynamic and modern approach to creating the offer of cultural industries, including high culture. In this way it will be possible to increase the visibility of the region as culturally diverse place, with a rich tradition and a strong identity, yet modern and open in the social and cultural dimension.

In this context, the need for the dynamic development of pilgrimage tourism becomes particularly important. Exploitation of potential of many places associated with the Blessed John Paul II, as well as centres of worship such as Kraków, Wadowice, or Łagiewniki allows not only to diversify the tourist offer of Małopolska, but – above all – contributes to increasing the number of arriving tourists and pilgrims.

A crucial task will be to strengthen public awareness in terms of the importance of harmonious cultural landscape shaping. Civic education will focus on building appropriate social attitudes towards cultural heritage due to its importance for future generations, but also its economic aspect.

It is necessary to strengthen the position of Małopolska as a regional capital of sporting events, especially winter sports. A positive consequence of this will be both further popularization of sport among Małopolska residents and external promotion of the unique qualities of the region, as well as creation the necessary facilities to serve as an arena of national and international competitions.

Better use – currently too weak – of co-operation between public sector entities, NGO and private sectors will also be essential. Implemented actions should lead to implementation of effective mechanisms especially in the field of education, promotion and development of habits and needs related to the regional heritage, environment's aesthetics as well as spatial order.

Key Actions:

- 2.4.1. Initiating and supporting actions targeted at raising social awareness and sensitivity in terms of natural and cultural heritage (monuments and contemporary culture's objects), as well as undertaking actions in order to improve the aesthetic level of the environment and spatial order.
- 2.4.2. Promotion for the benefit of protecting and exploiting the regional heritage for the region's economic development and for eliciting users to invest into own real estates and to adopt them to new functions.
- 2.4.3. Active and efficient promotion as well as supporting the regional offer of the leisure industries, especially brand tourist products and cultural events, including artistic and creative ones.
- 2.4.4. Increasing the level of social participation in the culture and active forms of spending leisure by promoting and providing information about cultural offer, and guaranteeing its accessibility and diversity.
- 2.4.5. Intensifying of co-operation between the entities of public, non-government and private sector in terms of education, promotion and improving awareness and civic attitudes in relation to the regional heritage.

In the European dimension, the interventions included in the **Area 2**. will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 1. *Smart growth: developing an economy based on knowledge and innovation.*
- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*

In the national dimension, the strategic objective of the **Area 2**. remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 1. *Support for the competitive growth of the regions.*

AREA 3

INFRASTRUCTURE FOR COMMUNICATION ACCESSIBILITY

Strategic Objective

High external and internal communication accessibility of the region for economic competitiveness and spatial coherence.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOSŁĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA	
Number of city public transport passengers (in millions of people): <ul style="list-style-type: none"> • Kraków • Tarnów • Nowy Sącz 	CSO (2009)								
	MPK (Tarnów, Nowy Sącz) (2009)	Poznań 220	Gdańsk 323.3	Wrocław 386	Łódź 189.9	3,779	338	352.08	
							12,529	14.7 15,750 14.174	
Number of passengers in regional transport (in millions of people): <ul style="list-style-type: none"> • Railway transport • Bus and coach transport (without the city public transport) • city public transport 	PKP (2005)	21.75	50,605	13,339	8,785	243,439	11,768	12,863	
	CSO (2009)	45,778	36,817	59,131	34,141	612,875	32,887	23,613	
		270	291	230	192	3,779	371	619,200	
Share of region's residents with commuting time: - 60 minutes - 90 minutes - 120 minutes to Kraków (not including the city of Kraków's residents) <ul style="list-style-type: none"> • Road accessibility • Railway accessibility 	UMWM (2011)							42.0	48.8
								63.8	83.9
								91.2	99.3
								18.1	29.3
								33.8	38.1
						46.1	52.1		

INDICATOR'S NAME	SOURCE	BASE VALUE:					BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
		WIELKOPOLSKIE	POMORSKIE	DOLNOŚLĄSKIE	ŁÓDZKIE				
Share of region's residents with commuting time: - 60 minutes - 90 minutes - 120 minutes to Tarnów (not including the city of Tarnów's residents) • Road accessibility • Railway accessibility	UMWM (2011)							13.5	22.7
								29.6	83.6
								75.0	98.2
								9.8	33.3
								35.6	45.6
Share of region's residents with commuting time: - 60 minutes - 90 minutes - 120 minutes to Nowy Sącz (not including the city of Nowy Sącz's residents) • Road accessibility • Railway accessibility	UMWM (2011)							14.1	19.9
								34.2	72.4
								74.3	97.6
								4.3	4.5
								8.1	8.3
Share of region's residents with commuting time: - 60 minutes - 90 minutes - 120 minutes commute to Nowy Targ (not including the city of Nowy Targ's residents) • Road accessibility • Railway accessibility	UMWM (2011)							12.1	14.3
								54.8	64.4
								80.6	93.9
								3.8	3.8
								5.6	5.7
Share of region's residents with commuting time: - 60 minutes - 90 minutes - 120 minutes commute to Trzebinia (not including the city of Trzebinia's residents) • Road accessibility • Railway accessibility	UMWM (2011)							49.3	52.9
								65.3	74.0
								82.3	94.7
								29.9	36.4
								36.6	48.4
Mutual railway accessibility Kraków and Katowice	IGiPZ (2008)							82	44
Mutual railway accessibility Kraków and Warsaw	IGiPZ (2008)							180	116,6
Passenger traffic at Kraków – Balice International Airport (in millions of people)	ULC (2010)	Poznań-Ławica 1,384	Gdańsk-Rębiechowo 2,210	Wrocław-Strachowice 1,598	Łódź-Lublinek 0,413	20,469	2,839	5,769	

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOSLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Share of enterprises:	CSO	95.0	96.5	96.1	96.6	95.8	95.7	99
• with Internet access	(2010)	68.4	70.6	73.1	66.1	69.0	68.0	99
• with broadband Internet access								
Share of households:	CSO	59.4	64.3	59.3	52.3	59.6	63.6	90
• with Internet access	(2010)	49.3	35.6	44.2	33.1	43.3	40.4	90
• with broadband Internet access								

DIRECTIONS OF DEVELOPMENT POLICY

3.1. Kraków as a Modern International Transport Network Node

Strategy of Action:

The development of Kraków, as an international transport network node means in particular the necessity of ensuring access to high-speed rail allowing for prominent shortening of travel times between many region cities in Poland, and in future also shortening the distance to European cities. In the longer-term perspective, this means building the capacity of the region to intensify international exchange, in conjunction with a direct presence in the international sphere. An important aspect of the external accessibility of Kraków and the region is also the immediate vicinity of major traffic routes, including international routes of TEN-T network – not only on the east-west but also north-south axis. Raising the standard of national road no. 7 to the standard of the expressway and its inclusion in the course to the south of Warsaw to the TEN-T network will not only improve the inter-regional connections, but primarily will have positive impact on the transit traffic in Małopolska Region by reducing travel times, improving traffic flow and its average speed. The result will be creation of a coherent sequence of traffic route on the north-south line that runs through the territory of five regions, linking the Baltic ports with foothill areas and border crossing with Slovakia, thus opening the way to the south of Europe and in the north to the Scandinavian countries, Baltic countries and Kaliningrad Oblast. An important element of the network of transport connections, improving traffic between Małopolska and Śląskie Region should be the Beskidzka Droga Integracyjna (Beskidzka Integration Road).

Considering the importance of air transport as a factor stimulating economic development, it is necessary to systematically develop and expand the Kraków-Balice airport, to ultimately create a modern airport of European importance, connected to the external environment in the framework of efficient traffic system. Only under this condition, this transport will act as a catalyzing factor of development of the modern regional economy.

Key Actions:

- 3.1.1. Improving Kraków's railway accessibility in the regional, national and international dimension, including a new corridor of TEN-T railway network running through the territory of Kraków on north-south line, including the incorporation of high speeds in the railway network by prolonging or establishing a new railway line to Kraków in the framework of the Central Railway Main Line (CMK).
- 3.1.2. Continuation of the development of the John Paul II International Airport Kraków-Balice together with improvement of its transport accessibility.
- 3.1.3. Concentrating around Kraków the network of main road routes, including those of international importance and including the new corridor of the TEN-T road network (within the S7 national road) on north-south line.
- 3.1.4. Enhancing communication connections of the Kraków Metropolitan Area with the Upper Silesian Conurbation, based on coordinated and partner co-operation of the regional and municipal local governments in the area of development of integrated transportation system.
- 3.1.5. Development of integrated transport in the framework of Kraków agglomeration – agglomeration transport, created mainly on the basis of fast agglomeration railway, pre-subway trains/subway, fast tram.

3.2. Creation of Subregional Transport Nodes

Strategy of Action:

Raising of Kraków to the rank of a node of the international transport network will enhance its metropolitan functions, creating conditions for the use and development of processes generated by the rest of the region and by their spread through the developed system of subregional transport nodes. It should be emphasized that the development centres, operating at subregional level are the main centres of economic and social and cultural life in the region. Because of that they should also serve the function of centres that provide transmission of development impulses to the local level. To develop subregional transport nodes, effectively and efficiently distributing the communication in the area of its influence, on the basis of connections with Kraków, between themselves and with neighbouring regions (also located outside Polish borders), will create conditions for better use of local potentials and increasing the mobility of residents. This will be achieved through the elimination of spatial barriers in the choice of place of study, work or residence and improvement of territorial accessibility standards for public services. The main role of potential transport nodes of a subregional character will be played by: Tarnów, Nowy Sącz and Nowy Targ.

Construction of an effective system of connections between major economic centres of Małopolska is an important contribution to the creation of conditions for the construction of logistics centres and development of combined/intermodal transport, allowing more efficient use of available transportation resources, including river transport. The potential opportunity for the region are untapped possibilities also in the area of tourism, brought by development of inland waterway transport, based on the Małopolska region's Upper Vistula trail. Therefore, it is necessary to take measures aimed at revitalization of the functions – economic, social and environmental ones – of Vistula in Małopolska Region, including actions involving the modernization and expansion of canalized trail section of the Upper Vistula together with co-operation in the scope of its integration into the European waterway network.

Construction of efficient transport systems should take into account not only improvement of their quality and efficiency, but also environmental friendliness. This applies particularly in urban transport. Therefore, it becomes necessary to create conditions conducive to the use of environment friendly solutions in transport and to promote them.

Key Actions:

- 3.2.1. Creating the network of efficient railway and road connections around the region's main cities, as subregional transport nodes, favouring the development processes.
- 3.2.2. Creating efficient railway and road connections between subregional transport nodes, and increasing their external accessibility (including connections with the neighbouring regions) as well as the internal one, within the areas of their influence.
- 3.2.3. Construction of belt-ways/bypasses in the cities and towns affected by high nuisance of transit traffic.
- 3.2.4. Developing the network of local landing grounds, including "business airports".
- 3.2.5. Creating conditions for the development of logistics centres and combined/intermodal transport.
- 3.2.6. Re-creating and expanding the transportation functions of Małopolska's waterways, especially the Upper Vistula waterway.
- 3.2.7. Supporting conditions for the ecological transport development.

3.3. Increasing Transport Accessibility of the Region's Lowest Accessibility Areas

Strategy of Action:

In the perspective of year 2020 the strategy of action will support further road and rail investments, strengthened by system solutions in the field of transport organizations, that will substantially contribute to the improvement of internal accessibility of Małopolska. One of the biggest and most anticipated railway investments in Małopolska is construction of a new railway line Podłęże – Piekiełko along with modernization of existing lines Nowy Sącz – Muszyna (C30/1) – Polish-Slovak border and Piekiełko – Nowy Targ – Zakopane, allowing speed of at least 120 km/h.

Internal transport accessibility is based not only on the local and regional roads' network development and exploiting the potential of rail transport, but it also includes the development of a modern, efficient and passenger-friendly public transport including the use of intelligent management systems.

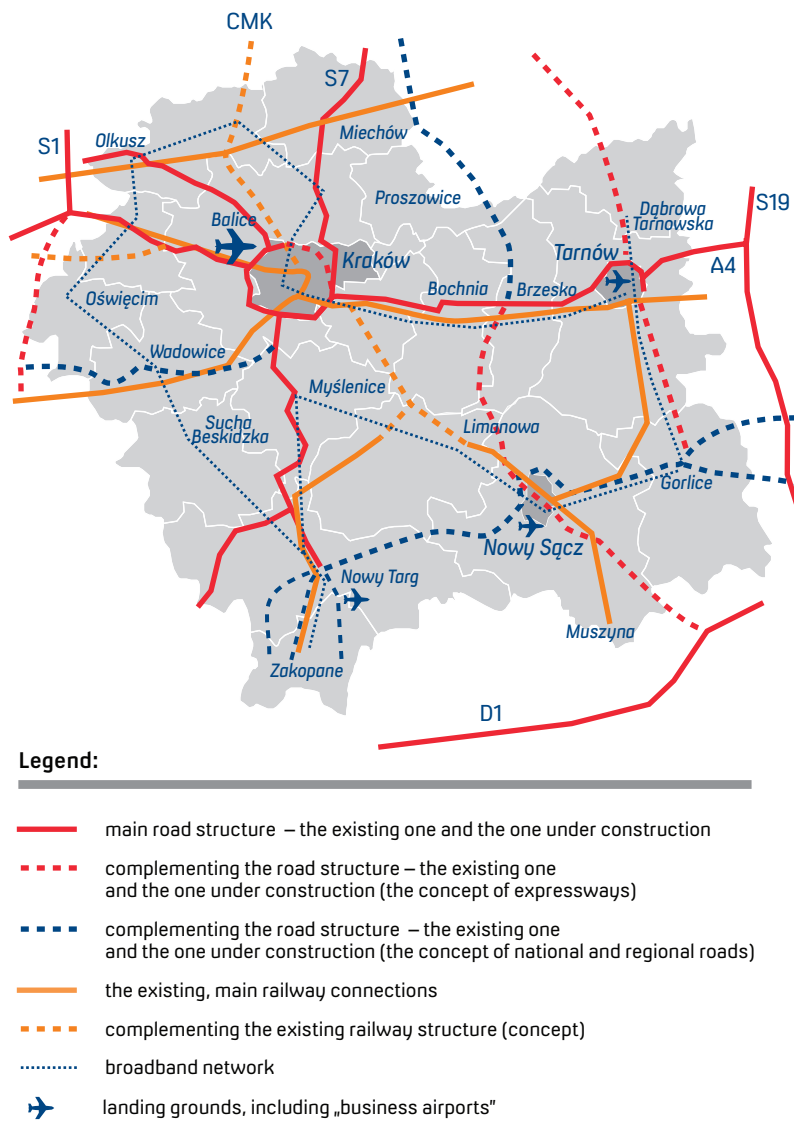
Key Actions:

- 3.3.1. Construction of new railway routes and expanding the already-existing ones (including also the tourist railway routes) and the road routes, serving the purpose of providing efficient transportation between the region's lowest accessibility areas and Kraków, subregional transport nodes and the neighbouring regions, with particular focus on the Polish-Slovakian border zone, also in terms of increasing the traffic safety.
- 3.3.2. Creating efficient urban-rural transport connections in order to increase mobility of people living out of urban areas and the residents of the region's peripheral areas.

The actions carried out in the field of transport should be aimed at creating a coherent and balance transport system, having a value of user-friendliness, while also creating conditions favourable for development processes and contributing to reducing the negative impact on the environment.

The concept of the target system of main communication routes in Małopolska, including elements the implementation of which goes beyond year 2020, is presented by the following figure.

Figure 5. Schematic concept of a target transport system in Małopolska in year 2030.



Source: Own work.

3.4. Support for the Instruments of Integrated Transport System Management

Strategy of Action:

Given the long-term communication challenges related to regional development, the region's self-government will conduct an active interest advocacy for change in the legal system – in order to increase the influence of regions on the realized investments and their hierarchy. The actions of regional authorities, should lead, in particular, to systemic transformations including changes in road management, including management of major communication routes of the region (also as a commissioned task) and changes in the system of categorization of roads.

In the framework of the analysis of the main forces in support of the strategic target's realization, the attempts to create a platform for broad co-operation between local self-governments of different tiers and government administration, supported by an active search for solutions that optimize the transport system of Małopolska and sources of financing, should be indicated primarily. Inhibitory factors are mainly financial constraints, exacerbated by the high cost of implementing infrastructure projects. Not without significance in many cases, is the slowing impact of formal and legal conditions and the negative social attitudes of residents expressing lack of support for major regional investments.

Key Actions:

- 3.4.1. Supporting the processes of efficient integration of transportation systems, with particular focus on the role of public transport and the development of sustainable transport, mostly in the areas of unique tourist and spa characteristics.
- 3.4.2. Supporting the appropriate organization of efficient systems of public transport, with particular emphasis on cities with public transportation systems.
- 3.4.3. Creating conditions for the urban network's coherence by applying solutions in terms of transport (including also the bicycle infrastructure and parking lots operating in the "park & ride" system) as well as strengthening public transportation.
- 3.4.4. Supporting modern technologies of communication routes' management and maintenance, including the implementation of technologies and solutions optimizing the road time, improving the users' safety.
- 3.4.5. Active advocacy for the benefit of changes in the legal system targeted at increasing the regions' influence on shaping the regional transportation policy.

3.5. Development of Infrastructure for Information Society

Strategy of Action:

Problem of "digital exclusion" of a large group of residents of Małopolska and the new challenges arising from the need of strengthening the Małopolska enterprises using IT solutions should be taken into account. Information technology infrastructure has a significant share in improving the quality of life of residents and improving the competitiveness and investment attractiveness of the region. Development of regional infrastructure of information society, in order to include Małopolska in the Single European Information Space, will focus on actions

related to construction and modernization of regional secure broadband networks in the region, especially in the areas of digital exclusion.

Key Actions:

- 3.5.1. Development of the regional broadband network, especially in the areas of digital exclusion.
- 3.5.2. Development of modern ICT infrastructure and interoperational digital platforms, supporting the functioning of public institutions.
- 3.5.3. Development of ICT infrastructure supporting the development of residents and enterprises.

In the European dimension, the interventions included in the **Area 3** will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 1. *Smart growth: developing an economy based on knowledge and innovation.*
- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 3** remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 1. *Support for the competitive growth of the regions.*
- Objective 2. *Establishment of the territorial cohesion and preventing marginalization of problem areas.*

AREA 4

KRAKÓW METROPOLITAN AREA AND OTHER SUBREGIONS

Strategic Objective

Strong competitive position of Kraków Metropolitan Area in the European space and growth of the subregions' economic potential in the regional and national framework.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOŚLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Influx of private foreign and Polish investments per capita in PLN (NUTS3) Kraków Krakowski Nowosądecki Tarnowski Oświęcimski	CSO	31,336.99	29,487.47	36,432.69	27,613.23	31,337.26	24,242.59	45,493.62
	(2008)						52,628.21	86,193.24
							13,870.09	41,570.86
							11,638.46	32,367.62
							16,777.11	24,616.60
						21,845.73	31,464.20	
Exam results after primary school, middle school and high school	OKE	55	56	56	57	56	58	70
	(2009)	56.70	56.30	56.30	57.80	57.70	59.80	64.60
		79	80	79	81	78	83	83.30

Besides, it is presumed that in the perspective of year 2020 the values of indicators showed below – for all the mentioned cities – will change favourably, i.e. there will be a growth of rank or growth of the indicators values.

NAME OF THE SYNTHETIC VALUE*	KRAKÓW	TARNÓW	NOWY SĄCZ	NOWY TARG	OŚWIĘCIM / CHRZANÓW / OLKUSZ
RANK	SCALE 1 -7, WHERE: 1 – MEANS THE HIGHEST RANK, 7 – MEANS THE LOWEST RANK				
Economic development level (2008)	1	3	3	3	3 / 3 / 4
Economic development's dynamics (1999, 2008)	2	5	5	6	6 / 5 / 5
Labour market's strength (2008)	2	3	3	3	3 / 4 / 5
Human capital's quality (2008)	1	1	1	2	3 / 1 / 2
CITIES' SIZE	> 500 K.	50-500 K.			20-50 K.
Standard of living's change (1999, 2008)	17.20	3.05	5.94	- 1.89	4.86 / 3.42 / 6.56
Level of public services' change (1999**, 2008)	9.54	3.62	2.79	- 5.02	5.12 / 1.42 / 4.24

* Description of the elements used for building of the synthetic indicators can be found in: *Badanie funkcji, potencjałów i trendów rozwojowych miast w województwie małopolskim* [Research on functions, potentials and development trends of the cities of the Małopolska Region], Jagiellonian University by order of Department of Regional Policy UMWM, in the framework of Małopolska Observatory of Development Policy, Kraków 2010. Periods researched in the framework of particular indicator are in brackets.

** For some of the partial indicators forming the synthetic indicators due to lack of data for year 1999 the following years are used.

The starting point for strategies of action, aimed at optimal use of spatially varying potentials of Małopolska, is to appropriately identify and diagnose the role of subregions. Given the results of analytical work and consultations conducted in connection with updating the Region's Development Strategy, it should be assumed that in Małopolska there are three types of subregions, namely:

- **Kraków Metropolitan Area**, understood as a functional area of spatial integration, with nodal, mono-centric core and the associated contiguous zone, the functions of which should be developed at the European, national and regional level;
- functional areas of spatial integration of regional importance, with the nodal mono-centric centres and associated to them contiguous zones. In this group, **Tarnowski Subregion** and **Sądecki Subregion** should be indicated;
- functional areas with polycentric centres that do not have a nodal character but have distinct features of the structural similarities and are subject to influence of the processes that determine in a specific way their development. This group includes the **Podhalański Subregion** and **Western Małopolska**.

Given the dependence between formal strategic documents of the region's self government and their relations with the strategic documents at the national level, it is assumed that the spatial delimitation of the metropolitan area and other subregions will be carried out in the Regional Spatial Development Plan, taking into account the National Spatial Development Concept.

In the horizon of the next decade, regional policy will be based on the spatial differentiation of support for subregions, that – due to circumstances and development needs – have the potential clas-

sifying them as important areas of growth. Intervention in these areas will focus on their priority programmes and projects through which it will be possible not only to use their key resources, but also eliminate barriers limiting development opportunities. Territorialization of public intervention will serve to strengthen the diversity and complementarity of subregions.

Factor determining the success of the various subregions development strategy will be the jointly shared awareness of multilateral benefits – in the framework of public-public and public-private partnerships for the key investments, both metropolitan and subregional ones. Soliciting for implementation of effective instruments for management of the functional areas, which should stimulate joint activity and co-operation for the development of subregions, will be treated in a special way.

DIRECTIONS OF DEVELOPMENT POLICY

4.1. Development of Kraków Metropolitan Area

Strategy of Action:

An important result of the conducted identification of subregions is the confirmation of hierarchy of the major urban centres in the region. Kraków is a centre of supra-regional importance with the reach of its influence covering the entire region and especially the metropolitan area. The tourist, cultural and intellectual potential, rich educational offer, attractive location at the intersection of international transport routes, a rapidly growing industry of information technology and services sector are the main strengths of the capital, also being the administrative centre of the region. Kraków also concentrates the unique symbolic functions – undoubtedly one of the most important in the country. The spatial dimension of Kraków Metropolitan Area extends from Bochnia to Wadowice on the east-west axis and from Miechów to the whole Myślenicki County on the north-south axis.

In the perspective of year 2020, thanks to partnership co-operation of self-governments: metropolitan and regional ones, Kraków should strengthen the position of the capital of strong area, which together with the Upper Silesia Conurbation, will co-create europol – the competitive and specialized economic area, included in the circulation of European and global space. The condition for the effectiveness of these activities will be both the ability to build broad consensus for the development of the metropolitan area, as well as balancing this development, thanks to a partnership of local self-governments. A factor conducive to the achievement of the target will be the developed Kraków brand – as the capital of modern economy, science and culture.

Actions implemented in the framework of policy direction will serve to strengthen or develop the function of Kraków, decisive for obtaining a strong competitive position in a European and national dimension and activate new dynamics of the development processes within the region and metropolitan area.

Key Actions:

The most important actions:

- 4.1.1. Development of Kraków's function as an important centre of knowledge and innovativeness in the European R&D space by:
 - expanding educational, scientific and research infrastructure,
 - expanding the infrastructure necessary for the development of Kraków's long-term technological advantage fields,
 - development of co-operation with Warsaw in the framework of the nodal network metropolis.
- 4.1.2. Realization of investments necessary for complementing Kraków's metropolitan functions, guaranteeing providing higher-rank services in terms of:
 - congress and entertainment & sport infrastructure,
 - cultural infrastructure,
 - health protection infrastructure through:
 - developing in Kraków:
 - services in the field of cardiology,
 - oncology centre,
 - psychiatry,
 - paediatrics, particularly specialist,
 - medical rescue and multi-organ injuries, poisonings and burns treatment centre,
 - invasive neurology centre,
 - geriatrics – centre for treatment of diseases of old age,
 - developing in the subregion of centre for experimental and training medicine.
- 4.1.3. Creating and developing macro-regional area of co-operation between Kraków and Upper Silesia, with special consideration for realization of actions in the following scope:
 - intensifying the co-operation in terms of industries based on knowledge, including development of knowledge and innovation node,
 - determining the directions of development of macro-regional labour market,
 - preparing a common investment offer and its external promotion,
 - determination of common offer of leisure services based on diverse and complementary products of sector of culture and tourism:
 - cultural,
 - pilgrimage,
 - active, specialist and recreational,
 - business.
- 4.1.4. Increasing the dynamics of the Kraków Metropolitan Area's development by:
 - agreeing on a common strategy of attracting, locating and serving investments within the metropolitan area, in connection with creating and developing economic activity zones,
 - strengthening the metropolitan area's residential function by implementing the mechanisms regulating the suburbanization process.

4.2. Development of Tarnowski Subregion

Strategy of Action:

Małopolska developmental success depends largely on the performing ability of centres of the regional role as nodal growth centres, providing public services of higher-rank on subregional scale. Strengthening the functions of Tarnów, as second in terms of population potential centre in the region, will be the basic axis of action strategy aimed at the development of the Tarnów subregion. Currently the profile of eastern part of Małopolska is dominated by favourable economic processes focusing around Tarnów, i.e. the growing importance of service activities and high activity in the field of entrepreneurship. The importance of the city as an academic centre is also increasing.

Important advantages of Tarnów are the benefits resulting from its location on the main axis of development of the southern Poland, especially after the extension of the A4 motorway to the east. Also the internal links in this subregion are stronger, with the positive development taking place mainly in the emerging suburban area of Tarnów.

Region's development position will therefore be enhanced by improving the development condition of Tarnów as well as its functional area. This will allow for efficient use of the economic potential of the subregion. The space around the transport corridor will be effectively utilized for new investments. Tarnów itself, that already fulfils some of the functions of regional scope, will provide public services of a higher-rank to a larger extent for the residents of the eastern part of the region. Actions in this area will contribute to increasing economic activity, improving quality of life of residents and strengthening the functional links of subregion to Kraków and border centres of Podkarpackie Region. It should be emphasized that Tarnów plays a role of subregional centre towards the major part of Dębicki County and part of Mielecki County.

Actions implemented in the framework of the direction of policy will serve to develop the Tarnowski Subregion, including strengthening its residential functions – through better utilization of potentials determining its competitive advantage and eliminating development barriers.

Key Actions:

The most important actions will include:

- 4.2.1. Strengthening Tarnów's function as the subregional centre of public services, especially higher-rank services, provided in the area of:
 - education and science, by further development of Tarnów's academic centre,
 - healthcare, through development of healthcare in the field of cardiology, oncology, psychiatry, strokes and geriatric treatments,
 - culture.
- 4.2.2. Development of the Tarnowski Subregion's economic potential by:
 - creating and developing economic activity zones, including the location benefits related to the location along the motorway corridor,
 - supporting actions connected with exploiting the region's industrial potential, in particular chemical industry,
 - developing the subregion co-operation with the border centres of the Podkarpackie Region: Mielec, Dębica and Jasło.

4.3. Development of Sądecki Subregion

Strategy of Action:

The main axis of the subregion development strategy will be the use of natural competitive advantages of Sądecczyzna – in national, but also international dimensions. Natural conditions, accommodation and the potential of activity related to tourism, sports and healthcare form a unique opportunity for the economic development of the subregion. Thanks to that Sądecczyzna should become one of the important locations on the map of organization of meetings and events of supra-regional importance. At the same time the proper use of its high natural values will enable the subregion to strengthen its spa and treatment function.

Nowy Sącz is the third largest development centre in the region, that should provide higher-rank public services on the subregional scale. Strengthening the function of this city will therefore be the main axis of strategy aimed at the development of the Sądecki Subregion. South-eastern Małopolska is traditionally dominated by agricultural counties. The advantage of Nowy Sącz, poorly communicated with Kraków and the rest of the country is however the predicted significant increase in population and opportunities of development of activity related to the tourism and spas' service. In recent years, the city has become an important academic centre.

Strengthening the functions of Nowy Sącz will guarantee better accessibility to higher-rank public services for residents of south-eastern part of the region. Actions in this regard will contribute to the increase of the residents' activity and enhancement of the functional ties of the subregion with Kraków and Slovakian border centres.

Subregion's development position will therefore be enhanced by improving the development condition of Nowy Sącz as well as functional area surrounding this centre. Thanks to better connection between the Sądecki centre and its facilities, the effective use of economic potential of the subregion will occur. Whereas as a result of interventions implemented to improve communication accessibility, new entrepreneurship development opportunities and the labour market opportunities based on a function of recreation – especially based on the tourism potential of Beskidy and Dunajec and Poprad Valley – will be launched. Using high natural values, the Sądecki Subregion should become one of the two main areas of development of summer and winter sports, including competitive sports.

Actions implemented in the framework of policy direction will serve the development of the Sądecki Subregion, including strengthening its residential functions – through better utilization of potentials determining its competitive advantage and eliminating development barriers.

Key Actions:

The most important actions will include:

- 4.3.1.** Strengthening Nowy Sącz's function as the subregional centre of public services, especially higher-rank services, provided in the area of:
- education and science – by further development of Nowy Sącz's academic centre,
 - healthcare, through development of:
 - medical treatments in the scope of cardiology,
 - oncology, psychiatry, mother and child care, geriatrics, strokes treatment,
 - rehab and spa treatments in order to utilize the full potential of spas located in the area of Nowy Sącz,

- culture.

4.3.2. Development of the Sądecki Subregion's economic potential:

- strengthening the subregion's function by developing infrastructure and services of leisure industries related to the activity in the areas of:
 - spa and pro-health tourism based on spas located in the area of Nowy Sącz: Krynica-Zdrój, Muszyna, Piwniczna, Wapienne, Wysowa, Żegiestów-Zdrój and other places of spa-healthcare potential,
 - active, recreational and specialist tourism, with particular emphasis on the development of sports infrastructure as well as hiking, biking and jogging trails,
- utilization of the cultural and economic potential of the Economic Forum in Krynica-Zdrój, in order to create a research centre, dealing in particular with the EU's eastern policy,
- creating and developing of economic activity zones,
- supporting the development of the centre for activity related to the new technologies including multimedia,
- exploiting the transfrontier co-operation with Slovakia for the purpose of labour market development and tourism development in the border zone.

4.4. Development of Podhalański Subregion

Strategy of Action:

The main goal of the development strategy of Podhalański Subregion will be to strengthen the functions that arise from its unique tourist potential and high natural values. Thanks to sustainable development of infrastructure and leisure services, Podhale should gradually strengthen its high attractiveness on the national tourist map.

Podhalański Subregion, in the scope of utilization of many essential services, shows a direct link to Kraków. This area, however, is characterized by a number of specific features that justify the need for its separate consideration. An important element of strategy of action in the scope of supporting the development of the Podhalański Subregion will be to strengthen the Nowy Targ's functions as a supra-local centre, integrating the subregion and also in part – supplementing the functions of Zakopane. In a hierarchical network of public services Nowy Targ possesses some of the functions of subregional importance; however it operates at a lower level than Tarnów and Nowy Sącz, which is a result of both city size and subregion's population potential.

However, given the relative distance to Kraków and the high tourist traffic, enhancing the range and standard of public services provided in Nowy Targ, and partly also in Zakopane is required. This will contribute to greater sustainability of the settlement system in the southern Małopolska and the improvement of spatial coherence and accessibility of this part of the region. At the same time thanks to the unique natural advantages, including on the basis of the tourism potential of the Tatras and the Beskid, Podhalański Subregion should become Małopolska's leader in the development of competitive summer and winter sports and sporting events of national and international importance.

Actions implemented in the framework of policy direction will serve to develop the Podhalański Subregion, including strengthening its residential functions – through better use of potentials determining its competitive advantage and eliminating development barriers.

Key Actions:

The most important actions will include:

- 4.4.1.** Strengthening the functions of Nowy Targ and Zakopane as the supra-local centres of public services, including higher-rank services provided in the area of:
- education, by further development of Nowy Targ's academic centre,
 - healthcare, by:
 - developing of: mother and child care, geriatrics, psychiatry and sports medicine,
 - developing in the subregion of a centre for lung diseases, rehab and spa treatments in order to utilize the potential of spas,
 - culture.
- 4.4.2.** Development of the Podhalański Subregion's economic potential:
- strengthening the subregion's function by developing infrastructure and services of leisure industries related to the activity in the areas of:
 - active, recreational and specialist tourism: with particular emphasis on sport infrastructure, organization of highest-rank sport events, and development of sports infrastructure as well as hiking, biking and jogging trails,
 - spa and pro-health tourism: based on the Podhale spas: Rabka-Zdrój and Szczawnica as well as other centres with spa-healthcare potential,
 - exploiting the transfrontier co-operation with Slovakia for the purpose of developing a common touristic offer and the labour market.

4.5. Development of Western Małopolska

Strategy of Action:

Western part of Małopolska forms a specific subregion. Feature of this area is the lack of sufficient concentration of demographic, economic and service potential – necessary to create a dominant subregional centre. In this area there are three strong supra-local centres: Oświęcim, Chrzanów and Olkusz. Relations between those cities are weak, and each has its own distinct sphere of local influence which mostly covers the area of the county, while in the scope of the higher-rank functions, each of these cities has clear load towards Kraków or Katowice. In case of Wadowice it should be expected that the growing strength of functional connections with Kraków will result in the inclusion of this centre in the metropolitan area.

Action strategy in terms of support for Western Małopolska will focus on further improvement of the level of communication of this part of the region with Kraków. Due to the relatively strong economic position, comparatively high standard of living, and the residents' level of education, also in the rural centres – this subregion should constitute an important part of macro-regional Kraków-Upper Silesia co-operation, as the zone of overlapping effects of two metropolitan areas.

Due to its favourable location, traditionally industrialized nature of the western part of Małopolska should be gradually balanced through the development of alternative economic activities, especially related to the tourism services – based on the already-emerging offer of new products and services of leisure industries, including on the basis of tourist potential of Beskidy.

Actions implemented in the framework of policy direction will serve to develop Western Małopolska subregion, including strengthening its residential functions – through better use of potentials determining its competitive advantage and eliminating development barriers.

Key Actions:

The most important actions will include:

- 4.5.1.** Strengthening the functions of Oświęcim, Chrzanów and Olkusz as supra-regional centre of public services, including the higher-rank services in the areas of:
- education, by developing of academic centre in Oświęcim,
 - with simultaneous strengthening of the functional connections of the main cities of Western Małopolska with Kraków, as well as Katowice and Bielsko-Biała, as well as improving the accessibility of healthcare services for residents of Western Małopolska – through development of psychiatry, geriatrics and occupational health medicine.
- 4.5.2.** Development of the economic potential of Western Małopolska, on the basis of the benefits stemming from a central location in relation to the Kraków Metropolitan Area and the Upper Silesian Conurbation, by:
- creating and developing economic activity zones,
 - regeneration of degraded areas, including the post-industrial areas,
 - developing the offer of leisure industries based on:
 - cultural and pilgrimage tourism with special consideration for symbolic functions of Memorial and Museum Auschwitz-Birkenau and related peace initiatives connected with the image of Auschwitz – City of Peace, as well as the potential use of Kalwaria Zebrzydowska and Wadowice,
 - active, recreational and specialist tourism with particular emphasis on management of Świnna Poręba Reservoir, Błędowska Desert and development of cycling routes in order to support the activity in terms of the new leisure services.

In the European dimension, the interventions included in the **Area 4.** will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 1. *Smart growth developing an economy based on knowledge and innovation.*
- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 4.** remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 1. *Support for the competitive growth of the regions.*
- Objective 2. *Establishment of the territorial cohesion and preventing marginalization of problem areas.*

AREA 5

DEVELOPMENT OF CITIES AND RURAL AREAS

Strategic Objective

Active centres of public and economic services providing opportunities for development of residents of small and medium cities and rural areas.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOŚLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Urbanization indicator (understood as a percentage of population residing in municipalities with population density over 150 people/km ²)	CSO (2009)	49.6%	63.9%	60.7%	62.5%	60.1%	73.2%	74.13%
Number of ecological farms – positions in the region's ranking	MRiRW (2010)	11	12	9	13	-	3	1
Unemployment level according to LFS divided by city and rural area	CSO (2009)	7.5%	5.7%	10.0%	8.1%	8.3%	8.6%	6.3%
		7.5%	8.0%	10.3%	6.6%	8.0%	7.2%	5.3%
Per capita income of municipalities from the PIT tax divided for urbanized and non-urbanized areas accordingly to the density of population criteria (150 people/km ²)	CSO (2009)	417.83	384.42	455.73	377.23	388.95	360.44	433.48
		403.8	291.52	368.22	296.15	293.56	395.2	497.13
		266.43	200.51	214.73	198.33	231.16	131.5	321.76

DIRECTIONS OF DEVELOPMENT POLICY

5.1. Development of Functions of Local Public Services centres

Strategy of Action:

Spatial integration at the local level – beyond the urbanized functional areas of large cities will be ensured through local connections within the rural areas. Centres of these areas are small and medium cities, which should provide a uniform accessibility standard of basic services and public goods.

Considering the transformation in the settlement system, related to suburbanization and changes in the socio-economic behaviours of residents in the area of supporting the development of small and medium cities in conjunction with the development of rural areas – will be aimed at creating conditions for high-quality living and working conditions thanks to which small and medium urban centres in the region will gain or strengthen their functions as local centres of public services and economic centres.

Maintaining demographic potential of non-urban areas of Malopolska requires providing better accessibility of public services in the framework of basic social infrastructure. This applies particularly to peripheral areas, poorly connected to the larger urban centres. Strategy of action, focused on the development of local centres of public services, will serve to eliminate disproportions and build development opportunities for rural areas' residents – especially in the areas characterized by low indicators of social and economic development.

Actions undertaken in this regard will include the following assumptions:

- important elements in determining the attractiveness of cities are their social and cultural resources and public space,
- small and medium cities are centres which form the fundamental base for the multifunctional development of rural areas.

Key Actions:

5.1.1. Improving the standard of providing basic public services together with their accessibility in terms of local social infrastructure, related to:

- education,
- culture,
- recreation and sport,
- health,

especially in the areas characterized by the lowest accessibility to public services.

5.2. Economic Development of Small and Medium Cities as well as Rural Areas

Strategy of Action:

Strategy of action aimed at promoting sustainable economic development of small and medium cities and surrounding rural areas, will serve in particular prevention of the growing differences in terms of economic development in intra-regional perspective.

Actions undertaken in this scope will include the following assumptions:

- a coherent urban policy for raising the attractiveness and improving the availability of permanent jobs is not limited to the development of social and technical infrastructure, but should also include creating offers encouraging to locate new projects, adequate utilization of existing enterprises and building capital ties,
- small and medium cities are centres which form the basic facilities for multifunctional development of rural areas,
- activation of rural areas, considering the protection of natural heritage and preservation of their biodiversity, requires the implementation of more effective mechanisms of supporting the functioning of agriculture and the activity related to agriculture as well as non-agricultural activity,
- Determination of permanent framework for co-operation of local and regional authorities in stimulating the development of small and medium cities and rural areas should contribute to the growth of local communities' participation in this process.

Policy of support for rural development will be based on effective and efficient use of their development potential, which stems from the unique characteristics of Małopolska. This implies the need for valuation of agricultural space for the purpose of differentiation of support. While maintaining the functional diversity of rural areas in the region – in the areas with high production potential, actions to improve conditions for the competitiveness of agriculture based on organic farming and production, distribution and promotion of regional food brand will be supported.

Actions undertaken in the process of transformation of Małopolska countryside should lead to maintaining the demographic potential of Małopolska rural areas, thanks to their natural values and residential and tourist attractiveness associated with them. Implemented activities will include the protection of the rich tradition of cultural and natural heritage and the preservation of the unique features and resources – which is also a prerequisite for activities around farming. The success of interventions aimed at effective and full use of the economic and residential potentials of rural areas will also depend on the implementation of support mechanisms for non-agricultural activities and better access to services provided by both public and private bodies.

Key Actions:

5.2.1. Improving the economic condition of small and medium cities by:

- supporting revaluation and cities' economic restructuring,
- developing the investment offer and improving investor service's standards,
- supporting actions undertaken by local labour market institutions for the benefit of increasing the employment and preventing the unemployment.

5.2.2. Economic activation of rural areas:

- areas of agricultural functions: in terms of supporting the employment in agricultural activity and activity related to agriculture based on increasing the market appeal and efficiency by:
 - implementing instruments of support for the development of ecological agriculture and processing industry as well as the marketing of high-quality regional food products;
 - developing the counselling and indirect support system for the entrepreneurship based on agriculture,
- areas of mixed functions: in terms of support for creating jobs in non-agricultural activity.

5.3. Functional Space Management at the Local Level

Strategy of Action:

Considering transformations in the settlement system related to sub-urbanization and changes in social and economic behaviours of residents, strategy of action in the area of support for small and medium cities in direct connection to development of rural areas – will be based on assumption of need for rational management and utilization of local space.

Actions undertaken in this scope – considering the functional connections, protection of local identity and care for environment – will be aimed at:

- regeneration of degraded areas, understood as improving the attractiveness of the public spaces, introduction of new functions and opening the post-industrial or industrial areas,
- protection of landscape and spatial order in the rural areas through preservation of unique forms of agricultural landscape, as well as rational land management, considering actions for improvement of the area structure of farms and reducing the burdens related to large-scale production, in particular through its concentration in isolated areas,
- spatial planning conducted with consideration for realization of closely grouped settlement concept, assuming complementarity, concentration of functions and organized development of construction in suburban and rural areas, based on local land utilization plan.

Key Actions:

- 5.3.1. Identification and spatial delimitation of the cities' functional areas at the local level.
- 5.3.2. Supporting the process of cities' reevaluation on the basis of urban areas' development plans.
- 5.3.3. Soliciting to implement the regulatory planning instruments serving the purpose of:
 - realization of the concept of congested settlement,
 - counteracting the dispersion of the developments on the rural areas,
 - improvement of the area structure of households (land integration),
 - appropriate management on the rural areas, protected mountain areas and other areas characterized by unfavourable management conditions.

In the European dimension, the interventions included in the **Area 5**, will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 5**, remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 2. *Establishment of the territorial cohesion and preventing marginalization of problem areas.*

AREA 6

ECOLOGICAL, HEALTH AND SOCIAL SAFETY

Strategic Objective

High level of Małopolska residents' safety
in the environmental, health and social dimension.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOŚLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Share of population using: - sewage network system, - water supply system network (% of total number of residents)	CSO	60.4	74.9	67.8	58.6	61.5	51.9	61.8
	(2009)	92.4	92.6	91.4	89.5	87.2	75.3	89.0
Municipal waste collected selectively from total municipal waste (%)	CSO (2009)	11.0	6.39	8.54	9.68	8.51	11.5	21.65
Deaths by reason for 100 K residents: - cancer - psychiatric disorders and behavioural disorders - cardiovascular diseases - infant mortality per 100 K live births		245.4	248.7	268.9	274.9	250.6	233.6	234.0
	CSO	2.4	10.9	1.9	10.3	5.5	0	3.0
	(2009)	401.7	318.3	508.3	568.5	453.7	444.5	415.0
		538.0	497.0	650.0	541.0	557.0	499.0	300.0
Rate of relative poverty risk (%)	CSO (2009)	17.4	17.6	15.7	17.6	17.1	15.6	13.0
Social sense of safety (%)	KGP (2009)	58.6	54.4	45.9	52.6	70.0	58.7	65.0

DIRECTIONS OF DEVELOPMENT POLICY

6.1. Improvement of Ecological Safety and Utilization of Ecology for the Development of Małopolska

Strategy of Action:

Health and quality of life in an ecologically and socially friendly environment – thanks to individual awareness and responsibility of residents – will be the fundamental point of reference for action strategies in the area of broad sense of safety.

Caring for the natural environment, considering the needs of current and future generations, should be a basic obligation of every resident of Małopolska. Maintaining a balance in this approach requires a coherent and comprehensive management of access to environmental resources, as well as actions leading to the prevention and elimination of negative environmental impacts of human activities. In order to further protect and improve the natural environment it will be necessary to take up actions related to:

- rational utilization of natural resources, guaranteeing protection of natural and semi-natural forest, non-forest and water ecosystems,
- preservation of the living and non-living nature in unchanged shape, maintenance of stability of ecosystems and ecological processes and preservation of biological diversity,
- preventing creation of pollution and other nuisances,
- implementation of sustainable waste management.

In the perspective of year 2020, key area of intervention will continue to be the creation of conditions securing and limiting the consequences of the presence of atmospheric and geodynamic phenomena, as well as industrial accidents. Protection against flood of river valleys, including urban areas with high potential for flood losses and risk areas for mass movements (landslides), especially in mountainous areas, as well as protection against drought, will remain particularly important. Actions in this area include the implementation of the principles of rational planning and spatial management of river valleys, creating an efficient system of water retention and modernization of irrigation equipment. An important element of flood control measures will also be the creation and maintenance of natural water retention (e.g. afforestation, protection of riparian forests, the appropriate use of agricultural land) and development of plans for flood and landslide risk management. In addition, in the scope of landslides, it will be important to determine the exact location and extent of active and periodically active landslides, as well as management of areas endangered by development of mass movements. These actions will be accompanied by the implementation of an effective monitoring system that will significantly reduce and control construction in the endangered areas in the future, and thereby minimize the risk of occurrence and scale of catastrophic devastation.

Efforts aimed at balancing the effects of economic development will also include improving energy safety of Małopolska, especially based on a far greater level of utilization of renewable energy resources. In addition to that, a variety of initiatives aimed at shaping pro-environmental attitudes and awareness in terms of the principles of sustainable development will be supported and promoted.

Key Actions:

- 6.1.1.** Protecting water resources:
- reducing the amount of contamination penetrating the groundwater, surface water and soils,
 - development and maintenance of water supply systems and optimization of water consumption.
- 6.1.2.** Improving the air quality:
- successive reduction of pollutions' emissions to the air, especially those coming from houses' individual heating systems,
 - increasing the degree of exploiting of renewable energy sources.
- 6.1.3.** Protecting the environment from traffic, municipal and industrial noise and minimizing the impact of electromagnetic radiation by:
- proper spatial planning,
 - utilization of acoustic protection,
 - preferring of low-conflict location of radiation sources.
- 6.1.4.** Developing of waste management system based on:
- waste creation prevention,
 - preparation of waste to reuse,
 - recycling and other methods of recovery and disposal.
- 6.1.5.** Counteracting the occurrence of negative atmospheric and geodynamic phenomena as well as industrial accidents, and minimizing their consequences, including:
- appropriate use of areas endangered by floods and hydrological drought, taking into account the requirements for risk assessment and flood risk,
 - increasing the retention capacity of the watersheds and the efficiency of flood control devices (construction, modernization),
 - co-operation with government administration and neighbouring self-governments to implement a comprehensive system of flood control in the Upper Vistula basin,
 - identification of landslides and areas endangered by mass movements, introduction of a monitoring system, proper preservation and management of landslide areas and areas with landslide predispositions.
- 6.1.6.** Protecting and preserving of natural environment:
- protection of biodiversity and sustainable use of its components,
 - ensuring the continuity of species and ecosystem stability,
 - restoration of the proper state of resources and elements of nature,
 - protection, development and ordering of the system of protected areas,
 - support for efforts to utilization of the potential of protected areas.
- 6.1.7.** Regional energy policy:
- elaboration of the energy balance determining the current needs of the region in comparison to the available energy sources and carriers,
 - identifying the existing and potential development barriers and determining the direction in the area of regional policy of renewable energy development.
- 6.1.8.** Civic education in terms of environmental protection and creating and promoting of pro-environmental attitudes.

6.2. Improving Health Safety: Prevention and Health Protection

Strategy of Action:

In the area of health safety of the region's residents one of the most important tasks that the organizers of healthcare in the region are facing, remains the improvement of level of health and related to it quality of life. This policy direction will be achieved through ensuring that all residents of Małopolska have access to medical care services of high standard, particularly specialist services. Creating the conditions for the proper functioning of the regional healthcare system will require significant investments in infrastructure of healthcare units, as well as rationalization of the currently functioning system. In addition, a variety of initiatives aimed at promoting the principles of a healthy lifestyle will be supported and promoted.

In order to ensure more effective impact on the main epidemiological risks, decisions to develop and then implement specialist health programmes determining actions and final solutions for prevention and treatment of, among others in the areas of following diseases: cancers, mental health problem (including mental disorders of children and youth) and the diseases of cardiovascular system, will be made. This will be achieved by increasing the accessibility of prevention, early diagnosis, comprehensive treatment and development of a regional information system.

The lifestyle is particularly important for preservation of the society's health. Actions in this area will be aimed at supporting and promoting various initiatives to promote the principles of a healthy lifestyle and the most effective elimination of the risk factors that increase morbidity, including smoking, alcohol abuse, improper diet and low physical activity.

The implementation of the determined objectives and achievement of the planned indicators will be possible with the co-operation of subjects of regional health policy with all public and social partners. In particular, the infrastructure will be supported by the public financing for those specializations that are beyond the sphere of interest of non-public sector.

Key Actions:

- 6.2.1. Maintaining and increasing the accessibility of specialist stationary care, depending on potentials and needs of individual subregions.
- 6.2.2. Restructuring and modernization of the material resources of the regional healthcare system in conjunction with the development of the system of monitoring of the conducted actions.
- 6.2.3. Creating the network of connections between the healthcare units from the region and other neighbouring regions in order to guarantee the optimization, complexity and continuity of health services.
- 6.2.4. Elaborating and implementing of long-term health protection programmes, including preventive healthcare, in the areas of (among other) oncology, cardiology and psychiatry.
- 6.2.5. Forming and promoting attitudes, active education for a healthy lifestyle.

6.3. Improving Social Safety: Integrating Social Policy

Strategy of Action:

Strategy of action in the field of social safety will be based on a rational, adequate to the needs and modern social policy. In this area, the undertaken actions will be focused around broadly understood integration of needs and instruments – the main recipients of this policy. These actions will contribute to the prevention and elimination of symptoms of social, cultural and economic exclusion, especially among such groups as: children coming from vulnerable backgrounds, the disabled people, the elderly, multi-children families. An important element of the actions will also be the tasks supporting children endangered by various forms of social exclusion.

In response to the consequences of the on-going changes in the demographic structure it will be necessary not only to take up extensive adjustments in the area of labour market, but also to build a new offer of specialist services targeted for the seniors. This process can be an important opportunity for social integration and improvement of quality of life, but also for economic growth – as a consequence of the implementation of regional strategy of action responding to the consequences of the society's aging process, including the concept of the silver economy.

Key Actions:

- 6.3.1. Implementing system support forms of support for children endangered with social exclusion as well as counteracting and fighting dysfunctions in the families.
- 6.3.2. Integrating actions for equalling opportunities for the disabled.
- 6.3.3. Implementing the regional strategy of action in the context of the society ageing.
- 6.3.4. Developing the system of education of personnel acting in the area of integrating social policy.
- 6.3.5. The development of pro-family forms of surrogate care.

6.4. Supporting the System of Public Safety Management

Strategy of Action:

The condition for success in implementing the regional strategy of action to ensure broadly understood public safety will be the implementation of integrated safety management system – based on tasks performed in different areas, by the relevant authorities.

Recognizing the leading role of government administration in the implementation of actions concerning the sphere of public safety, as one of the key tasks of the state, the role of self-government of the region will be on one hand to support efforts in this scope undertaken by the government administration in the region, and on the other hand – to take up an active advocacy, aimed at implementing the mechanisms and instruments ensuring greater integration and better coordination of actions in this area of public tasks.

Key Actions:

- 6.4.1. Developing integrated system of public safety management in the region.
- 6.4.2. Developing electronic system of public safety monitoring.
- 6.4.3. Developing and integrating the rescue systems.
- 6.4.4. Implementing the programme of improving the road safety.
- 6.4.5. Improving the specialist of upgrading of rescue services.
- 6.4.6. Shaping and promoting the attitudes appropriate for crisis situations.

In the European dimension, the interventions included in the **Area 6** will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 2. *Sustainable growth: promoting a more resource efficient, greener and more competitive economy.*
- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 6** remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 2. *Establishment of the territorial cohesion and preventing marginalization of problem areas.*

AREA 7

MANAGEMENT OF THE REGION'S DEVELOPMENT

Strategic Objective

Effective management of the region, the development of which is based on co-operation and resources mobilization.

INDICATORS OF ACHIEVEMENTS

INDICATOR'S NAME	SOURCE	BASE VALUE: WIELKOPOLSKIE	BASE VALUE: POMORSKIE	BASE VALUE: DOLNOŚLĄSKIE	BASE VALUE: ŁÓDZKIE	BASE VALUE: POLAND	BASE VALUE: MAŁOPOLSKA	ESTIMATED VALUE 2020 MAŁOPOLSKA
Share of capital expenditure in relation to municipalities' budgets	CSO (2009)	2.64%	2.27%	2.07%	2.22%	2.33%	2.55%	2.75%
Percentage of the region's residents transferring 1% of the personal income tax for public benefit organizations	MF (2009)	30.8%	43.1%	43.6%	33.0%	33.0%	53.3%	65.0%
Percentage of municipalities in the region implementing at least one public task based on PPP rule	MRR (2008)	8.0%	7.0%	14.0%	14.0%	9.5%	5.0%	45.0%

DIRECTIONS OF DEVELOPMENT POLICY

7.1. An Efficient System of the Region's Strategic Management

Strategy of Action:

The efficiency of the management system is conditioned by co-existence of a number of elements, such as: concentration of resources on clearly defined priorities, operationalization of the strategy and its parameterization, allowing for monitoring of progress and a precise division of strategic, implementation and coordination functions in the process of region's management. On this background it will be a particularly important to determine the division of tasks and responsibilities for the implementation of various areas of region's development policy.

Active role in this process should be played by specialist agencies and regional institutions. Positive inspiration for management actions are good practices derived from the business and the success of projects in public and private partnership. External factors associated with the specificity of the exercise of political power: a short and local decision horizon and political pressure remain a barrier. Reluctance to choose alternatives solutions may also be an unfavourable force for the positive change.

Major barriers to effective implementation of public policies at the level of region are also the important regulatory deficits in the current legal system. In this context, the actions of the region's self-government will be focused on active advocacy of regional interests associated with the need of statutory normalization of the issues of special importance to the development and implementation of Małopolska's development policy.

Key Actions:

- 7.1.1. An integrated system of monitoring and evaluating of the regions' development from the economic, social and spatial point of view, developed on the basis of regional development observatories.
- 7.1.2. Coordinated system of planning and implementing of public policies in the region:
 - at the regional level: elaboration and implementation of region's development strategy management plan,
 - at the subregional level: determination and implementation of principles of regional policy differentiation in the subregional system,
 - at the local level: motivating local self-governments towards coherence of strategies, programmes and local plans – with strategic documents at the regional level.
- 7.1.3. Supporting the development of institutional potential and organizational culture of the regional and local administration, including the promotion of development policy management standards.
- 7.1.4. Strengthening the co-operation with the government administration at central and regional level, including actions undertaken to legally regulate the issues conditioning the efficient management of region's development policy.

Soliciting implementation of the relevant legal regulations in terms of: spatial planning, development of mountain regions and management of metropolitan areas will be treated in a special way.

7.2. Shaping and Developing of Civic Activity and Strengthening of Social Capital

Strategy of Action:

The basis of high public activity, manifested, among others, in involvement in the activities of NGOs, is civic consciousness and social capital. Therefore, it is necessary to reinforce public confidence in self-government institutions by conducting a partner dialog with the non-self-government institutions treated equitably and the development and fuller utilization of the instruments of social participation. It is favoured by a growing sense of local and regional identity, potential and experience of social organizations and the aspirations of better and better educated region's residents. However, the problem is still low level of social trust, resulting in – among others – lack of capacity to a build stable and broad co-operation.

The involvement of the NGO sector in public tasks under the regulations of the Strategy is necessary for the proper implementation of tasks defined in it. In order to achieve that, support for third sector will be targeted for assistance in the implementation of specific public tasks undertaken by NGOs. Such a formula of co-operation will enable optimal utilization of the potential of NGOs in Małopolska and achievement of measurable results of their co-operation with the regional self-government.

Key Actions:

- 7.2.1. Shaping and strengthening of regional identity, including family values.
- 7.2.2. Shaping, strengthening and promoting civic activity and social participation of region's residents, including civic education of children and youth.
- 7.2.3. An effective system of co-operation with non-governmental sector, considering in particular:
 - the development of intersectoral co-operation in the field of regional and local development based on established standards for implementation of public tasks;
 - support for institutional development, professionalization and sectoral integration of non-governmental organizations;
 - promoting the development and dissemination of volunteering;
 - dissemination of public and private partnership and the promotion of good practices.
- 7.2.4. Partner co-operation with local and regional media.

7.3. Development of Territorial Co-operation

Strategy of Action:

The basis for the effective management system of region's development is functioning of stable and based on trust society regional leadership. The effectiveness of the implementation of public policies depends largely on political leaders – their ability to communicate with the environment and skills of the management based on ability of understanding the cultural and socio-economic processes. The construction of the leadership understood in such man-

ner should be based on transparent information policy, dialog with the region's residents and openness to co-operation with the business environment.

Intra-regional co-operation should aim to strengthen the relations: in the framework of the region and within the metropolitan area, as well as the relations Kraków – Małopolska, where the capital of the region, utilizing the resources of the whole region simultaneously considerably dynamizes its development. In order to reconcile the divergent territorial interests, the strategy of active co-operation within the functioning forums of self-government co-operation will be helpful.

Effective regional co-operation requires closer co-operation with neighbouring regions, especially the Śląskie Region. Natural competition among regions should not limit in the future co-operation for projects of supra-regional importance. The inspiration in this regard will also be good practices of international co-operation in the framework of the European territorial co-operation which should be further developed.

Key Actions:

- 7.3.1.** Construction of multi-level management system of region's development based on intra-regional co-operation mechanisms:
- creation and development of the Małopolska territorial forum;
 - agreed rules for co-operation in the framework of Kraków Metropolitan Area until the adoption of the relevant statutory regulations.
- 7.3.2.** The development of regional co-operation at the national level, in particular with the neighbouring regions including:
- co-operation with the Śląskie Region in the framework of implementation of the development strategy in the area of Małopolska and Śląskie Regions.
- 7.3.3.** Development of the European territorial co-operation in transfrontier dimension with Slovakia as well as in the transnational and interregional dimensions.

7.4. Creation and Promotion of Małopolska Brand on the National and International Arenas

Strategy of Action:

Strategy of action will lead to creating and strengthening of uniformly defined Małopolska brand. The most important factor contributing to this task is the regional community's awareness of the region's key potentials, which are the basic elements of the brand. A factor both favouring and inhibiting the positive change in this area is the strong brand of Kraków, that may strengthen the promotion of the entire region, or – as it happens now – weaken it.

Built on a uniform brand, the promotion of the region on both national and international arenas should integrate and provide a common framework for the promotion conducted within individual regional sectoral policies.

Key Actions:

- 7.4.1.** Efficient and effective regional marketing in the national and international dimension, based on uniformly identified Małopolska brand.
- 7.4.2.** Strengthening the activity of Małopolska's regional office in Brussels.

- 7.4.3. Active participation of Małopolska in national and international networks of co-operation.
- 7.4.4. Actions targeted at acquiring location of European institutions for Małopolska.

In the European dimension, the interventions included in the **Area 7** will support the implementation of the **A Strategy for Smart, Sustainable and Inclusive Growth – Europe 2020**, in the scope of:

- Priority 3. *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.*

In the national dimension, the strategic objective of the **Area 7** remains coherent with **National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas**, in the scope of:

- Objective 3. *Creation of conditions for effective, efficient and partner implementation of development actions aimed territorially.*

IMPLEMENTATION SYSTEM

The implementation system of the *Development Strategy of the Małopolska Region for 2011-2020* is an integral part of the system of management of national development policy. Taking into account the need of increasing the efficiency and coherence of actions undertaken in this multi-level management model, it is necessary and purposeful to – during the period of implementation of the “Małopolska 2020” Strategy – create conditions for close connection between the development policy conducted by the region’s self-government and the policies implemented:

- at the **national level** – by the Council of Ministers, with particular focus on regional policy and sector policies of significant territorial influence,
- at the **local level** – by local governments: municipalities and counties of the Małopolska Region.

Efficient implementation and effective functioning of the Strategy implementation system will be a direct result and a yardstick of the implementation of the strategic objective, policy directions and actions defined in Area 7 Management of the Region’s Development.

Rules of action are key procedural values of the Strategy, describing how to proceed while implementing it. During the implementation of *Development Strategy of the Małopolska Region* four general rules of action will apply:

- **RULE OF INTEGRATED MANAGEMENT OF THE REGION’S DEVELOPMENT**, meaning a co-ordinated approach for determining and stimulating actions implemented by various entities for the purpose of development – on thematic and spatial basis, that is achieved by:
 - incorporating and adjusting to the Strategy implementation system main programme and financial instruments that the regional administration has at its disposal,
 - forming and developing the mechanisms of local government’s effective influence on the range and directions of the interventions undertaken in the local and subregional dimension, for the purpose of increasing their coherence and complementarity with actions undertaken at the regional level,
 - active exploitation of the available mechanisms of influence on the range and intervention directions of the instruments implemented at the national level, by participating in giving opinion on them and negotiating them in order to ensure their coherence and complementarity with actions undertaken at the regional level.
- **THE RULE OF ECONOMIC, SOCIAL AND SPATIAL EFFICIENCY**, meaning the elaboration and implementation of the mechanisms that are to evaluate the influence and importance of the crucial public interventions planned for the purpose of achieving strategic objectives established in the framework of individual Strategy’s areas, implemented in the form of intervention’s *ex ante* evaluation, based on applying the efficiency criterion from the economic, social and spatial point of view.

In relation to the economic and social efficiency, the evaluation will be conducted on the basis of categories of absolute efficiency and comparative efficiency. The yardstick of practical application of both of these categories will be the criteria of projects’ selection and choice, that assess the undertakings applying for support. The reference point for evaluating spatial efficiency will be the importance and scale of territorial influence of the individual undertaking.

- **THE RULE OF THE ENVIRONMENTAL PROTECTION**, meaning the need and purposefulness of implementing the conditions for protecting and improving the quality of the environment as a factor co-forming the region’s sustainable development in social and economic dimension. The region’s policy in terms of environmental protection will contribute to achieving the goals established in the *Treaty on the Functioning of the European Union*, that include:
 - maintaining, protecting and improving the quality of the environment,
 - human health’s protection,
 - careful and rational exploitation of natural resources,

- promoting, at the international level, the measures aimed at solving the regional or global problems of the environment, especially fighting the consequences of climate changes.

Respecting this policy assumptions will be reached by (among other things) applying:

- **the principle of high level of protection:** an obligation to consider the level of ecological standards in all of the undertaken actions; achieving high level of protection in the field of environment, by taking into consideration the diversity of situations in the European Union regions;
- **the principle of prudence (carefulness):** guaranteeing the highest standards of environment and human health's protection; finding the probability of an environmental hazard's occurrence is a sufficient reason for undertaking actions protecting the environment; the principle consists in undertaking preventive actions in a situation when the science is not able to evaluate efficiently the potential risk of the individual undertaking;
- **the principle of applying preventive actions (the principle of prevention):** the necessity of considering potential consequences of an action, and undertaking – on this basis – preventive actions; the principle assumes that counteracting the negative consequences will be undertaken already at the stage of investment planning, and that it is of priority importance in many legal acts concerning the environmental protection. The example of its application are regulations regarding the evaluation of the undertakings, plans and programmes' impact on the environment;
- **the principle of repairing the damages mainly at their origin:** removing first the sources of environment's contamination, not the consequences caused by it; this principle promotes the application of "clean" technologies and establishment of standards regarding harmful substances' emission;
- **the "pollutant pays" principle:** costs of repairing environmental damages, restoring to the condition prior to the environment's contamination, as well as – in case of causing the hazard of contamination – the costs of preventing it, are borne by the hazard's author.

Executing the abovementioned principles will constitute a formal requirement, controlled in a mandatory manner during the process of selecting and implementing the undertakings, with particular focus on projects of infrastructural nature.

Implementing the interventions included in the Development Strategy of the Region according to these principles will help achieve the goal that is guaranteeing the ecological safety of the residents, social infrastructure and nature resources.

- **THE RULE OF PARTNERSHIP**, understood as modus operandi consisting in open and active co-operation of the equally treated entities representing various environments and institutions implementing and supporting the implementation of actions for the benefit of regional development, including mobilization and involvement of diverse resources and competences for achieving the Strategy's goals, in three areas:
 - public and social partnership, in relations between the regional administration and the region's residents and their organizations, in the framework of efficient formula of participating, consulting and negotiating the region's key issues,
 - public and public partnership, in relations between the regional administration and the local self-government's units, government administration and other units of the public finance sector,
 - public and private partnership, in relations between the regional administration and the business sector, including the co-operation with the region's key entrepreneurs.

Co-operation and partnership for the benefit of Strategy implementation are conditions necessary for succeeding in its implementation. It stems in particular from the fact that the scope of Strategy's

interventions consists substantially of tasks that go beyond the sphere of the regional administration's formal competences.

Therefore, the system of Strategy implementation will include **three main activity spheres**:

- **SUBORDINATION SPHERE**, including tasks that are within the range of **direct, formal competences** of the regional administration and its subordinate region organizational units, to the extent of which the administration and units have at their disposal **fixed intervention instruments**, divided into:
 - tasks coming within the regional administration's competences, requiring only own activity,
 - tasks coming within the regional administration's competences, requiring – apart from own activity – also the partners' temporary involvements;
- **INTERDEPENDENCE SPHERE**, including tasks that the regional administration has a **guaranteed indirect influence on**, i.e.:
 - tasks implemented by the companies with the region's participation, or other related institutions, in the framework of which the region's representatives participate in planning of the actions or choosing the undertakings;
 - tasks implemented in the framework of programmes or projects co-financed by external funds (especially by the EU funds), that are managed by the region;
- **INFLUENCE SPHERE**, including tasks that are **beyond the sphere of direct competences or indirect influence of the regional administration**, implemented by the region's key partners, i.e.:
 - tasks coming within the competences of the entities functionally independent from the regional administration, operating in the region, in particular, local self-government's authorities, business sector, social sector as well as scientific and R&D institutions,
 - tasks coming within the competences of the government or European administration that the region may influence, especially by forming opinions and positions, as well as by means of advocacy.

Fundamental assumptions regarding the system of Strategy implementation have been presented below in a demonstrative manner in the form of:

- **matrix ordering the Strategy's actions in the structure of three main spheres of activity,**
- **matrix of regional connections of sector policies with the Strategy's areas.**

Matrix Classifying the DSMR's Actions in the Structure of Three Spheres of Activity of Regional Administration

- PA** – subordination sphere: regional administration's own activity
- PP** – subordination sphere: regional administration's own activity, with partners' involvement
- WF** – interdependence sphere: involvement of the external funds being at the disposal of the regional administration
- WI** – interdependence sphere: involvement of the regional institutions related to the regional administration
- O** – influence sphere: the area of influence of the entities functionally independent from the regional administration

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	O
1.1	DEVELOPMENT OF INTELLECTUAL CAPITAL			
1.1.1	Implementing the mechanisms of discovering, shaping and supporting talents	PP	WF / WI	
1.1.2	Shaping and promoting the attitudes related to lifelong education and taking advantage of continuing education	PP	WF / WI	
1.1.3	Infrastructure modernization and development as well as improving the quality and accessibility of services provided by continuing education centres	PP	WF / WI	
1.1.4	Developing the offer in terms of services regarding raising and changing qualifications at different stages of life – in connection with the needs of the regional labour market	PP	WF / WI	
1.1.5	Implementing a formal system of recognizing and confirming key competences and skills acquired informally, including connecting of adult education with the European standards of acquiring qualifications			O
1.1.6	Implementing system solutions and mechanisms enabling to conduct and take advantage of distance learning		WF/ WI	
1.1.7	Implementing system solutions increasing the level of participation of the elderly people in the continuing education system, including financial instruments for supporting universities of the third age	PA	WF / WI	O
1.2	BUILDING THE INFRASTRUCTURE OF THE REGION OF KNOWLEDGE			
1.2.1	Supporting the development of the business incubators as well as industrial and technology parks, functioning in the area of modern technologies		WF/ WI	
1.2.2	Developing instruments of financial support for innovative undertakings: venture capital funds, seed funds, angel investor networks		WF/ WI	
1.2.3	Building the network co-operation of technology transfer centres on the basis of integrated system of information management		WF/ WI	O
1.2.4	Implementing the system of incentives for academic entrepreneurship (spin-off and spin-out types)		WF/ WI	
1.2.5	Creating infrastructure conditions for the enterprises dealing with creative activity		WF/ WI	
1.2.6	Supporting actions aimed at implementing and popularizing modern ICT technologies		WF/ WI	
1.3	COMPREHENSIVE SUPPORT OF MODERN TECHNOLOGIES			
1.3.1	Extending the range and quality of education of modern economy personnel in the framework of directions that are a priority for the region's development, including those related to technologies crucial for the regional specialization		WF/ WI	O
1.3.2	Development of scholarship system in connection with applied research		WF	O

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	O
1.3.3	Supporting the research activity oriented towards implementation goals, commercialization and patent protection		WF/ WI	0
1.3.4	Implementing mechanisms that stimulate the co-operation between enterprises, R&D units and universities in terms of innovations and new technologies' transfer and absorption		WF/ WI	0
1.3.5	Supporting actions related to the practical application of key technologies, defining the region's specialization		WF/ WI	0
1.3.6	Implementing mechanisms of financial and consultative support for the purpose of identifying, distributing and commercializing the Małopolska products and creative services		WF/ WI	
1.3.7	Active external promotion of Małopolska as the region of knowledge and creativity	PA	WF/ WI	
1.4	DEVELOPMENT OF PROFESSIONAL EDUCATION AND SUPPORTING EMPLOYMENT			
1.4.1	Development of education offer and quality of professional education on secondary and higher level – including the needs of the regional labour market	PA	WF/ WI	0
1.4.2	Modernization and development of schools and education institutions' infrastructure, with particular focus on didactic and ICT base for vocational education	PA	WF/ WI	
1.4.3	System personnel support for vocational education's development		WF/ WI	0
1.4.4	Implementing mechanisms intended for vocational education	PA	WF/ WI	
1.4.5	Improving the quality and efficiency of services in terms of planning and developing professional career and supporting the employment	PA	WF	
1.5	SUPPORT AND PROMOTION OF ENTREPRENEURSHIP			
1.5.1	Developing the offer and improving the accessibility of repayable financial instruments of the enterprises' activity, including loan funds and guarantee funds	PA	WF/ WI	
1.5.2	Strengthening the potential and developing the business environment's institutions	PA	WF/ WI	
1.5.3	Supporting actions strengthening the development of social entrepreneurship	PA	WF	
1.5.4	Implementing the efficient model of supporting the co-operation links, including clusters	PA	WF/ WI	
1.5.5	Developing the regional system of serving the investments and entrepreneurship's promotion	PA	WF/ WI	
1.5.6	Promoting the corporate social responsibility	PA	WF/ WI	
2.1	PROTECTION OF MAŁOPOLSKA'S CULTURAL SPACE			
2.1.1	Creating sustainable cultural landscape	PA	WF	0
2.1.2	Improving the monuments' condition and manner of use, as well and counteracting the process of their degradation	PA	WF	0
2.1.3	Protecting and creating the development of historic cities and towns	PA	WF	0
2.1.4	Protecting the traditional regional development and rural landscape systems	PA	WF	0
2.1.5	Preventing the degradation of valuable cultural landscapes and the devastation of monuments and their environment	PA	WF	0
2.1.6	Comprehensive regeneration of degraded areas	PA	WF	0
2.1.7	Maintaining and revaluation of the cultural heritage	PA	WF	0
2.1.8	Maintaining multicultural wealth as well as local and regional identity, especially by supporting the folklore and folk tradition and art	PA	WF	0
2.1.9	Functional management of the culture and cultural heritage, including the development of public, non-government and private sector partnership	PA		0
2.1.10	Research and documentation of the regional cultural heritage	PA		

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	0
2.1.11	Improving the functioning of the monument protection institutions	PP		0
2.1.12	Implementing the mechanisms incorporating the heritage value into the market			0
2.1.13	Preventing the degradation and protecting the resources of the region's natural heritage	PA		0
2.1.14	Creating a system and procedures for natural heritage management	PA		0
2.1.15	Integrated protection of cultural landscape and the environment, especially in terms of high aesthetic level of the environment and spatial order	PA		0
2.2	SUSTAINABLE DEVELOPMENT OF INFRASTRUCTURE AND COMMERCIALIZATION OF LEISURE SERVICES			
2.2.1	Urban and cultural tourism	PP	WF	0
2.2.2	Pilgrimage tourism	PP	WF	0
2.2.3	Active, recreational and specialist tourism	PP	WF	0
2.2.4	Spa and pro-health tourism	PP	WF	0
2.2.5	Tourism on rural areas	PP	WF	0
2.2.6	Business tourism	PP	WF	0
2.2.7	Border tourism	PP	WF	0
2.3	EDUCATING PERSONNEL FOR THE LEISURE INDUSTRIES' DEVELOPMENT AND SERVICE			
2.3.1	Development of personnel's education and training in the area of: tourism movement service, developing and popularizing physical culture, sport and recreation, culture industries, culture animation and management of culture and cultural heritage, "dying professions"	PA	WF/ WI	0
2.3.2	Forming and developing attitudes and competences in terms of: culture, including reception of art, by school and non-school education and art projects, as well as increasing accessibility to the high-quality cultural offer, popularizing physical culture among children and youth	PA	WF/ WI	0
2.3.3	Implementing mechanisms of support for the development and popularization of "dying professions"		WF	
2.4	STRENGTHENING THE PROMOTION OF REGIONAL HERITAGE AND THE OFFER OF LEISURE INDUSTRIES			
2.4.1	Initiating and supporting actions targeted at raising social awareness and sensitiveness in terms of natural and cultural heritage (monuments and contemporary culture's objects), as well as undertaking actions in order to improve the aesthetic level of the environment and spatial order	PP		
2.4.2	Promotion for the benefit of protecting and exploiting the regional heritage for the region's economic development and for eliciting users to invest into own real estates and to adopt them to new functions	PP		
2.4.3	Active and efficient promotion as well as supporting the regional offer of the leisure industries, especially brand tourist products and cultural events, including artistic and creative ones	PP		
2.4.4	Increasing the level of social participation in the culture and active forms of spending leisure by promoting and providing information about cultural offer, and guaranteeing its accessibility and variety	PP		0
2.4.5	Intensifying co-operation between the entities of public, non-government and private sector in terms of education, promotion and improving awareness and civic attitudes in relation to the regional heritage	PP		0
3.1	KRAKÓW AS A MODERN NODE OF THE INTERNATIONAL TRANSPORTATION NETWORK			
3.1.1	Improving Kraków's railway accessibility in the regional, national and international dimension, including a new corridor of TEN-T railway network running through the territory of Kraków on north-south line, including the incorporation of high speeds in the railway network by prolonging or establishing a new railway line to Kraków in the framework of the Central Railway Main Line (CMK)			0

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	0
3.1.2	Continuation of the development of the John Paul II International Airport Kraków-Balice together with improvement of its transport accessibility		WF/ WI	
3.1.3	Concentrating around Kraków the network of main road routes, including those of international importance and including the new corridor of the TEN-T road network (within the S7 national road) on north-south line			0
3.1.4	Enhancing communication connections of the Kraków Metropolitan Area with the Upper Silesian Conurbation, based on coordinated and partner co-operation of the regional and municipal local governments in the area of development of integrated transportation system	PA	WF/ WI	0
3.1.5	Development of integrated transport in the framework of Kraków agglomeration – agglomeration transport, created mainly on the basis of fast agglomeration railway, pre-subway trains/subway, fast tram	PA	WF/ WI	0
3.2	CREATING SUBREGIONAL TRANSPORT JUNCTIONS			
3.2.1	Creating the network of efficient railway and road connections around the region's main cities, as subregional transport junctions, favouring the development processes	PP	WF/ WI	0
3.2.2	Creating efficient railway and road connections between subregional transport junctions, and increasing their external accessibility (including connections with the neighbouring regions) as well as the internal one, within the areas of their influence	PP	WF/ WI	0
3.2.3	Construction of belt-ways/bypasses in the cities and towns affected by high nuisance of transit traffic	PP	WF	0
3.2.4	Developing the network of local landing grounds, including "business airports"		WF/ WI	0
3.2.5	Creating conditions for the development of logistics centres and combined/intermodal transport			0
3.2.6	Re-creating and expanding the transportation functions of Małopolska's shipping lanes, especially the Upper Vistula waterway			0
3.2.7	Supporting conditions for the ecological transport development	PA	WF/ WI	0
3.3	INCREASING TRANSPORT ACCESSIBILITY OF THE REGION'S LOWEST ACCESSIBILITY AREAS			
3.3.1	Construction of new railway routes and expanding the already-existing ones (including also the tourist railway routes) and the road routes, serving the purpose of providing efficient transportation between the region's lowest accessibility areas and Kraków, subregional transport nodes and the neighbouring regions, with particular focus on the Polish-Slovakian border zone, also in terms of increasing the traffic safety		WF/ WI	0
3.3.2	Creating efficient city-countryside transport connections in order to increase mobility of people living out of urban areas and the residents of the region's peripheral areas	PP	WF/ WI	0
3.4	SUPPORTING THE INSTRUMENTS OF INTEGRATED TRANSPORT SYSTEM MANAGEMENT			
3.4.1	Supporting the processes of efficient integration of transportation systems, with particular focus on the role of public transport and the development of sustainable transport, mostly in the areas of unique tourist and spa characteristics	PP	WF/ WI	0
3.4.2	Supporting the appropriate organization of efficient systems of public transport	PP	WF/ WI	0
3.4.3	Creating conditions for the urban network's coherence by applying solutions in terms of transport (including also the bicycle infrastructure and parking lots operating in the "park & ride" system) as well as strengthening public transportation		WF	0
3.4.4	Supporting modern technologies of communication routes' management and maintenance, including the implementation of technologies and solutions optimizing the road time, improving the users' safety	PA	WF	0

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	O
3.4.5	Active advocacy for the benefit of changes in the legal system targeted at increasing the regions' influence on shaping the regional transportation policy			0
3.5	DEVELOPMENT OF INFRASTRUCTURE FOR INFORMATION SOCIETY			
3.5.1	Development of the regional broadband network, especially in the areas of digital exclusion	PP	WF/ WI	
3.5.2	Development of modern ICT infrastructure and interoperational digital platforms, supporting the functioning of public institutions		WF	0
3.5.3	Development of ICT infrastructure supporting the development of residents and enterprises		WF	0
4.1	DEVELOPMENT OF KRAKÓW METROPOLITAN AREA			
4.1.1	Development of Kraków's function as an important centre of knowledge and innovativeness in the European R&D space by: expanding educational, scientific and research infrastructure; expanding the infrastructure necessary for the development of Kraków's long-term technological advantage fields, i.e. life science, clean energy, ICT and multimedia; development of co-operation with Warsaw in the framework of the crucial network metropolis		WF/ WI	0
4.1.2	Realization of investments necessary for complementing Kraków's metropolitan functions, guaranteeing providing higher-rank services in terms of: congress and entertainment & sport infrastructure; cultural infrastructure; healthcare infrastructure		WF/ WI	0
4.1.3	Creating and developing macro-regional area of co-operation between Kraków and Upper Silesia.	PP	WF/ WI	0
4.1.4	Increasing the dynamics of the Kraków Metropolitan Area's development by: agreeing on a common strategy of attracting, locating and serving investments within the metropolitan area, in connection with creating and developing economic activity zones; strengthening the metropolitan area's residential function by implementing the mechanisms regulating the suburbanization process		WF/ WI	0
4.2	THE DEVELOPMENT OF THE TARNOWSKI SUBREGION			
4.2.1	Strengthening Tarnów's function as the subregional centre of public services, especially higher-rank services, provided in the area of education and science – by further development of Tarnów's academic centre; healthcare (...); culture	PP	WF/ WI	
4.2.2	Development of the Tarnowski Subregion's economic potential by: creating and developing economic activity zones, including the location benefits related to the location along the motorway corridor; supporting actions connected with exploiting the region's industrial potential, in particular chemical industry; developing the subregion co-operation with the border centres of the Podkarpackie Region: Mielec, Dębica and Jasło		WF/ WI	0
4.3	THE DEVELOPMENT OF THE SĄDECKI SUBREGION			
4.3.1	Strengthening Nowy Sącz's function as the subregional centre of public services, especially higher-rank services, provided in the area of education and science – by further development of Nowy Sącz's academic centre; health protection (...); culture	PP	WF/ WI	
4.3.2	Development of the Sądecki Subregion's economic potential: strengthening the subregion's function by developing infrastructure and services of leisure industries (...); exploiting the cultural potential of the Economic Forum in Krynica-Zdrój for the purpose of creating a research centre, dealing in particular with the EU's eastern policy; creating and developing economic activity zones; supporting the development of the centre of activity in terms of new technologies, including multimedia; exploiting the transfrontier co-operation with Slovakia for the purpose of labour market development and tourism development in the border zone	PP	WF/ WI	
4.4	THE DEVELOPMENT OF THE PODHALAŃSKI SUBREGION			
4.4.1	Strengthening the functions of Nowy Targ and Zakopane as the supra-local centres of public services, including higher-rank services provided in the area of education and science – by further development of Nowy Targ's academic centre; health protection (...); culture	PP	WF/ WI	

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	0
4.4.2	Development of the Podhalański Subregion's economic potential: strengthening the subregion's function by developing infrastructure and services of leisure industries; exploiting the transfrontier co-operation with Slovakia for the purpose of developing a common touristic offer and the labour market	PP	WF/ WI	
4.5	THE DEVELOPMENT OF WESTERN MAŁOPOLSKA			
4.5.1	Strengthening the functions of Oświęcim, Chrzanów and Olkusz as supra-regional centre of public services, including the higher-rank services	PP	WF/ WI	0
4.5.2	Development of the economic potential of Western Małopolska, on the basis of the benefits stemming from a central location in relation to the Kraków Metropolitan Area and the Upper Silesian Conurbation, by: creating and developing economic activity zones; regeneration of degraded areas, including the post-industrial areas; developing the offer of leisure industries	PP	WF/ WI	0
5.1	THE DEVELOPMENT OF LOCAL FUNCTIONS OF PUBLIC SERVICES CENTRES			
5.1.1	Improving the standard of providing basic public services together with their accessibility, in terms of local social infrastructure related to education, culture, recreation, sport and health, especially in the areas characterized by the lowest accessibility to public services		WF	0
5.2	ECONOMIC DEVELOPMENT OF SMALL AND MEDIUM CITIES AS WELL AS RURAL AREAS			
5.2.1	Improving the economic condition of small and medium cities by: supporting revaluation and cities' economic restructuring; developing the investment offer and improving investor service's standards; supporting actions undertaken by local labour market institutions for the benefit of increasing the employment and counteracting the unemployment		WF	0
5.2.2	Economic activation of the rural areas: areas of agricultural functions: in terms of supporting the employment in agricultural activity and activity related to agriculture based on increasing the market appeal and efficiency by: implementing instruments of support for the development of ecological agriculture and processing industry as well as the marketing of high-quality regional food products; developing the counselling and indirect support system for the entrepreneurship based on agriculture; areas of mixed functions: in terms of support for creating jobs in non-agricultural activity.	PA	WF	0
5.3	FUNCTIONAL SPACE MANAGEMENT AT THE LOCAL LEVEL			
5.3.1	Identification and spatial delimitation of the cities' functional areas at the local level	PA		
5.3.2	Supporting the process of cities' revaluation on the basis of urban areas' development plans	PA	WF	0
5.3.3	Endeavouring to implement the regulatory planning instruments serving the purpose of: realization of the concept of congested settlement; counteracting the dispersion of the developments on the rural areas; appropriate management of mountain areas and protected areas; improvement of the area structure of the households (land integration); appropriate management on rural areas, protected areas and mountain areas as well as on other areas characterized by unfavourable management conditions	PA		0
6.1	IMPROVING ECOLOGICAL SAFETY AND EXPLOITING ECOLOGY FOR MAŁOPOLSKA'S DEVELOPMENT			
6.1.1	Protecting water resources: reducing the amount of contamination penetrating groundwater, surface waters and soils, water supply systems and water consumption optimization systems	PA	WF	0
6.1.2	Improving the air quality: successive reduction of pollutions' emission to the air, especially those coming from the houses' individual heating systems; increasing the degree of exploiting the renewable energy sources	PA	WF	0
6.1.3	Protecting the environment from the communication, municipal and industry noise as well as minimizing the influence of the electromagnetic radiation	PA		0
6.1.4	Developing the waste management system	PA	WF	0
6.1.5	Counteracting the occurrence of negative atmospheric and geodynamic phenomena as well as industrial accidents, and minimizing their consequences	PP	WF	0

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	0
6.1.6	Protecting and preserving the natural environment	PA		0
6.1.7	Regional energy policy		WF/ WI	0
6.1.8	Civic education in terms of environmental protection and creating and promoting pro-environmental attitudes	PP		0
6.2	IMPROVING HEALTH SAFETY. HEALTH PROPHYLAXIS AND PROTECTION			
6.2.1	Maintaining and increasing accessibility to the specialist stationary care, depending on potentials and needs of individual subregions	PA	WF/ WI	0
6.2.2	Restructuring and modernization of the material resources of the regional healthcare system in relation to developing the system of monitoring of the conducted actions	PA	WF/ WI	0
6.2.3	Creating the network of connections between the healthcare units from the region and other neighbouring regions in order to guarantee the optimization, complexity and continuity of health services	PA		0
6.2.4	Elaborating and implementing of long-term health protection programmes, including the health prophylaxis in the areas of (among other) oncology, cardiology and psychiatry	PA	WF/ WI	0
6.2.5	Forming and promoting attitudes, active education for healthy lifestyle	PP		0
6.3	IMPROVING SOCIAL SAFETY. INTEGRATING SOCIAL POLICY			
6.3.1	Implementing system support forms for the benefits of children endangered with social exclusion and counteracting and fighting dysfunctions in families	PA		0
6.3.2	Integrating actions for equaling the opportunities for the disabled	PA		0
6.3.3	Implementing the regional action strategy in the context of the society ageing	PP	WF	0
6.3.4	Developing the system of education of personnel acting in the area of integrating social policy	PP	WF	0
6.3.5	Developing pro-family forms of surrogate care			0
6.4	SUPPORTING THE SYSTEM OF PUBLIC SAFETY MANAGEMENT			
6.4.1	Developing integrated system of public safety management in the region			0
6.4.2	Developing electronic system of public safety monitoring		WF	0
6.4.3	Developing and integrating the rescue systems	PA	WF	0
6.4.4	Implementing the programme of improving the safety in road traffic	PA		0
6.4.5	Improving the specialist condition of upgrading of the rescue services	PA	WF	0
6.4.6	Forming and promoting the attitudes appropriate for crisis situations			0
7.1	EFFICIENT SYSTEM OF THE REGION'S STRATEGIC MANAGEMENT			
7.1.1	Integrated system of monitoring and evaluating of the regions' development from the economic, social and spatial point of view, developed on the basis of the regional development observatories	PP		
7.1.2	Coordinated system of planning and implementing public policies in the region	PP		
7.1.3	Supporting the development of institutional potential and organizational culture of the regional and local administration, including the promotion of standards of the development policy management	PP		
7.1.4	Strengthening co-operation with the government administration at the central and regional level, including actions undertaken for the benefit of legal regulation of the issues conditioning the efficient management of the region's development policy			0

ACTION/POLICY DIRECTIONS OF THE REGION'S DEVELOPMENT STRATEGY		P	W	0
7.2	FORMING AND DEVELOPING CIVIC ACTIVITY AND STRENGTHENING THE SOCIAL CAPITAL			
7.2.1	Forming and strengthening the regional identity, including family values	PP		
7.2.2	Forming, strengthening and promoting civic activity and the region's residents' social participation, including children and youth's civic education	PP		
7.2.3	Efficient system of co-operation with the non-government sector	PP		
7.2.4	Partner co-operation with the local and regional media	PP		
7.3	DEVELOPING TERRITORIAL CO-OPERATION			
7.3.1	Building multi-level region's management system on the basis of intra-regional co-operation mechanisms	PP		
7.3.2	Developing regional co-operation in the national dimension, especially with the neighbouring regions	PP		
7.3.3	Developing territorial co-operation in the transfrontier dimension with Slovakia and in the transnational and international dimension	PP		
7.4	BUILDING AND PROMOTING THE MAŁOPOLSKA BRAND ON THE NATIONAL AND INTERNATIONAL ARENA			
7.4.1	Efficient and effective regional marketing in the national and foreign dimension on the homogenously identified Małopolska brand	PA		
7.4.2	Strengthening the activity of Małopolska's regional office in Brussels	PA		
7.4.3	Małopolska's active participation in national and international co-operation networks	PP		
7.4.4	Actions aimed at acquiring location of European institutions for Małopolska	PA		0

The Matrix of Connections of the Main Regional Policies with the Areas of the Region's Development Strategy

Main regional policies	COMPETENCE CHALLENGES				TERRITORIAL CHALLENGES			CIVILIZATION CHALLENGE		COMPLEMENTARY CONNECTION
	1. ACTIVITY AND KNOWLEDGE-BASED ECONOMY	2. HERITAGE AND LEISURE INDUSTRIES	3. INFRASTRUCTURE FOR COMMUNICATION ACCESSIBILITY	4. KRAKÓW METROPOLITAN AREA (KMA) AND OTHER SUBREGIONS	5. DEVELOPMENT OF CITIES AND RURAL AREAS	6. ECOLOGICAL, HEALTH AND SOCIAL SAFETY	7. REGION'S DEVELOPMENT MANAGEMENT			
EDUCATION AND SCIENCE		Educating personnel for the leisure sector	Information society	Higher-rank public services	Basic public services	Environmental protection, healthy lifestyle, welfare's per saoneel	7. REGION'S DEVELOPMENT MANAGEMENT			
LABOUR MARKET		Educating personnel for the leisure sector	Information society	Macro-regional, transfrontier and subregional co-operation	Local labour markets	Regional strategy in the context of the society ageing	Intersectoral and territorial co-operation			
ENTREPRENEURSHIP		Leisure sector	Information society	Economic activity zones – in main subregional centres	Activity zones in small cities, ecological agriculture, entrepreneurship related to agriculture and the non-agricultural one	Regional strategy in the context of the society ageing	Intersectoral and territorial co-operation			
INNOVATIONS AND NEW TECHNOLOGIES		Culture	Information society, modern techniques, transport management	KMA, the Sudecki Subregion		Environmental protection, health protection, public safety	Intersectoral and territorial co-operation			
CULTURE AND HERITAGE	Supporting talents, new technologies			Higher-rank public services	Basic public services		Intersectoral and territorial co-operation			
TOURISM	Business tourism		Tourism	KMA, the Sudecki and Podhalanski Subregions and the Western Malopolska	Urban tourism, tourism on rural areas	Spa and pro-health tourism, active recreational and specialist tourism	Intersectoral and territorial co-operation			
SPORT AND PHYSICAL CULTURE	Supporting talents			Winter sports: the Sudecki and Podhalanski Subregions	Basic public services	Healthy lifestyle	Intersectoral and territorial co-operation			
PUBLIC SERVICES	Education and science	Culture				Environmental protection, health, welfare	Intersectoral and territorial co-operation			
COMMUNICATION: TRANSPORT AND INFORMATION SOCIETY	New technologies						Intersectoral and territorial co-operation			
ENVIRONMENTAL PROTECTION	Education, new technologies	Natural heritage	Ecological transport	Natural subregional potential	Ecological agriculture, mountain areas and protected areas		Intersectoral and territorial co-operation			
HEALTH PROTECTION	New technologies	Physical culture, sport and recreation		Higher-rank public services	Basic social services		Intersectoral and territorial co-operation			
SOCIAL POLICY	Continuing education, social entrepreneurship			Higher-rank social infrastructure	Basic social infrastructure		Intersectoral and territorial co-operation			
PROMOTION	Knowledge industries, entrepreneurship	Regional heritage, leisure industries	Ecological transport, public transport	Subregional potentials	Ecological agriculture and regional food	Environmental protection, healthy lifestyle, attitudes in crisis situations	Intersectoral and territorial co-operation			

Implementation Sub-system

The scheme of implementing the Development Strategy of the Małopolska Region includes two basic components, i.e.:

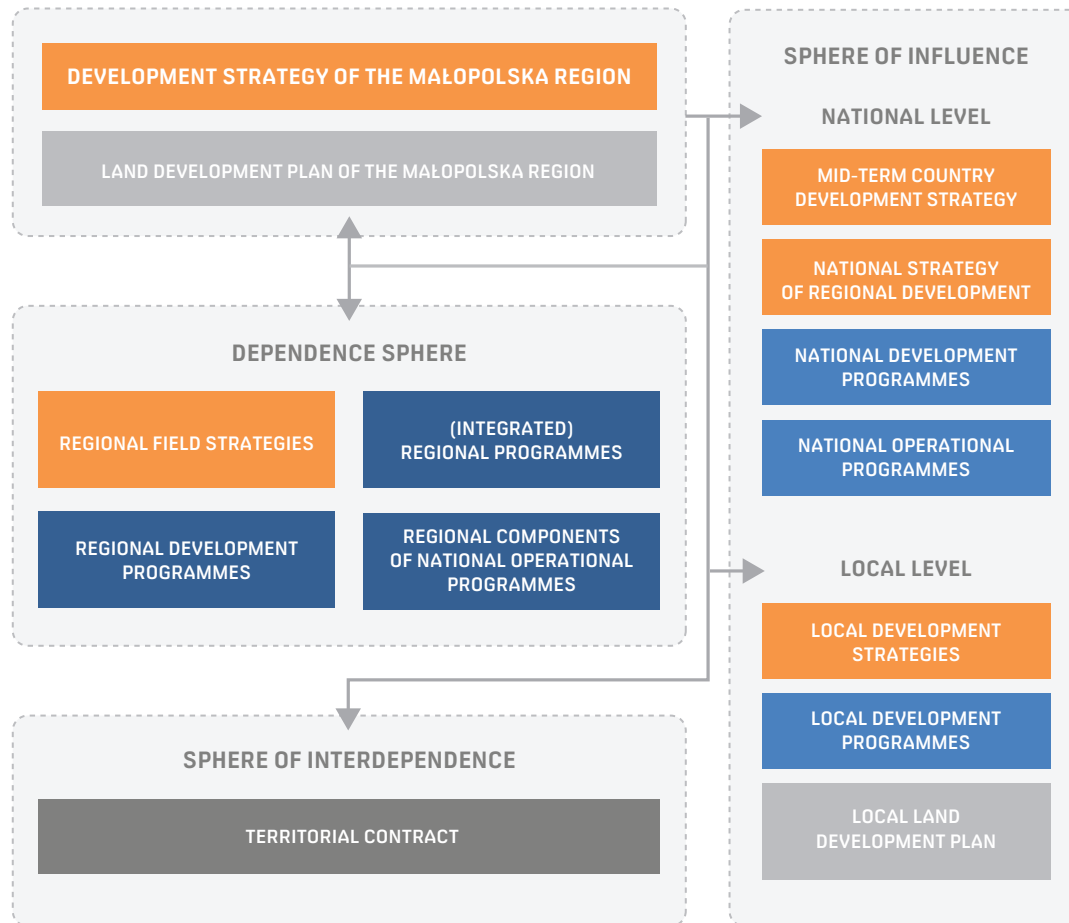
- **Component no.1. Programming and financing structure,**
- **Component no.2. Institutional structure.**

In the framework of Component no.1, *Programming and financing structure*, the Strategy will be implemented with differentiated involvement of the three groups of instruments:

- **Group of instruments remaining at the disposal of the region's self-government**, including programme and financial instruments, the material scope or the expenditure's directions of which are subject to direct control of the authorities of the region's self-government. This category is formed, in particular, by:
 - the region's spatial development plan,
 - regional sector strategies,
 - regional development strategies,
 - regional operational programmes,
 - regional components of the national operational programmes,
 - long-term financial forecast for the region,
 - task budget,
 - undertakings and projects implemented in the framework of current tasks and projects implemented on the basis of distinct agreements or contracts, by the Marshal's Office or the organizational units of the Małopolska Region.
- **Group of instruments interdependent on the regional administration**, including programme and financial instruments, the material scope or the expenditure's directions of which are subject to the procedure of formal co-decision making, negotiating or agreeing with the participation of the region's self-government. This category includes mainly:
 - territorial contract, constituting an instrument to be implemented as a new form of the so far prevailing region contract,
 - undertakings and projects implemented in the framework of current tasks and projects implemented on the basis of distinct agreements or contracts concluded by the entities interdependent on the regional administration, e.g. companies with the financial participation of the Małopolska Region, but also the programmes co-financed by the external funds, managed by the Region.
- **Group of instruments that the regional administration may influence**, including programme and financial instruments, the material scope or the expenditure's directions of which remain at the disposal of the government administration and local administration; however, the administration may participate in the process of giving opinions on their shape in the framework of the available participation mechanisms. This category includes mainly:
 - mid-term strategy of the country development,
 - national strategy of regional development,
 - national development programmes,
 - national operational programmes,
 - local development strategies,
 - local development programmes,
 - local spatial development plans.

The following diagram illustrates the main elements and connections in Component no.1 of the sub-system of the Strategy implementation.

Figure 6. Diagram of connections in the structure of programming and financing of the *Development Strategy of the Małopolska Region*.



Source: Own work.

In the framework of Component no.2, *Institutional Structure*, the Strategy will be implemented with various degrees of involvement of three groups of participants:

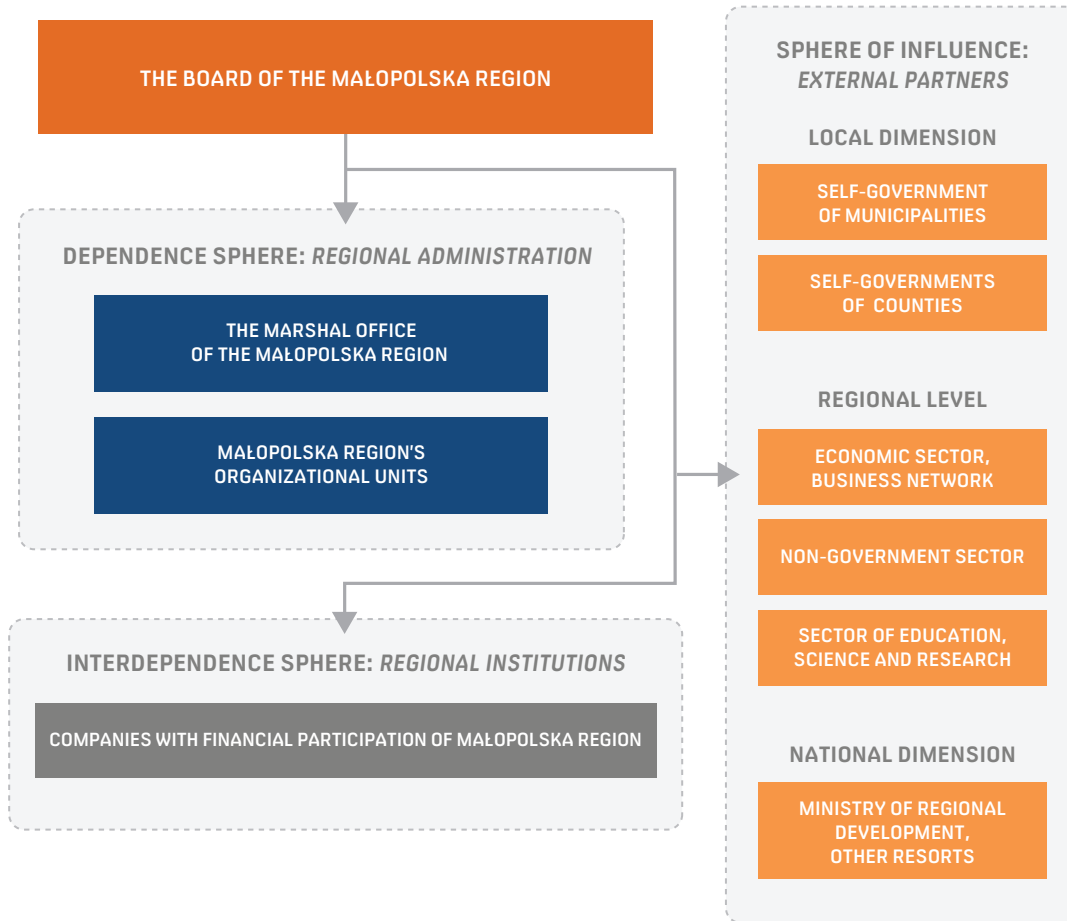
- **Regional administration**, including the Marshal's Office and subordinate organizational units of the Małopolska Region
- **Key regional institutions**, understood as the entities interdependent on, or related – in terms of organizational and/or financial issues – to the administration of the region's self-government,
- **Key external partners**, i.e. the entities independent, in terms of organizational and financial issues, from the administration of the region's self-government, among which a remarkable role is played by:
 - municipality and county self-governments,
 - organizations and institutions acting for the benefit of the region's development, including those representing the economic and business environment as well as non-government, education, scientific and research environments
 - government administration.

In the process of implementing the Strategy, the key role will be played by **political and organizational leadership of the Board of the Małopolska Region** understood as a strategic role of the executive body of the region's self-government in stimulating and coordinating actions undertaken by various entities and groups, as well as in mobilizing and integrating the resources being at their disposal, for the benefit of implementing the strategic objectives. The leadership performed within the implementation of the *Development Strategy of the Małopolska Region*, will include the following forms of activity:

- involving key regional institutions and external partners in the process of planning, programming and implementing the region's development policy, in order to establish appropriately the directions of interventions and regional undertakings, including those for the needs of the territorial contract,
- mobilizing the local self-governments for building strategies and local programmes, including the goals defined in the Strategy,
- involving external partners in taking over a part of implementation tasks on the basis of an agreement or contract with the self-government, in cases where the implementation of specific undertakings at the local and supra-regional level means better efficiency and leads to better results,
- organizing a co-operation platform with the partners acting for the benefit of the region's development, functioning as a regional territorial forum, serving the purpose of supporting strategic discussion and pro-development actions in the region,
- active co-operation with the neighbouring regions' authorities for the benefit of implementation of the supra-regional undertakings of strategic importance, in the scope of agreed issues, constituting the area of common interest,
- active co-operation with the government administration at the national and regional level, enabling the presentation of positions, exchange of opinions and negotiating positions regarding issues that are crucial for the region's development, including on the forum of the National Territorial Forum and the Coordination Committee for the Development Policy,
- active participation in the European co-operation networks and co-operation with the European Commission services, especially within the framework of the process of planning and negotiating the directions of interventions implemented with the participation of the European funds, in perspective of the years 2014-2020.

The following diagram illustrates the main elements and connections in Component no.2 of the sub-system of the Strategy implementation.

Figure 7. Diagram of connections in the institutional structure of *Development Strategy of the Małopolska Region*.



Source: Own work.

General scope of adjustments in the programme and financial area

Efficient and effective implementation of the “Małopolska 2020” Strategy requires the **implementation of necessary adjustment actions** in terms of structures and implementation procedures. It will be conducted by the following actions, undertaken successively:

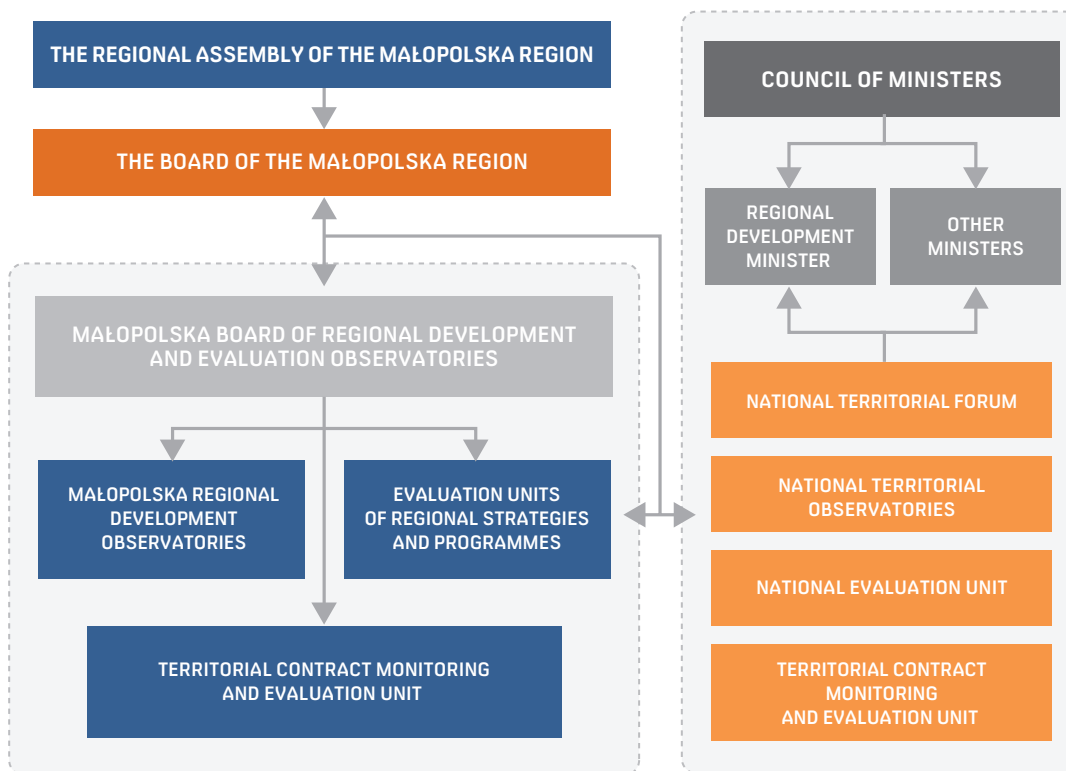
1. **Strengthening, in terms of competences, organizational cells in the regional administration structure, in charge of regional strategic and spatial planning, especially by:**
 - a) concentrating in these organizational cells the responsibility for preparing and managing the (integrated) regional programme for years 2014-2020,
 - b) assigning to these organizational cells the competences in terms of evaluating the coherence of the regional sector strategies and development programmes with the Strategy;
2. **Elaborating, implementing and updating (on annual basis) the schemes of implementation of the Strategy’s policy directions, defining in particular:**
 - a) units responsible for the implementation of individual actions, co-participating units and external partners,

- b) annual implementation plans at the level of individual actions, including the applied mechanisms and instruments (plans, programmes, projects and tasks);
- 3. Elaborating and implementing the procedure of managing the regional sector strategies and development programmes, comprising in particular:**
- a) summarizing the inspection (cataloguing and evaluating) of existing programme documents,
 - b) defining the target catalogue of integrated programme documents – as a result of regulating the existing system in terms of documents' consolidation, considering distinct regulations that constitute a formal and legal basis for their preparation and implementation,
 - c) defining methodological guidelines in terms of preparing/updating the integrated programme documents, included in the framework of their target catalogue, considering:
 - rules requiring the documents' frame structure:
 - rules defining the manner of guaranteeing the coherence of these documents with the Strategy,
 - d) defining the course and schedule of preparing/updating the integrated programme documents, included in the framework of their target catalogue;
- 4. Formal and actual connecting of the Development Strategy of the Region and regional sector strategies and development programmes serving the purpose of its implementation, with the process of planning, implementing and reporting of:**
- a) the region's budget,
 - b) region's long-term financial forecast.

Sub-system of Monitoring, Evaluating and Updating

The basis of efficient implementation of actions serving the purpose of achieving the goals of the *Development Strategy of the Małopolska Region* is administering the knowledge on the progress achieved in terms of the conducted intervention and the capacity of reacting to the differences appearing between the adopted assumptions and the obtained results of the partial actions' implementation.

Figure 8. Diagram of sub-system of monitoring and evaluating *Development Strategy of the Małopolska Region*.



Source: Own work.

To this end, what is necessary is further and consistent development of the functionality of the **regional system of monitoring, analyzing and evaluating of policies, programmes and undertakings**, the implementation of which occurs in the Strategy implementation space. This system should allow generating the current information and data, constituting the basis for conducting periodical assessments in terms of progress regarding the performed actions as well as the obtained results.

In relation to the construction of the system of monitoring the "Małopolska 2020" Strategy, it is assumed that it will cover the following functionalities:

- **conducting the standardized record of the undertakings implemented in the framework of the Strategy, i.e.:**
 - capability of selecting – from among all the undertakings implemented by the regional administration, key regional institutions and external partners – the undertakings implemented as the element of Strategy implementation,
 - capability of assigning the undertakings implemented in the framework of the Strategy to the adopted policy directions and actions defined in the document,

- capability of recording – in the monitoring system – the undertakings implemented in the framework of the Strategy on a defined, initial stage of their implementation cycle,
- ensuring the standardized taxonomy for recording the undertakings implemented in the framework of the Strategy in the system of monitoring it;
- **recording the progress and results of undertakings implemented in the framework of the Strategy, i.e.:**
 - capability of monitoring key products and results obtained as a result of implementing the undertakings in the framework of the Strategy,
 - capability of monitoring expenditure incurred on the implementation of the undertakings in the framework of the Strategy;
- **monitoring changes occurring in the Strategy implementation space**, by means of the adopted system of indicators, comprising the monitoring of the value of indicators' defined in the Strategy, at the level of strategic objectives defined for individual areas;
- **ensuring current access to the information on monitoring data**, adjusted to the needs of various categories of the Strategy's stakeholders, comprising cyclic generating of the monitoring data serving the management, analytical and informative purposes.

Monitoring of the material implementation of the Strategy will be conducted on the basis of the adopted indicators of achievements, and – subject to the data accessibility – the information on the indicators' values will be presented in the following structure:

- all the indicators for strategic objectives of individual areas, in the following sections:
 - in absolute figures (or as a percentage),
 - in comparison to other regions and the country average,
 - in comparison to the regions (average) of the EU-27
 - as the change since the basic year to the last research (dynamics);
- additionally, the indicators at the levels of the Strategy's areas, to the extent permitted by data accessibility, and expedient due to the character of individual measurers, in the following structures:
 - for the whole region,
 - divided into municipalities and counties,
 - divided into subregions and other functional areas.

Moreover, **monitoring of the financial implementation of the Strategy** will be performed, including:

- examining the structure of Małopolska Region's budget expenditure,
- examining the structure of the expenditure incurred by the Małopolska Region's organizational units,
- examining the structure of expenditure incurred by the key regional institutions, interdependent and dependent on the Małopolska Region,
- examining the structure of expenditure of municipalities self-governments and counties self-governments' units from the region,
- examining the structure of capital expenditure of the government administration, directed to supporting the regional undertakings implemented in the framework of the Strategy implementation.

In the process of monitoring the *Development Strategy of the Małopolska Region*, the following tasks will be implemented in particular within the following scope:

- **conducting analyses regarding situations, trends and scenarios of the region's development in the economic, social and spatial dimension,**
- **preparing a report on the region's development in the economic, social and spatial dimension,**

- successive development and strengthening the potential of the **Małopolska Regional Development Observatories**, including directing their activity towards monitoring and evaluating the processes and interventions from a spatial point of view; the development of observatories should aim at transforming their form of the materially and methodologically autonomous structures into a consolidated, methodologically homogenous network, directly involved in the process of monitoring the Strategy,
- implementing **system mechanisms of coordination and integration in the area of regional research and analyses** in order to guarantee the complementarity of the main instruments:
 - Małopolska Regional Development Observatories,
 - evaluating units, responsible for conducting the process of evaluation of public policies, programmes and undertakings, implemented or co-implemented at the regional level, with particular focus on their territorial influence,
 - unit for monitoring and evaluating the territorial contract, the selection of which will be the result of implementing a new formula of territorial contract.

The monitoring system will be based on the previously-elaborated, three main registers, i.e.:

- **register of regional strategies, programmes and plans**, collecting data regarding all the categories of planning and programme documents, the horizon of which goes beyond the perspective of one year;
- **register of the Małopolska Region's own initiatives undertaken in the areas of the Strategy implementation**, recording the undertakings other than those implemented in the framework of the regional strategies, programmes and plans, the implementation of which contributes to achieving strategic objectives, such as in particular: contests organized by the Region, promotional events, actions related to the international co-operation;
- **register of external programmes and initiatives, the implementation of which contributes to the Strategy implementation**, recording national operational programmes or their components, other programmes and undertakings, such as projects of local self-governments, enterprises, social and economic organizations, the implementation of which favours the process of achieving the Strategy's goals.

Each of the registers should include, in a basic perspective, data regarding: the name of the programme (initiative); legal basis of its undertaking; entity (entities) responsible for coordinating the implementation; the scope of connections of individual programmes with the Strategy (classification as entirely/partially convergent with actions in the framework of directions of the Strategy's policy; indicating the direction of the policy, in the framework of which the programme (initiative) or its individual parts are implemented;

The task integrally connected with creating the registers of undertakings implemented in the framework of the Strategy will be constructing the methodology of classifying undertakings and programmes (or their parts) in the structure of policy directions. The registers will be kept by the organizational unit that is competent in terms of monitoring and evaluating the *Development Strategy of the Małopolska Region*.

The task supporting the functioning of the registers is implementing the database of the Strategy's undertakings, functioning on the basis of the standardized taxonomy of the undertakings' record. In the framework of monitoring the Strategy, it is necessary to implement distinct procedures for the following categories of entities:

- **regional administration**, including the Marshal Office and subordinate organizational units of the Małopolska Region as well as **key regional institutions**, understood as entities interdependent on or related to – in terms of organizational and/or financial issues – the region's self-government administration;

- **key external partners**, including the group of entities and institutions independent in terms of organizational and financial issues from the region's self-government administration, implementing programmes or projects that serve the purpose of implementing the Strategy.

With reference to the purpose and use of the monitoring data, it is predicted that transparent reporting will be implemented, that will reflect the actual needs of its main recipients, i.e.:

- the Region Board – in the form of the **management reports**,
- specialist units responsible for individual areas and directions of the Strategy – in the form of **analytical reports**,
- public opinion – in the forms of **information and promotion reports**.

Monitoring and analysing the implementation of the *Development Strategy of the Małopolska Region* will serve the purpose of **effective reporting**. The basic instruments in this scope will be:

- a) a strategic report on the region's development from the economic, social and spatial perspective, prepared every three years**, presenting – among other things – periodical report on the Strategy implementation from a material and financial point of view – submitted to the Region's Board and the Regional Assembly of the Region;
- b) a management report, prepared on annual basis**, on tasks included in regional programme documents, preceding the step of planning the region's budget for the following year – submitted to the Region's Board.

In the framework of Strategy management, a **periodical evaluation** will be conducted – in the standard structure, i.e.:

- **ex ante evaluation**, before commencing the Strategy implementation – focusing on the evaluation of the final project of Strategy's change or its substantial update, conducted according to the accuracy and adequacy criteria, as well as the criterion of internal and external programme coherence of the document;
- **on-going evaluation**, during the implementation of the Strategy – conducted according to the needs resulting from the monitoring system, focusing on evaluating whether and to what extent the adopted Strategy is being implemented and what its short- and long-terms effects are, by applying the criterion of action efficacy, as well as rules of action, established for the system of Strategy implementation;
- **ex post evaluation**, after having concluded the Strategy implementation – within the scope analogical to the material scope of the *on-going* evaluation, including its extension by the evaluation of the forecast long-terms effects.

The research conducted in the framework of the Strategy evaluation will be conducted – according to the standards commonly binding in this respect – as external evaluations, by teams of independent evaluators, having the necessary qualifications and experience.

An important element of strategic management is conducting **periodical reports, leading to the possible update of the *Development Strategy of the Małopolska Region***. In view of significant changes in real terms, especially in the external environment, as well as with reference to the changes in the legal and regulatory environment, the authorities of the region's self-government may decide about the need of re-orienting the strategic objectives. Actual and formal premises of the decision on updating the Strategy should reflect unequivocally in the area of conclusions and recommendations resulting from the report on the region's development in the economic, social and spatial dimension.

The framework characteristics of the structure and scope of functioning of the Strategy implementation system, presented above, will constitute a basis for determining more detailed solutions that will be presented in the executive documents, constituting a part of the **management system of the "Małopolska 2020" Strategy**.

FINANCIAL FRAMEWORK

Sources of Financing

The scope of areas as well as the policy directions identified in their framework make the *Development Strategy of the Małopolska Region* become a common ground of multilateral co-operation of local self-governments, public administration, business entities, institutions and residents of Małopolska. Such an approach to the region development translates into a broad spectrum of potential sources of financing for implementation of the Strategy.

In considering the potential sources of financing the thread of European funds cannot be overlooked. Therefore, in view of their importance for the implementation of the Strategy, this process considered from the financial side has been separated into two stages, corresponding to the European Union financial perspectives, i.e.:

- stage of the goal's implementation "convergence", corresponding to the second half of the current financial perspective period, attributable to the period 2007-2013 - in the case of Poland aimed at increasing the level of socio-economic development of regions,
- the stage corresponding to the following financial perspective, covering the years 2014-2020, in the framework of which it is expected to focus on the support of interventions related to economic competitiveness and innovation, while ensuring sustainable development favourable for social inclusion.

The primary source of financing of the Strategy are national resources - the national budget, local self-government units, target funds and funds from EU financial instruments, especially the European funds.

Among the EU public funds and instruments that support the implementation of the Strategy and contribute to the achievement of its objectives are:

- European funds, i.e. the European Regional Development Fund (ERDF) – financing activities aimed at reducing disparities in economic development between EU regions and the European Social Fund (ESF) - financing activities related to employment policy and human resources development,
- European Agricultural Fund for Rural Development (EAFRD) – the EU financial instrument, not belonging to the category of structural funds, however, supporting comprehensive rural development,
- Cohesion Fund (CF) – an instrument of economic and social cohesion policy, co-financing projects in the field of environment and trans-European networks in the field of transport infrastructure. Its main goal is to support projects aimed at ensuring the economic and social balance of the member states,
- European Investment Bank – EIB instruments are direct loans and government guaranteed loans, credit lines run through banks (direct and guaranteed loans of National Treasury) and the so-called "global loans" (loans to banks for loans to beneficiaries),
- European Territorial Co-operation Programmes 2007-2013, which aim to support co-operation projects implemented in the framework of the territorial cohesion policy,
- European community programmes, such as among others Culture Programme (2007-2013), LIFE Plus, the Framework Programmes for Research and Development (including the 7th Framework Programme), etc., co-financing in various areas the implementation of projects which partners from different member countries are involved in.

Strategy financing sources will also be public resources of a non-refundable character from other international financial institutions, including the Polish Government loan agreements with international financial institutions. These resources constitute for local self-government units non-refundable aid for the implementation of tasks contained in the field of support of the international financial institution.

They may be, for example, resources of the World Bank aimed at assisting economic transformation and economic development in areas that are subject to restructuring.

Achieving the assumed objectives of the Strategy will also be favoured by private funds and the following financial instruments:

- Guarantees and warranties of the National Treasury – guarantees or warranties can be granted only under the condition of the underlying purpose loans or issue bonds to finance i.e. investment projects, ensuring the development or maintenance of infrastructure, development of exports of goods and services, environmental protection, job creation, implementation of new technological or technical solutions and enterprise restructuring,
- National purpose funds – Eco-Fund, National Fund for Environmental Protection and Water Management, the Region Fund for Environmental Protection and Water Management,
- Funds of the Ministry of Education and Science and other sources of financing science and research and implementation projects,
- Funds of the Ministry of Culture and National Heritage and other sources of financing projects in the area of culture and national heritage,
- Municipal Investments Development Fund (MIDF) – the subject of activity of the fund is to support regional development by providing preferential loans for municipalities and their associations for the preparation of municipal investment projects planned for co-financing from EU funds; currently Ministry of Regional Development is working on amending the Law on MIDF, and one of the proposed changes is to extend the list of entities authorized to use of this instrument,
- National Road Fund – target fund collecting resources for construction and reconstruction of national roads (including motorways and expressways), excluding national roads in cities with county rights. This fund is one of the sources supporting the implementation of Government's Roads and Motorways Construction Programme in Poland,
- Railway Fund - is part of a systemic approach to issues related to development of railway transport in Poland. The resources accumulated in the fund are designed primarily to provide co-financing of railway investments in Poland,
- Guarantee and loan funds for SMEs – an instrument intended to increase the availability of external sources of financing, increased investment activity and increased activity in the field of starting a business,
- National Capital Fund (NCF) – an instrument the essence of which is to invest in *venture capital* (VC) funds by powering the equity funds or by providing long-term debt financing. The activity of the NCF consists in investing in VC funds which supply the capital for small and medium-sized enterprises, in particular, innovative enterprises, operating in the field of R & D and enterprises, with high growth potential,
- Public-private partnerships – as a mechanism to boost public sector investments, particularly in infrastructure, by creating optimal conditions for the implementation of public projects with private partners.

The Main Sources of Financing for the Strategy in the System of Policy Directions

Below are indicated the expected main sources of financing for the Strategy in the system of the particular policy directions.

AREA 1. ACTIVITY AND KNOWLEDGE-BASED ECONOMY

DIRECTIONS OF POLICY	PREDICTED MAIN SOURCES OF FINANCING
1.1 Development of intellectual capital	European Social Fund, European Regional Development Fund, resources of local self-government units, resources of government budget
1.2 Building the infrastructure of the region of knowledge	European Regional Development Fund, resources of higher education facilities, private resources
1.3 Comprehensive support for modern technologies	European Social Fund, European Regional Development Fund, resources of higher education facilities, private resources
1.4 Development of professional education and support for employment	European Social Fund, European Regional Development Fund, resources of local self-government units, resources of government budget
1.5 Strengthening and promotion of entrepreneurship	European Regional Development Fund, European Social Fund, private resources, resources of local self-government units

AREA 2. HERITAGE AND LEISURE INDUSTRIES

DIRECTIONS OF POLICY	PREDICTED MAIN SOURCES OF FINANCING
2.1 Protection of Małopolska's cultural space	European Regional Development Fund, resources of government budget (including among others resources of the Ministry of Culture and National Heritage), resources of local administrative units, private resources
2.2 Sustainable infrastructure development and commercialization of leisure services	European Regional Development Fund, private resources
2.3 Training of personnel for the development and operation of leisure industries	European Social Fund, resources of local administrative units, private resources
2.4 Strengthening the promotion of regional heritage and leisure industries offer	European Regional Development Fund, resources of local self-government units

AREA 3. INFRASTRUCTURE FOR COMMUNICATION ACCESSIBILITY

DIRECTIONS OF POLICY	PREDICTED MAIN SOURCES OF FINANCING
3.1 Kraków as a modern international transport network node	Cohesion Fund, European Regional Development Fund, resources of local self-government units, resources of government budget
3.2 Creation of subregional transport nodes	European Regional Development Fund, Cohesion Fund, resources of local self-government units, resources of government budget
3.3 Increasing the accessibility of transport areas with the lowest accessibility in the region	European Regional Development Fund, resources of local self-government units, resources of government budget
3.4 Support for integrated transport systems' management tools	European Regional Development Fund, resources of local self-government units, private resources
3.5 Development of infrastructure for information society	European Regional Development Fund, resources of local self-government units, private resources

AREA 4. KRAKÓW METROPOLITAN AREA AND OTHER SUBREGIONS

DIRECTIONS OF POLICY	PREDICTED MAIN SOURCES OF FINANCING
4.1 Development of Kraków Metropolitan Area	European Regional Development Fund, European Social Fund, Cohesion Fund, resources of local self-government units, public-private partnership, Framework Programme for Research and Technological Development

4.2	Development of Tarnowski Subregion	European Regional Development Fund, European Social Fund, Cohesion Fund, resources of local self-government units, public-private partnership
4.3	Development of Sądecki Subregion	European Regional Development Fund, European Social Fund, Cohesion Fund, resources of local self-government units, public-private partnership
4.4	Development of Podhalański Subregion	European Regional Development Fund, European Social Fund, Cohesion Fund, resources of local self-government units, public-private partnership
4.5	Development of Western Małopolska	European Regional Development Fund, European Social Fund, Cohesion Fund, resources of local self-government units, public-private partnership

AREA 5. DEVELOPMENT OF CITIES AND RURAL AREAS

DIRECTIONS OF POLICY		PREDICTED MAIN SOURCES OF FINANCING
5.1	Development of functions of local public services centres	European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, resources of local self-government units
5.2	Economic development of small and medium cities and rural areas	European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, resources of local self-government units
5.3	Functional space management at the local level	resources of local self-government units, European Regional Development Fund

AREA 6. ECOLOGICAL, HEALTH AND SOCIAL SAFETY

DIRECTIONS OF POLICY		PREDICTED MAIN SOURCES OF FINANCING
6.1	Improvement of ecological safety and utilization of ecology for development of Małopolska	European Regional Development Fund, Cohesion Fund, National and Provincial Fund for Environmental Protection, resources of local self-government units, resources of government budget
6.2	Improving health safety: prevention and healthcare	European Regional Development Fund, European Social Fund, resources of local self-government units, resources of government budget
6.3	Improving social safety: integrating social policy	European Social Fund, resources of local self-government units
6.4	Support for public safety management system	European Regional Development Fund, resources of local self-government units, resources of government budget

AREA 7. MANAGEMENT OF THE REGION'S DEVELOPMENT

DIRECTIONS OF POLICY		PREDICTED MAIN SOURCES OF FINANCING
7.1	An efficient system of region's strategic management	European Social Fund, European Regional Development Fund, resources of local self-government units
7.2	Shaping and development of civic activity and strengthening of social capital	resources of local self-government units, European Social Fund
7.3	Development of territorial co-operation	European Regional Development Fund, resources of local administrative units
7.4	Creation and promotion of Małopolska brand on the national and international arenas	European Regional Development Fund, resources of local self-government units

Particular importance in achieving the objectives of the Strategy should be attributed to measures allocated in the framework of instruments of the National Cohesion Strategy 2007-2013 and the Rural Development Programme 2007-2013.

The estimated contribution of EU funds in the implementation of development projects carried out in Małopolska until year 2015 will be based primarily on the following sources:

- Małopolska Regional Operational Programme 2007-2013, with allocation coming from the ERDF at the level of EUR 1.36 billion (including funds from the division of the national performance reserve and the technical adjustment);
- Human Capital Operational Programme 2007-2013, with ESF allocation attributable to the regional component of EUR 0.51 billion (this amount will be funded to an additional pool of approximately EUR 17.6 million, in the framework of the reallocation from the central component);
- Rural Development Programme 2007-2013, with EAFRD budget provided for Małopolska at EUR 0.27 billion.

This contribution will be further widened by the funds raised for the implementation of projects located within the region's territory both in competition procedures and on an individual project modes, among others from OP Infrastructure and Environment 2007-2013, OP Innovative Economy 2007-2013, European Territorial Co-operation Programmes 2007-2013.

The framework of support for development projects in the 2007-2013 financial perspective for the particular spheres of development policy is presented by the following diagram, in which areas of the Strategy are connected with the structure of the intervention for selected operational programmes, due to their potential impact.

Indirectly, entrepreneurs are also executors of the Strategy. Through capital expenditure, they are building the economic potential of the Małopolska Region, creating conditions for the growth of regional GDP. Investment expenditures of Małopolska's enterprises of private sector in the years 2005-2009 accrued annually on average about 8% and amounted to an average of PLN 8.96 billion. Assuming that this trend continues also in the future, it can be assumed that by 2015 average annual expenditures will remain at a similar level.

Matrix of Connections of DSMR's Areas with the Structure of Interventions of Selected Operational Programmes of Financial Perspective 2007-2013

AREA 1. ACTIVITY AND KNOWLEDGE- BASED ECONOMY	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	Knowledge and entrepreneurship 29%	Higher education 2%	R&D works 13% infrastructure R&D 13% innovations 43%	—	human capital 91%
AREA 2. HERITAGE AND LEISURE INDUSTRIES	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	culture and tourism 10%	culture 2%	tourism 2%	—	—
AREA 3. INFRASTRUCTURE FOR COMMUNICATION ACCESSIBILITY	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	Communication 33%	Transport 70%	Information society 23%	—	—
AREA 4. KRAKOW METROPOLITAN AREA AND OTHER SUBREGIONS	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	5th priority axis of MROP has been dedicated to KMA, with the amount being ca. 13% of resources of ERDF assigned for implementation of the programme. Support in the framework of the axis covers interventions in the areas of transport, culture, health care, sport and congress infrastructure as well as R&D sphere.	—	—	—	—

AREA 5. DEVELOPMENT OF CITIES AND RURAL AREAS	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	Revitalization 6% Social infrastructure 4%	—	—	Development of rural areas 66%	—
AREA 6. ECOLOGICAL, HEALTH AND SOCIAL SAFETY	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	Environment 8% Health 5%	Health 1% Environment 17% Power industry 6%	—	Environment 32%	—
AREA 7. MANAGEMENT OF THE REGION'S DEVELOPMENT	SHARE OF EXPENDITURES IN THE STRUCTURE OF INTERVENTIONS OF SELECTED OPERATIONAL PROGRAMMES 2007-2013				
	MROP [1,290.27 million]*	OP I and E [27,913.68 million]*	OP IE [8,254.86 million]*	PRDP [13,398.93 million]*	OP HC [9,707.18 million]*
	Intra-regional co-operation 1%	—	Econ. promotion 2%	—	Promotion of public administration 5%

* The sum of EU funds assigned for implementation of each operational programme without taking into consideration an extra allocation coming from the division of national performance reserve and technical adjustment funds.

Source: Own work.

Analysis of Capacity to Generate Resources for Development by Local Self-government Units from Małopolska between 2010 and 2015

The success in the implementation of the Strategy is largely conditioned by own financial capacity of local self-governments' units in the region which in turn determines the potential for absorption of the European funds. As part of Małopolska Observatory of Development Policy an analysis aimed at estimating the amount that local administrative units of the Małopolska Region can assign to finance widely understood development projects in the years 2010-2015, was carried out. The results of the analysis allow for an initial indication of the financial framework for the Strategy during its implementation, corresponding to the second half of the financial perspective 2007-2013 (2015 – including the n+2 rule).

The own potential means the amount that the local self-government unit may assign from their own revenue to finance the new investment tasks and other development programmes. The amount of the own potential is calculated by subtracting from the own projected income the following:

- current expenditure (including salaries with derivatives, expenditures in kind, targeted, subject and object subsidies and benefits to natural persons),
- expenditure to continue investments which began before the beginning of the considered period,
- expenditure necessary for property restoration,
- repayments of liabilities incurred accruing during the period before the beginning of this period.

Investment potential is different from the own potential in that it also allows for the financing of development expenditure with funds derived from borrowing - in the considered period - of new obligations. The size of the obligations possible to take out is set at a level allowing the charge of repayments and new debt service costs not to jeopardize the financial stability of the audited entity. This requirement must be considered not only for the examined period but also for subsequent years. Investment potential is the own potential enlarged by the planned size of obligations taken out in the considered period and adjusted for debt repayment, that is the increase in the amount of obligations amount in the considered period. The upper limit of investment expenditure made from own resources are therefore the sum of the investment potential and planned expenditures of the continued investments. In order to obtain the full amount of viable investment expenditures this amount must then be adjusted for investment subsidies obtained.

Development projects in the territory of Małopolska will be funded from three main sources:

- national public financing, or in other words the Małopolska Region's local self-government units' own income enlarged by the transfer income received from the national budget and from other target funds,
- assistance funds transferred from the budget of the European Union,
- external funds borrowed from the financial sector, increasing the size of local self-government units' obligations.

It is worth noticing that in the long run only the first two sources of expenditure's financing increase the development potential of the region. The last of the abovementioned sources of financing - external funds in the form of credits, loans and issuing of debt securities - increases the investment opportunities in the particular year, but in the long run does not affect the total size of development expenditures. In the future, the entire borrowed amount will be paid back, and the repayments will reduce total investment potential in subsequent years, by exactly the same as the potential increased in the year in which the debt was contracted.

Table 5. Self-government units' revenue from the territory of the Małopolska Region in 2008-2015.

	2008	2009	2010	2011	2012	2013	2014	2015	2010-2015
DETAILED LIST	in PLN million								
Total revenue	11,625.7	12,609.2	12,953.4	13,533.0	14,050.4	14,883.3	15,815.2	16,808.6	88,043.9
Own revenue	5,667.5	5,887.9	6,136.3	6,543.6	6,957.3	7,429.4	7,894.8	8,393.1	43,354.5
PIT	2,255.8	2,326.3	2,404.9	2,602.4	2,802.0	3,040.8	3,246.4	3,465.8	17,562.3
CIT	553.1	525.4	563.9	621.9	683.4	752.3	832.8	921.9	4,376.2
Property tax	949.3	984.5	1,039.4	1,109.1	1,177.7	1,251.8	1,334.5	1,422.5	7,335.0

	2008	2009	2010	2011	2012	2013	2014	2015	2010-2015
DETAILED LIST	in PLN million								
Farm tax	75.9	76.6	82.5	86.0	89.5	94.6	99.7	105.3	557.7
Motor vehicles tax	61.1	62.5	66.0	70.5	74.8	79.5	84.8	90.4	466.0
Civil law transactions tax	162.9	154.7	162.6	173.0	183.7	195.2	208.1	221.8	1,144.3
Stamp duty	43.3	41.1	43.2	46.0	48.8	51.9	55.3	58.9	304.0
Income from assets	383.2	405.5	426.1	453.3	481.4	511.6	545.4	581.4	2,999.2
Other own revenue	1,183.0	1,311.1	1,347.9	1,381.6	1,416.1	1,451.5	1,487.8	1,525.0	8,609.8
Subsidies from national budget	1,762.4	1,617.5	1,753.8	1,866.0	1,981.5	2,106.2	2,245.2	2,393.3	12,345.9
For current tasks	1,458.6	1,414.9	1,486.5	1,581.6	1,679.5	1,785.1	1,903.0	2,028.6	10,464.2
For investment tasks	303.8	254.4	267.3	284.4	302.0	321.0	342.2	364.8	1,881.8
Other subsidies	140.7	197.2	202.7	207.8	213.0	218.3	223.7	229.3	1,294.8
General subvention	3,750.3	4,137.1	4,296.9	4,567.7	4,835.0	5,129.5	5,451.5	5,792.8	30,073.4
Refunds from the EU to finance continued investments	304.7	769.6	563.6	348.0	63.7	0.0	0.0	0.0	957.3

Source: Study carried out by order of The Marshal Office of the Małopolska Region.

Conducted estimates indicate that in years 2010-2015 budgets of local self-government units will contribute to the revenues in amount of PLN 88.04 billion. The largest part of the income will be own revenues, projected at PLN 43.4 billion. The second-largest source of local self-government units' budgets will be the general subsidy. According to the prognosis it will amount to PLN 30.1 billion. The second source of transfer revenues from the national budget - target subsidies - will amount to PLN 12.3 billion, of which PLN 1.9 billion will represent subsidies for investment tasks. Assuming that the system of local self-government units' revenues will not change, the self-government revenue structure will change only slightly. The share of own revenues in total local self-government units' revenues will increase from 47.4% in 2010 to 49.9% in 2015, which could contribute to the greater freedom of the self-governments in resources management.

The largest share of public revenues in the Małopolska Region will be channelled into the municipalities which in the years 2010-2015 will receive nearly PLN 70.7 billion, i.e. 80.3% of the total revenues of local self-government units from the territory of the Małopolska Region. Own revenues will represent 51% of the total income of municipalities which indicates a significant level of financial autonomy, smaller however than in case of region's self-government, where they amount to 61.6% of total revenues, but much higher than in the case of counties (31.4% of total revenues).

Prognosis of expenditures and investment potential of the region is based on the estimated amount of PLN 88.04 billion of domestic public revenues received by local self-government units of the Małopolska Region in the years 2010-2015. It is anticipated that it will be disposed of in the following manner:

- PLN 69.86 billion will finance current expenditures (continued),
- PLN 704.9 million will be allocated to investment purchases,
- PLN 3.46 billion self-governments will allocate to the completion of investment projects started before the end of 2009,
- PLN 14.02 billion will be the own potential for financing the new development tasks, including new projects co-financed with EU funds.

Taking into account the balance of the obligations of local self-government units causes that we additionally receive PLN 2.83 billion for the financing of development projects. Thus, total investment potential of local self-government units in the Małopolska Region in the years 2010-2015 will amount to PLN 16.84 billion.

Table 6. Revenues, expenditures and investment potential of local self-government units from the territory of the Małopolska Region in years 2010-2015.

	2010	2011	2012	2013	2014	2015	2010-2015
DETAILED LIST	in PLN million						
Total revenue	12,953.4	13,533.0	14,050.4	14,883.3	15,815.2	16,808.6	88,043.9
Current expenditures	10,117.2	10,695.8	11,268.4	11,897.8	12,579.6	13,302.8	69,861.6
Investment purchases	110.4	113.1	115.9	118.8	121.8	124.9	704.9
Continued investments	1,981.0	1,216.6	223.6	23.3	7.6	5.9	3,458.0
Own potential	744.8	1,507.6	2,442.5	2,843.4	3,106.2	3,375.0	14,019.5
Obligations balance	342.2	398.2	373.3	511.7	573.0	626.6	2,825.0
Investment potential	1,087.0	1,905.8	2,815.8	3,355.1	3,679.1	4,001.6	16,844.4

Source: Study carried out by order of The Marshal Office of the Małopolska Region.

Comparing the investment potential of the Małopolska Region for 2010-2015 to the units representing various self-government levels it's estimated size is at the level of PLN 2.31 billion, which gives the average yearly amount of PLN 385.5 million. Region's own potential during this period will be equal to 31.1% of total revenues which gives an estimated PLN 1.94 billion. Situation of counties will be shaped differently, for which the investment potential is estimated at PLN 1.69 billion, and its own potential, with the exception of borrowed funds, will be equal to PLN 1.32 billion (11.9% of total revenues). Definitely the greatest investment potential and own potential, are possessed by municipalities, which in the years 2010-2015 will be able to spend on new development projects PLN 10.76 billion in own resources and PLN 2.1 billion in additional borrowed funds. The attention should be however directed on the distribution of investment potential between the municipal municipalities and others. Conducted estimates indicate that eleven municipal municipalities will possess own potential equal to 46% of the potential of all municipalities in the territory of the Małopolska Region and investment potential, which will amount to 42% of the investment potential of all municipalities.

Table 7. Investment potential of local self-government units from the area of the Małopolska Region for years 2010-2015.

DETAILED LIST	2010	2011	2012	2013	2014	2015	2010-2015
	in PLN million						
Local self-government units in total	1,087.0	1,905.8	2,815.8	3,355.1	3,679.1	4,001.6	16,844.4
Region	229.2	306.5	354.6	422.0	472.6	528.3	2,313.1
Counties	152.8	257.2	290.0	315.3	328.4	342.1	1,685.8
Municipalities	705.0	1,342.1	2,171.2	2,617.8	2,878.2	3,131.2	12,845.5
– municipal	428.8	565.8	888.4	1,077.4	1,169.0	1,275.5	5,404.8
– other	276.3	776.3	1,282.8	1,540.5	1,709.2	1,855.7	7,440.7

Source: Study carried out by order of The Marshal Office of the Małopolska Region.

Analysis of the structure of Małopolska self-government units' investment potential estimated for the period 2010-2015 shows that the largest part will fall to municipalities – a total of ca. 76%, while the self-government of the region will record participation of ca. 14%, while the county will have a share of ca. 10%.

To sum it up, the statement of financial sources for development and their use in the years 2010-2015 by Małopolska local self-government units can be made.

Table 8. Development expenditures of local self-government units of the Małopolska Region and their financing sources for years 2010-2015.

DETAILED LIST		2010	2011	2012	2013	2014	2015	2010-2015
		in PLN million						
1	2	3	4	5	6	7	8	9
1	Expenditures for investments started before 2010	1,981.0	1,216.6	223.6	23.3	7.6	5.9	3,458.0
1a	National resources	1,417.4	868.6	159.9	23.3	7.6	5.9	2,482.7
1b	Resources of European Union	563.6	348.0	63.7	0.0	0.0	0.0	975.3
2	Expenditures for new projects within ROP framework	424.6	678.3	1,012.8	1,087.6	870.1	543.8	4,617.2
2a	National resources (investment potential)	63.7	101.7	151.9	163.1	130.5	81.6	692.6
2b	Resources of European Union	360.9	576.5	860.8	924.5	739.6	462.3	3,924.6
3	Expenditures for other operational programmes	413.0	382.2	382.0	381.8	305.4	190.8	2,055.2
3a	National resources (investment potential)	70.7	62.9	62.9	62.9	50.3	31.4	341.0
3b	Resources of European Union	342.4	319.2	319.1	319.0	255.1	159.4	1,714.2
4	Expenditures for other projects	952.7	1,741.1	2,601.0	3,129.1	3,498.3	3,888.6	15,810.9

DETAILED LIST		2010	2011	2012	2013	2014	2015	2010-2015
		in PLN million						
1	2	3	4	5	6	7	8	9
4a	National resources (investment potential)	952.7	1,741.1	2,601.0	3,129.1	3,498.3	3,888.6	15,810.9
EXPENDITURES FOR DEVELOPMENT PROJECTS (1+2+3+4)		3,771.3	4,018.1	4,219.3	4,621.9	4,681.5	4,629.2	25,941.3

Source: Study carried out by order of The Marshal Office of the Małopolska Region.

Analysis of Opportunities to Support Małopolska's Development with European Funds between 2014 and 2020

Currently, there is a discussion about the future role and financing rules of European regional policy, including the cohesion policy. On this background, there are questions about the chances for the continuation of its implementation in the present form, also during the following financial perspective. Perhaps the only chance to maintain the structural funds will be the change of the formula for their functioning, as an instrument of development addressed to all Member States.

The beginning of negotiations on financial perspective 2014-2020, including work on agreeing on the shape of the regulations governing the rules of financing and implementation of cohesion policy, falls in the second half of 2011. Therefore, at this stage, it is not possible to precisely identify instruments and sources of financing of the Strategy in the new programming period. The adoption of appropriate guidelines in this scope will take place after completion of the works on the Strategy - in the first stage of its implementation. The main factors that may contribute to the reduction of regional development financing in the new financial perspective are:

- a) eventual economic slowdown,
- b) a high deficit of the public finances sector limiting, among other things, access to external financing sources, and consequently the volume of financial resources for implementation of investment projects; in this context, eventual changes in the system of public finances investment limiting the investment ability of local administrative units could also become particularly important,
- c) reduction of the EU budget allocated to cohesion policy, as well as,
- d) changes in the rules for allocating European funds.

Regardless of the final decisions in the scope of next programming period and eventual limitations, an attempt to make some projections in this scope, using the assumptions of the National Regional Development Strategy 2010-2020, so-far working algorithms of particular programmes' resources allocation among regions, as well as consideration of the current signals from the European Commission about the amount of EU funds for Poland in the financial perspective 2014-2020, can be made.

Projection's assumptions – based on the National Regional Development Strategy 2010-2020:

1. A total of 70% of the NRDS will be allocated to the implementation of framework integrated regional programmes, including activities currently financed by the ERDF, ESF, and EAFRD.
2. Allocation of EU funds for Poland in the period 2014-2020 will be comparable to the allocation for 2007-2013 and will be shaped at the level of EUR 78 billion (EUR 65 billion under the ERDF, ESF, Cohesion Fund and EUR 13 billion under the EAFRD).

3. The division between regions will be made:

a) **option I:**

on the basis of the algorithm employed in the previous programming period for the structural funds, including the regional operational programmes for years 2007-2013, that is with accordance to an algorithm 80/10/10. According to it, a decisive factor for the allocation of available resources is the criterion of population (share of 80%), according to which the distribution of resources involves all the regions. The distribution of the remaining 20% of resources involves only regions where GDP per 1 resident is lower than 80% of the national average (10% share) and in which the registered unemployment rate in the cross-counties is higher than 150% of the national average (10% share);

b) **option II:**

similarly to the division applied in the previous programming period in the framework of the Rural Development Programme for 2007-2013;

c) **option III:**

similarly to the division applied in the previous programming period in the framework of the regional component of the Human Capital Operational Programme 2007-2013.

Allocation of resources for Małopolska in the period 2007-2013

OPERATIONAL PROGRAMME	POPULATION (IN THOUSANDS) / COUNTRY'S POPULATION (in %)	EU ALLOCATION (in EUR million)	AVAILABLE RESOURCES FOR 15 REGIONS (in EUR million)	MAŁOPOLSKA'S SHARE IN THE AVAILABLE RESOURCES FOR 16 REGIONS (in %)
MROP		1,147.7	15,985.5	7.18
RDP	3,266.1 i.e.	204.3	2,586.4	7.90
OPHC	8.56%	502.0	6,036.5	8.32

Considering the above-cited assumptions, the amount of the allocation of EU funds available for Małopolska in the financial perspective 2014-2020 can be calculated as follows:

- a) option I: $\text{EUR } 78 \text{ billion} \times 70\% \times 7.18\% = \text{EUR } 3.92 \text{ billion};$
- b) option II: $\text{EUR } 78 \text{ billion} \times 70\% \times 7.9\% = \text{EUR } 4.31 \text{ billion};$
- c) option III: $\text{EUR } 78 \text{ billion} \times 70\% \times 8.32\% = \text{EUR } 4.54 \text{ billion}.$

To sum it up, the estimated value of resources that the Małopolska Region can count on in the programming period 2014-2020 from the EU funds, should be within the range of **EUR 3.92 billion to EUR 4.54 billion.**



A N N E X E S

to the Development Strategy
of the Małopolska Region
for 2011-2020



VISION "MALOPOLSKA 2020"

We wish Malopolska to be an attractive place to live, work and spend leisure in, a European region of knowledge and activity, strong with the universal values, identity and aspirations of its inhabitants, consciously drawing from the heritage and regional space, creating opportunities for the development of people and modern economy.

MAIN GOAL

Effective use of regional opportunity potentials for economic development and increase of social and spatial coherence of Malopolska in regional, national and European dimension.

AREA 1. ACTIVITY AND KNOWLEDGE-BASED ECONOMY

Strategic Objective: Strong position of Malopolska as a region attractive for investment, based on knowledge, professional activity and entrepreneurship of its residents.

1.1. Development of Intellectual Capital

1.2. Building the Infrastructure of the Region of Knowledge

1.3. Comprehensive Support for Modern Technologies

1.4. Development of Professional Education and Support for Employment

1.5. Strengthening and Promoting of Entrepreneurship

AREA 2. HERITAGE AND LEISURE INDUSTRIES

Strategic Objective: High attractiveness level of Malopolska in the area of leisure industries thanks to utilization of regional heritage and cultural potential.

2.1. Protection of Malopolska's Cultural Space

2.2. Sustainable Development of Infrastructure and Commercialization of Leisure Services

2.3. Training of Personnel for the Industries' Development and Service

2.4. Strengthening the Promotion of Regional Heritage and the Offer of Leisure Industries

AREA 4. KRAKÓW METROPOLITAN AREA AND OTHER SUBREGIONS

Strategic Objective: Strong competitive position of Kraków Metropolitan Area in the European space and growth of the subregions' economic potential in the regional and national framework

4.1. Development of Kraków Metropolitan Area

4.2. Development of Tarnowski Subregion

4.3. Development of Sądecki Subregion

4.4. Development of Podhalański Subregion

4.5. Development of Western Malopolska

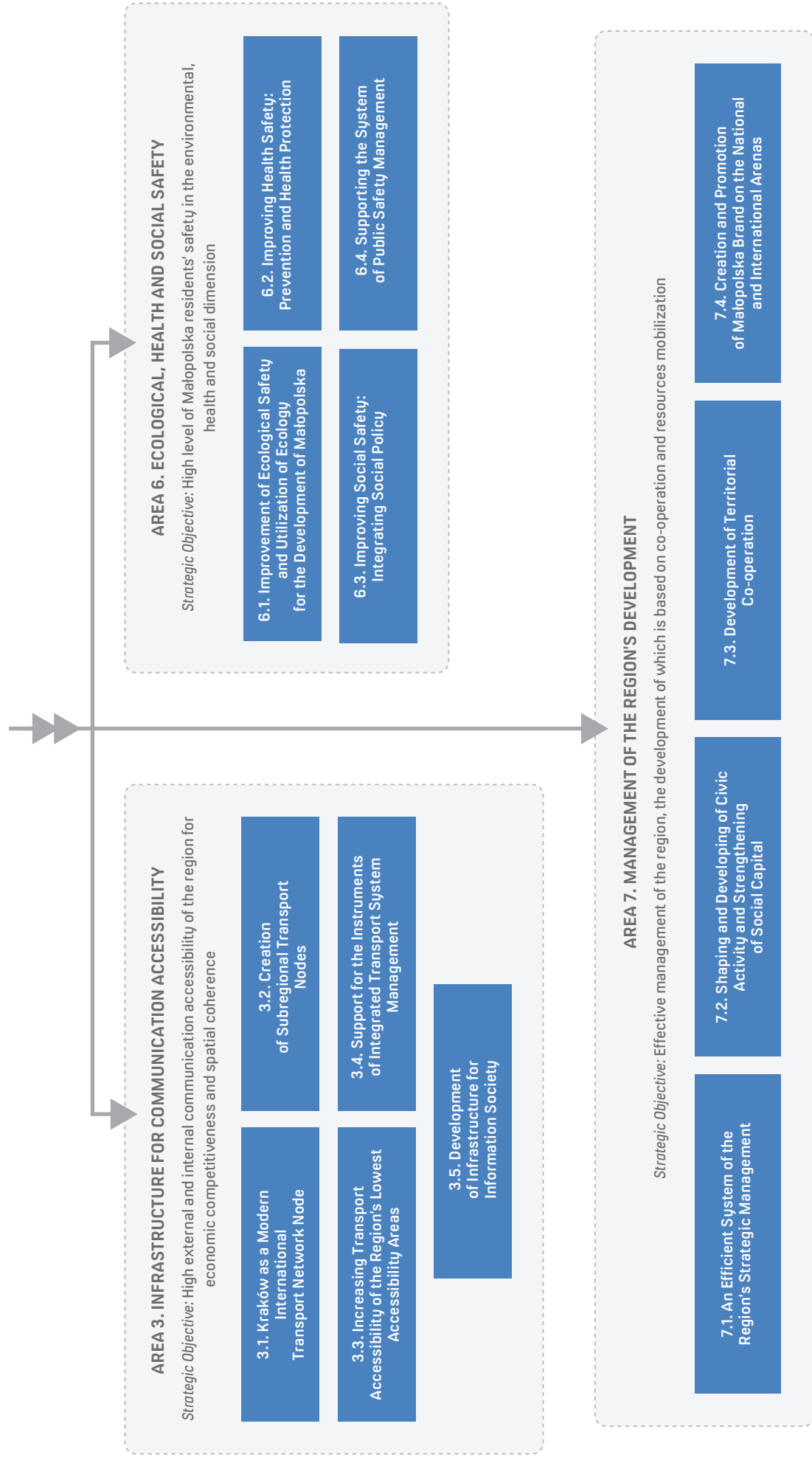
AREA 5. DEVELOPMENT OF CITIES AND RURAL AREAS

Strategic Objective: Active centres of public and economic services providing opportunities for development of residents of small and medium cities and rural areas

5.1. Development of Functions of Local Public Services Centres

5.2. Economic Development of Small and Medium Cities as well as Rural Areas

5.3. Functional Space Management at the Local Level



I. Diagram Development Strategy of the Małopolska Region for 2011-2020

II. List of Strategic Tasks to be Implemented in the Perspective of Year 2020

1. The Character of Strategic Tasks

Separating in the *Development Strategy of the Małopolska Region* the list of the so-called strategic tasks is a departure from the rule, according to which the tasks of project character should be the element of the operational programming process, not strategic planning process. Introducing this kind of departure is dictated by:

- the need of indicating **key project measurers**, the implementation of which in the perspective of year 2020 conditions the achievement of a step change, constituting the yardstick of the Małopolska's development success,
- the need of introducing the **concentration, embodiment and selective character** of the *Development Strategy of the Małopolska Region for 2011-2020*,
- need of supporting the process of **preparing, negotiating and implementing the territorial contract** for Małopolska.

All of the suggested strategic tasks were the element of the **discussion in the framework of public consultations**, preceding the elaboration of this project of the *Development Strategy of the Małopolska Region*. The tasks suggested in the list below are the element of choice and agreement, based on the recommendations resulting from the process of:

- **social consultations**, conducted in the form of territorial (subregional) consultations,
- **expert consultations**, conducted on the forum of the Team for Updating the Development Strategy of the Małopolska Region until 2020,
- **political consultations**, conducted in the framework of discussions with the participation of the Councillors of the Małopolska Region and the Board of the Małopolska Region.

The formula of strategic tasks comprises both **projects that are separate undertakings**, and **thematically-separated programmes**. These tasks constitute the implementation dimension of the sectorially and spatially diagnosed key potentials, main barriers and the most important issues for the Małopolska's development in the perspective of year 2020.

2. Criteria for Selecting Strategic Tasks

The list of strategic tasks has been constructed on the basis of the assumption according to which the relevance and purposefulness of its including in the Region's Development Strategy is conditioned by maintaining **the limited and closed nature of the suggested list of undertakings**. On the basis of conclusions from the conducted consultations, only undertakings meeting **all or most** of the following **selection criteria** have been included in the list of strategic tasks:

- a) **criterion of crucial influence on achieving strategic objectives**, defined for the areas of intervention of the *Development Strategy of the Małopolska Region for 2011-2020*,
- b) **criterion of regional and/or supra-regional economic influence**,
- c) **criterion of regional and/or supra-regional spatial range**,
- d) **criterion of financial value**, going beyond the possibility of independent implementation of the task by the region's self-government.

3. List of Strategic Tasks

STRATEGIC TASK	SPATIAL DIMENSION						SECTORIAL DIMENSION			
	Region	Kraków Metropolitan Areas	Tarnowski Subregion	Sądecki Subregion	Podhalanski Subregion	Western Małopolska	Activity and knowledge-based economy	Heritage and leisure industries	Infrastructure for communication accessibility	Ecological, health and social safety
WT task being implemented										
N new task										
(WT) Building the Małopolska Broadband Network	■							■		
(WT) Building the Małopolska Tourist Information System	■							■		
(WT) Systemic actions strengthening the potential of subregional centres, especially in terms of development of higher-education facilities, including State Vocational Colleges			■	■	■	■	■			
(N) Programme of development of the Małopolska spa centres				■	■			■		
(WT) Programme of sport infrastructure's development, including the Central Sports Centre in Zakopane				■	■			■		
(WT) Building the Congress Centre in Krynica-Zdrój				■				■		
(WT) Continuing the construction of the 3rd Jagiellonian University Campus		■					■			
(WT) Package of projects modernizing Małopolska's economy, including: <ul style="list-style-type: none"> • creating and developing the European Knowledge and Innovation Centre • developing the Multimedia City in Nowy Sącz • developing life science sector and IT technologies sector • developing technology transfer centres 	■						■			
Supplementing the metropolitan infrastructure: <ul style="list-style-type: none"> • congress centre (WT) • sports and entertainment area (WT) • new seat of the philharmonic hall (N) • new seat of the Szpital Uniwersytecki (N) 		■						■		■
(N) Programme of Małopolska's tourist promotion	■							■		

STRATEGIC TASK	SPATIAL DIMENSION						SECTORIAL DIMENSION			
	Region	Kraków Metropolitan Areas	Tarnowski Subregion	Sądecki Subregion	Podhalański Subregion	Western Małopolska	Activity and knowledge-based economy	Heritage and leisure industries	Infrastructure for communication accessibility	Ecological, health and social safety
<p>WT task being implemented</p> <p>N new task</p> <p>(N) Developing Kraków's agglomeration transport:</p> <ul style="list-style-type: none"> • building fast agglomeration railway • launching new fast tram lines • undertaking preparation works for the construction of pre-subway / subway 										
<p>(N) Incorporating Małopolska into the network of high speed rail by building the extension of the Central Railway Main Line to Kraków</p>										
<p>(N) Providing a railway connection between Kraków and Sądecczyzna and Podhale: railway line Kraków – Podłęże – Piekielko together with modernization of the line: Nowy Sącz – Muszyna – country border as well as the branch line to Nowy Targ and Zakopane</p>										
<p>(WT) Expanding the airport infrastructure and airport-based infrastructure of the Kraków – Balice airport together with supplementing the structure of access to the airport</p>										
<p>(N) Building the network of local airports</p>										
<p>Building the belt-ways of cities and towns affected by the nuisance of transit traffic, especially completing the belt-ways of Kraków and subregional centres, including:</p> <ul style="list-style-type: none"> • Kraków's northern and eastern belt-ways (N / WT) • Tarnów's eastern belt-way (N) • Nowy Sącz's northern belt-way (N) 										

STRATEGIC TASK	SPATIAL DIMENSION						SECTORIAL DIMENSION			
	Region	Kraków Metropolitan Areas	Tarnowski Subregion	Sądecki Subregion	Podhalański Subregion	Western Małopolska	Activity and knowledge-based economy	Heritage and leisure industries	Infrastructure for communication accessibility	Ecological, health and social safety
<p>WT task being implemented</p> <p>N new task</p> <p>(N) Accomplishing road connections of strategic importance for the improvement of accessibility on supra-regional and regional scale:</p> <ul style="list-style-type: none"> • S7 expressway (region border – Kraków) • S1 expressway (Mysłowice – Bielsko-Biała, another route's variant – through Oświęcimski Powiat together with Oświęcim's belt-way) • Beskidzka Droga Integracyjna (Beskidzka Integration Road) (Głogoczów – Bielsko-Biała) • Dual carriageway connection Kraków – Olkusz • Building of the road Bukowno – Baliński junction on A4 road • Incorporating the A4 motorway into the region's transportation system by building and expanding the motorway junctions (including junctions of Rudno, Byczyna) together with necessary connections with national and regional (region) roads • Continuation of "Zakopianka" (the Kraków-Zakopane route) on Lubień – Nowy Targ route • connection Kraków – Nowy Sącz – country border in the standard of high technical parameters road (connecting the A4 motorway with the D1 motorway in Slovakia) • connection Tarnów – Kielce in the standard of high technical parameters road 										
<p>(N) Flood control programme for the region in the area of the Upper Vistula's basin</p>										

III. Organization and Course of Works on Updating the Development Strategy of the Region

1. List of Expert Reports Carried out in the Framework of Works on the Development Strategy of the Małopolska Region for 2011-2020

- W. Misiąg, M. Tomalak, *Analiza i ocena sytuacji województwa małopolskiego jako podmiotu transferów środków publicznych oraz prognoza finansowa dla regionu na lata 2010-2015* [Analysis and evaluation of the situation of the Małopolska Region as the entity of public funds' transfers, and financial forecast for the region for 2010-2015], Warsaw 2009.
- *Ocena wpływu instrumentów polityki spójności oraz wspólnej polityki rolnej na rozwój społeczny i gospodarczy obszarów wiejskich w województwie małopolskim* [Evaluation of the influence of instruments of cohesion policy and common agricultural policy on social and economic development of rural areas in the Małopolska Region], Polska Akademia Nauk, Instytut Geografii i Przestrzennego Zagospodarowania im. S. Leszczyckiego, Warsaw 2009.
- *Raport monitoringowy z realizacji Strategii Rozwoju Województwa Małopolskiego w latach 2007-2008* [Monitoring report on implementation of the Development Strategy of the Małopolska Region between 2007 and 2008], Doradztwo Gospodarcze DGA S.A., Kraków 2009.
- *Ocena śródkresowa w trakcie realizacji Strategii Rozwoju Województwa Małopolskiego 2007-2013 w latach 2007-2009* [Mid-term evaluation during the implementation of The Małopolska Region Development Strategy for 2007-2013 between 2007 and 2009], HMR Doradztwo Strategiczne S.C., Kraków 2010.
- *Badanie opinii mieszkańców, przedsiębiorców oraz przedstawicieli organizacji pozarządowych z terenu województwa małopolskiego na temat kluczowych obszarów polityki rozwoju województwa określonych w Strategii Rozwoju Województwa Małopolskiego na lata 2007-2013* [Research on the opinion of residents, entrepreneurs and representatives of non-government organizations from the Małopolska Region on key areas of the region's development policy, defined in the The Małopolska Region Development Strategy for 2007-2013], BIOSTAT, Kraków 2010.
- *Badanie funkcji, potencjału oraz trendów rozwojowych miast w województwie małopolskim* [Research on function, potential and development trends in the Małopolska Region], Uniwersytet Jagielloński w Krakowie, Instytut Geografii i Gospodarki Przestrzennej, Instytut Spraw Publicznych, Kraków 2010.
- *Ocena wpływu projektów zrealizowanych dzięki funduszom europejskim przez uczelnie wyższe z terenu województwa małopolskiego na wzrost konkurencyjności gospodarczej regionu oraz wzmocnienie potencjału sektora badawczo-naukowego w województwie* [Evaluation of the influence of projects implemented thanks to the European funds by higher education facilities from the Małopolska Region on the increase of the region's economic competitiveness and strengthening the potential of the research and science sector in the region], Centrum Ewaluacji i Analiz Polityk Publicznych UJ, Kraków 2010.

- *Prognoza demograficzna dla powiatów województwa małopolskiego na lata 2010-2020, Uniwersytet Ekonomiczny w Krakowie* [Demographic forecast for the counties of the Małopolska Region for 2010-2020], Wydział Zarządzania, Katedra Statystyki, Zakład Demografii, Kraków 2010.
- Prof. dr hab. J. Szlachta, *Uwagi do dokumentu Strategia Rozwoju Województwa Małopolskiego 2011--2020. Małopolska 2020. Nieograniczone możliwości. Projekt nr 1 z dnia 24 czerwca 2010 roku* [Remarks on the document "Development Strategy of the Małopolska Region for 2011-2020. Małopolska 2020. Unlimited possibilities". Project no.1 of 24th June 2010], Warsaw 2010.
- *Weryfikacja i ocena doboru wskaźników monitorowania dla projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020 wraz z rekomendacjami dotyczącymi zmian w tym zakresie (Komponent 1) oraz analiza i dobór wartości bazowych wskaźników monitorowania wraz z prognozą ich wartości docelowych (Komponent 2)* [Verification and evaluation of monitoring indicators for the project "Development Strategy of the Małopolska Region for 2011-2020" together with recommendations concerning changes in this regard (Component 1) as well as the analysis and selection of the monitoring indicators' base rates together with the forecast of their target values (Component 2)], Wrocławska Agencja Rozwoju Regionalnego S.A, Wrocław 2010.
- Dr R. Guzik, *Ekspertyza dotycząca wyznaczenia liczby mieszkańców w izochronach 30, 60, 90 oraz 120 minut dojazdu do wybranych miast Małopolski* [Expert report on establishing the number of residents in isochrones 30, 60, 90 and 120 minutes of travel to selected Małopolska's cities], Kraków 2011.
- *Ocena ex-ante projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020* [Ex ante evaluation of the Development Strategy of the Małopolska Region for 2011-2020], Fundacja Naukowa Instytut Badań Strukturalnych, Warsaw 2011.
- *Prognoza oddziaływania na środowisko projektu Strategii Rozwoju Województwa Małopolskiego na lata 2011-2020* [Forecast of the impact of the project "Development Strategy of the Małopolska Region for 2011-2020" on the environment], DHV POLSKA Sp. z o.o., Warsaw 2011.

2. Calendar of Works on the Project of Development Strategy of the Małopolska Region for 2011-2020

DATE	EVENT
7th May 2009	Passing by the Region Board the draft resolution of the Regional Assembly on defining rules, course and schedule of works on updating <i>The Małopolska Region Development Strategy for 2007-2013</i>
25th May 2009	Passing by the Regional Assembly the resolution on defining the rules, course and schedule of works on updating <i>The Małopolska Region Development Strategy for 2007-2013</i>
14th July 2009	Regulation no. 70/09 of the Marshal of the Małopolska Region of 14th July 2009 on creating the Team for Updating the Development Strategy of the Małopolska Region
15th July 2009	Coordination meeting of the Team for Updating the Development Strategy of the Małopolska Region
29th September 2009	Receiving by the Region Board information on preliminary version of the " <i>Assumptions of Updating the Development Strategy of the Małopolska Region until 2020</i> "
5th November 2009	1st Strategic Workshop of the Team for Updating the Development Strategy of the Małopolska Region until 2020
26th November 2009	Passing by the Region Board the Resolution no. 1346/09 on Creating the Group for Updating the Development Strategy of the Małopolska Region until 2020

DATE	EVENT
8th December 2009	Receiving by the Region Board the information on <i>Assumptions of Updating the Development Strategy of the Malopolska Region until 2020</i> and <i>Monitoring Report on Implementation of the Development Strategy of the Malopolska Region between 2007 and 2008</i>
11th December 2009	1st Strategic Workshop of the Councillors of the Malopolska Region, in the framework of the session of Commissions of the Regional Assembly
14th January 2010	Passing by the Region Board the Resolution no. 36/10 on amending the Resolution no.1346/09 of the Board of the Malopolska Region of 26th November 2009 on Creating the Group for Updating the Development Strategy of the Malopolska Region until 2020
18th February 2010	Passing by the Region Board the Resolution no. 176/10 on Adopting the <i>Assumptions of the Development Strategy of the Malopolska Region until 2020</i>
26th February 2010	2nd Strategic Workshop of the Team for Updating the Development Strategy of the Malopolska Region until 2020
30th March 2010	Receiving by the Region Board the information on works regarding the preliminary project of updating the Development Strategy of the Malopolska Region until 2020 – <i>Vision, goals, areas and directions of the policy</i>
9th April 2010	2nd Strategic Workshop of Councillors of the Malopolska Region, in the framework of the session of Commissions of the Regional Assembly
13th -14th May 2010	3rd Strategic Workshop of the Team for Updating the Development Strategy of the Malopolska Region until 2020
24th June 2010	Passing by the Region Board the Resolution no. 690/10 on adopting the project of <i>The Malopolska Region Development Strategy for 2007-2013</i> (project no.1 of DSMR)
26th August 2010	Receiving by the Region Board the information on works regarding <i>The Malopolska Region Development Strategy for 2007-2013</i>
27th August 2010	3rd Strategic Workshop of Councillors of the Malopolska Region, in the framework of the session of Commissions of the Regional Assembly
30th August 2010	Passing by the Regional Assembly the resolution on amending the Resolution no. XXXII/469/09 on defining the rules, course and schedule of works on updating <i>The Malopolska Region Development Strategy for 2007-2013</i>
3rd September 2010	4th Strategic Workshop of the Team for Updating the Development Strategy of the Malopolska Region until 2020
12th October 2010	Passing by the Region Board the Resolution no.1177/10 on amending the Resolution no. 690/10 of the Board of the Malopolska Region of 24th June 2010 on adopting the project of <i>Development Strategy of the Malopolska Region for 2011-2020</i> (project no. 2 of DSMR)
8th November 2010	Presenting the project of <i>Development Strategy of the Malopolska Region for 2011-2020</i> and conducting a discussion on the forum of the Regional Assembly of the Malopolska Region
14th January 2011	4th Strategic Workshop of Councillors of the Malopolska Region, in the framework of the session of the Commissions of the Regional Assembly
28th March 2011	Passing by the Regional Assembly the Resolution on amending the Resolution no. XXXII/469/09 on defining the rules, course and schedule of works regarding the updating <i>The Malopolska Region Development Strategy for 2007-2013</i>
March-May 2011	Works on the <i>Development Strategy of the Malopolska Region for 2011-2020</i> on the forum of individual Commissions of the Regional Assembly
31st March 2011	Passing by the Region Board the Resolution no.378/11 on amending the Resolution no. 690/10 of the Board of the Malopolska Region of 24th June 2010 on adopting the project of <i>Development Strategy of the Malopolska Region for 2011-2020</i> (project no.3 of DSMR)
13th -14th May 2011	5th Strategic Workshop of the Team for Updating the Development Strategy of the Malopolska Region until 2020
20th May 2011	5th Strategic Workshop of the Councillors of the Malopolska Region, in the framework of the session of Commissions of the Regional Assembly

DATE	EVENT
17th June 2011	Passing by the Region Board the draft of the Resolution of the Regional Assembly of the Małopolska Region on adopting the <i>Development Strategy of the Małopolska Region for 2011-2020</i> , before the first reading during the 10th Session of the Regional Assembly of the Małopolska Region (project no.4 of DSMR)
June 2011	Works on <i>Development Strategy of the Małopolska Region for 2011-2020</i> on the forum of individual Commissions of the Regional Assembly (giving opinions on the draft of Resolution of Regional Assembly of the Małopolska Region, before the first reading during the 10th Session of Regional Assembly of the Małopolska Region)
1st July 2011	The first reading of the Resolution of the Regional Assembly of the Małopolska Region on adopting <i>Development Strategy of the Małopolska Region for 2011-2020</i> during the 10th Session of Regional Assembly of the Małopolska Region
September 2011	Works on <i>Development Strategy of the Małopolska Region for 2011-2020</i> on the forum of individual Commissions of the Regional Assembly (giving opinions on the draft of Resolution of Regional Assembly of the Małopolska Region before the second reading during the 12th Session of Regional Assembly of the Małopolska Region)
26th September 2011	The second reading and passing of the Resolution of the Regional Assembly of the Małopolska Region on adopting <i>Development Strategy of the Małopolska Region for 2011-2020</i> during the 12th Session of Regional Assembly of the Małopolska Region

3. Events Accompanying the Works on Development Strategy of the Małopolska Region for 2011-2020

DATE	EVENT
25th June, 30th September, 17th November 2009	Consultations with the participation of the Forum of Voits, Mayors and Presidents of Małopolska
1st October– 30th November 2009	Social consultations of the preliminary version of the <i>Assumptions of Updating the Development Strategy of the Małopolska Region until 2020</i>
2nd October 2009	8th Regional Conference: presenting the preliminary version of the <i>Assumptions of Updating the Development Strategy of the Małopolska Region until 2020</i>
17th November 2009	Consultations in the framework of session of the Małopolska's Starostes' Convention
4th December 2009	4th session of the Małopolska Council of Regional Development and Evaluation Observatories
7th December 2009	Consultation meeting in Nowy Sącz
9th February 2010	Meeting dedicated to the assumptions of elaborating the region's energy balance
17th February 2010	Seminar entitled "Local self-government as the entity of public finance system"
19th March 2010	Consultation meeting in Gorlice
27th April 2010	Regional conference entitled "Małopolska higher education facilities – a key factor determining the region's development"
30th April 2010	9th Regional Conference: presenting the results of works on updating the Development Strategy of the Małopolska Region
6th May 2010	Seminar entitled: "Social and economic development of rural areas in Małopolska"
19th May 2010	Consultations in the framework of the Małopolska Innovation Council
20th May 2010	Regional conference entitled "Culture and cultural heritage in the region's development"
24th May 2010	Meeting with the local media's representatives

DATE	EVENT
28th May 2010	Meeting between the Marshal of the Region and the regional media's chiefs
10th June– 15th September 2010	Contest entitled "My idea for Małopolska"
22nd June 2010	Consultations in the framework of the session of the Małopolska's Starostes' Convention
25th June – 15th September 2010	Social consultations of the project of <i>Development Strategy of the Małopolska Region for 2011-2020</i>
25th June 2010	Territorial consultations – the Tarnowski Subregion
28th June 2010	Territorial consultations – the Sąddecki Subregion
12th July 2010	Territorial consultations – the Podhalański Subregion
20th July 2010	6th session of the Małopolska Council of Evaluation and Regional Development Observatories
25th August 2010	Presenting for agreement and agreeing on the project of <i>Development Strategy of the Małopolska Region for 2011-2020</i> during the plenary session of the Joint Commission of Government and Local Self-Government
6th September 2010	Territorial consultations – Kraków Metropolitan Area
13th September 2010	Territorial consultations – Western Małopolska
20th September 2010	Sector meeting with the business environment's representatives
21st September 2010	Regional conference entitled "City – the melting pot of challenges and potentials. The Małopolska cities 2020"
21st September 2010	Consultations in the framework of Małopolska Public Benefit Council
23rd September 2010	Consultations with the participation of the Region Urban and Architectural Commission
1st October 2010	Common session of the Regional Assembly of the Małopolska Region and the Regional Assembly of the Śląskie Region
18th October 2010	Regional conference entitled "Silver economy as an opportunity for Małopolska"
29th October 2010	Regional conference "Knowledge – Entrepreneurship – Investments". Choosing the economic strategy for Małopolska.
15th November 2010	"Dialog about the self-government" debate – State Higher Vocational School in Tarnów
26th January 2011	Consultations in the framework of the session of Forum of Presidents of Municipality and County Councils
27th January 2011	Meeting with the self-government authorities of Tarnowski County: presenting the assumptions of the project of <i>Development Strategy of the Małopolska Region for 2011-2020</i>
24th March 2011	Consultations in the framework of session of the Forum of Voits, Mayors and Presidents of Małopolska
24th March 2011	Consultations on the forum of the Development and Innovation Commission of the Kraków City Council
9th-30th May 2011	Social consultations of the project <i>Development Strategy of the Małopolska Region for 2011-2020</i> together with the <i>Environmental Impact Forecast</i>

IV. Summary of the Environmental Impact Assessment

1. Legal Basis:

Act on Providing Information on the Environment and Environmental Protection, Public Participation in Environmental Protection and on Environment Impact Assessment of 3rd October 2008 (Journal of Laws no. 199, item 1227, as amended), art. 55 section 3, defines the scope of this *Summary*.

2. Justification Regarding the Choice of the Adopted Document with reference to the Considered Alternative Solutions

The region's development strategy is the fundamental and the most important document of the region's self-government, defining areas, goals and intervention directions of the development policy, conducted in the regional space. In the system of development policy management, the *Strategy* plays a key role also as a general plan of action of the regional self-government's authorities in the process of managing the region, but also as a tool of communication and partner co-operation with the regional community. The "Małopolska 2020" Strategy reflects what we – as a regional community – may and want to achieve in the perspective of the nearest ten years – in comparison to our current development condition and thanks to our expectations and ambitions for the future. It must be emphasized that when starting to update the Region's Development Strategy – in the fourth year of the implementation of the Strategy adopted for years 2007-2013, no premises were identified that would justify the decision on refusal or thorough questioning of the visions and strategic objectives regarding Małopolska's development, adopted in that document. Therefore, the third – in the 10-year history of the regional self-government – strategy, the *Development Strategy of the Małopolska Region for 2011-2020*, is an update of the assumptions of the so-far prevailing policy, based on re-definition and creative expansion.

The premises for updating were the changing conditionings of the regional development, pertaining to:

- changes occurring in the regulatory environment and the necessity – resulting from it – to guarantee the Strategy's coherence with the documents at the EU level (including *Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth*) and at the domestic level (including *National Regional Development Strategy: Regions, Cities, Rural Areas*);
- changes in real terms, including numerous processes and factors justifying the purposefulness of updating the Strategy, among which the following ones can be included: the growing diversification of the pace of growth of the social and economic development of the region's regions, the need of territorial differentiation of the policy in relation to the functional areas, changes in demographic tendencies as well as the consequences of the global crisis.

The premise for updating the *Strategy* was also aimed at connecting in a better manner the region's development with global challenges in terms of development of knowledge-based economy, better exploitation of effects of growth generated by metropolitan centres, improving

the quality of life by considering the requirements resulting from the sustainable development's rules.

Strategy is a document of quite general nature. With its declarative character, it sets out long-term development goals and presents the general political will of the region's self-government. The document's specific character and – what results from it – the lack of provisions regarding the choice of individual undertakings and actions implementing the goals and directions of the development policy, does not allow formulating alternative solutions at the implementation level.

Nevertheless, considering the level of strategic planning, it was necessary to identify – in the framework of the *Environmental Impact Forecast* – the *Strategy's* directions and actions that require, or may require, the elaboration of alternative solutions – by adopting the level of investment measures implementing them in the future.

In the framework of the *Environmental Impact Forecast*, conducted for the *Development Strategy of the Małopolska Region for 2011-2020* project, it was found that it is legitimate to seek, in the first place, solutions that constitute an alternative to the actions included in Area 3: *Infrastructure for Communication Accessibility* and Area 6: *Ecological, Health and Social Safety*. In the framework of alternative options, technical, location and organizational solutions were suggested.

3. Information About the Scope and Manner of Including Remarks and Conclusions

3.1 Arrangements Included in the Environmental Impact Forecast

The scope and content of the *Forecast* are compliant with the requirements of art. 51 of the Act on Providing Information on the Environment and Environmental Protection, Public Participation in Environmental Protection and on Environment Impact Assessment of 3rd October 2008 (Journal of Laws no. 199, item 1227, as amended), as well as with the scope and level of detail of the information required in the *Environmental Impact Forecast*, defined by the State Region Sanitary Inspector in Kraków and the Regional Director for Environmental Protection in Kraków.

The *Forecast* includes recommendations that partially reflect in the *Strategy's* final version, thanks to which the issues related to the environment and its protection have been considered in a more complete manner. In the framework of the chapter *The Implementation System*, the provisions regarding one of the four key rules of the *Strategy implementation* – the rule of environmental protection – have been particularized and expanded. It takes into consideration the requirements set out in the main national and EU documents, regulating the environmental policy, the respecting of which will guarantee the compliance with the sustainable development rules – in the process of the *Strategy implementation*.

The recommendations presented in the *Forecast* regarded, (among other issues):

- maintaining the coherence and integrity of the Natura 2000 areas,
- avoiding to create barriers for animals' spreading and proper functioning of the natural networks,
- limiting the investment pressure in relation to the areas that are the most valuable in terms of nature, investing – in the first place – on the areas transformed by the man,
- limiting the habitat fragmentation to the necessary minimum,
- ensuring the permeability of ecological corridors and the animal migration routes,

- conducting a detailed analysis in the region in relation to the planned transportation infrastructure's development (road, rail, airport and water infrastructure) in terms of: needs, location and technical solutions.
- implementing tasks related to flood control with particular focus on the water ecosystem requirements, maintaining and increasing the natural retention capacity,
- intensifying actions for the purpose of exploiting the renewable energy sources,
- adding to the list of rules, the *Strategy implementation* will be based on, the ecological policy rules,
- expanding the list of monitoring indicators.

Remarks resulting from the *Environmental Impact Forecast* included mainly the recommendations for introducing additional provisions to the *Strategy's* content in order to avoid and minimize the potentially negative consequences of its implementation. No necessity of introducing changes in goals, directions of development policy and actions was found. However, it must be emphasized that the suggested additional provisions were too detailed in their nature, corresponding rather to the specific character of the region programmes and sector strategies (e.g. the regional transportation development strategy, the region monument protection programme). A part of the recommended provisions results directly from other legal acts, and their application is mandatory (e.g. the analysis of the investment's environmental impact, impact on the watershed's hydrological regime). A relatively strong emphasis was put on solving the problems in terms of cultural and natural heritage protection; however, these issues should be regulated by the appropriate provisions of the spatial development plans (e.g. marking out the communication routes close to the monuments through agricultural areas).

3.2 Opinions of the Competent Bodies, Referred to in art. 57 and 58 of the Act, i.e. the Regional Director for Environmental Protection in Kraków and the Małopolska State Region Sanitary Inspector

The project of *Development Strategy of the Małopolska Region for 2011-2020* together with the *Environmental Impact Forecast*, according to the requirements imposed by the Act, was given an opinion by the Regional Director for Environmental Protection (RDEP) and by the State Region Sanitary Inspector (SRSI). The result of the opinion-giving process was concluded with obtaining a positive opinion from RDEP without the necessity of introducing changes to the documents, and from SRSI upon the condition of including the provided remarks in the documents. To the extent that it was possible and purposeful, the SRSI's remarks have been included in the *Strategy's* verified project.

3.3 Remarks and Conclusions Reported During the Social Consultations

The process of social consultations was conducted in the framework of the procedure of environmental impact strategic assessment, pursuant to art. 54 section 2 of the Act on Providing Information on the Environment and Environmental Protection, Public Participation in Environmental Protection and on Environment Impact Assessment of 3rd October 2008 (Journal of Laws no. 199, item 1227, as amended). During the period of social consultations, i.e. from 9th to 30th May 2011, the project of *Development Strategy of the Małopolska Region for 2011-2020* together with the *Environmental Impact Forecast* was available on the website of The Marshal Office of the Małopolska Region www.malopolskie.pl and in the Public Information Bulletin. The relevant announcements regarding the consultation process were published in the national press and on the Małopolska Region's website. The documents were also available for inspection in the Marshal's Office's seat.

In the framework of consultations, notices were sent to the Voivode of the Małopolska Region and Marshals of Podkarpackie Region, Świętokrzyskie Region and Śląskie Region as well as to Self-Government Marshals of Žilina Region and Prešov Region, with the request to provide remarks and opinions to the sent project of the *Strategy*.

As a result of the consultations, several dozen remarks were reported. Most of them focused on extending the *List of Strategic objectives* by introducing additional, specific undertakings of diverse nature. The reported remarks may be categorized in the following manner:

- remarks on the construction and modernization of roads, bridges, railway lines and the questions of improving communication connections;
- water transport: remarks on the completion of construction and incorporating to the international waterways of the existing "blind" Upper Vistula Waterway, complementing the *Strategy's* project with the provisions of *Flood Control Programme in the Upper Vistula Basin* by (among other things) including specific investment tasks (e.g. the Krakowski Channel, the Śląski Channel);
- flood control: remarks on complementing the *Strategy's* project with the provisions of the *Flood Control Programme in the Upper Vistula Basin*; introducing tasks related to the construction, modernization and restoring the disappearing functions of specific water basins; construction of ramparts and polders; introducing to the *Strategy's* project the provisions resulting from the spatial development plans;
- remarks on development of academic centres and spa centres in the subregions, as well as cultural heritage protection and the development of tourist and congress infrastructure.

The conclusions reported in the framework of the social consultations were subject to thorough analysis and used in the process of preparing the final version of the project *Development Strategy of the Małopolska Region for 2011-2020*. Conclusions regarding the extension of the list of strategic tasks have not been included, mainly due to the character of reported projects that did not meet the selection criteria adopted for the list of strategic tasks. Some of the suggested undertakings overlapped with the adopted catalogue of strategic tasks, in the framework of broader project that does not settle the location of the planned investments. The lack of the project on the list does not limit the possibility of implementing individual tasks, overlapping with the relevant directions of the development policy included in the *Strategy*. Other remarks regarded the details of the adopted provisions, respectively in the diagnosis, strategy of actions and actions, which – due to the level of detail – has not been taken into account. The character of the suggested provisions complied with the requirements of the operational documents implementing the *Strategy* (e.g. transportation development strategy, monument protection programme).

3.4 Results of the Procedure Regarding the Transfrontier Environmental Impact

The level at which the Region's Development Strategy marks out the framework for implementing specific undertakings, and especially the lack of reference to their location, character or size, does not provide the basis for stating that the effects of implementation of the *Development Strategy of the Małopolska Region for 2011-2020* have substantial transfrontier impact on the environment, that would require launching the procedure referred to in art. 104 and art. 113-117 of the Act on Providing Information on the Environment and Environmental Protection, Public Participation in Environmental Protection and on Environment Impact Assessment of 3rd October 2008 (Journal of Laws no. 199, item 1227, as amended). Most of the actions suggested in the *Strategy's* project will concern only the Polish territory, and the impact of individual projects will be mainly of regional or local nature.

3.5 Proposals Regarding Methods and Frequency of Conducting the Monitoring of the Effects of Implementing the Document's Provisions

The basis for the efficient implementation of the actions serving the purpose of achieving the goals of *Development Strategy of the Małopolska Region for 2011-2020* is having knowledge on the progress achieved in terms of the conducted intervention and the capacity of reacting to the differences appearing between the adopted assumptions and the obtained results of the partial actions' implementation. For that purpose, what is being developed is a regional programme of monitoring, analysing and evaluating the policies, programmes and undertakings.

With reference to the construction of the "Małopolska 2020" Strategy's monitoring system, it is assumed that it will comprise the following functionalities:

- the standardized register of the undertakings implemented in the framework of the *Strategy*,
- registering the progress and results of the undertakings implemented in the framework of the *Strategy*,
- monitoring changes occurring in the *Strategy implementation* area, by means of the adopted system of indicators,
- ensuring the current access to the information on the monitoring data.

Monitoring the *Strategy* will be conducted also in the scope of its material and financial implementation, including monitoring on the basis of the established indicators of achievements, examining the structure of budget expenditure of Małopolska Region, organizational units, key regional institutions and municipality and county self-government units.

In the process of monitoring the *Strategy* the tasks within the following scope will be implemented in particular:

- conducting the analyses regarding the situation, trends and scenarios of the region's development in the economic, social and spatial dimension,
- preparing the report on the region's development in the economic, social and spatial dimension,
- successive development and strengthening of the potential of Małopolska Regional Development Observatories,
- implementing systemic mechanisms of coordination and integration in the areas of regional research and analyses.

The construction of the monitoring system will be based on the previously-elaborated three main registers, supported by the previously-created databases of the *Strategy's* undertakings, i.e.:

- register of the regional strategies, programmes and plans,
- register of the Małopolska Region's own initiatives, undertaken in the areas of *Strategy implementation*,
- register of external programmes and initiatives, the implementation of which contributes to the *Strategy implementation*.

Monitoring and analysing the implementation of *Development Strategy of the Małopolska Region* will serve the purpose of efficient reporting. The elementary tools in this regards will be:

- a strategic report on the region's development in the economic, social and spatial dimension, prepared every three years, presenting – among other things – a periodical report on the *Strategy implementation* from the material and financial perspective, submitted to the Region Board and the Regional Assembly;
- a management report, prepared annually, on the implementation of tasks included in the regional programme documents, preceding the step of planning the region's budget for the following year – submitted to the Region Board.

In the framework of the *Strategy* management, a **periodical evaluation** will be conducted – in the standard structure, i.e.

- **ex ante evaluation**, before commencing the implementation of the *Strategy* – focusing on the evaluation of the final project of changing the *Strategy* or its significant updating, conducted according to the criteria of accuracy and adequacy, as well as the criteria of internal and external programme coherence of the document;
- **on-going evaluation**, during the implementation of the *Strategy* – conducted on the basis of needs resulting from the monitoring system, focusing on the evaluation whether, and to what extent, the adopted *Strategy* is being implemented and what its short- and long-term effects are, by applying the criterion of actions' efficiency, as well as the rules of action established for the implementation system;
- **ex post evaluation**, after completing the implementation of the *Strategy* – within the scope analogical to the material scope of the *on-going* evaluation, including its extension by the evaluation of the forecast long-term effects.

Conducting periodical reviews – depending on actual and formal premises – leading to the possible updating of the *Strategy*, will be an important element of strategic management.

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