

Podlaskie Voivodeship Development Strategy 2020







PODLASKIE





Podlaskie Voivodeship Development Strategy 2020

Marshal's Office of the Podlaskie Voivodeship



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INTRODUCTION

PREMISES FOR REVISING THE VOIVODESHIP'S DEVELOPMENT STRATEGY

The long-term planning of the region's development is a statutory duty of the voivodeship's regional authorities. The tool for realising this duty is the voivodeship development plan, which defines the principles, areas and directions of intervention of the region's development policy over a time scale within the currently applicable medium-term national development strategy¹. At the same time, strategic planning is not only a duty, but also a necessary tool for managing the development of any region.

The Strategy is a key programme document defining directions and regulations of long-term concept of the region's development

The basic elements of the voivodeship's development strategy are the diagnosis of the region's current situation and the main development objectives and challenges, set out on the basis of that diagnosis, which are to be implemented by the Self-Government of Podlaskie Voivodeship and other bodies concerned.

The current Podlaskie Voivodeship Development Strategy 2020 (PVDS) was adopted by Regional Council of Podlaskie Voivodeship in 2006. After six years' implementation, as a result of rapidly changing socio-economic conditions and formal and legal changes to the way in which development policy is conducted in Poland, it became necessary to revise this document. One of the basic premises is the fundamental change in the paradigm of regional policy. The new policy paradigm mainly involves:

Regional policy is directed to strengthen and utilisation of endogenic territories' potential for achieving the objectives of the country's development – creation of growth, employment, and cohesion

- a stronger focus of public intervention on strengthening the region's competitiveness and unblocking the growth processes by a fuller use of competitive advantages and development potential (concentrating attention on endogenous territorial features instead of exogenous investments and transfers, and opportunities for development are emphasised rather than barriers);
- a departure from the short-term model of top-down subsidy distribution to a model of long-term, decentralised development policies geared towards supporting all regions, regardless of how wealthy they are, by methods including mobilisation of local resources and funds in such a way that particular competitive advantages can be exploited without excessive reliance on domestic transfers and subsidies;
- a departure from diffused intervention towards more selective (concentrated) investments.

The process of updating the Strategy formally began with the adoption of Podlaskie Voivodeship Regional Council Resolution XII/125/11 of 24 October 2011 regarding the principles, procedure and timetable for revising Podlaskie Voivodeship's Development Strategy 2020 and the Podlaskie Voivodeship Regional Innovation Strategy. In accordance

¹ In accordance with the Act of 6 December 2006 regarding the principles for conducting regional policy, development policy is understood as a group of mutually connected measures undertaken in order to ensure constant and sustainable development of the country, socio-economic, regional and spatial cohesion, increase the economy's competitiveness, and create new jobs on a national, regional or local level. Development policy is conducted by the Council of Ministers and the local authorities of voivodeships, counties and communes



with the delegation resulting from the Regional Council's resolution, the Management Board of Podlaskie Voivodeship defined the assumptions behind the process of revising Podlaskie Voivodeship Development Strategy 2020 and appointed a Team for revising Podlaskie Voivodeship Development Strategy (PVDS Steering Committee), a Team for Programming 2014-2020 Financial Perspectives (the 2014+ Team) and thematic groups². Revision of Podlaskie Voivodeship Development Strategy has been prepared taking into consideration the assumptions of the Poland's Development Management System, adopted by the Council of Ministers on 27 April 2009, and is consistent with the applicable domestic and European documents. The solutions proposed in the strategy are compliant with the horizontal principles applied in the European Union – for sustainable development, gender equality and non-discrimination.

In order to increase the consistency of the social and economic planning with spatial planning, the process of revising the Strategy is being accompanied by work on a revision of the Podlaskie Voivodeship Area Development Plan for 2030. The simultaneous realisation of both these processes is intended to ensure the substantive consistency of the two documents.

REFERENCE TO THE PREVIOUS STRATEGY

Due to the premises presented for revising PVDS and the conclusions from implementation of the objectives of the present Voivodeship Development Strategy, a range of changes has been made to the revised Podlaskie Voivodeship Development Strategy 2020 when compared to the document prepared in 2006. These include i.a.:

The partnership model is based on interaction, codecision, and mutual responsibility of various partners engaged in the regional development process

- socialising the process of developing the document – a partnership model of strategy-building jointly with other stakeholders was used;
- reference to the new generation of strategic documents, both European and Polish (including Europe 2020, the Long-Term National Development Strategy 2030, National Strategy of Regional Development 2020, Medium-Term National Development Strategy 2020, the National Spatial Development Concept 2030);
- shifting registration of the most important socio-economic processes by around 6-7 years;
- introducing a classic complex model of SWOT analysis;
- introducing a category of areas of strategic intervention (ASI) and implementing a territorial approach;
- changing the network structure of the Strategy, which consists of strategic objectives, operational objectives and a set of measures (three levels); in the previous strategy these were strategic objectives, priorities, measures and specific projects (four levels); the solution currently proposed is possible in a situation where the timescale of the voivodeship strategy is the same as that of the new generation of operational programmes concerning the financial perspective for 2014-2020;
- fundamental change in the scope of the implementation system, including monitoring the Strategy;
- replacing the mission with a new vision of Podlaskie Voivodeship and an amendment of the objectives of the Strategy.

² Resolution 108/1494/2012 of Podlaskie Voivodeship Management Board of 19 July 2012 regarding adoption of the premises for revising Podlaskie Voivodeship Development Strategy 2020, appointment of a review team for Podlaskie Voivodeship Development Strategy, a team for programming 2014-2020 financial perspectives and thematic groups, as amended.



A VISION OF THE VOIVODESHIP IN 2030

The vision constitutes an attempt to imagine the future condition of the region, and it is a type of message, intended to visualise and express the aspirations of the citizens. Using previous experience as a basis, and being aware of the challenges which face Podlaskie Voivodeship, the ambitious vision for the region in 2030 is as follows:



Podlaskie Voivodeship: green, open, accessible and entrepreneurial

Green – of Poland’s sixteen voivodeships, ours has the most land under protection in the form of national parks or covered by Natura 2000, a high proportion of the region’s area consists of forests, and we have the lowest population density in the country. In both Poland and Europe as a whole, Podlaskie is considered a “green land” and this perception of the region as being exceptional and unique is something which should be perpetuated as a basis for developing green (ecological) specialisations.

The European Union and its member states are showing an increasing sensitivity to environmental and climatic matters. Of increasing significance are the ability to turn policies green, possibilities to develop green innovations and the shaping of greener services. Our region can make use of these opportunities as a major development attribute.

Open – the peripheral location within the European Union is exploited as a development attribute. This requires use of the potential of its multicultural character, unique in Poland, expansion of the function of gateway to Europe for our eastern neighbours, and at the same time the creation of a function of kind mentor (a go-between) for the European Union’s relations with eastern Europe, especially with Belarus.

The Podlaskie Voivodeship forms part of the Baltic area, which may provide a major impetus for development. Our voivodeship is one of four Polish regions situated along the European Union’s external border. The European Union will develop relations with its neighbouring countries, and Podlaskie is its natural gateway to the East, in the sense of its neighbours and partners - Belarus, Russia, Ukraine, Lithuania and other Baltic states and the countries of the Middle and Far East. Building relations through contacts with the communities, businesses and local authorities is the region’s specialisation in relations with Poland’s eastern neighbours.

Accessible – travelling time between the region and neighbouring voivodeships is being reduced significantly, and Białystok is becoming more accessible from all county centres. This is improving access for the region’s community to public services, and providing the voivodeship with better opportunities to compete for residents, tourists and investors. Accessibility is understood in the broad sense including transport, telecommunications, the internet and services of the business environment.

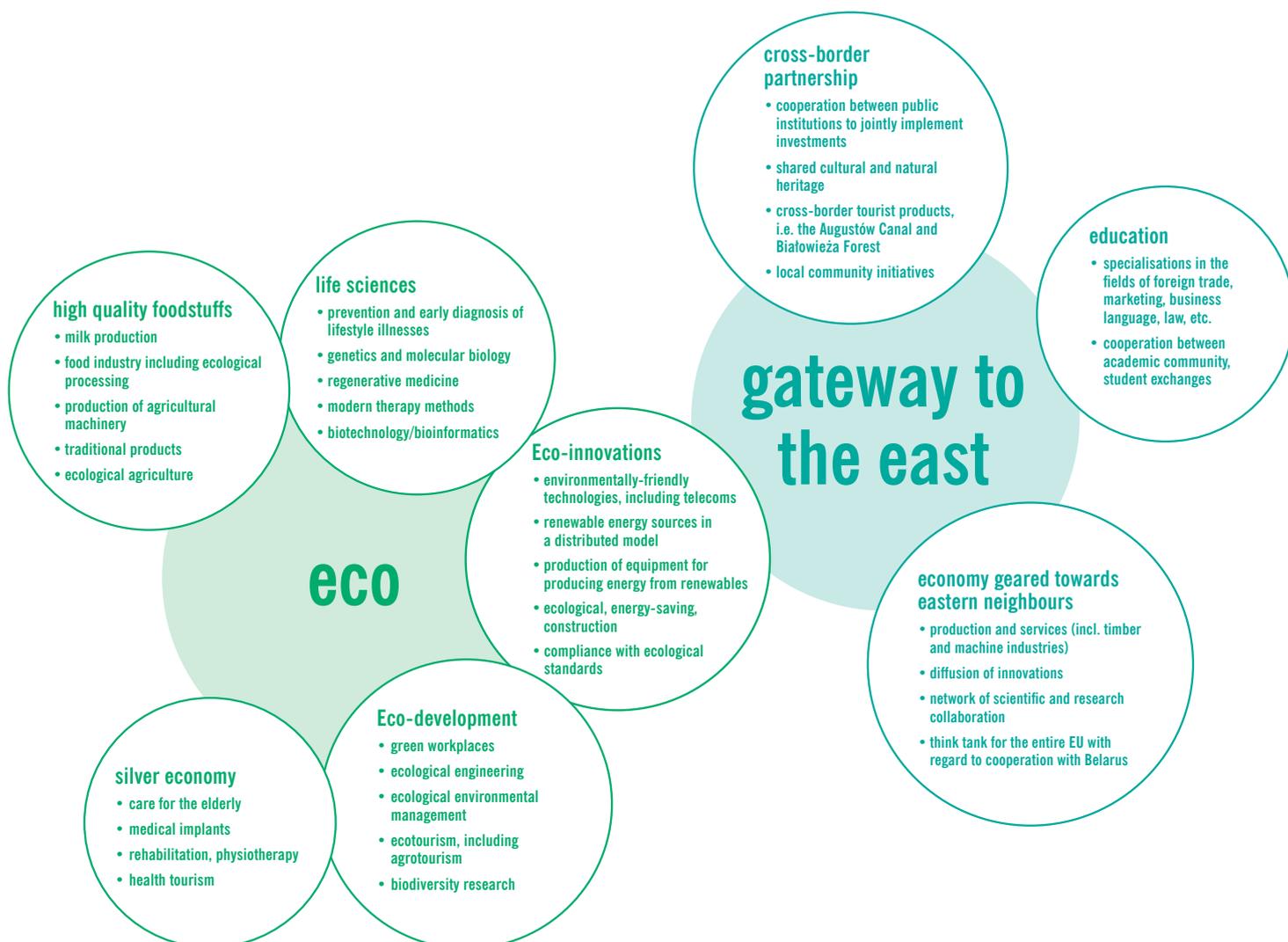
The European Union will develop relations with its neighbouring countries, and Podlaskie is its natural gateway to the East



Entrepreneurial – over the coming years, the companies and citizens of Podlaskie Voivodeship will play an active part in its social and economic life and exploit its competitive advantages to develop smart specialisations. This includes use of excellent conditions for agricultural production (milk and dairy products, high quality foodstuffs); development of products and services oriented towards our eastern neighbours, products and services labelled “ecological and green” – renewable energy sources, environmentally-friendly technologies, ecotourism, life science, the silver economy, etc. We support innovation, and the development of human and social capital in the region.

The ability to collaborate and networking will prove a deciding factor for the development trajectory of Podlaskie Voivodeship

Exploitation of the development potential of the regions is of key importance within the new doctrine of regional policy, with a complementary role being played by the removal of barriers to development. The Podlaskie Voivodeship has a major and highly valuable human potential at its disposal, which should provide the Voivodeship with a long-term basis for prosperity. The ability to collaborate and networking will prove a deciding factor for the development trajectory of Podlaskie Voivodeship, and its significance may be complemented in terms of the region’s entrepreneurship by direct foreign investments.





EXTERNAL CONDITIONS OF THE STRATEGY³

MEGATRENDS IN THE EUROPEAN AND GLOBAL ECONOMY

After several years of dynamic economic growth, we have been affected since 2008 by a profound global economic crisis, which has resulted in a fundamental re-evaluation of the position of individual countries and economic blocs. This crisis has affected the European Union and its member states particularly badly.

The most important megatrends which have a major influence on the development of the European Union and Poland in the coming decades are:

Europe's ageing population

A lack of labour is being felt in the European Union as a result of the low rate of population growth. There is very strong immigration pressure from the south (Africa, the Middle East, Asia), but its effects on different regions and countries are extremely varied. The number of people in productive age is falling, which affects the economic growth and competitiveness of many European regions. Population ageing also has a detrimental effect on the innovativeness and dynamics of social and economic processes.

The economy in decline

Recent decades have seen a decrease in the difference between gross domestic product in Europe and other continents. As a result of the economic crisis, we have been observing a fundamental reduction in the development dynamics of states and regions of the European Union. The European economy is dependent to a greater than average degree on services and advanced tourism. Reindustrialisation has been limited to traditional industrial zones. The rising significance of local markets for agricultural products constitutes an opportunity for the European Union. Certain sectors, such as transport, food processing and design, may remain competitive, but during the coming years Europe may lose its leading position in many major sectors, including microelectronics, computers, software, medicine and nanotechnology.

Evolution of social attitudes

We are unfortunately witnessing an erosion of the traditional values which historically contributed to Europe's social and economic success, and there may be a continuation of social attitudes supportive of taking on debt at the cost of future generations. The ageing of European states' populations brings with it a perception of unwillingness to take risks. Society in individual European states is undoubtedly more sensitive than before to environmental problems. An increasing identification with specific territories, which results in diminishing openness to external influences, increasing protectionism and a reliance on own resources mean that full use is not being made of the potential of regions and states in the European Union. Within the wealthier territorial divisions there are locally orientated strategies appearing which provide protection against their surroundings.

Slowdown of innovation

The European Union is at risk of the new wave of technology, connected with such fields as nanotechnologies, biomedicine, energy production and artificial intelligence, proceeding more slowly than is currently anticipated. There is a danger that implementation of the

³ A full analysis of the external conditions is presented in Annex 3



Certain sectors, such as transport, food processing and design, may remain competitive



currently available new generation technology will also take place at a slower pace and that ineffective and unproductive scientific research will be conducted within a wider scope than expected. Another problem could be ineffective planning of scientific research which does not result in the necessary concentration of resources, creation of market products, etc.

Energy deficiency

Energy prices are rising much more quickly than was expected even recently. Despite the significant increase in the scale of energy from renewable sources, carbon fuels will continue to play a major role in the decades to come, and the greater effects of climate change will make a more restrictive policy of reducing CO₂ emission necessary, further limiting economic growth. In addition, the European Union's dependence on external energy sources will grow, resulting in increasingly common and more intense conflicts arising in territorial treaties connected with resources and the risks associated with their availability.

Reversed accessibility

In our globalised world, certain central places in the Europe Union, like metropolises, are obtaining excellent accessibility in terms of communication and transport connections with the planet's major cities and regions. Networks connect the most important places of Europe perfectly with those of the rest of the world, and within the European Union and its member states metropolises are also acquiring characteristics highly conducive to networking. At the same time, however, many locations geographically close to these poles of development are being overshadowed by them and subjected to gradual degradation as their exclusion and isolation intensifies.

Polarised development

In recent years the regional development paradigm in developed countries has undergone a fundamental shift, as testified by the provisions of the Europe 2020 Strategy. We face the threat of social and economic development being more polarised than previously, including in a regional context, between the larger cities and the rest of the region, and among districts within towns. There will be a reallocation of expenditure within the European Cohesion Fund to the detriment of poorer areas. It is also likely that financial transfers and the level of solidarity between EU regions and states will decrease.

Hybrid geography

Over the past few decades spatial planning has been gradually evolving from the model of the compact city and activity points around transport bases to much looser regulations regarding spatial planning and the increasing pressure of suburbanisation, which is especially strong in the case of medium and larger towns and cities. This creates the danger that Europe will become a continent with a low level of spatial order, and no clear spatial arrangement of various functions or differentiation between urban and rural areas.

Blocked structural reforms

The European Union's return to a favourable path of development is conditional on far-reaching socio-economic reforms. It is highly probable that implementation of the necessary changes will encounter barriers with regard to social acceptance. We will experience increasing problems with balancing the budget, in connection with public services of a social nature. Investments in infrastructure and in research and development, limited in both their scope and size, will be concentrated in only a few areas.

The level of exclusion and isolation of smaller centres in relation to metropolises, perceived as growth poles, increases dangerously

Europe may become a continent of low spatial order



European deadlock

The challenges currently facing the European Union can only be met effectively by implementing the necessary political reforms which will enable new challenges to be dealt with more efficiently than is presently the case. The decision-making mechanisms in force in the European Union do not allow it to compete efficiently with other countries. There is a threat from the lack of meaningful progress on the depth of European integration, and as a result of the absolute necessity for member states to act together there may only be coordination of a few policies, such as fiscal, migration, labour market. This could result in a multi-speed model of the European Union and blocking of future expansion.

Altogether, this profound economic crisis and detrimental megatrends mark out the direction and scale of the challenges faced by the European Union over the coming decades. A failure to meet these challenges effectively would mean a major fall in Europe's standing.

planning of the voivodeship's development must take into account of the significantly higher degree of uncertainty with regard to socio-economic processes over the coming years, which requires the use of more flexible tools and the introduction of higher quality monitoring

There are some essential conclusions to be drawn for Podlaskie Voivodeship in the current decade from the unfavourable global conditions, namely that: (1) the crisis and negative megatrends worldwide and in Europe may cause a slowdown in the socio-economic development of Podlaskie Voivodeship; (2) no further eastward expansion of the European Union is to be expected, which will mean consolidating the consequences of the region's location along the EU's eastern border; (3) planning of the voivodeship's development must take into account of the significantly higher degree of uncertainty with regard to socio-economic processes over the coming years, which requires the use of more flexible tools and the introduction of higher quality monitoring. Of key importance will be the ability to react quickly to challenges and threats; (4) when shaping its economic profile, the voivodeship should tune its thinking towards a range of specialisations, taking into consideration every sector of the economy (agriculture, industry, construction and services), in such a way as to avoid the excessive risk resulting from an economic monoculture; (5) certain of the megatrends may have direct and painful consequence for Podlaskie Voivodeship.



EUROPEAN CONDITIONS OF PODLASKIE VOIVODESHIP'S DEVELOPMENT

The Podlaskie Voivodeship is one of the poorest NUTS 2 regions in the European Union, and its location is peripheral not only within Poland, but also in the EU and has many civilizational deficits to make up, which are inherited from the previous centrally planned economy. A vital role is played by its geographical position along the EU's eastern external border, which is seen as a barrier to cooperation and expansion of development processes, as well as by the importance of agriculture in the economic structure of the region. The fact that there are several competitive branches of the economy located in the voivodeship, which are leaders among the EU's 280 NUTS 2 regions, is of benefit to the region.

For these reasons, the scope and nature of EU public intervention, undertaken especially within the European cohesion policy and Common Agricultural Policy, is of grave

A vital role is played by its geographical position along the EU's eastern external border



importance for the socio-economic development of Podlaskie Voivodeship. Not only the amount of funds available as part of European policies is important, but also their allocation and the long-term programming horizon which will enable implementation of the necessary structural measures. The European Union's Eastern Partnership policy, which is to be armed with significantly higher funds, is also important for Podlaskie Voivodeship, as are the instruments of this policy activated within bilateral programmes.

The European Union's Eastern Partnership policy, which is to be armed with significantly higher funds, is also important for Podlaskie Voivodeship

The European Union conducts an active regional policy in long-term budget programming periods, the next will cover the period 2014-2020. The Europe 2020 Strategy was adopted as the basis for all policies in the second decade of the 21st century as early as 2010. Its priorities were proposed as follows: (1) developing an economy based on knowledge and innovation; (2) promoting a more resource efficient, greener and more competitive economy; (3) fostering a high-employment economy delivering social and territorial cohesion. The significance of the Europe 2020 Strategy is emphasised by the assumption adopted that the objective of the European cohesion policy for the period 2014-2020 will be implementation of the Europe 2020 strategy.

The European Union has also stressed eleven priority areas for thematic concentration of its structural intervention during the years 2014-2020. Thematic concentration is understood as a shorter menu than previously for financing the European cohesion policy. The very broad range of financing available within this policy led in many cases to a lack of the critical mass necessary for intervention. The philosophy of concentrating structural investment in countries and regions of the EU favours the premises of providing support within European cohesion policy for smart specialisations which will form the basis for development of an economy based on knowledge and innovation.

Another major change to the model of European cohesion policy was the implementation on 1 December 2009 of the Treaty of Lisbon, which meant that territorial cohesion appeared alongside social and economic cohesion as treaty obligations. This means a fundamental boost for activities oriented towards, among other things, improvement of territorial accessibility, networking cooperation in territorial arrangements and a more active implementation of urban policy than has been the case so far.

subordination of the European cohesion policy to the Europe 2020 strategy will involve a challenge particularly for the weaker regions, such as the Podlaskie Voivodeship

Important conclusions may be drawn for the programming of Podlaskie Voivodeship's socio-economic development from the proposed changes to European policies, namely the following: (1) during the period 2014-2020, the Podlaskie Voivodeship will remain a priority intervention area for the European cohesion policy, as a region characterised by a low per capita GNP by purchasing power parity, amounting to less than 75% of the EU average. However, the share allocated to the poorest regions in the European cohesion policy for 2014-2020 is set to decrease, which does not mean that the allocations to Poland and the Podlaskie Voivodeship from the European cohesion policy will be lower than for 2007-2013; (2) subordination of the European cohesion policy to the Europe 2020 strategy will involve a challenge particularly for the weaker regions, such as the Podlaskie Voivodeship, since the member states' governments will allocate mainly to those regions which can guarantee that headline targets of that strategy will be achieved; (3) the desire to support the leading branches of the economy, those which could form a basis for lasting growth and those based on knowledge and innovation, means that it is necessary to define what those branches are in Podlaskie Voivodeship; (4) the tendency to colour individual EU policies green and to address more broadly the issue of saving resources, which



the tendency to colour individual EU policies green and to address more broadly the issue of saving resources, which is of great potential benefit to Podlaskie Voivodeship

is of great potential benefit to Podlaskie Voivodeship, as it possesses unique natural resources and values; (5) shifting the emphasis towards territorial cohesion, which is on the whole beneficial to Podlaskie Voivodeship, as it means attention being concentrated on territorial accessibility and on the creation of potential for networking, which is of the utmost importance due to the deficits which occur in peripheral regions; (6) the wider introduction to the intervention menu of EU urban policy, including assistance for metropolitan centres as engines for socio-economic change, which makes it necessary to take a wider look at the metropolitan functions of Białystok as the regional capital; (7) the Common Agricultural Policy is also of fundamental significance for the development of Podlaskie Voivodeship due to the significant potential of agriculture and the food industry, and the role of the rural areas. Of particular importance are the level of allocations and the targeting of intervention as part of the second pillar of the Common Agricultural Policy, concerning the development of rural areas; (8) programmes initiated within the European Neighbourhood and Partnership Instrument and oriented towards the countries of Eastern Europe constitute a unique opportunity to prepare a bilateral cooperation programme between Poland and Belarus, in line with the principle of critical partnership, with an orientation towards technical dialogue and the institutions of civic society, local authorities and businesses, taking into account the leading role played by Podlaskie Voivodeship in that cooperation.

CONDITIONS OF PODLASKIE VOIVODESHIP'S DEVELOPMENT ARISING FROM MEASURES TAKEN AT NATIONAL LEVEL

A major document at the national level, with fundamental significance for the shape of development policy at regional level is the Long-Term National Development Strategy (LNDS) adopted on 5 February 2013. The main assumptions and scenarios for Poland's socio-economic development as presented in this document form a framework for the remaining national strategic documents with a shorter time horizon.

The main document shaping the doctrine and practice of regional policy in Poland over the current decade is the National Strategy of Regional Development 2020: Regions, Cities, Rural Areas (NSRD), adopted by the Council of Ministers on 13 July 2010. The objectives of the regional policy are defined in this document as: (1) supporting increased competitiveness of the regions; (2) building territorial cohesion and countering the processes of marginalisation in problem areas, and (3) creating conditions for efficient, effective and partner implementation of territorially focussed measures, and it also proposes the following structure for the allocation of funds: 63% for objective (1), 30% for objective (2) and 7% for objective (3). The NSRD contains a proposal to introduce the category of areas of strategic intervention (ASI) to shape the territorial dimension of public policies, and also refers to the need to continue the Eastern Poland macro-regional programme, documenting the importance of maintaining this priority of Poland's regional policy during this decade. There is also recognition in the document of Białystok as a key element of Poland's settlement network.

The Medium-Term National Development Strategy 2020 (MNDS) is a vital document which constitutes a reference point for this generation of voivodeship strategies. An active community, competitive economy, efficient state, adopted by the Council of Ministers in September 2012. It defines the following structure of socio-economic development areas for Poland: (1) efficient and effective state; (2) active economy



and (3) social and territorial cohesion. Not all of the MNDS objectives are addressed at a regional level, but this document is characterised by its structural approach which points to the fundamental importance of improving the quality of public administration and institutions of a civil society in Poland, which should also be considered at a regional level.

Another document, which has been formally valid since November 2012, is the Strategy for Sustainable Rural Development, Agriculture and Fisheries 2012-2020. This takes into account the concept of multifunctional rural areas, agriculture and fisheries on the social, economic and environmental level. The diagnosis contained in the document takes into consideration the spatial differentiation and development trends in the rural areas of Poland and the directions for intervention it indicates consist of a whole catalogue of measures to be taken in order to achieve the intended results at both central and regional level. This Strategy for 2012-2020 is consistent with the other development strategies.

On 22 January 2013, the Council of Ministers adopted the Transport Development Strategy by 2020 (with perspectives for 2030), a document which indicates the targets and directions for transport development in such a way that the objectives included in the Long-Term and Medium-Term National Development Strategies may be achieved gradually by 2030. One of the directions of intervention in the field of modernisation and spatial localisation of infrastructure which is treated as a priority, and which is of enormous importance for Podlaskie Voivodeship, is strengthening Eastern Poland's transport links with areas which have greater development perspectives.

All the indications are that in the coming years Eastern Poland will continue to be a beneficiary of the instruments directed towards the poorest regions of the European Union

The binding national document with a long-term time horizon reaching 2030 is the National Spatial Development Concept 2030 adopted by the Council of Ministers on 13 December 2011. The NSDC points to the significance of urban policy and the potential of metropolitan centres for Poland's socio-economic development, including that of Białystok, and also Podlaskie Voivodeship's very poor territorial accessibility, both internal and external. This constitutes the basis for the Voivodeship Spatial Development Plan. In addition, since Podlaskie Voivodeship is part of the Eastern Poland macro-region, connections may be seen with the provisions of the Strategy for Socio-Economic Development of Eastern Poland until 2020, which was prepared and adopted on 30 December 2008. The basic problem for the entire macro-region is the very low level of economic, social and territorial cohesion, which is why it is a strategic objective for each of those voivodeships to improve each of three dimensions of cohesion in relation to the entire European Union. All the indications are that in the coming years Eastern Poland will continue to be a beneficiary of the instruments directed towards the poorest regions of the European Union.

The field of strategic government decisions regarding European cohesion policy, which is also important for Podlaskie Voivodeship, includes allocation of funds to national and regional programmes, demarcation lines between individual thematic priorities and within them, the algorithm for dividing up funds among regions, the degree of multifunding within the regional operational programmes and the future of programming the development of the Eastern Poland macro-region.

The most important matters for Podlaskie Voivodeship are: (1) redirecting the emphasis of Poland's regional policy from cohesion to competitiveness, which involves the necessity to define the voivodeship's potentials which could form a basis for socio-economic development in the current decade. This also requires consistent strengthening of the region's R&D potential; (2) the necessity to differentiate areas of strategic intervention in the voivodeship's development strategy; (3) confirmation of the significance of fundamental improvement in the territorial accessibility of



Podlaskie Voivodeship, both in an internal and external context; (4) pressure on boosting the urban policy and on the specific role of the metropolis in socio-economic development, which means the need for a greater focussing of regional policy towards Białystok and the area directly surrounding the city; (5) taking into consideration links with Lithuania, Belarus and the neighbouring voivodeships, with Mazovia because of the key importance of accessibility to the country's capital, and with neighbouring regions of Eastern Poland because of cooperation within the framework of the macro-region; (6) consistently treating the Eastern Poland macro-region as an area requiring special public intervention.



STRATEGIC DIAGNOSIS (SYNTHESIS)⁴

PODLASKIE – GREEN

The natural environment creates numerous development opportunities in the region...

Some of Europe's most valuable natural areas are to be found in Podlaskie Voivodeship, such as the Białowieża Forest, as well as the Augustów Forest, the Knyszyn Forest and the Biebrza and Narew swamps. Podlaskie is the region with the greatest share of national parks and second in terms of NATURA 2000 areas of the voivodeship's total surface (the area covered by national parks in Podlaskie Voivodeship constitutes nearly 30% of the total area of national parks in Poland) (Map 1.).

A high biodiversity exists alongside very low pollution (the average pollution levels in Poland are ten times higher than those present in Podlaskie Voivodeship). An environment in such a good condition is also able to provide a variety of ecosystem-related services, including in non-production sectors.

...but the region's geographical location, natural attributes and multicultural character are not reflected by a large numbers of tourists visiting the region...

Podlaskie Voivodeship's tourist potential includes natural forest complexes, surface waters and a clean natural environment, as well as cultural values. However, these attractions, with few exceptions, are not a great magnet for tourists. The region is in first place in Poland in terms of length of cycling and hiking trails, but only in fourteenth where accommodation is concerned, both in numbers of establishments and number of beds, and the low rate of occupation of those establishments is also worth noting.

The website of the Regional Tourist Organisation lists 45 regional tourist products, although these are not standard tourist products (they include tourist trails and events, Białowieża offers three products, Augustów offers four, and there are also individual museums and resort centres). There is no cohesive concept for the development of tourism in Podlaskie Voivodeship. As well as its natural attributes, it also has cultural assets which are the result of its cultural, religious and national diversity; although these are poorly promoted outside the region (there are no specific products in tourist offices' offers).

The following forms of tourism have the greatest potential in the region:

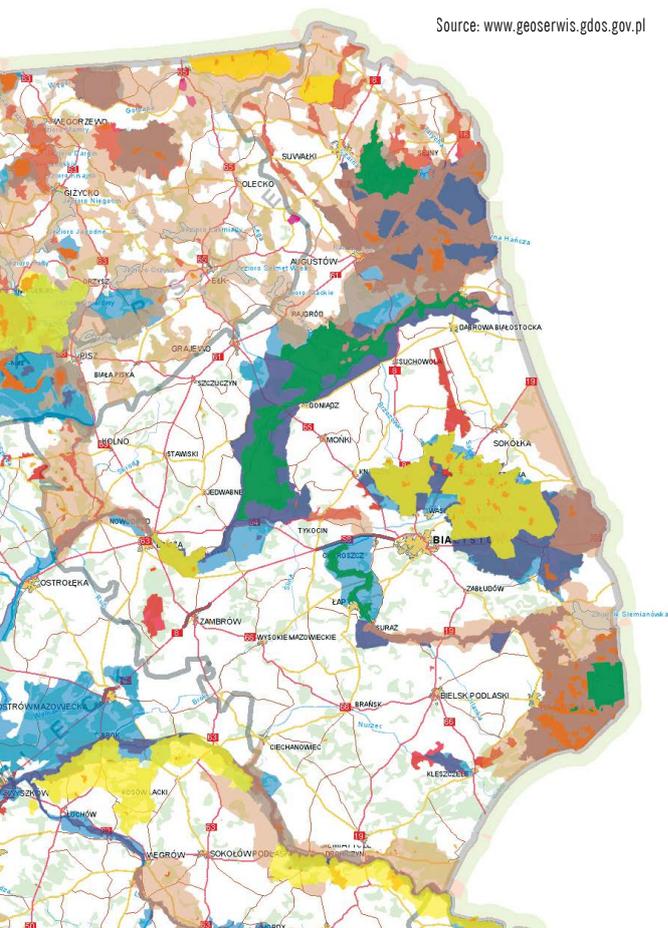
- leisure tourism in the areas with a wealth of nature and by the lakes, including agritourism. This is confirmed by a ranking the attractiveness to tourists of individual areas of the voivodeship, in which the highest rated areas, apart from the

4 This chapter constitutes a synthetic assessment of Podlaskie Voivodeship and its surroundings in the context of the vision formulated for the region's development. The selection of information below is intended to indicate the major characteristics of Podlaskie Voivodeship and those phenomena in its surroundings which will determine socio-economic development in the immediate future. The complete text can be found in the work by W. Dziemianowicz, P. Nowicka, K. Peszat, 2012, which forms Annex 2.

Map 1. Protected areas in Podlaskie Voivodeship

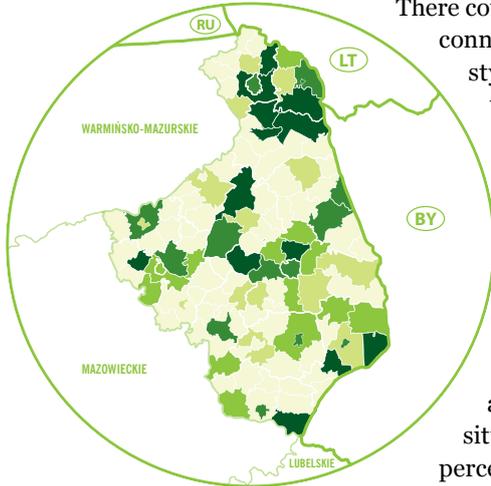
- Nature reserves
- Landscape Parks*
- National parks**
- Protected landscape areas*
- Nature and landscape complexes*
- Natura 2000-birds
- Natura 2000-habitats

Source: www.geoserwis.gdos.gov.pl





Map 2.
Accommodation provided in 2010 per inhabitant



- 1.45 – 23.93 (13) ■
- 0.46 – 1.45 (14) ■
- 0.16 – 0.46 (14) ■
- 0.01 – 0.16 (14) ■
- 0 – 0.01 (63) ■

Source: own work based on Local Data Bank.

three county towns, were areas with highly attractive nature (the counties of Augustów, Białystok, Suwałki and Hajnówka) (Map 2.);

- active tourism - cycling and canoeing;
- health, cultural and pilgrimage tourism.

There could be a potential increase in interest in Podlaskie Voivodeship's offer in connection with demographic processes. The increasing length and changing style of people's lives means that in future services aimed at meeting the needs of the elderly will form an important market. These services cover a range of fields – from health care, through care services to entertainment and education. Podlaskie Voivodeship possesses great scientific potential in this field in the form of the Medical University in Białystok, which can be called on to provide its highly specialised staff.

...and at the same time it should be treated to exceptional care through development of its technical infrastructure...

The water and sewage networks in Podlaskie Voivodeship are used by around 88% and 60% of the citizens respectively (Graph 1.), with the situation being particularly bad in rural areas (14th place nationally). The percentage of people having access to sewage plants also puts the region in a distant 11th place, although the situation in towns and cities is far more impressive (above the national average) than the poor statistics seen in the rural areas (19% compared to a Polish average of 31%).

A much greater problem in the Voivodeship is that of communal waste and the obsolete and ineffective waste management system. The number of people whose waste is subject to organised collection in Podlaskie Voivodeship is among the lowest in the country (63% compared to the average of 79.8%). Most of the waste produced ends up on dumps (83% of waste collected) and only around 4% is gathered selectively (as opposed to 9% for Poland as a whole, Podlaskie is in last place among the sixteen voivodeships).

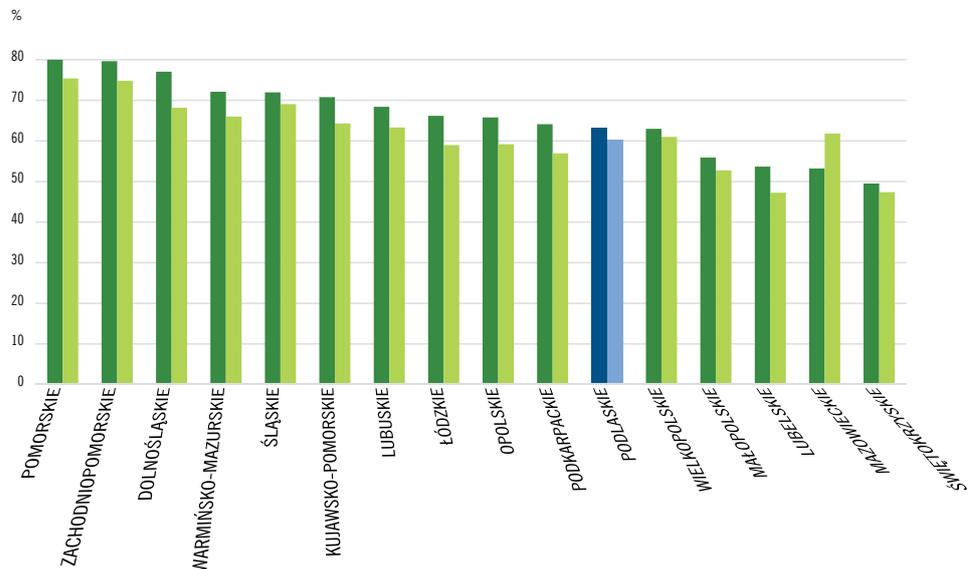
...and also raising ecological awareness ...

Modern approach to the natural environment requires a raising of ecological awareness. This process begins with early education of children and teenagers, but it should encompass every stage of human life if the environment is to be one of the most important assets used for socio-economic development. Legal and administrative regulations in

Graph 1.
Access to sewage infrastructure by voivodeship in 2010

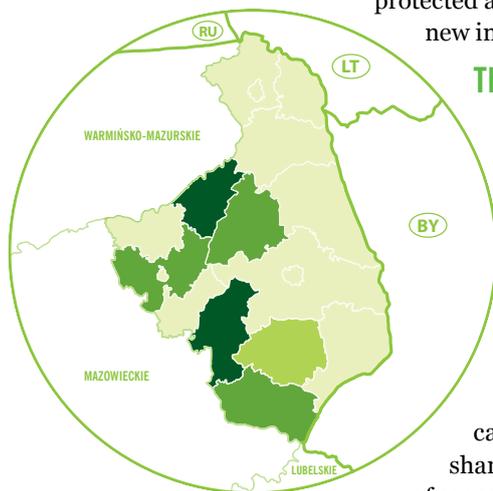
- People with access to purification plants as a % of total population
- People with access to sewage networks as a % of total population

Source: own work based on Local Data Bank.





Map 3.
Location index for
Podlaskie Voivodeship at
county level in 2008 – food
industry



Source: Plawgo, Klimczuk, Cirkowski, 2010.

the fields of environmental protection and waste management are very extensive, though, which leads to a demand for specialised training. Nationwide surveys indicate that one of the basic training needs for civil service employees is training in the public economy and environmental protection (80% of those surveyed considered such training necessary). Greater competences and professional service for entrepreneurs intending to invest in protected areas (where possible) can certainly have a positive influence on attracting new investments.

This exceptional natural environment is the base on which Podlaskie has built up its impressive competitiveness in the agricultural and food industry...

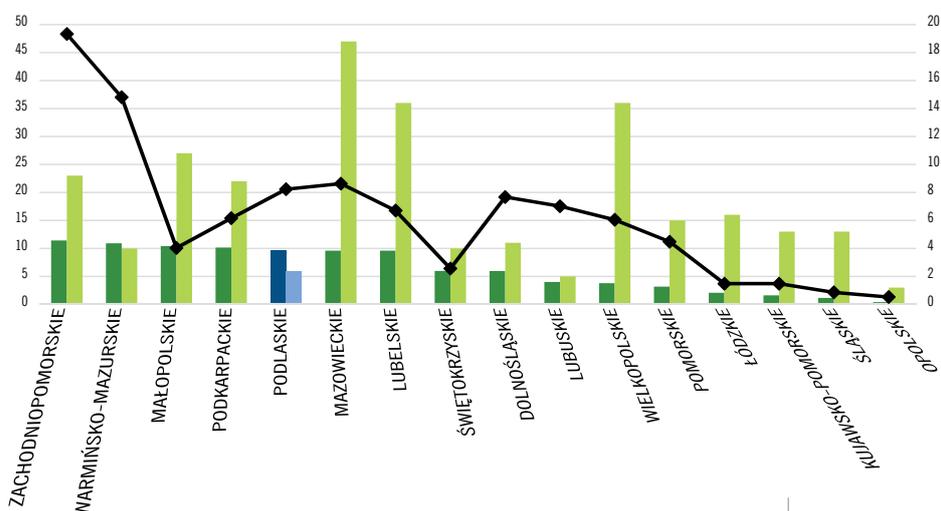
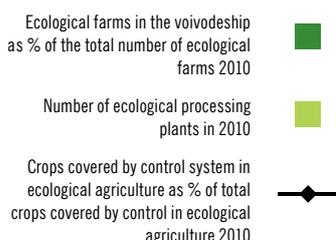
Relatively difficult conditions for developing plant production (a harsh climate and lack of fertile soil, with predominant bonitation classes IV and V) have formed a structure with a very large proportion of meadows and pastures (35% of the arable land area). Podlaskie is in 2nd place nationally in terms of both share of head of cattle (13% in 2011), and production of cow milk (16.5% of the national market). This is where Poland's largest concentration of cattle is to be found. The whole picture can be seen when production data from the dairy industry is added (national share): 6% of companies, 18% of employees, approx. 25% of sales value, 20% of gross added value, approx. 25% of all investment made in the purchase of fixed assets in the entire industry in 2010. Podlaskie is responsible for around 30% of the country's production of liquid processed milk, as well as butters, cheeses and curd cheeses. Some of the milk produced is exported, and with a share of around 11% in the export of this product, Podlaskie Voivodeship is among the top exporters.

The highest concentration of companies in the food industry is found in 6 counties - Grajewo, Mońki, Łomża, Wysokie Mazowieckie, Bielsk and Siemiatycze (the location quotient LQ exceeded 1.25 in 2008), with the highest specialisation quotient in this (LQ>3.0) to be found in Wysokie Mazowieckie and Grajewo counties (Map 3.).

The voivodeship has very suitable conditions for the development of ecological agriculture ...

In some Western European countries, sales of traditional and regional products account for as much as 30% of the food market, while in Poland in 2007 this figure stood at 2%. Podlaskie, with 45 products on the List of Traditional Products (2012), has a chance to join the trend of the increasing importance of regional and ecological products.

Graph 2.
Ecological agriculture by
voivodeship in 2010



Source: Plan of measures for Ecological Agriculture and Food in Poland, 2011-2014.



In 2010, ecological farms in Podlaskie Voivodeship constituted 10% of all the farms of this type in Poland (5th place) (Graph 2.). In addition, crops covered by the control system in ecological agriculture form a relatively high share of crops covered by the control system in ecological agriculture (8%, 4th place). These results, however, do not translate into numbers of ecological processing plants operating in the Voivodeship (there are only 6 such plants, 14th place nationally). In the neighbouring Mazowieckie Voivodeship there are 47 ecological processing plants in operation, and 36 in Lubelskie.

...and also selected forms of renewable energy sources.

Production of energy from renewable sources is one of the European Union's priorities and one of the ways of limiting emissions of carbon dioxide into the atmosphere

Production of energy from renewable sources is one of the European Union's priorities and one of the ways of limiting emissions of carbon dioxide into the atmosphere. In 2011, the share of renewable energy sources (RES) in the production of electricity in Poland amounted to 8%. Podlaskie Voivodeship is among the leaders. Nearly half of the electricity produced in the region (49%, 3rd place) came from plants using renewable sources, although this does not change the fact that the region's share in the country's electricity from RES is not a significant one (in 2011 it stood at 3%, putting the region in 12th place). At the same time power consumption in Podlaskie Voivodeship is several times greater than production.

The voivodeship has potential in the fields of:

- production of energy from biogas, especially by recycling waste from animal and dairy production (mainly dairy);
- wind power (particularly in the northern part of the region);
- use of solar energy.

The present uncontrolled and unwise location of wind power stations, however, is a threat to the beauty of the region's nature and landscapes.

PODLASKIE – OPEN

A border location can be seen as an asset, but the nature of the border with Belarus is more of a challenge...

Podlaskie Voivodeship borders Lithuania to the north, creating a direct link between the Baltic states and the rest of the EU. This location provides good opportunities to form economic contacts, develop exports, and attract tourists and students to Podlaskie's educational establishments. Podlaskie also shares a border with Belarus (the external border of the European Union), a country with which cooperation is seriously limited and determined by bilateral EU-Belarusian relations. Regardless of Belarus' internal situation, the building of relations through NGO activities, inviting and educating Belarusian youth and also economic contacts should serve Podlaskie not only from the point of view of development opportunities, but also the importance of a region specialising in relations with Poland's eastern neighbours.

Podlaskie's citizens are more willing to work in small family groups than in community organisations

Podlaskie Voivodeship is characterised by a very high level of "bonding" social capital development, in other words strong links of family groups and among neighbours, and measures undertaken in order to achieve the objectives of those groups. On the other hand, the voivodeship is one of the regions with the least developed "bridging" social

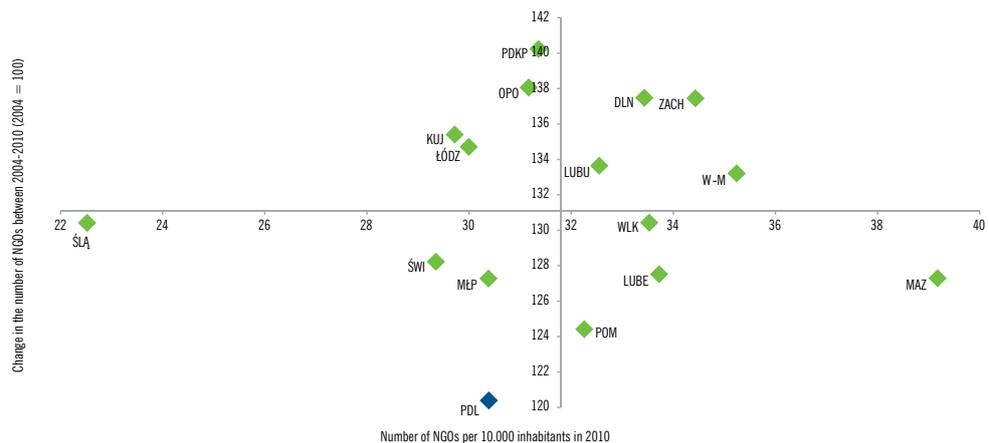


capital, which is identified with major commitment to actions on behalf of others, such as volunteering or membership of non-governmental organisations with an external focus (Swianiewicz, Herbst 2008).

In terms of the number of NGOs, Podlaskie Voivodeship is below the national average. The dynamics of change in the numbers of NGOs during the period 2004-2010 was, it should be noted, positive, but it was unfortunately the lowest in the country (Graph 3).

Graph 3.
Dynamics of NGOs by voivodeship in 2004-2010

Source: own work based on Local Data Bank.



The region's geographical location and multicultural character do not translate into an increase in economic links...

The economic surroundings in a territorial sense are identical to the political surroundings, as can clearly be seen from the state boundaries whose functions, particularly economically and socially, are dictated by political factors. The transformations which have taken place over the last 20 years along Poland's eastern border have not changed it in a physical sense, but have completely altered the quality of the Polish, and therefore also Podlaskie's, economic surroundings (Grabowiecki 2012). The direct proximity to countries of Eastern Europe is one of the potentials which is not exploited fully, another is the presence of national (Belarusian, Lithuanian, Ukrainian, Russian, German and Jewish), ethnic (Tatar and Roma) and religious (Orthodox, Muslim, Protestant and the Old Believers offshoot of the Russian Orthodox Church) minorities within Podlaskie Voivodeship. Although the region is associated with eastern culture (places of worship, cultural events, museums), no economic specialisation has yet emerged based on this. Lubelskie and Podkarpackie Voivodeships are more adept at trading with the eastern countries.

The direct proximity to countries of Eastern Europe is one of the potentials which is not exploited fully, another is the presence of national: Belarusian, Lithuanian, Tatars, and Ukrainians

Podlaskie Voivodeship is considered one of the least attractive regions in Poland for investment. It gets its highest marks for public safety, while transport accessibility and workforce quality are uncompetitive compared to other regions. Social infrastructure and promotional activity are assessed as being only slightly better (Nowicki 2010). The region's unattractiveness to investment results in low activity by foreign capital – during the period 2003-2009 the per capita value of foreign capital was the lowest among all sixteen voivodeships. The region also came last in the country in terms of the dynamic of this rate. In 2010, companies registered in the voivodeship had foreign capital amounting to 0.3% of foreign investment in Poland, these companies' share of the total employment in companies possessing foreign capital stood at 0.6%. Mazowieckie Voivodeship can be seen



as dominant in Poland, which is partly a result of the way data is aggregated at the level of the company and its place of registration.

Development of cooperation is becoming one of the challenges for the region...

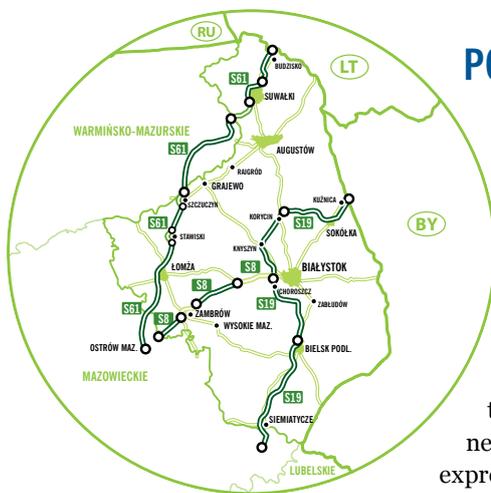
As to the knowledge of Russian language, Podlaskie is leading in the country

In light of the relatively low economic and scientific potential, cooperation nationally or internationally provides a chance to accelerate development. Participation in the EU Framework programme demonstrates how use can be made of the existing external conditions. However, activity by colleges and universities aimed at acquiring projects from Framework Programme 7 places Podlaskie towards the bottom of the ranking of Polish Regions (56 applications, by comparison Świętokrzyskie Voivodeship submitted fewest – 17, and Mazowieckie most – 2788) (Galik, Rószkiewicz 2011, after Klajbor, Ciężka, Czyż 2011). The region has two leaders in terms of participation of scientific institutions in framework programmes – the University of Białystok and Medical University of Białystok.

...which should be met with a desire to raise qualifications.

The percentage of people enrolled in lifelong learning in the region in 2010 was slightly higher than the national average (a significant improvement over the previous year). It should also be stressed that in the Balance of Human Capital survey, Podlaskie Voivodeship reported the country's highest proportion of the population working and improving their education through training and courses. Social Diagnosis (2011) points to the high percentage of citizens of the region declaring knowledge of English – third in Poland after Mazowieckie and Pomorskie. As to the knowledge of Russian language, Podlaskie is leading in the country.

Map 4.
Existing and planned express routes in Podlaskie Voivodeship – October 2012



PODLASKIE – ACCESSIBLE

The advantage of the region's geographical location provides it with important transport functions ...

A section of the European transport corridor known as Via Baltica (the planned S61 road), which has been submitted to the Connecting Europe Facility (the EU's new financial instrument), runs through the voivodeship. Podlaskie has the chance to become an important transport route with Europe-wide significance, but use of this potential is conditional on the expansion of the transport network, in particular the busiest roads. In accordance with the national programmes, the network in Podlaskie Voivodeship will be based on express roads (S class – express road):

- Express routes in use
- Express routes under construction
- Express routes in preparation
- Express routes ID number

Source: GDDKiA.

- S8 Wrocław (Psie Pole) – Kępno – Sieradz - A1 (Łódź)... A1 (Piotrków Trybunalski) – Rawa Mazowiecka – Warszawa – Ostrów Mazowiecka – Zambrów – Choroszcz (S19);
- S19 (Grodno) state border – Kuźnica – Sokółka – Korycin – Knyszyn – Dobrzyniewo Duże – Choroszcz – Siemiatycze – Lublin – Nisko – Rzeszów – Barwinek – state border (Preszow);
- S61 Ostrów Mazowiecka (S8) – Łomża – Stawiski – Szczuczyn – Elk – Raczki – Suwałki – Budzisko – state border (Kowno) (GDDKiA).

The reconstruction of public trunk roads to conform to the parameters of express roads, and the creation of transport corridors S8, S19 and S61 are included in the list of priority



investments to be realised in the National Road Construction Programme for 2011-2015, although works may not begin on most sections of the S19 and S61 until after 2013. In accordance with the plans in place to expand the road network is part of NSDC 2030, “missing links” in the motorway and express road systems are to be filled in, including connecting the Via Baltica express road with Via Carpathia on the Białystok – Suwałki section (S8 road), of great importance to the region’s perspectives.

As well as road infrastructure, another important question is the development of the rail network. The planned creation of the Rail Baltica line, which is to connect Tallinn, Riga and Kaunas with Warsaw, constitutes an opportunity for Podlaskie Voivodeship. Unfortunately, the investment priorities of the National Spatial Development Concept 2030 with a view to the year 2030 are not so beneficial for the voivodeship (cf. the provisions of NSDC 2030). A fact worthy of positive appraisal is that the section of Rail Baltica which is to run through Podlaskie forms an element of TEN-T and has been included in the projects of the Connecting Europe Facility, which in future may help in obtaining funds for this investment.

None of the multimodal hubs situated within the voivodeship is taken into account in the multimodal platforms of the Tran-European Transport Networks (TEN-T) as an element of the core network which has a chance of being created within the timescale up to 2030. The Transport Development Strategy indicates the multimodal platform in Białystok as part of the complex network earmarked for completion by 2050.

...however transport accessibility is low at the moment...

Map 5.
Intersectoral Transport Accessibility in Poland in 2011

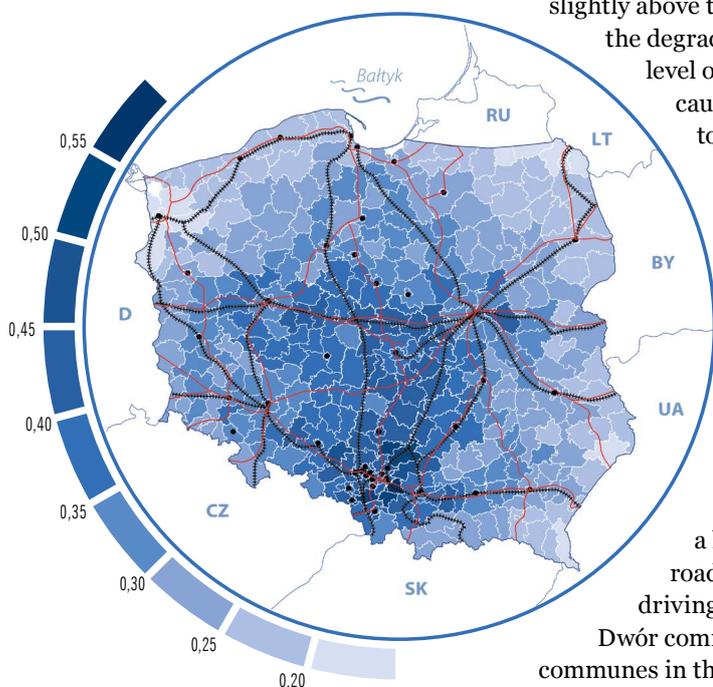
An analysis of all means of transport (using the Intersectoral Transport Accessibility Index – ITA) places Podlaskie Voivodeship in second last position in the country (Map 5). The region achieves only 73% of the national average. It is worth noting that the ITA index has deteriorated in recent years, since in 2008 the voivodeship was still slightly above the national average. This situation is the result of both

the degradation of Podlaskie’s transport network, and a lower level of investment than in other parts of the country, which causes a worsening of the voivodeship’s situation in relation to other regions.

Podlaskie displays weaknesses in every kind of communication accessibility, although in many cases the region’s position is not among the country’s worst.

In spite of the numerous **road investments** carried out recently (the country’s largest increase in the number of public roads during 2003-2011, a rise of 30%), there are still large areas of the voivodeship beyond the isochrones of 90 minute access to Białystok. These are mainly the most distant areas of Suwałki and Sejny counties, but also the southern part of Siemiatycze county. Within the voivodeship there is a lot of variation in the density and quality of the local road network (in counties and communes). The longest driving time to a county seat was from Suchowola and Nowy Dwór communes (in the north of the voivodeship), but also some communes in the east.

In 2011, Podlaskie Voivodeship was in last place in the country in terms of length of **railway lines** in use by area (4 km per 100 km²). Between 2004-2011, the railway lines increased by 13% in kilometre terms, although this had no significant effect on

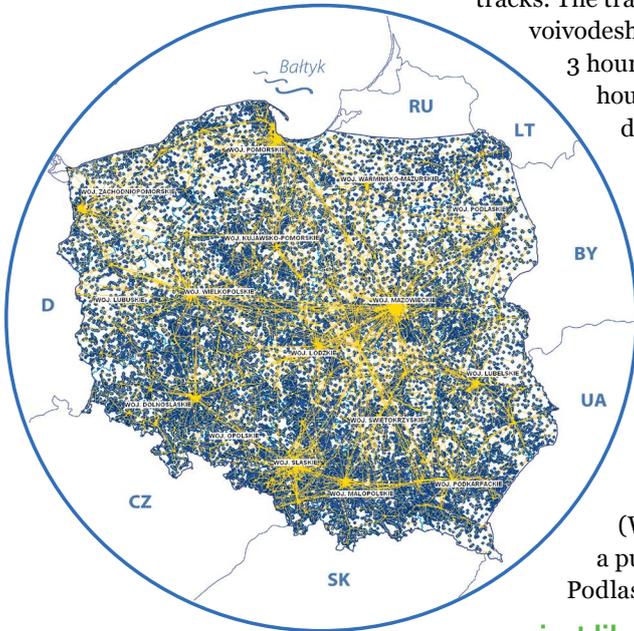


Current total

Source: Komornicki, Rosik, Stępiak 2011.



Map 6.
Fibre-optic infrastructure in Poland in 2011

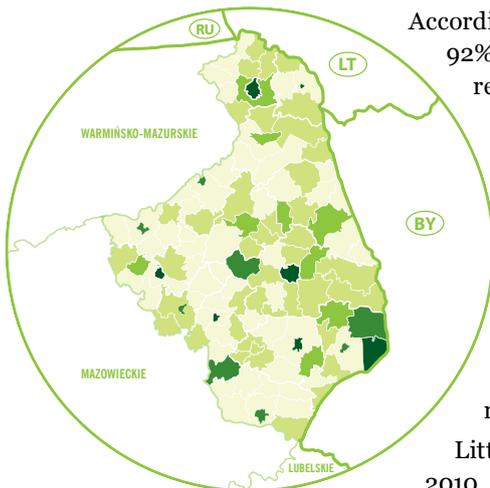


Source: UKE 2012.

any improvement in the dramatic quality of the existing network and connections. Electrified networks lead in three directions from Białystok: to Warsaw, Kuźnica Białostocka (Belarusian border) and Elk. Of these, only the Warsaw line has double tracks. The travel time by train from Białystok to the capitals of neighbouring voivodeships varies considerably. The journey to Warsaw takes over 3 hours (11 direct connections on weekdays), it takes more than 4 hours to Olsztyn (2 connections), and nearly 6 hours to Lublin (no direct connections). Rail travel between major centres within the voivodeship also leaves a lot to be desired. A line connects Białystok with Suwałki (4 connections daily, shortest journey time 2 hours 13 minutes), but it is impossible to reach Łomża by train, either from Białystok, or from Suwałki. Podlaskie Voivodeship is one of only four regions in the country with no **airport**. Nearly the entire region lies beyond the isochrone of 120 minute airport access. Even the opening of airports in Modlin (Mazowieckie Voivodeship) and Świdnik (Lubelskie Voivodeship) has had no major effect on the situation in Podlaskie Voivodeship. It should also be remembered that the airport in Szymany (Warmińsko-Mazurskie Voivodeship) still does not function as a public airport. There are plans to construct a regional airport in Podlaskie Voivodeship, to come into service in 2018.

...just like IT access.

Map 7.
Competitiveness of communes in 2010 (nationwide comparison)



- Highest (7) ●
- High (8) ●
- Medium (9) ●
- Low (40) ●
- Lowest (54) ●

Source: Dziemianowicz, Przyborowski 2012.

Podlaskie Voivodeship contains fragments of the already existing Poznań – Warsaw – Ostrołęka – Łomża – Białystok and Gdańsk – Olsztyn – Suwałki – Białystok information superhighways (infostradas). Another project under way is the Broadband Network in Eastern Poland, part of which will be located in Podlaskie Voivodeship. Realisation of this investment will result in 90% of the voivodeship's citizens having the chance of access to broadband internet by 2014.

According to data from the Office of Electronic Communications (UKE, 2012) 92% of towns and villages had no network operator offering access to ready fibre-optic infrastructure, which puts the voivodeship in last place nationally, ex aequo with Łódzkie. Apart from city counties there are practically no areas where this access is significantly better. Fewer than 2% of the voivodeship's towns and villages have more than one provider of fibre-optic infrastructure (a figure ranging from 0.4% to 1.7% depending on the county). The situation is similar with regard to fibre-optic infrastructure hubs, with these existing in only 0.2% of towns and villages in the voivodeship, which puts Podlaskie in 3rd last place in the country. In addition, 23% of the voivodeship's households are in towns and villages with no telecommunication network hubs available (UKE 2012).

Little more than 50% of households in the region had internet access in 2010, placing Podlaskie Voivodeship in 13th place in Poland. The situation is considerably better among business community, with over 95% of the total having internet access (10th in the country). Podlaskie Voivodeship makes its best impression with regard to businesses' access to broadband internet, which is used by 75% of entities, the highest figure in the country, but this is also a clear sign of their concentration in the towns with the best telecommunications infrastructure (Maleszewska 2010).



Białystok should further develop its metropolitan functions.

Białystok came first among Poland’s eleven largest voivodeship centres in a quality of life ranking (PWC 2011), a result which is due above all to two factors – the good state of the natural environment, and the high level of safety. The city’s weakest result is in the level of educational services (a figure of 81%), which is mainly due to the low quality of higher education compared to the other 10 cities (in spite of the high ratings of Białystok’s university education establishments it can clearly be seen that the competition is stronger).

Other rankings have Białystok placed highly with regard to its citizens’ access to sports facilities, as well as good access to medical services, whereas results are poor for infrastructure enabling quick and convenient access to other population centres (airport, motorway connections) and home prices.

It should be stressed that changes have been taking place in Białystok in recent years which indicate that its function as a metropolis is developing. These include:

- suburbanisation, which is characteristic of all large cities in Poland;
- development of business and economic ties;
- increase in the importance of culture in city policy;
- development of high level services, including the development of higher education and health services, which are unavailable in other population centres in the region.

All these elements affect Białystok’s high position in the analysis of communes’ competitiveness in Poland (Map 7), while the dynamic of the changes indicates that the city’s influence on its surroundings has been positive (Map 8).

Suwałki, Łomża and Bielsk Podlaski form an equidistant network of sub-regional centres.

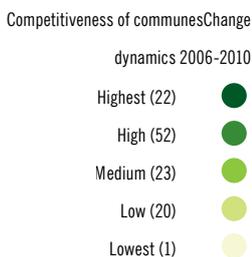
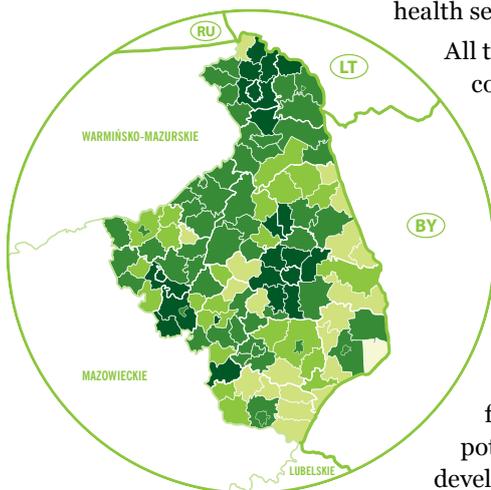
The first two towns, as the centres of former voivodeships, have significant socio-economic potential and already play an important role as sub-regional growth centres (Map 7). It is important that the changes taking place in the vicinity of these towns provide a basis for positive thinking about the creating of supralocal socio-economic potential (Map 8). Bielsk Podlaski, a town which has experienced dynamic development in recent years, is in a slightly worse situation. Its role should be increasing, but the process is made more difficult by the vicinity of Białystok as a centre of gravity, and the relatively slow pace of change in the city’s surroundings.

PODLASKIE – ENTREPRENEURIAL

Socio-economic development indexes place Podlaskie Voivodeship among the weakest regions in Poland.

In 2010, Podlaskie Voivodeship’s per capita gross domestic product (GDP) at current prices stood at 73% of the Polish average, putting only Podkarpackie and Lubelskie Voivodeships behind the region. The per capita GDP in Podlaskie Voivodeship by purchasing power parity is 45% of the EU average. During the period 2004-2009, all voivodeships improved their standing compared to the EU average, but Podlaskie, with an increase of 7 percentage points, was one of a group of voivodeships with the same result occupying 9th -12th places.

Map 8.
Change in the competitiveness index of communes, 2006-2010 (nationwide comparison)



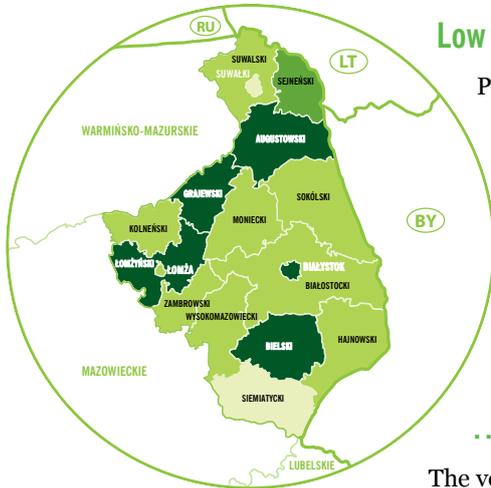
Source: Dziemianowicz, Przyborowski 2012.



Map 9.

Average monthly gross remuneration in 2010 in Podlaskie Voivodeship counties (PLN, current prices)

The most highly developed Białystok sub-region achieved 117% of the average for the voivodeship, but only 86% of the Polish average. The other two sub-regions had similar results, with Łomża having a per capita GDP of 87%, and Suwałki 89% of the average for the voivodeship.



- Above 3096 ●
- 2902 - 3096 ●
- 2707 - 2902 ●
- below 2707 ●

Source: Perło et al. 2012, p. 127.

Low productivity is one of the major economic problems...

Productivity of work in Podlaskie stands at the low level of 80% of the national average, which is a result of the large share of agriculture, characterised by relatively low productivity, in the structure of the economy (although productivity in agriculture itself is high in the region and amounts to 120% of the national average for this sector). Industry and construction attain production capacity of 92% of the national average, while in the case of the service sector the figure is 87% of the average for Poland. The lowest productivity of labour is registered in agriculture, forestry, hunting and fisheries.

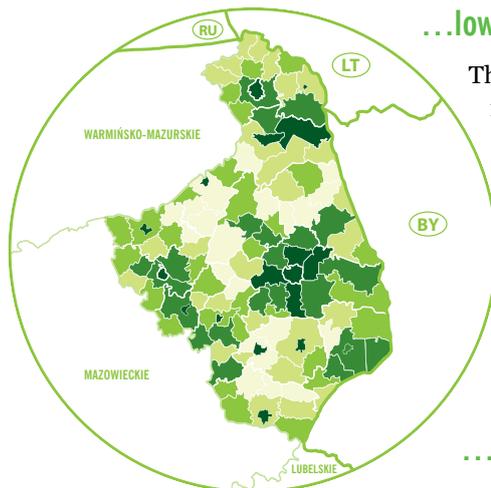
...poorly developed industry...

The voivodeship's total gross value added (at current prices) in 2009 stood at 79% of the national average, which put the region in 14th place in Poland. It is only in the agriculture, forestry, hunting and fisheries sector that GVA per capita exceeded the average, reaching a level of 200%, while it was significantly below the national average in the remaining sectors. The largest components of the GVA structure are market services (approx. 1/4) and other services (approx. 20%), which corresponds to the national structure. The share of industry is slightly lower than that of Poland as a whole, while the share of agriculture in GVA, at nearly 9%, is three times higher than the national figure.

Map 10.

Private enterprises for 1000 citizens, 2010

The employment structure clearly displays a large proportion of people working in agriculture (23.6%, in 2011, which was 3rd in the country) and a low share of those working in industry (23.4% – 14th in Poland).



- 76 - 107 (17) ●
- 54 - 76 (23) ●
- 41,5 - 54 (30) ●
- 35 - 41,5 (28) ●
- 25 - 35 (20) ●

...low prosperity...

The low GDP generated in the region translates to the average gross monthly earnings in the voivodeship, which were only 88% of the national average in 2010, putting the voivodeship in 11th place among the 16 regions. There is no great diversity of average earnings within the region. There is variation at county level from 107% of the average for the voivodeship (in Białystok) to 87% (in Suwałki county) (Map 9.). There also exists an area with above average incomes – from Łomża to Augustów. At the same time, not every county experienced an increase in average gross monthly salaries between 2004-2010. This problem was particularly bad in the counties of Augustów (a massive -15%) and Suwałki (-7%).

...and low entrepreneurship.

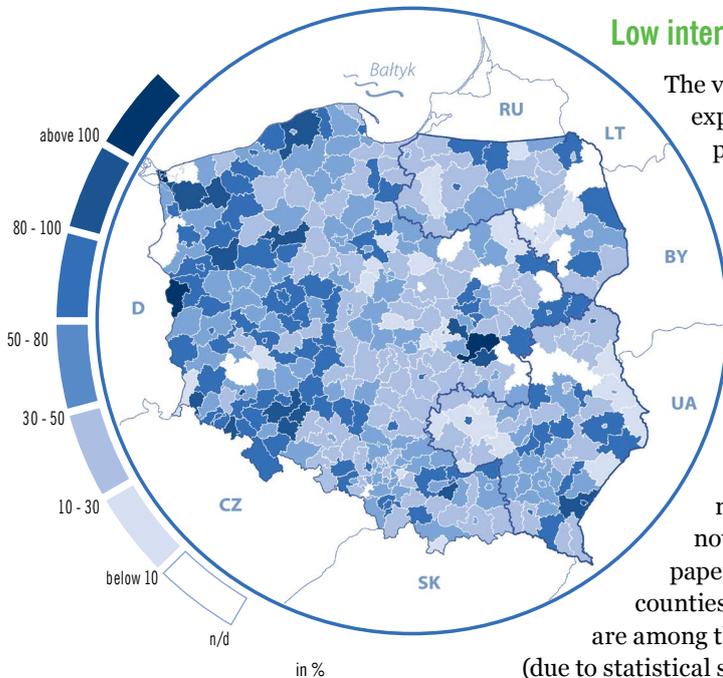
Podlaskie Voivodeship is characterised by a low level of entrepreneurship. In 2010 there were 773 economic entities per 10,000 citizens, constituting 76% of the Polish average (14th place), a situation unchanged since 2004. The annual growth rate of the index in question averaged 0.2% in Podlaskie Voivodeship during the period 2004-2010, compared to 1.3% in Poland as a whole.

Source: own work based on Central Statistical Office data



Map 11.
Export share in industrial production sold in 2009

The business saturation in the voivodeship displays internal variation (Map 10). The towns and communes located in the vicinity of Białystok are generally in a better situation.



Source: Komornicki, Szejgiec b.r., p. 40.

Low international competitiveness is also a problem.

The voivodeship plays only a marginal role in national exports – in 2008 the share of exports in industrial production sold stood at 26%, with the national average being 42%. At the same time, the increase in this figure compared to 2000 is less than half that of the national average. A specific characteristic of Podlaskie's exports is the greater than average role of trade with the countries of Eastern Europe – Belarus, Lithuania, Russia and the other Baltic states. The voivodeship's export structure is dominated by food items, particularly those connected with the dairy industry (29%), and also wholesaling, concentrated in the border areas and mainly focussed on the eastern market. Another noticeable branch of export is production of wood and paper products (9 %) (Komornicki, Szejgiec 2010). Four counties, Sejny, Augustów, Kolno and Wysokie Mazowiecki, are among those which lack data about sold production of industry (due to statistical secrecy, the authors have information that they meet the conditions for an above average rate of export value to sold production value (Map 11).

The region's low innovativeness is a resultant of companies' low innovativeness...

During the years 2009–2011 Podlaskie's industrial businesses were characterised by innovative activity at a level around the national average (17.1% compared to the national average of 16.9%), while services fared worse (9.3% compared to the national average of 12.3%, which put the voivodeship in 13th place in Poland).

Generally speaking, the following weaknesses in Podlaskie's companies may be indicated (Innovative Activity... 2012):

- low share of R&D expenditure in the structure of investments in innovative activity in the industry sector, one of the lowest R&D intensity indexes in Poland and low share of spending on development work;
- low share of new or substantially improved products in total sales – 5% in industry and 0.3% in services;
- weak assessment of regional research facilities, while cooperation with suppliers of equipment, materials, components and software is more often appreciated than in the country as a whole.

...unfavourable structure of public sector expenditure...

Expenditure incurred in the region on research and development activity in relation to population potential amounts to only 40% of the national average, and equalled around 0.2% of GDP, less than a third of the average amount for Poland as a whole (only Lubuskie Voivodeship has a worse result). Between 2003 and 2010, Podlaskie Voivodeship stood out against the rest of the country by having one of the lowest levels of ongoing expenditure (58% compared to 74% nationally), with one of the lowest rates



of capital expenditure (42%) in internal investments. The structure of expenditure on scientific research in the region is unfavourable, as basic research is dominant. During the years 2003-2008 54% of total expenditure was allocated to this type of research, while the national average stood at 38%. 18% was spent on applied research, and only 23% on development work, while the national average stood at 40% (Kondratiuk-Nierodzińska, Gardocka-Jałowiec 2011).

The structure of internal expenditure on R&D activity in 2010, by sector, in the voivodeship differed significantly from the structure nationally. The higher education sector predominated with 73%. Businesses account for only 17% of spending. At the national level this expenditure was more evenly balanced between the business sector (27%), the government sector and private non-profit institutions (36%) and the higher education sector (37%). It should be stressed that in the most highly developed countries of the European Union business has twice as high a share in this expenditure (Nauka i technika 2010).

...and poor cooperation between science and business.

In 2010, there were 36 entities conducting research and development work located within the voivodeship, of which 53% were in the business sector (as against a share of 70% in Poland as a whole). During 2009-2011, fewer businesses in the industry sector collaborated in the field of innovation than the Polish average (4.8% compared to a national figure of 5.5%), with the statistics for the service sector also showing Podlaskie in an unfavourable light.

Most of those involved in science in Podlaskie point to a lack of interest in research among the business community as being a barrier to the commercialisation of research. Nearly half of the scientists surveyed also mentioned others – a lack of people and institution aiding in the commercialisation of research, and the excessive burden of teaching duties. One in five academic teachers had received an offer of cooperation from representatives of the commercial sector, and in 75% of cases that cooperation was undertaken. Cooperation with the world of science most often involves small and medium businesses. The passivity of the scientific community should also be pointed out, as only 5% of them try to find partners for collaboration in the commercial sector. One positive aspect, though, is the fact that these attempts are always successful (Scientific and research potential... 2011).

Socio-economic problems also result from failure to adapt the competences and qualifications of the workforce...

In Podlaskie Voivodeship there is a great imbalance between the supply of work and the demand for work, and large disproportions are visible between the numbers of people registered as unemployed and the number of job vacancies reported to employment offices (65,900 people compared to 6,700 offers). Professions characterised by a large surfeit of unemployed workers include those connected with agriculture, those in the machine and electronics industries, and those in construction. There is also a high proportion of unemployed compared to the number of job offers in artisanal and service occupations and, among highly qualified groups, specialists in social sciences (incl. philologists, historians, politologists, archaeologists and teachers).

The reverse situation, i.e. not enough workers available to meet the requirements of employers, occurred in 53 professions (13% of the total number of professions on the regional market), such as office workers, sales and personal service workers, unqualified workers, those doing simple physical work, and operators and fitters of machinery and other appliances. An increasing demand can be seen for highly qualified workers, although the number of places is limited and the number of graduates from colleges



and universities is very high. There is a balance between supply and demand for work in 23 professional groups, which account for approx. 6% of the labour market. A large proportion of these are groups of qualified workers in construction and industry, and those working in agriculture raising crops and breeding animals.

One of the reasons for the situation on the labour market is the functioning of post-secondary and vocational schools. Between 1999-2010, the proportion of people with post-secondary and secondary vocational education increased in the voivodeship by two percentage points to 24%, which is equal to the national average. At the same time, the proportion of people with basic vocational education remained stable at around 19% compared to a national average of 26.5% in 2010.

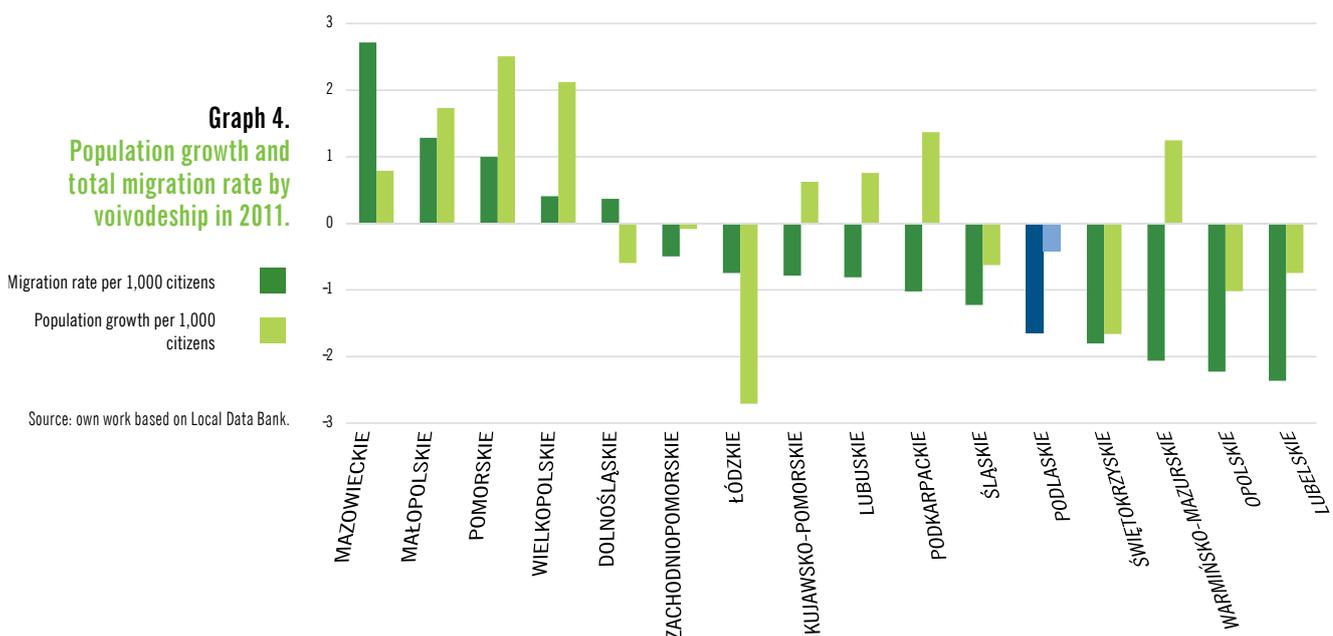
Negative demographic tendencies do not help socio-economic growth...

Although Podlaskie Voivodeship can still be described as a relatively young region, two worrying processes can be seen which are characteristic of most regions of the country:

- a successive increase in the proportion of people of post-productive age (18% in 2011) with a simultaneous decrease in the proportion of people of pre-productive age (one of the most dramatic falls in Poland -3.6pp). This process is illustrated by one of the highest demographic burdens in the country (the proportion of people aged 65+ to people aged 0-19);
- low population growth – in 2011 it stood at -0.4 per 1000 citizens (11th in the country, Graph 4.). Only town county districts saw positive population growth in 2011 (the highest was in Łomża, where the figure was 2.7) and 3 land counties: Suwałki, Zambrów and Kolno. The situation is particularly difficult in the counties of Hajnówka, Siemiatycze, Bielsk, Sokółka and Mońki (from -8 to -3).

...intensified by migratory processes leading to a brain drain.

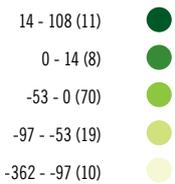
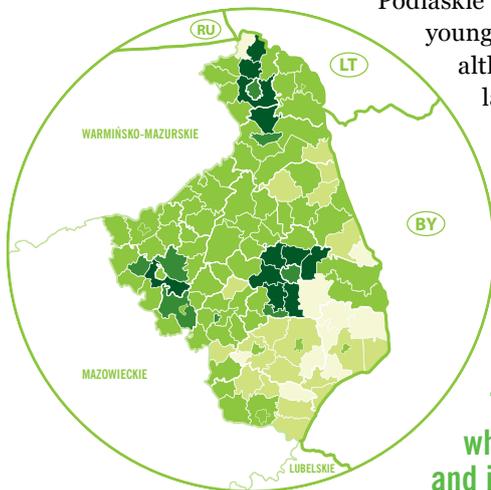
Podlaskie is one of the regions with a high negative rate of migration (-1.6 per 1000 citizens in 2011, 12th place) (Graph 4.), and this process has very high internal variation. Only 2 land counties have a positive total migration rate – Białystok and Łomża, which is mainly due to the process of suburbanisation and urban dwellers leaving the city centres.





Map 12.
2006-2010 change in population per 1000 citizens

All the other counties note negative migration rates, but the greatest outflow of citizens is taking place in Kolno county (-5.4 per 1000 citizens in 2011).



Source: own work based on Local Data Bank.

Podlaskie Voivodeship is characterised by a high level of definitive migration of young people (those officially reporting a permanent change of address), although it is one of the regions in which this age group is comparatively large (24%, 3th place nationally). This is mainly a result of the age structure of permanent residents rather than migratory movements. The neighbouring Mazowieckie Voivodeship has a very strong attraction for young people – the vicinity of Warsaw, which provides opportunities to find interesting work with perspectives, significantly intensifies the migration process of educated people. Depopulation processes are particularly threatening to the south-eastern areas (the counties of Bielsk and Hajnówka, and partially Siemiatycze).

The region must make use of its greatest current assets, which include the network of higher education establishments and institutions supporting innovation...

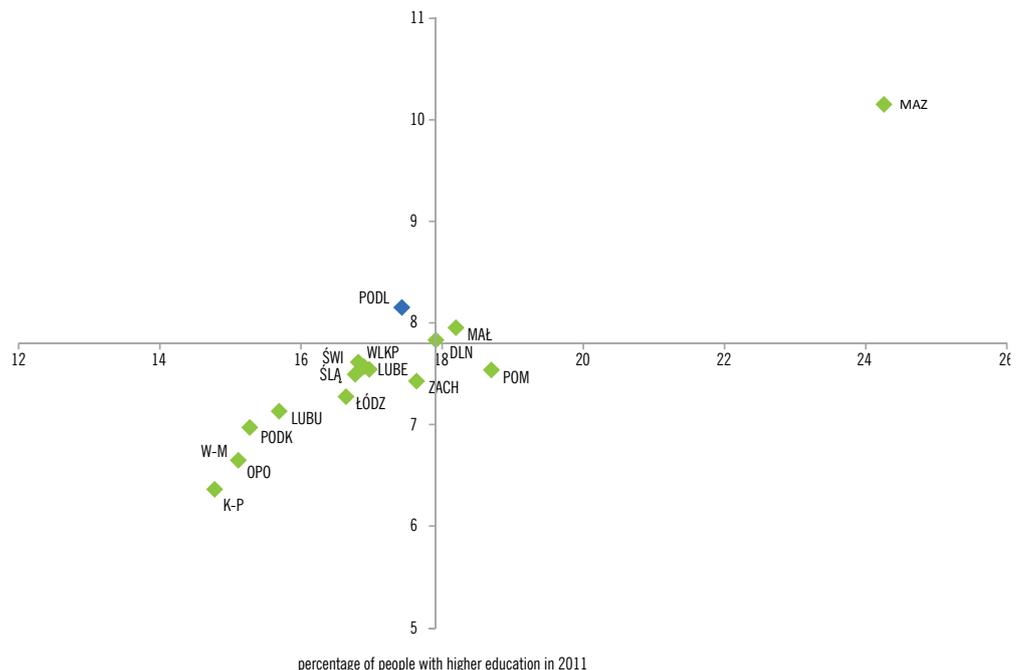
The following should be included among the greatest assets in the field of entrepreneurship:

- **major academic potential which can take advantage of the links being formed with Belarus** (in 2010 over 53,000 people studied in the voivodeship, which represents around 3% of all the students in Poland). The largest institution in this field is the University of Białystok (approx. 15,000 people), closely followed by Białystok University of Technology (13,600 people), the University of Finance and Management (about 6,000 students) and the Medical University of Białystok (4,000 students);
- **highly categorised scientific and scientific/teaching institutions**, such as the three faculties of the Medical University of Białystok: the Faculty of Health Sciences (among the country's top); the Faculty of Medicine with its Stomatology Department, and the Pharmaceutical Faculty with its Laboratory Medicine Department; the Faculty of Physics, Faculty of Law, Faculty of Biology and Chemistry, and Faculty of Philology of

Graph 5.
Change in the number of people with higher education during the years 2002-2011 by voivodeship

Source: own work based on Local Data Bank.

change in number of people with higher education in 2002-2011, pp





the University of Białystok, the Construction and Environmental Engineering Faculty of Białystok University of Technology, and the Mammal Biology Institute of Polish Academy of Sciences.

The activity of the institutions of higher education, and the nationwide trend for acquiring higher education have led to a significant increase in the percentage of people with such an education. In 2011 they accounted for 17% of those in the region (compared to a national average of 18%), which put the voivodeship in 6th place in Poland. Within 10 years (since 2002) this figure has increased by 8 percentage points to put Podlaskie Voivodeship in 2nd place nationally in terms of the dynamics of change (Graph 5). Unfortunately, Podlaskie voivodeship is still also characterised by the highest percentage of people with the lowest qualifications (41% in 2002 and 32% in 2011).

certain competitive and innovative sectors of the economy .

An analysis of competitiveness and innovativeness indicates that certain branches stand out in the region's economy, including:

Table 1.
Specialisation by industry sector in Podlaskie Voivodeship according to location quotient – (LQ) (European Cluster Observatory), data for 2007

Source: A.M. Kowalski, Znaczenie klastrów dla innowacyjności gospodarki w Polsce, Oficyna Wydawnicza SGH, 2013.

	Sector	LQ	Position in Europe	Number employed
1.	Production of dairy items	11.04	1 st	5037
2.	Production of veneered items; production of plywood, laminated and chipboard tiles and boards	6.79	7 th	1072
3.	Weaving materials	5.39	6 th	1403
4.	Fruit and vegetable processing	4.79	10 th	1488
5.	Forestry, logging and related activities and services	4.78	17 th	1694
6.	Production of machines for agriculture and forestry	4.43	9 th	1276

In 2011 the production of food items accounted for nearly 55% of the sold production of industry in Podlaskie Voivodeship, compared to a national figure of 16.9%. The region's structure of sold production of industry also included products from wood, cork, straw and wicker (8.6%) and from rubber and plastics (7.4%), production of machines and appliances (5.7%). The percentage shares of all these categories are much higher than the equivalent Polish figures.

...and also a possible increase in cooperation with eastern markets.

Realizacja planowanej rozbudowy KSP, zarówno na terenie województwa podlaskiego, Geographical and cultural proximity make Poland's eastern neighbours relatively easy markets for Podlaskie companies to do business on, compared to more distant countries. Exports of goods to countries of the Commonwealth of Independent States in 2010 constituted 8.5% of total exports. It is mainly machinery and appliances, chemical products and food which are exported there. Food products offered by Podlaskie businesses are an increasingly recognisable brand on foreign markets, and at the same time provide major potential for increasing sales (Komornicki, Szejgiec 2012). High customs duties create certain limits in the case of some industries, but it should be remembered that diplomatic relations and politics play an important role on eastern markets, and these could be manifested in a sudden appearance of regulations hindering exports (e.g. tightening of phytosanitary requirements or transport licences).



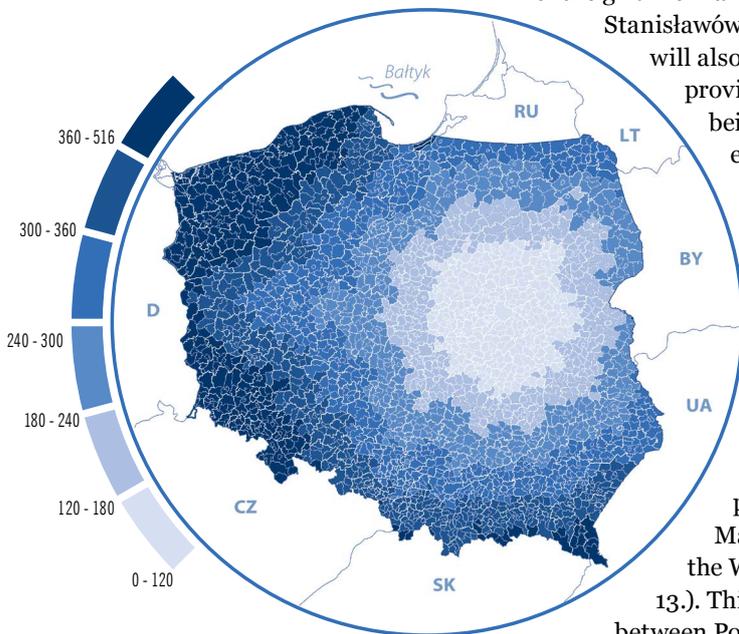
One of the main challenges in the business sphere will be to ensure the region's energy security.

Electricity consumption in Podlaskie Voivodeship is around 2.5 GWh per year, which is the lowest amount of any voivodeship and is decidedly greater than the region's production (0.8 GWh, which accounts for 0.34% of the country's total electricity production). This means that the voivodeship is dependent on the importation of electricity through an obsolete grid which brings the risk of both power cuts and the loss of electricity during transmission. Apart from power plants using renewable sources, the region has only one significant conventional source of electrical power, namely the thermoelectric plant in Białystok. There is a pressing need to modernise the 110 kV grid and expand the 400 kV grid.

The Expansion Programme of the National Power Distribution Network (KSP) is a particularly important document with regard to the connections between Poland and Lithuania. According to this, the following power infrastructure is to be constructed in Podlaskie Voivodeship:

- 400 kV Ostrołęka – Łomża – Narew line;
- 400 kV Elk – Łomża line;
- 400 kV Elk – border line (in the direction of Alytus);
- 400/110 kV station in Łomża;
- 400 kV switching station at the 400/110 kV station in Narew (expansion).

Map 13. Journey time by car to Warsaw in 2011



in minutes

Source: own work based on Wójcik, Herbst 2012.

Completion of the planned expansion of the KSP in Podlaskie, Mazowieckie and Warmińsko-Mazurskie Voivodeships will bring many benefits, including the restructuring of the grid from a radial to a ring structure (400 kV network ring Stanisławów – Ostrołęka – Łomża – Narew – Stanisławów), which will also result in safer and more stable electricity supplies being provided, and the risk of a blackout within the voivodeship being significantly reduced thanks to the possibility of electricity being supplied from various points in the grid.

The electricity grid's transmission capabilities will also be increased, within the region and to other voivodeships, as well as across the Lithuanian border. A second cross-border connection is possible with the Belarusian system, which is conditional on a new 400 kV line being created between Narew and Roś (Belarus).

The growth pole most strongly affecting the region is the Warsaw agglomeration.

Podlaskie Voivodeship, and especially its southern part and the Białystok area, is one of the areas outside Mazowieckie Voivodeship with the shortest driving time to the Warsaw agglomeration using the road infrastructure (Map 13.). This enables both people and goods to move relatively quickly between Podlaskie Voivodeship and Warsaw.

The Warsaw agglomeration is the second largest population concentration in Poland after the Upper Silesian conurbation, and numbers around 3 million citizens, more than the entire Podlaskie Voivodeship. Easy access to the Warsaw market could prove to be a development opportunity for Podlaskie's business community, and should also be conducive to cooperation on many levels.



SWOT ANALYSIS⁵

⁵ The order in which factors appear in the analysis do not reflect their importance. In line with the accepted methodology, opportunities and threats are external factors affecting the region.

- 1. Clean, diverse natural environment relatively unaltered by human activity**
- 2. Favourable conditions for developing ecological agriculture**
- 3. Good conditions for producing heat and electricity from biogas, and relatively good conditions for developing solar and wind power**
- 4. Favourable border location of the voivodeship**
- 5. High level of medical and legal education**

Strengths

- 6. Growth in citizens' level of education**
- 7. Extensive network of post-secondary and higher education**
- 8. Citizens' self-maintaining economic structure**
- 9. Highly competitive milk processing industry with high share of the national market**
- 10. Growth centres seedbeds – groups of businesses characterised by high degrees of competitiveness and innovation, for example in the production of medical instruments, textiles, machine industry, typography, software production**
- 11. High quality of life in the voivodeship's capital**

1. Very poor transport accessibility
2. Poor broadband infrastructure
3. Low population density and diffusion of the settlement network mean difficulties with access to public services and high costs of providing them
4. Lack of energy security in the voivodeship, very poor, obsolete power grid and gas distribution network with insufficient flow capacity
5. Insufficient infrastructure of sewage and waste management
6. Low level of internationalisation of Podlaskie's business activity, low investment attractiveness and failure to promote the voivodeship in an economic context, leading to low foreign capital activity (no trend indicating any improvement of this situation)

Weaknesses

7. Very poor export results
8. Insufficient commitment by businesses and scientific/research establishments to mutual collaboration
9. Weak links between schools (including higher education) and the business community, and decreasing share of vocational education in the voivodeship's educational system
10. Relatively low level of entrepreneurship
11. Industry characterised by low productivity
12. Problems with implementation of innovation by businesses
13. Low share of R&D spending in the structure of expenditure on innovative activity in the industrial sector
14. Generally weak national and international position of research and development and scientific/research institutions
15. Low level of development of innovative institutions of the business environment, such as science and



Opportunities

- 1. Development of data communication technology ICT and opportunities to use it many fields – in business, tourism, culture, health care and education**
- 2. The voivodeship's location in the borderland on transport trails, enabling direct land transport links between the Baltic states and the rest of the European Union**
- 3. European Union policy aimed at development of multimodal transport, supporting infrastructure development in the areas most lacking this type of transport**
- 4. Proximity to the absorbent sales market of the Warsaw agglomeration**
- 5. Image of the voivodeship as an ecological region**
- 6. Rising demand for ecological, traditional and regional food, and high quality food**
- 7. Increase in ecological awareness**
- 8. Popularisation of lifelong learning**
- 9. Changes to the Higher Education Act and in the scope of financing science and research, enabling new forms of cooperation between educational institutions and business**
- 10. Availability of funds from**

technology parks or technology transfer centres, insufficient influence of such initiatives on the region's economy

16. Outflow of qualified workers from the region
17. Low population growth and negative migration rate leading to further depopulation of the voivodeship
18. Skills and qualifications of the workforce not suited to needs
19. Ageing workforce
20. Poor and uneven access to public sector health services and low quality of management in the health sector
21. Low per capita GDP maintained in relation to the national average, and low income level of the population
22. Reluctance of the region's citizens to participate in community organisations
23. Poorly developed tourist offer and lack of tourism-oriented products
24. Perception by some of the community that the protected areas are a barrier to development (especially the NATURA 2000 areas) and the need to increase awareness and qualifications of public administration in the field of managing protected areas

Threats

1. Marginalisation of the voivodeship as a result of continued weak transport accessibility
2. Increase in traffic, especially lorries, on unprepared roads
3. Railways' policy threatens existing rail links with liquidation
4. Degradation of the natural environment
5. Political, administrative and economic obstacles resulting in fewer opportunities to exploit the region's borderland location and access to eastern sales markets
6. Brain drain



structural funds for innovative activity – maintenance of preferential treatment for regions with low level of development and pressure from the European Commission to spend funds on innovative activity

11. Development of national and international networks (particularly in the context of knowledge transfer)

12. Growing demand on eastern markets

13. Implementation of energy investments in the 400 kV grid and gas distribution and transmission network

14. Favourable direction of changes in legislation with regard to energy and waste management

15. Increasing interest in new forms of tourism (particularly qualified tourism)

16. Increasing professional and physical activity of the ageing population as an opportunity to expand specialist services in the fields of rehabilitation, geriatrics, dietetics, etc., and development of the silver economy

7. No safeguards for funds for tasks delegated to local authorities

8. Deterioration of public finances resulting in limitation of capital expenditure

9. Unfavourable prioritisation of measures at central level, incl. marginalisation of the region in development plans created by central authorities, further delays in realising investments vital for the region

10. The region's too little influence on policy concerning agriculture and rural areas

11. Legislation and systemic solutions, especially in the field of contracting medical services, resulting in further limitations in access to medical services



STRATEGIC AND OPERATIONAL OBJECTIVES

The ambitious vision formulated for the voivodeship within a 2030 planning horizon will require determination and consistency in realising the three interconnected strategic objectives which have been set:

Strategic objective 1. Competitive Economy;

Strategic objective 2. Domestic and international links;

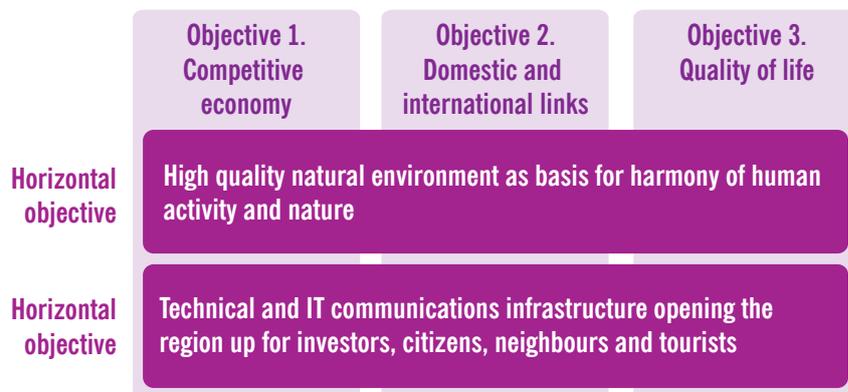
Strategic objective 3. Quality of life.

At the basis of successful realisation of the strategic objectives lie the horizontal objectives, that overlap the strategic objectives:

Horizontal objective: High quality natural environment as the basis for harmonising human activity and nature;

Horizontal objective: Technical and IT infrastructure opening the region up for investors, citizens, neighbours and tourists.

Diagram 1.
Set of PVDS objectives for 2020



Strategic and horizontal objectives

The horizontal objectives adopted condition, but at the same time support, the opportunities to effectively achieve the strategic objectives. The high quality of Podlaskie Voivodeship's natural environment is intended not so much to constitute a development objective in itself, as to strengthen the natural advantage of a voivodeship perceived as having a perfectly preserved natural environment. The care necessary to maintain the environment's high quality is treated in the system of objectives as an important factor increasing the opportunities for the competitive economy to expand, especially in "green" sectors. The image of a region with a unique environment will be a factor conducive to developing external connections, by attracting investors interesting in the rapidly developing green economy and as an element of regional brands on external markets. Maintaining a good quality environment is also a determining factor of the high quality of life of the region's citizens.



There can be no mention of ensuring the development of a competitive economy and national and international links, as well as high quality of life, without ensuring the appropriate technical and telecommunications infrastructure

There can be no mention of ensuring the development of a competitive economy and national and international links, as well as high quality of life, without ensuring the appropriate technical and telecommunications infrastructure. Good infrastructure is both a necessity and a precondition for, but not the essence of, the planned socio-economic development of Podlaskie Voivodeship. It should at the same time be stressed that key measures in the field of the region's transport accessibility, such as road and rail connections with Warsaw, lie outside the competences of the regional authorities. Representing these challenges in the form of a horizontal objective should be treated as the strongest possible way of expressing expectations towards the central authorities for the radical improvement of the region's accessibility as a major barrier to its development.

Relationships between strategic objectives

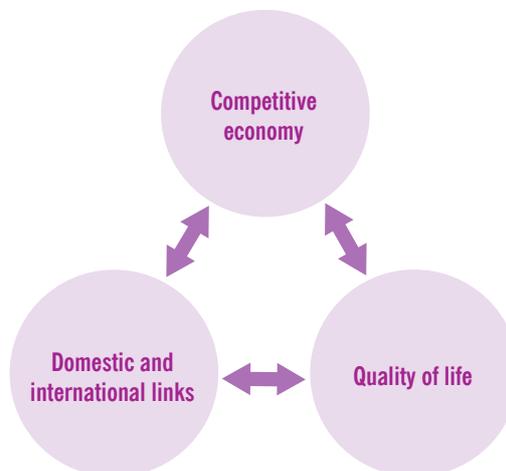
The strategic objectives adopted assume activities being conducted in parallel in three directions in such a way as to ensure:

- 1. An increase in entrepreneurship and economy's competitiveness;**
- 2. Development of the region's national and international socio-economic links;**
- 3. An improvement in the citizens' quality of life.**

The above strategic objectives concern those areas of the region's socio-economic life where conscious intervention can ensure an ongoing improvement in the citizens' situation, and above all create, in line with the slogan "Duty to Generations," the basis for permanent long-term development and catching up with the leading regions in Poland and Europe. At the same time, the set of strategic objectives set should be treated as a system of mutually connected elements which shape one another and in particular reinforce their effects.

Measures undertaken and progress towards one strategic objective will strengthen the opportunities to achieve better results for the remaining objectives. The region's development must undoubtedly be based on a competitive economy – this is what creates jobs, leading to an increase in employment, incomes and wealth. Having a job and an income is the foundation for a high quality of life. A competitive economy is the factor

Diagram 2.
Relations between strategic objectives





which will ensure that development of national and international links will bring the maximal benefits. Highly competitive companies make best use of stronger national and international links, they will not be afraid of new investors from outside, instead treating them as partners for fruitful collaboration. At the same time, the development of socio-economic ties will be conducive to further growth in the competitiveness of the economy. More investments, but also more new ideas, creative and entrepreneurial people attracted to the region will form a firm basis for economic development, as well as will contribute to an improvement in the quality of life. And conversely, high quality of life will be a major factor in attracting people from outside, including from the east, not only as tourists but also as new, active, entrepreneurial and creative citizens. A high quality of life for the citizens will therefore ensure excellent conditions for economic development, keeping the best human resources in the region despite average incomes which are still lower. This will be a major deciding factor in locating external investments in the region.

Consistent simultaneous realisation of all three accepted strategic objectives will additionally ensure that the synergy effects will fundamentally reinforce the effects of the measures taken. At the base of the structure of individual strategic objectives lie a cross-section of assumptions, namely:

- 1) **smart specialisation** – the strategy is open to ideas contributing towards the creation of specific advantages of the region, particularly those based on endogenous potential, including making use of the beneficial conditions for agricultural and dairy production and high quality food, production and services under the banner of “ecological and green” – renewable energy sources, environmentally friendly technologies, eco-tourism, life science, the silver economy, creation of green workplaces and development of products and services aimed at our eastern neighbours. The challenges of the contemporary economy require a continuous process of identifying regional specialisations which is implemented with the full participation of socio-economic partners. In connection with this, and based on the system for realising the strategy, a mechanism will be introduced to identify and verify smart specialisations, which will form an integral part of the strategy’s implementation documentation;
- 2) **use of ICT** – the strategy promotes wide-ranging use of information and communications in all areas of life and in every sphere of the economy;
- 3) **cooperation** – the strategy will lead to a culture of cooperation in the region, based on trust among various entities and institutions, contributing to the achievement of the region’s development targets;
- 4) **territorial cohesion** – the strategy will lead to a stimulation of local resources for social and economic development in all parts of the region.

STRATEGIC OBJECTIVE 1. COMPETITIVE ECONOMY

Use of the smart specialisation concept should be increased, combining the region’s economic traditions with the latest knowledge and technologies

A major role in the economic structure of Podlaskie Voivodeship is played by agriculture, which has a low level of work productivity. A diagnosis of the development processes reveals an inadequate development dynamic in non-agricultural sections. Another problem is the low level of investment and low innovativeness in businesses, as well as poor cooperation between the worlds of science and business. All this results in low income levels being maintained and a drop in employment in the region. This situation requires a dramatic increase in the entrepreneurship and competitiveness of the Podlaskie economy. A rise in entrepreneurship may become the mechanism to provide



the necessary changes in the employment structure, directed towards an increase in the role of industrial manufacturing, services and construction, which will ensure a value added per job which is higher than that in agriculture. It is imperative to base the regional economy's competitiveness on knowledge and innovation introduced into the traditional sectors already rooted in the area (see Table 1 in the Strategic Diagnosis section). Use of the smart specialisation concept should be increased, combining the region's economic traditions with the latest knowledge and technologies. Newly emerging sectors of the economy must not be neglected either, as these may also hold opportunities for the region. Entrepreneurship and a knowledge- and innovation-based economy will ensure a competitive advantage in conditions of globalisation.

The development of entrepreneurship in the region should contribute to enhancement of its economic potential. Firstly, this could result in an increase in the number of businesses, and thus an increase in the number of entities and people engaged in the creation of economic growth in the region. Secondly, the development of entrepreneurship should encourage the business community to take up new economic challenges and to improve their competences connected with running a business. A modern, competitive economy powered by the entrepreneurial spirit of the citizens, whose products will be aimed at external markets, will ensure a rise in incomes and employment.

Agriculture is, and should be, an incalculably important branch of the economy, but it is vital to aim for sales outside the region of highly processed products only. Agricultural production should be focussed on safe food, of high quality and sustainably produced. Matters of special concern should be, on the one hand, innovation in agriculture and the sphere of food production, and on the other hand protection of heritage and support for traditional products. An aim should be to reinforce the position of farmers in the food supply chain through the use of innovative solutions, which will improve transparency, information flow and skills in the field of management, as well as serving to create new high quality products.

Measures of success:

1. GDP per inhabitant
2. Number of business companies per 10,000 citizens

OPERATIONAL OBJECTIVE 1.1. DEVELOPMENT OF ENTREPRENEURSHIP

Noticeably fewer people in Podlaskie Voivodeship decide to run their own business than in the more highly developed regions. Fewer firms mean less development potential, and thus lower chances when competing with other regions. Entrepreneurship means a large number of companies, and also the activeness and efficiency of those already existing. Support for entrepreneurship should form the background for other strategic measures in Podlaskie Voivodeship.

Development is impossible without entrepreneurship

Entrepreneurship is the specific capability of a community to exploit its potential; it means the ability to put ideas into action. It includes creativity, innovativeness and risk-taking, and also the ability to plan enterprises and carry them out to achieve the intended aims. Development is impossible without entrepreneurship. Entrepreneurship is the creation of social attitudes, it is "taking things into your own hands", resourcefulness, courage, it is the motivation to set out objectives and effectiveness in achieving them. Entrepreneurship in this sense does not apply only to business people, but to society as a whole. The development of entrepreneurship also involves stimulation of non-agricultural activities in rural areas and seeking alternative sources of income for people living



in protected areas of natural beauty. Entrepreneurship also means more efficient and cheaper public administration thanks to better management and community-oriented activity.

Main directions of intervention:

- Promoting entrepreneurial attitudes
- Supporting the formation and development of business entities

OPERATIONAL OBJECTIVE 1.2. INCREASE IN INNOVATIVENESS OF PODLASKIE'S BUSINESSES

Support is due above all to enterprises which increase competitiveness at a national and international level

Raising the level of innovation in the business of Podlaskie's companies should contribute towards an increase in their competitiveness on external markets, and thus to a significant growth in sales of products and services created in the region. The priority area for action should be those companies which display the highest competitiveness and innovativeness, and platforms should be created, on the basis of the region's key industries, for collaboration with the scientific community, institutions related to business, and the business sector itself. Further spheres of intervention should cover all companies which introduce innovative solutions, regardless of whether these are their own solutions or they have acquired them. In doing this, innovations should be understood broadly as covering the implementation of new products, processes and methods of organisation and marketing. However, in each case the innovation applied should bring measurable market effects. Nowadays, innovations are more and more often co-created by customers and users of a product or service, so reorientation is needed towards open innovation. Particular attention should be paid to stimulating research and development work carried out by companies, especially work connected with product innovations, and also with launching the results of that research onto the market. Support is due above all to enterprises which increase competitiveness at a national and international level, at the same time action will be taken to improve companies' access to capital by using financial engineering, which will result in an increase in the level of investment in the region. Small and medium businesses which have not thus far been participants in the processes connected with increasing innovativeness require a more specific approach. It is necessary to apply a set of instruments which can allow demand to be generated within them for innovations in terms of products, processes, marketing and organisation. It will thus be vital to conduct research identifying and quantifying the existence of potential demand and its conditions.

Main directions of intervention:

- Promoting pro-innovation attitudes
- Supporting R&D activities in companies
- Providing access to capital for companies' innovative and investment activities
- Supporting the transfer of knowledge and commercialisation of R&D results
- Supporting product, process, organisational and marketing innovations



OPERATIONAL OBJECTIVE 1.3. DEVELOPMENT OF COMPETENCES FOR WORK AND SUPPORT FOR PROFESSIONAL ACTIVITY OF THE REGION'S CITIZENS

A high quality education system therefore constitutes a fundamental challenge, including lifelong learning, it must be suited to social and economic needs

The competitive advantage of an economy is increasingly determined by its level of human capital, which is created by increasingly well-educated citizens, more active and flexible on the labour market. The role of social capital is also increasing, as an expression of the competencies and attitudes which support cooperation, communication, creativity, openness and the ability to use one's knowledge and experience flexibly. Recent years have brought an increase in the level of education of the region's citizens, but the main problem remains the failure to adapt the available education to the needs of the labour market. A high quality education system therefore constitutes a fundamental challenge, including lifelong learning, it must be suited to social and economic needs, and along with this comes the necessity to develop cooperation between employers and schools, particularly vocational and further educational institutions. At the same time, it is necessary to make vocational education more flexible and attractive, adapting it to the specific local needs of the labour market.

In order to improve competitiveness, investments aimed at strengthening human resources of the regional economy, including public administration, company employees and entrepreneurs, are necessary, particularly in the field of management skills. Tailoring the education system to the requirements of the regional economy also involves measures with regard to professional reorientation of people leaving agricultural, and in light of the dramatic changes taking place in the socio-economic environment it is vital for employees to adjust to the changing expectations of the labour market.

Under the circumstances to be found in Podlaskie Voivodeship, it is additionally reasonable to take measures preventing the outflow of the region's well-educated citizens, for example a scheme for supporting talent or a support system for those improving their professional competences or obtaining qualifications in niche or rare professions or jobs. While an active policy to increase employment competencies is being conducted, currently undeveloped labour resources should be treated as a future asset of the region from the point of view of locating investments which require high quality employees.

Main directions of intervention:

- Improvement in access to high quality education and training adapted to the needs of the labour market
- Professional development of persons with hindered access to the labour market

OPERATIONAL OBJECTIVE 1.4. SOCIAL CAPITAL AS A CATALYST FOR DEVELOPMENT PROCESSES

Shaping competences conducive to cooperation, such as tolerance, openness, innovativeness and creativity, is also of no small significance

In the Europe 2020 strategy, investment in social capital have been recognised as one of the key factors contributing to the achievement of greater social cohesion and the creation of a knowledge-based society. In order to create such knowledge-based society, it is necessary to activate mechanisms of a social nature, like social trust, courage and openness towards innovative solutions, an education system which is supportive of creativity, etc., since innovativeness is the resultant of economic and social development. Innovativeness is not only the introduction of modern product or marketing solutions – social innovations are equally important. The ability to operate in network structures is vital both in the contemporary economy and in the social sphere. Individual companies or institutions are no longer able to meet the challenges facing them on their own, and they must learn to act together in dynamical network structures.



Building social capital means taking care of healthy social relations, of the common good and cooperation, which is why it is so important to strengthen the social and civic proficiencies of the region's citizens and to support social dialogue. Shaping competences conducive to cooperation, such as tolerance, openness, innovativeness and creativity, is also of no small significance. From the point of view of trust, which is one of the determinants of social capital, it is also important to improve the quality of the functioning of public institutions, particularly as far as communication with citizens is concerned. Efficient administration means not only effective management of public funds but also, and above all, invoking the values of civic society and the principles of partnership. One of the most important partners for the authorities and public institutions in the process of social participation and dialogue are non-government organisations, which is why it is so important to make use of their potential in realising public tasks.

The foundation for building strong social capital is, on the one hand, reinforcement of links based on shared identity and the ability to constantly and creatively reinterpret it. On the other hand an integral element is openness to other cultural models, the ability for people of different values, traditions, behavioural norms and lifestyles to work and live alongside one another. Both of these attitudes are strongly connected and mutually conditioned by knowledge of traditions, culture and history, and by individual creativity, openness to inspiration and new solutions. Strengthening the importance of culture in the region's socio-economic development is vital in this aspect. Culture has the potential to be a major factor dynamising the voivodeship's socio-economic development.

Main directions of intervention:

- Promoting values and attitudes supportive of cooperation and civic activism, supporting social dialogue
- Effective use of cultural potential
- Increasing the presence of culture in everyday life by improving access to its assets and shaping cultural habits.
- Improvement in regional and local management – efficient administration

the region has an opportunity here in the use of an environmentally friendly model of decentralised power generation

OPERATIONAL OBJECTIVE 1.5. EFFECTIVE USE OF NATURAL RESOURCES

Increasingly efficient use of natural resources by Podlaskie Voivodeship should result in increased competitiveness. The greatest potential in this field lies in efforts to limit actions which consume large amounts of energy and materials. This should result in lower use of energy, raw materials and other materials per product or service. There is a particular role to be played by enterprises connected with production from renewable energy sources and technologies for combining generation of electrical power and heat (cogeneration) in high-performance processes. The development of renewable energy sources is also a matter of the region's energy security and climate protection, and the region has an opportunity here in the use of an environmentally friendly model of decentralised power generation. Because of the role played by agriculture and food processing in the region's economy, the development of renewable energy should be primarily connected with managing the by-products created in these sectors. The development of renewable energy sources cannot threaten traditional branches of the region's economy.

Effective use of natural resources is to be served by eco-innovations also introduced in traditional sectors such as construction, the textile industry and food production. There



is also a need to develop, also in rural areas, all the enterprises connected with the green economy, the so-called business & biodiversity. Telecommunications technology should be an important catalyst for green growth. Apart from technological innovations, it is also necessary to focus towards non-technological innovations, such as in organising (green public tendering, certification), or new business models. This could be complemented by measures aimed at adapting existing systems to the requirements of the best available technology (BAT), implementation of systems for environmental management and acquiring certified eco-symbols. Strengthening businesses' abilities to create eco-innovations should also contribute towards the formation of innovative, green products and services, thus increasing the chances of conquering new markets.

Main directions of intervention:

- Promoting attitudes and measures conducive to effective use of natural resources
- Limiting levels of energy and material consumption
- Production of energy from renewable sources

OPERATIONAL OBJECTIVE 1.6. MODERN NETWORK INFRASTRUCTURE

Universal broadband internet access should become a civilisational standard – it creates the conditions for the development for an information society, diffusion of the use of services provided electronically, but also an improvement in businesses' competitiveness. Investment in telecommunications infrastructure helps to increase the attractiveness of the region, from the point of view of both the business community and the citizens. A key question for the energy security of Podlaskie Voivodeship is the technical condition of the power generating installations, and the density and technical condition of the transmission and distribution networks. The existing grid lacks a back-up power source for the local networks, and the poor technical condition of the power lines has a detrimental effect on the voivodeship's energy security (particularly of rural areas) and adversely influences economic development. An inefficient infrastructure also lowers the chance to make use of power from renewable sources, so it is vital to expand and modernise the power infrastructure of the transmission and distribution networks, taking particular account of energy from renewable sources, for example by creating a network which allows heat distribution. Measures should also cover the development of smart systems for electricity transmission and distribution.

A challenge in the field of technical infrastructure not only for the economy, but also the region's citizens, is to expand the gas network in the region. At present it is impossible to connect large, new customers, for example, and current conditions only allow for the supply to existing customers to be maintained. The voivodeship's current and future development needs urgently require expansion of the existing distribution and transmission system.

Main directions of intervention:

- Expansion of telecommunication infrastructure
- Expansion of the power system
- Support for development of the gas infrastructure



STRATEGIC OBJECTIVE 2. DOMESTIC AND INTERNATIONAL LINKS

The limited economic and social potential of Podlaskie Voivodeship mean that it is important to seek development routes in the tightening of cooperation with other areas, both in Poland and abroad. From the point of view of the economy, both the limitations on the sales market and the investment potential of domestic companies make access to external markets for products and capital highly important with regard to opportunities for accelerating regional development. The development potential of cooperation is a result of the region's location along the eastern border of both Poland and the European Union. The eastern markets which in the past provided a string impetus for economic development should also be seen as priorities in the future, also in the context of stimulating cooperation with partners from Poland and the rest of the EU. Cross-border cooperation should be appreciated as a way of extending contacts embracing every aspect of life. Cross-border cooperation may be seen as a way to extend local communities' contacts, promote the region, acquire foreign investors and also make use of the experience of the international regional cooperation organisations to accelerate the development processes within the voivodeship.

From the point of view of the region's development, it is important to extend every form of cooperation and networking connection with external structures, through constant communication, exchange of information, knowledge, good practices and the formation of more or less formalised links.

Measures of success:

1. Value of exports per inhabitant
2. Amount of foreign capital located in Podlaskie Voivodeship as a share of the total amount of such capital in Poland

OPERATIONAL OBJECTIVE 2.1. ACTIVENESS OF PODLASKIE'S BUSINESSES ON THE SUPRAREGIONAL MARKET

An increase in the activeness of Podlaskie businesses on external markets is vital for the region to develop more rapidly in spite of the limited scale of the internal market. Capital expenditure in Podlaskie firms continues to be low, and this is reflected starkly in the competitiveness of Podlaskie's economy and its growth capabilities. At the same time, the severely limited potential of the local market, determined by the small population and its low income levels, forms another barrier to development for the region's companies. The regional market's low absorption rate and the limited investment potential of home-grown businesses mean that development of the voivodeship's external socio-economic links provides a chance for economic growth and the creation of new jobs. Realisation of this objective should be achieved by initiatives serving to form economic contacts, support marketing and promotional activities on external markets and promotion of the region taking into account the potential of the regional economy.

Main directions of intervention:

- Economic promotion of the region
- Initiatives encouraging the forming of economic contacts and supporting the presence of Podlaskie companies on external markets



OPERATIONAL OBJECTIVE 2.2. IMPROVEMENT OF THE VOIVODESHIP'S INVESTMENT ATTRACTIVENESS

Increasing the voivodeship's investment attractiveness should contribute to a rise in the level of capital expenditure by regional companies as well as external investors. The latter usually brings its share of external markets to the region along with its capital and knowledge. The voivodeship should thus be exceptionally active in its efforts to attract such investors, exploiting its advantages and addressing its offer to selected customers for whom the voivodeship's weaknesses are of less importance.

Main directions of intervention:

- Informational and promotional activity aimed at investors (active acquisition of investors)
- Accessibility of investment sites

OPERATIONAL OBJECTIVE 2.3. DEVELOPMENT OF A PARTNER CROSS-BORDER COOPERATION

Development of a partner cooperation with neighbours from the east should also be based on the experience already gained and held by the region's scientific institutions

It is very important to improve cross-border cooperation capabilities at a regional and local level. The essence of the cooperation should be the exchange of information, experience, good practices and staff. Also vital is cooperation between public institutions, particularly local authorities in the borderland areas, and especially in the field of joint strategic and spatial planning. It is worth making use of the opportunity for economic cooperation based in joint projects and use of the potential of businesses on both sides of the borders. Development of a partner cooperation with neighbours from the east should also be based on the experience already gained and held by the region's scientific institutions. It can be hoped that partners on the eastern side of the border will be interested in conducting parallel measures in the fields of easing border crossing, constructing technical infrastructure to provide cohesion across the border areas, constructing key transport routes to ensure accessibility of the regions in an international context and supporting the extension of cross-border socio-economic contacts. It is also worth making use of the potential and existing experience of cultural institutions and third sector bodies.

Main directions of intervention:

- Improvement of the permeability and expanding the network of border crossings
- Measures to facilitate border crossing
- Formation of formal and informal links and networks of cooperation
- Protection and effective use of the shared and cultural natural heritage of the border region

OPERATIONAL OBJECTIVE 2.4. DEVELOPMENT OF A PARTNER INTERREGIONAL COOPERATION

When founding development on the basis of cooperation and openness, it is worth exploiting the opportunities arising from the possibility to strengthen cooperation with other Polish and European regions. The Voivodeship belongs to the Eastern Poland macro-region which includes five voivodeships - Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie – characterised by a low level of development



When founding development on the basis of cooperation and openness, it is worth exploiting the opportunities arising from the possibility to strengthen cooperation with other Polish and European regions

compared to other regions both in Poland and in the rest of the European Union. The development strategies previously adopted for this macro-region revealed major and often shared potentials of this area, so both common development problems and common development potentials may prove to be the right platform for interregional cooperation. Joint effort may change the image of Eastern Poland, convince foreign investors, effectively obtain public funds for development of the poorer regions and conduct a cohesive regional development policy.

Podlaskie Voivodeship should at the same time extend its collaboration as a partner with other regions of Poland and the European Union, including the most highly developed ones. Such cooperation could lead to an exchange of knowledge and good practices. It is worth extending joint action in the fields of scientific research and exchanges of personnel.

Main directions of intervention:

- Creation of formal and informal links and a network of cooperation
- Development of supraregional products and cooperation in the field of common problems
- Development of cooperation in the spheres of innovation and investment

OPERATIONAL OBJECTIVE 2.5. INCREASING THE REGION'S INTERNAL AND EXTERNAL TRANSPORT ACCESSIBILITY

It is vital for Podlaskie Voivodeship to be connected to national and international centres of growth, and this includes improvements in transport accessibility within the Voivodeship, which also sets the conditions for access to public services

One of the major determining factors in regional development is transport accessibility based on modern, effective and efficient transport system consisting of a network of roads of various categories, railway lines and air transport. Transport accessibility is considered one of the main factors determining the region's investment attractiveness, as well as conditioning the chances for development of tourism. It is vital for Podlaskie Voivodeship to be connected to national and international centres of growth, and this includes improvements in transport accessibility within the Voivodeship, which also sets the conditions for access to public services. An important task is to construct a regional airport, with parameters corresponding to the region's actual needs and possibilities, which will connect the voivodeship into the international transport system by linking it with European air hubs. From the perspective of international connections, it is also important to improve the quality of rail links with Belarus and Lithuania.

Development of the region also requires measures to be undertaken with the aim of optimising and integrating the transport systems, increasing their efficiency, reducing their adverse effects on the environment and making safer use of them, while taking into consideration the voivodeship's natural attributes and the presence of hubs of the ecological network. The purpose of intervention in the field of transport connections should be to integrate road, rail and air transport, create conditions for complementarity of the various types of transport and expansion of smart transport systems. Of immediate importance will be the creation of convenient conditions for building and extending reloading and transfer terminals for various forms of transport. Intermodal public passenger transport should be an objective in the Białystok agglomeration and other urban centres.

Main directions of intervention:

- Improvement of the region's external transport accessibility
- Reinforcing territorial cohesion by supporting internal transport accessibility
- Efficient public transport system



STRATEGIC OBJECTIVE 3. QUALITY OF LIFE

All measures undertaken by the public authorities should be conducive to the production of a high quality of life for the citizens. Quality of life is undoubtedly affected by income levels and the economic growth associated with this, traditionally measured by GDP. There are, however, a range of other factors which shape quality of life. An appreciation of the broader determinants of human wellbeing can be expressed in the search for new indexes, which include HDI. This assesses countries in three dimensions – a long and healthy life, knowledge, and a decent standard of living. Measures undertaken in these fields in Podlaskie Voivodeship may significantly increase quality of life, and even assure a particularly privileged position in comparison with other regions not only in Poland, but also within the European Union as a whole. It should be emphasised that in Podlaskie Voivodeship there are already a range of factors supportive of a high quality of life, including a well preserved natural environment, lack of crowding, high quality medical services and a high level of public safety. One example of a positive appraisal in this field is the quality of life ranking (PWC 2011), which places Bialystok in first place among the eleven largest voivodeship centres in Poland. The potential of the factors influencing the high quality of life enjoyed by the voivodeship's citizens is worth exploiting to ensure not only the best living conditions, but also to make quality of life into a symbol of the region and a factor creating opportunities to achieve the remaining strategic objectives.

Measures of success:

1. Rate of permanent internal and foreign migration per 1,000 citizens
2. Average disposable monthly income per person per household

OPERATIONAL OBJECTIVE 3.1. REDUCING THE NEGATIVE EFFECTS OF DEMOGRAPHIC PROBLEMS

Demographic problems, such as falling population, ageing society, migratory pressure and disproportion in workforce distribution, are seen as key socio-economic challenges not only at a European and national level, but also regionally. With regard to Podlaskie Voivodeship, one of the main problems is undoubtedly the negative migration rate and the expected continuing drop in the number of citizens. In light of the above threats, it is inevitable that actions must be taken aimed at neutralising the effects of demographic changes, including maintaining professional and social activeness, in particular by older people, the development of care services and long-term care of those dependent on this, development of infrastructure connected with free time, taking the needs of older people into account. A major area of operations will be the creation of favourable conditions for balancing family and professional roles, including by developing the childcare system. Access to pre-school education should be improved, as should its quality. As the number of people of school age continues to decrease, the formal education sector will have to adapt to providing services and improving the quality of lifelong learning.

Another way of lessening the effects of the demographic decline is to increase participation on the labour market, create elastic working conditions, including part-time employment or telecommuting, and helping employees, particularly older ones, to acquire and maintain the skills and qualifications necessary to work.



Main directions of intervention:

- Supporting families with childcare and care of dependents
- Development of modern, properly focussed social services
- Supporting professional and social activeness of older people, enabling them to make better use of their potential

OPERATIONAL OBJECTIVE 3.2. IMPROVEMENT OF SOCIAL COHESION

One of the basic objectives of the Europe 2020 Strategy is to eliminate the risk of poverty and exclusion.

An improvement in social cohesion is possible by supporting the poorest groups, invoking intergenerational solidarity, levelling out poverty, supporting the young, children deprived of parental care, the disabled and immigrants. A major element will be increasing access to various types of social services, which will help prevent intensification of the extent of poverty and exclusion.

Of fundamental importance will be the strengthening of the role of the social economy by supporting the development of social enterprise and other ways of counteracting social exclusion, and the development of institutional collaboration towards a social economy. Measures in the sphere of active integration and social enterprise will be treated as priorities.

It will be important to make use of the existing investment potential (undeveloped or unused sites) to develop the silver economy, tourism, social economy, etc., which will contribute to an improvement in spatial management.

Directions of intervention:

- Cooperation and development of institutional potential in the field of social integration and assistance
- Support for the socially excluded and those threatened with social exclusion or dysfunction, or experiencing difficulties
- Supporting families and the system of foster care
- Social revitalisation of areas with low levels of social and professional activity, and with accumulated social problems

OPERATIONAL OBJECTIVE 3.3. IMPROVEMENT IN THE HEALTH OF THE COMMUNITY AND PUBLIC SAFETY

An improvement in health care conditions is vital from the point of view of the citizens' quality of life. As society ages, so the demand for health care services will increase, and this will mainly affect care of the elderly, bed-ridden and chronically ill. Attention should also be concentrated on lifestyle diseases and the so-called diseases of affluence, and those which have the greatest effect on ability to work, and on their prevention, early diagnosis and treatment. Podlaskie Voivodeship has major potential in this field in the form of the Medical University of Białystok, which may be included to ensure high quality medical services in the region. At the same time, full use of natural attributes should be aimed for, as a way of developing sanatoria and rehabilitation treatments. Other priorities should be measures geared towards shaping the environments of life, science and education, work and leisure in such a way as to enable the citizens to create and increase health potential and eliminating risk factors which threaten health. A multisector



understanding of this question, with the involvement of government, local government and non-government institutions and local communities, is vital.

Acknowledging the leading role of government administration in measures connected with public safety, as one of the duties of the state, the assistance of government administration in this field will be of key importance, as will initiatives serving to activate mechanisms and instruments ensuring greater integration and better coordination of activities in this sphere. Improvement of road and rail transport safety will be the subject of particular attention.

Main directions of intervention:

- Improving the efficiency of the voivodeship's health care system
- Shaping a pro-health lifestyle
- Increasing the efficiency of public safety and lifesaving institutions and services

OPERATIONAL OBJECTIVE 3.4. PROTECTION OF THE ENVIRONMENT AND RATIONAL MANAGEMENT OF ITS RESOURCES

Protection and rational use of resources, including space, is thus a priority in the context of providing future generations with access to them

Development of the economy always involves use of natural resources, but most resources are either limited or else take a long time to renew. Protection and rational use of resources, including space, is thus a priority in the context of providing future generations with access to them. Effective use of resources is also important for economic and geostrategic reasons. The production models currently applied have a detrimental effect on the natural environment (especially on air, water and soil quality, as well as on biodiversity), and on human health and quality of life. It is thus necessary to change to resource-saving development, rationalisation of the use of environmental resources and properly considered compensatory measures. A healthy natural environment is as important for quality of life as the state of the economy or social factors.

The generally good condition of the region's natural environment does not free it from concern for the environment or from its duty to prevent conditions or events which have a negative influence on biological diversity. Protection of the landscape is also one of the most important actions undertaken within spatial planning.

Out of concern for an increase in available good quality water resources for the purposes of society and the economy, the best possible treatment of household and industrial wastewater should be aimed for, as should the propagation of changes in the way drainage areas are managed in order to decrease the danger of water being contaminated from dispersed (agricultural) sources. Particularly intensive efforts should be directed towards the most effective possible protection of main reservoirs of underground water and areas from which underground and surface waters are drawn. Effective water management should result in maintenance of the necessary amount of water resources and remove or alleviate any threat from their lack or surfeit. Assistance in this field should be aimed particularly at the use of ecological engineering. Investments connected with sewage treatment will be supported, including systems for collecting municipal waste, construction of purification plants, improvement of the parameters of existing plants and support for disposal of sewage sediment. The expansion of individual sewage purification systems will be encouraged in areas which are not densely built-up, especially in rural areas.

The main sources of pollution in Podlaskie Voivodeship are urban and industrial heating stations, dispersed emission sources from the public housing sector, and transport pollution. Pro-development policies will be concentrated around limiting emissions of



air pollution from power production and road transport, including greenhouse gases and dust, and the popularisation of technologies which increase the efficiency of energy production and consumption.

The aim of sustainable waste management is to protect the environment and human health by preventing and reducing the negative effects of waste processing and disposal and, indirectly, an improvement in the efficiency of using the environment's non-renewable resources. Realisation of the objective set in this way requires a gradual abandoning of waste storage systems in favour of processing and recovering raw materials, and active utilisation of waste products. A priority direction for investment is implementation of selective municipal waste collection which will cover all the voivodeship's citizens and organisations. Another aim should be a reduction in inefficient local waste dumps and support for low-waste production technologies and effective recycling, reprocessing, neutralising and recovery technologies. All organic municipal waste and waste from the food industry should be disposed of for energy.

A major direction for action will be support for energy efficiency, including by using renewable energy sources in public buildings and in the housing sector, and with regard to public infrastructure such as lighting. Revitalisation in the public sector and housing will contribute to transformation of urban space. An important question in the coming years will also be striving towards spatial order, the necessity to limit conflicts arising from development processes while retaining the local cultural and environmental identity.

Main directions of intervention:

- Ecological education and increased environmental activity of the community
- Protection of air, soil, water and other resources
- Effective waste-management system
- Low-emission economy (including energy efficiency)
- Protection of natural resources and beauty, and the recreation and renaturalization of degraded ecosystems.



AREAS OF STRATEGIC INTERVENTION

A modern approach to realising the Strategy requires territorial objectives. Territorialisation means identifying those locations in the region where the individual objectives of the development policy will be realised to the greatest degree, so Areas of Strategic Intervention (SIAs) are being created for every region in Poland.

These areas are not to be identified exclusively, as was once the case, with problems and problematic areas. SIAs are areas in Podlaskie Voivodeship where there is a need to implement the strategic objectives in order to strengthen the region's potentials or eliminate its weaknesses. Strategic Intervention Areas are also designated at a national level, for example Eastern Poland. In addition, the territorial approach assumes that areas will no longer be viewed through the prism of administrative boundaries with regard to their individual potentials, barriers and mutual dependencies. The effectiveness of the development policy is conditional on an analysis of the barriers and potentials, and of the appropriate tailoring of intervention to the specific nature of individual areas.

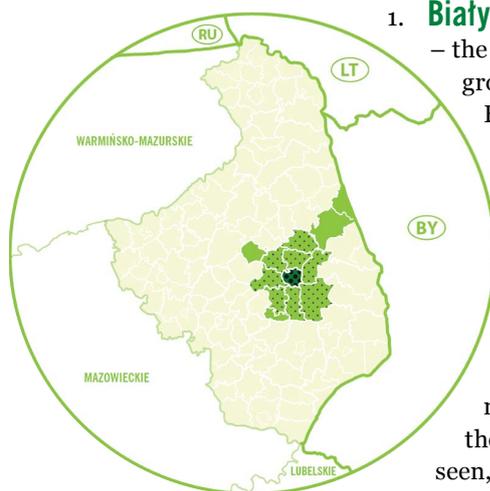
With regard to the vision for the region and the opportunities arising in and around it (EU and national policy), 6 types of SIA have been identified:

Map 14.
Białystok with its zone of direct impact*

- Urban Audit:
- Cores of voivodeship capitals ●
- LUZ of voivodeship capitals ●
- MOF proposal:
- External zones (6 or 7 criteria) ○
- cores ○

Source: Buciak 2012. (LUZ- urban zones)

*This map does not show a delimitation of Białystok's functional area. Delimitation reflects the regulations applicable with regard to spatial policy.



1. Białystok and its functional area

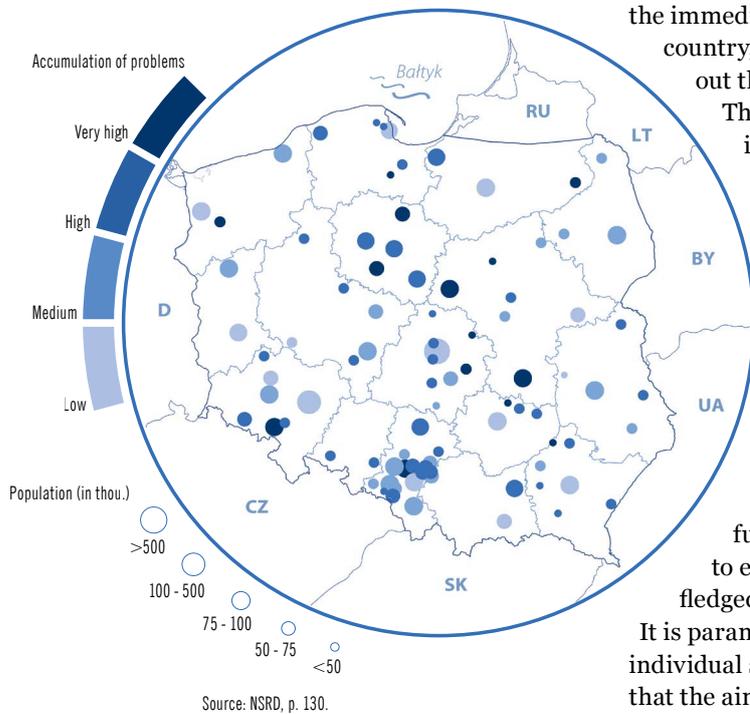
– the capital of Podlaskie Voivodeship is its strongest growth pole, which affects the entire region.

Białystok should strengthen its position within Eastern Poland, and also in its international relations. The region's capital, aiming to expand its metropolitan functions, must become involved in the networks of national and international cooperation on every possible plane. An important dimension to the development of the agglomeration is Białystok's collaboration with the neighbouring communes (Map 14.). Even now, the natural processes of suburbanisation can be seen, and the city's economic potential is making it a natural market for jobs and economic collaboration not only for the communes in its immediate vicinity. Particular attention is also worth paying to the integration of planning in this area. Support for the metropolitan functions of the voivodeship's capital, particularly those of an economic, scientific and social nature, and those concerning access to higher level public services including culture, tourism and more symbolic fields, undoubtedly lies in the interest of the entire region.



Białystok, as a major academic centre, also possesses natural potential to create innovative technological companies able to compete successfully on global markets. The voivodeship's capital constitutes a good space for the development of the cultural industry and creative industries. Taking as a base the scientific potential concentrated in the region's capital, along with the accompanying positive aspects of the immediate urban surroundings, the agglomeration is a natural place for the development of services geared towards our eastern neighbours and the silver economy.

Map 15.
Strategic intervention areas for restructuring and revitalising cities which are losing socio-economic functions

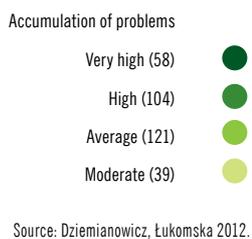


2. **Sub-regional growth centres** – the cities of Łomża and Suwałki, as former voivodeship capitals, make natural sub-regional growth centres which have ready-formed spheres of influence. In spite of the difficulties faced by these centres in the immediate aftermath of the territorial reorganisation of the country, today they are major centres of development, filling out the socio-economic space of Podlaskie Voivodeship.

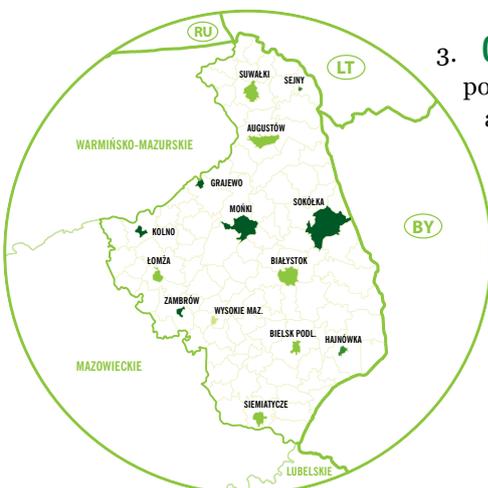
The third sub-regional centre is Bielsk Podlaski, which is distinguished by its high development dynamic. In the case of the sub-regional centres, it will be important to concentrate measures aimed at stimulating entrepreneurship and increasing the attractiveness of investment. Due to their functions extending beyond their local area, these cities should be supported in the development of their public services, which, in a situation where the region's internal accessibility is limited, have an opportunity to improve the standard of living of the citizens not only as part of the sub-regional centres and their functional areas, but also within the further surroundings. It will also be vital in this regard to enhance the functions of Bielsk Podlaski as a fully-fledged sub-regional centre alongside Łomża and Suwałki.

It is paramount that these centres aspire towards creating individual specialisations based on endogenous potentials, and that the aims of the development policy are concentrated around those specialisations.

Map 16.
City counties – accumulation of development problems



3. **City counties** – the regional development policy should also recognise centres which play a supralocal role and at the same time are experiencing great trouble with development (Map 16.). The intensity of problems in some of the cities of Podlaskie Voivodeship is among the highest in Poland (Mońki, Sokółka, Grajewo, Kolno). City counties of Podlaskie Voivodeship, faced with the problems of depopulation and strong external competition, must be assisted

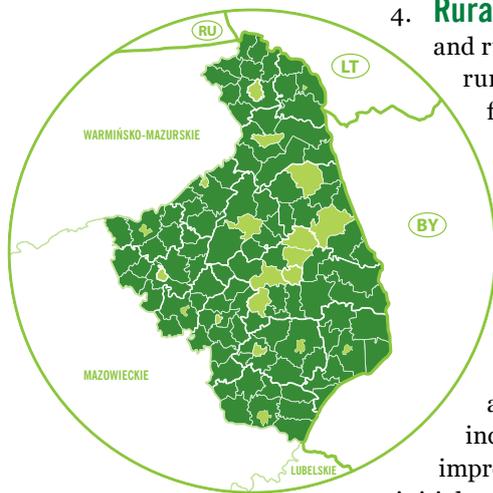




with a whole range of measures, but of particular importance in this case are questions related to the economic and supralocal character of these places. They must act as economic, educational and service hubs not only for their own citizens, but also for the neighbouring communities. County centres must be well connected both with Białystok and internally within the counties. The quality of public services provided and the level of education also require support not only in terms of the quality of human capital, but above all digital inclusion. The development of entrepreneurship should be a major field of activity. Another matter which affects areas suffering from depopulation is an increase in poverty, which requires decisive measures in national and regional policy.

Map 17.
Rural areas

Rural areas 
Towns and urban/rural communes with towns of over 5,000 citizens 
Source: based on Local Data Bank, Central Statistical Office.



4. **Rural areas** – these are defined in agricultural and rural development policy as rural and urban/rural communes where the main town has fewer than 5,000 citizens (Map 17). These areas cover most of Podlaskie Voivodeship, but are very diversified and thus fulfil various functions, ranging from typically agricultural, through tourism, to suburban residential areas. This means that very diversified development instruments will be implemented, connected with a range of strategic and operational objectives. Above all, the rural and urban/rural communes indicated must be supported by instruments improving the quality of human capital, from the initial pre-school period right up to measures in the field of life-long learning. Intervention within this context should also contribute towards an increase in entrepreneurship and the ability to compete on labour markets. It will also be important to protect agricultural production space against depletion for unjustified non-agricultural purposes, and to improve its quality with regard to pro-ecological regulations, hydrographic conditions, forestation of post-agricultural land and ownership structures. Due to the dispersed model of energy used in the region, the rural areas are the main sites for investments concerning energy production based on renewable sources.

Map 18.
Marketability of agriculture in context of natural conditions

Source: National Spatial Development Concept

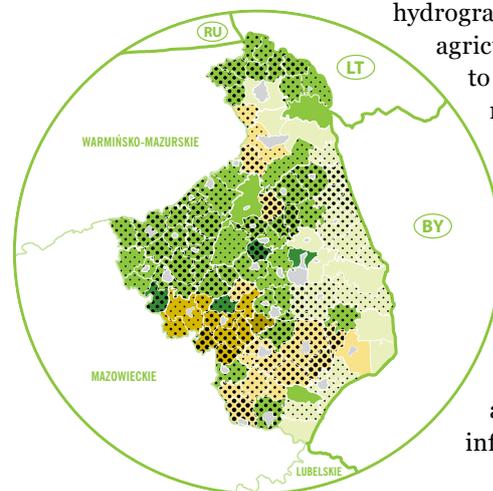
Marketability of agriculture in context of natural conditions

1 2 3
A   
B   
C   
towns 

Marketability of agricultural production per ha (according to R. Kulikowski):
1 – up to PLN 1,000
2 – PLN 1,000 to 2,000
3 – above PLN 2,000

Index of agricultural production area (according to IUNG in Puławy):
A – up to 45 pt
B – 45 to 60 pt
C – above 60 pt

Share of arable land in area of commune (2008):
0 - 40 % 
40 - 60 % 
60 - 70 % 
70 - 80 % 
80 - 95 % 



Local initiatives aimed at the development of social capital and forming local links should be a special area of interest in this group of municipalities. Rural communes require both improved communication accessibility to county centres, and also measures in the field of technical infrastructure development, including IT.



Access to modern infrastructure will have a positive effect on typically agricultural communes, as well as those more geared towards tourism, while simultaneously providing an opening for local entrepreneurship. Because of the need for variation in the support, especially where using the instrumentation of an integrated territorial approach, it will be necessary to exclude communes which constitute the functional areas of voivodeship centres, as well as other sub-regional centres, from the rural areas.

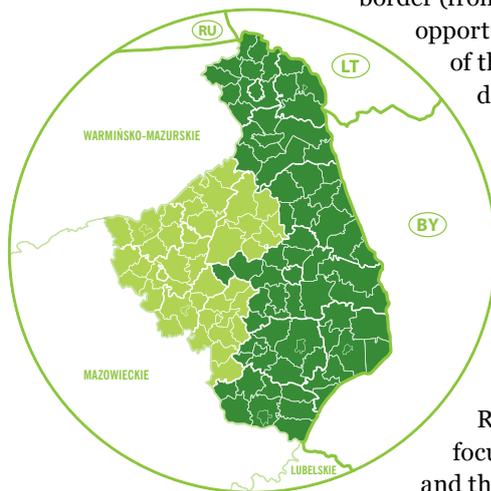
5. **Border area** – this area within Podlaskie Voivodeship has been designated in the National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas (p. 133). It consists of 8 counties and two city counties (Map 19.). A major proportion of the measures in the area indicated will be focussed on overcoming the inconveniences of communities being situated in the vicinity of the European Union's external border (from infrastructural weaknesses to the limited opportunities for cross-border cooperation).

Because of the forward-looking direction of the region's development, consisting of specialisation in collaboration and relations with the East, intervention in the borderland area should, apart from the measures indicated in the NSRD, concern the development of all forms of cooperation between bodies of Podlaskie Voivodeship and bodies of neighbouring countries. There is a special role here to be played by collaboration in the field of science, education and culture. Regional policy will also support measures focussing on overcoming infrastructural barriers and the development of economic and tourist exchanges eastwards.

Map 19.
Border areas according to NSRD

- areas of intensive activity in the field of cross-border cooperation
- other areas

Source: based on NSRD data, p. 133.



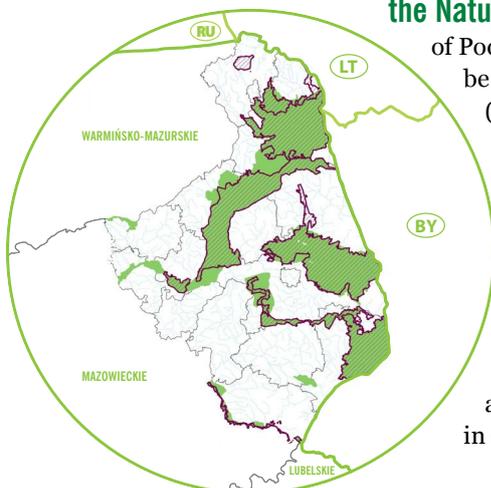
6. **Communes whose development is conditioned by the Natura 2000 network**

– the specific nature of Podlaskie Voivodeship requires attention to be concentrated on legally protected areas (Map 20). Communes which offer attractive places for various types of tourism cannot always rely on this to provide them with adequate income. In addition, they lose out to competing centres where investment enterprises run more simply than in protected areas. This means that it will be a strategic challenge increase quality of life, access to public services and an improvement in the infrastructure in communes which are covered to a large

Map 20.
Natura 2000 areas in Podlaskie Voivodeship

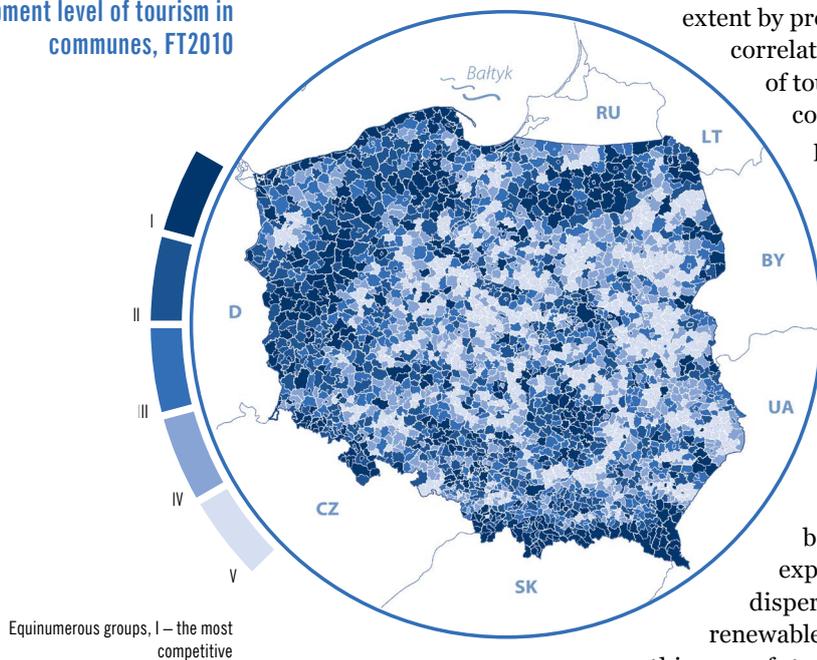
- ◌ Special habitat protection areas
- Special bird protection areas
- Counties
- Rivers

Source: Regional Inspectorate of Environmental Protection 2010.





Map 21.
Development level of tourism in
communes, FT2010



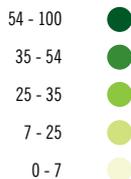
Source: Derek 2012.

extent by protected areas. There is a clear correlation between the development of tourist functions in individual communes and the location of protected areas (Map 21. vs. Map 22), which confirms the necessity to develop those functions further. In this way the region has a chance to properly exploit its “greenness” and potential in the field of qualified tourism or ecotourism. These lands should continue to be the public face of Podlaskie, and their development will be based on tourism revenue, the expansion of entrepreneurship and dispersed power production based on renewable energy sources. In the case of

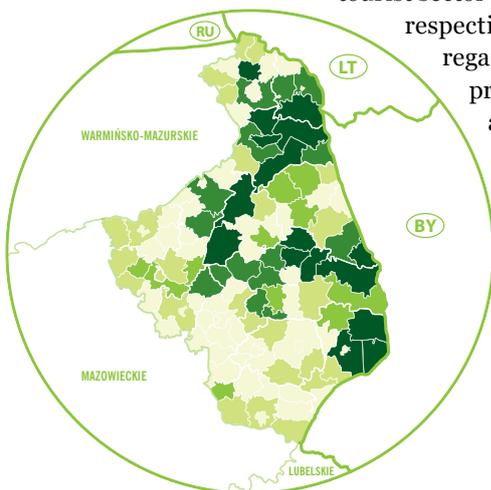
this area of strategic intervention, there will be special treatment for such directions of intervention as improvement of the quality of the environment, permanent protection of natural resources and beauty, and the recreation and renaturalization of degraded ecosystems, as well as improvement of internal transport cohesion (including measures intended to channel tourist movement – paths, trails, etc.). It is important for the tourist sector to develop in a sustainable way,

respecting the region’s natural attributes. With regard to agricultural activity, traditional production, ecological agriculture and high quality foodstuffs will be stressed.

Map 22.
% share of Natura 2000 areas
in communes of Podlaskie
Voivodeship



Source: own work on the basis of PBPP data.





KEY SUPERREGIONAL QUESTIONS

Development of Podlaskie Voivodeship is conditional not only on its competitive position compared to other regions of the country or world, but also on opportunities for cooperation and the achievement of shared objectives. Podlaskie is adjacent to Mazowieckie, Warmińsko-Mazurskie and Lubelskie Voivodeships, and is realising the Eastern Poland Development Strategy jointly with the last two of them, and basing on it the Operational Programme Development of Eastern Poland. The gained experience of collaboration should be used in years to come in line with the idea of openness contained in the vision.

Assuming that the area of cooperation will be continuously expanded, depending on the requirements of the partners, thematic areas can already be indicated which should be within the scope of interest of the voivodeship's authorities:

■ **cooperation with Mazowieckie Voivodeship** – should take at least two dimensions into consideration. The first is the influence of the Warsaw metropolis on its surroundings. In this case Podlaskie, like other voivodeships in Poland, is a natural hinterland of well-qualified labour whose migration to the Warsaw agglomeration reduces wage pressure. At the same time, institutions and companies in the capital should make attractive partners for innovative enterprises in the knowledge-based economy. The entire sphere of cooperation requires the best possible road and rail connections. The second dimension concerns cooperation between communes and counties in the borderland of the voivodeship. The sub-regional growth poles of the Mazowsze region – particularly Ostrołęka and Siedlce – should continue relations with such centres as Łomża and Bielsk Podlaski, but also with towns and communes whose economic profile already indicates numerous opportunities for cooperation (e.g. in the field of producing agricultural and food items, creation of supraregional clusters, configuring shared tourist-related products);

■ **relations with Warmińsko-Mazurskie Voivodeship** – a deepening of socio-economic cooperation should be aspired to, such as can be observed between the northern part of Podlaskie Voivodeship and the eastern part of Warmia and Mazury (Suwałki, Augustów, Elk, Goldap, Olecko). Further work is possible here on joint tourist-oriented products, including the possibility of partnership and interest from the foreign neighbours of both voivodeships. In addition, communication and transport links between the voivodeships are being neglected, forming a barrier to the development of the cooperation which has already been established in fields such as dairy production and yacht building. Both voivodeships display similar problems arising from the specific nature of the EU's external border, so an exchange of experiences could bring about synergy effects to the advantage of both regions;



■ common **interests with Lubelskie Voivodeship** have a similar character to those described above. Transport connections between the capitals of the Voivodeship must be improved (especially road and rail infrastructure). An important matter which will affect future possibilities to strengthen cooperation will be measures undertaken in relations with partners from Ukraine and Belarus. Better effects will be achieved by collaboration between the higher education institutions of Białystok and Lublin, and by extension of economic collaboration.

The direct proximity of Belarus, Lithuania and the Russian Federation creates a favourable dimension for forming contacts between local authorities along the eastern border. Under partnership agreements in the region, it is collaborating with the Grodno Region in Belarus, the Kaliningrad and Penza Regions in the Russian Federation, Alytus and Marijampolė Counties in Lithuania, and the Autonomous Republic of Crimea in Ukraine. Representatives of Podlaskie Voivodeship participate actively in the work of the Commission for Labour and Social Policy of the Committee for Polish-Russian Cooperation between Regions of the Polish Republic and Kaliningrad Region, they collaborate with the State Employment Agency in Riga, the Labour Exchange in Alytus and the Kaliningrad Region Employment Agency in the fight to reduce unemployment. They also participate at activities of the Polish-Belarusian Economic Cooperation Commission, the Polish-Lithuanian Intergovernmental Commission for Cross-Border Cooperation, Polish-Russian Forum of Regions.

Another manifestation of the cross-border links of local authority entities are the Euroregional structures which have appeared along Poland's eastern borderland: Euroregion Niemen, covering two voivodeships (including Podlaskie) in Poland, Grodno Region in Belarus, 15 Lithuanian local authorities from Alytus, Marijampolė and Vilnius Counties, as well as 5 districts within the Russian Region of Kaliningrad, and Euroregion Białowieża Forest, covering communes in Hajnówka county, Svislach in Grodno Region and the districts of Pruzhany and Kamyanyets in Brest Region. Euroregion Niemen and Euroregion Białowieża Forest has become a plane for cooperation of a mainly social and cultural, and to a lesser degree economic, nature. An important facet of cooperation in the coming decade may prove to be action undertaken to have the Augustów Canal included on the UNESCO list of World Cultural and Natural Heritage, as a supranational product shared with Belarus.

The advantageous location of Belarus and the vicinity of neighbouring markets make it possible to export through Belarus onto other eastern markets, in particular Russia and Kazakhstan, thanks to the creation of a customs union. There is also the possibility to diversify suppliers of petroleum derivatives through Poland (Belarus is modernising and expanding its production capacities) and a wide range of Polish export products provides hope for further development of trade in the future (Grabowiecki 2012). A major contribution towards enlivening relations between Belarusian and Podlaskie business could be the opening of a "green corridor", in other words simplified crossing of the border.



IMPLEMENTATION SYSTEM

IMPLEMENTATION PRINCIPLES

In order to provide the best possible effects from the available financial, material and human resources, the process of implementing the Strategy will follow principles defined at the outset. The most important principles for the Strategy's implementation include:

- **PARTNERSHIP** – meaning the joint participation, shared decision making and shared responsibility of public and non-public bodies in the realisation of common enterprises contributing towards achieving the objectives set in the Strategy, and also in monitoring and evaluating the interventions undertaken. Those public, private and community bodies which have most influence on the region's development processes must take part in the joint activities and decision-making processes. Social and economic partners are involved from the outset and at every stage, and have the same rights.
- **MULTILEVEL MANAGEMENT** – the objectives defined in the Strategy are realised to varying degrees by all the public bodies within the sphere of their competences, while the structure of the implementation system takes into account the key role of the voivodeship's self-government. The realisation system also takes into account the coordinating and integrating role of the voivodeship's self-government in the integration of actions of various bodies at regional and local levels.
- **COMPREHENSIVENESS** – realisation of the objectives and measures of the Strategy takes place in the most important areas of the voivodeship's social and economic life, within the spheres of management and responsibility of institutions and bodies involved in their implementation.
- **COORDINATION** – achieving the aims of the Strategy requires comprehensive coordination the actions of variety of entities. The role of all the partners involved is to break down barriers and deficits in the field of cooperation, at both regional and local levels. Attaching the appropriate gravity and significance to the Strategy's realisation involves striving to increase coordination of the role of regional policy with other policies (horizontal coordination) and to ensure vertical coordination between the activities of the different bodies.
- **SUBSIDIARITY** – public intervention is conducted by various bodies at a level which guarantees its maximum effectiveness. Every measure is programmed and realised at the lowest possible administrative level which can provide effects for a given matter.
- **INTEGRATED TERRITORIAL APPROACH** – takes into account the multi-dimensionality of the development processes, enabling their social, economic and environmental conditions, as well as the diversity of the areas in which these processes are taking place, to be taken into consideration. Intervention which takes place must respond to the specific needs of the territories and be based on their internal development potential. It assumes full use of endogenous potential (territorial resources and knowledge) and opportunities being provided for intervention to respond to development challenges, and at the same time to be precisely tailored to local conditions.



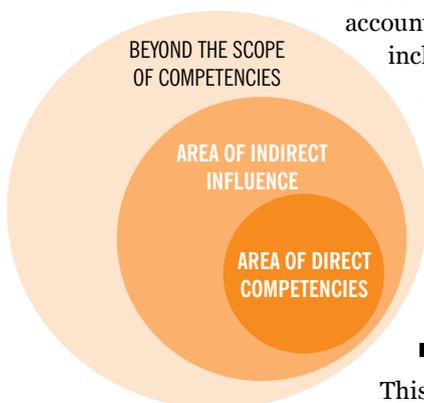
ORGANISING THE IMPLEMENTATION PROCESSES

The following diagram illustrates the position of the Strategy within the wider context of the national strategic planning system.

Diagram 3.
Strategy implementation system against national and local planning level



Diagram 4.
Activity spheres in the Strategy in relation to voivodeship's Self-government competence



The objectives and measures formulated in the Strategy, due to the fundamental significance of this document in setting out the directions for the region's development, affect highly varied spheres of socio-economic activity, including those which go beyond the sphere of competences of the voivodeship's self-government. With regard to the above, the system for realising the strategy should also be more deconcentrated beyond the Marshal's Office of Podlaskie Voivodeship and its structures. Therefore, taking into account the competences of the voivodeship self-government, the spheres of activity included in the Strategy may be illustrated as follows

- **Sphere of Voivodeship self-government's direct competences and influence**

The sphere covers the fields and tasks entrusted to the voivodeship's self-government and its bodies, its organisational units and companies in which it has shares, pursuant to the relevant legislation. Within this sphere, the voivodeship self-government is the body which directly realises and co-finances the measures indicated in the Strategy.

- **Sphere of voivodeship self-government's indirect influence**

This sphere concerns the areas of activities which can be directly influenced by the voivodeship's regional government, for example through the programmes and projects which it manages, particularly those co-financed by European Union funds, as well as



by having a financial share in enterprises run by entities which are independent of it, e.g. lower tier local authorities, NGOs, etc. Here the voivodeship's self-government plays a coordinating role for development activities, and also manages external funds for their realisation.

■ Sphere beyond the competency of the voivodeship self-government

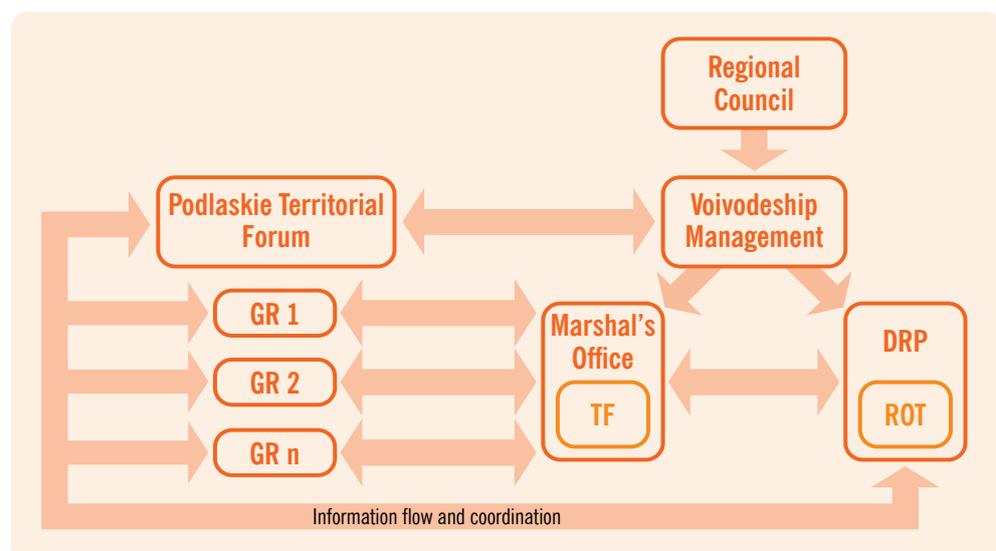
This sphere concerns the areas of activities for which the voivodeship self-government does not have any formal competencies, but with its involvement, formulated opinions and lobbying or advisory activities may indirectly influence measures taken at a local, national or international level, or inspire regionally important development projects.

The voivodeship self-government plays the following roles in the process of implementing the Strategy:

- a body coordinating development measures,
- a body programming and managing development processes,
- a hub for the network of partners.

The instrument/discussion forum shaping and stimulating strategic thinking about development at the regional level will be **Podlaskie Territorial Forum (PFT)**. PFT will also play the roles connected with monitoring the Strategy, as it will combine the functions of monitoring and steering committee. When establishing the composition of PFT, the Board will follow the principle of partnership, which is why there are plans to include representatives of every level of local authorities from the voivodeship, the voivodeship's self-government administration, socio-economic partners, representatives of NGOs, educational establishments and external experts. The composition of PFT will take into account the balanced participation of local authorities, government and socio-economic partners. In particular, PFT will include representatives of sub-regional towns, the region's largest colleges and universities, NGOs and economic circles.

Diagram 5.
Organisational diagram of the
PVDS implementation system



The main aims of the PFT will be to stimulate strategic discussion about the objectives, directions and effects of regional policy in the voivodeship, as well as to assess these, taking into account the region's socio-economic problems. To this end, PFT may make use of the opinions of independent experts or the services of other institutions.



Coordination of the strategic management process will be entrusted to the department responsible for regional policy and strategic planning (DPR). It will also be DPR's task to monitor the progress in realising the Strategy in the context of changes taking place in the region's socio-economic situation, including through the intermediacy of the **Regional Territorial Observatory**, created within the structure of that department.

PFT may indicate a need to appoint **Working Groups**, and define the scope of their activities. Working Groups will be appointed by PFT in particular to prepare/develop development plans and/or programmes, including for specific sectors, created for the requirements of the Strategy's objectives. First of all, the Working Groups should be appointed in areas defined as being key challenges for the voivodeship. Members of the Working Groups may be persons indicated by PFT and employees of the Podlaskie Voivodeship Marshal's Office. Logistical services for PFT and the Working Groups will be provided by DPR.

A **Task Force**, will be appointed within the Podlaskie Voivodeship Marshal's Office consisting of department directors, whose task will be to oversee the entirety of the strategy's realisation. The Task Force will be chaired by the Director of DPR or the Secretary of the Voivodeship.

Modern development policy requires a more active role of the voivodeship's authorities, not only in the sphere of its direct competences, but also as an initiator and animator of the activities of other bodies which will, in line with the principles of good governance, be more strongly committed than before to the realisation of the objectives of the strategy. It is possible in justified circumstances for individual areas of the Strategy to be implemented by entities subordinated to the voivodeship's authorities, but also independent of the Podlaskie Voivodeship Marshal's Office. In addition, when circumstances so require, entities may be created on a project basis for the requirements of individual tasks, which cease their activities when the task entrusted to them is completed.

MONITORING SYSTEM

The strategy as a tool for managing the region must be subjected to systematic monitoring and periodic evaluation. The results of the analyses conducted as part of the process of monitoring the implementation of the strategy form the basis to verify the effectiveness of its realisation, and are thus a key source of information in the decision making process.

The system monitoring the Strategy will form an element of a wider monitoring system for the development policy. In line with the provisions of the National Strategy of Regional Development (NSRD) the local authorities of Podlaskie Voivodeship will create the aforementioned **Regional Territorial Observatory (ROT)** which, alongside the analogous institution at the national level, will form a system of cooperation and information flow between the most important of the public bodies participating in implementing development policy at regional level, in order to monitor and assess the entirety of public intervention with territorial influence. In line with NSRD, the National Territorial Observatory, in conjunction with ROT formed by the voivodeships' regional governments, with the support of public statistical bodies (the Central Statistical Office GUS and the voivodeships' statistical offices), is to form the basis of an integrated analytical and monitoring system dedicated to assessing development policies with a territorial influence. This system is to operate through the realisation of its own analytical measures and the exchange of information between bodies involved in implementing development policy, as well as by collaboration with institutions carrying out research, educational and informational work in the field of development management.





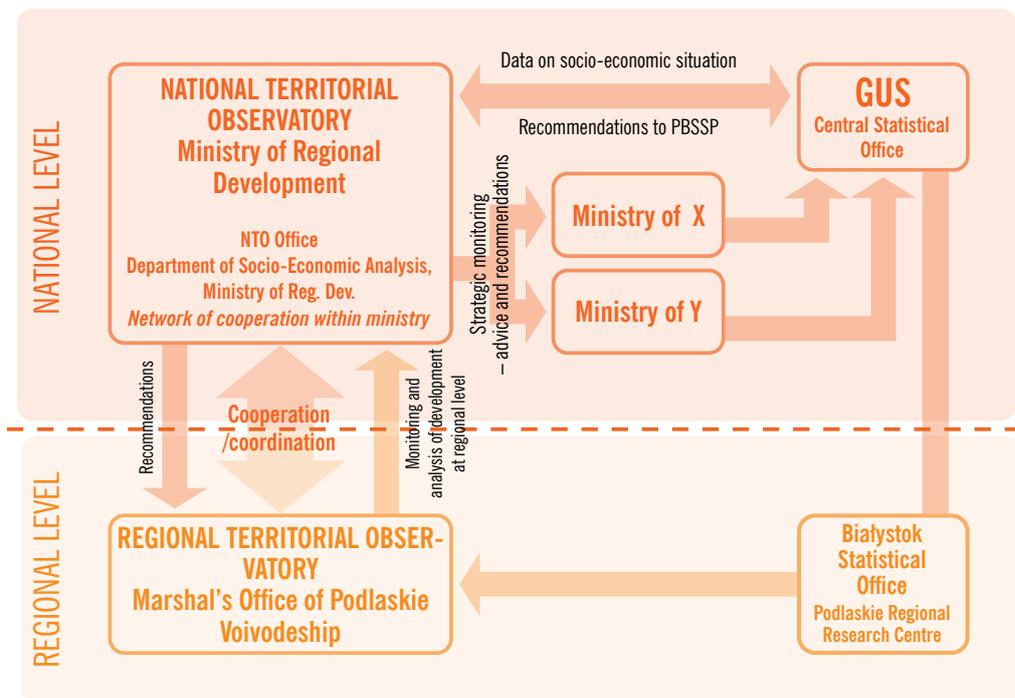
ROT's basic tasks are as follows:

- assisting in decision-making processes affecting public policies realised in the region, by providing data necessary to make management decisions;
- coordinating the process of monitoring and evaluating regional policies, including programmes and projects;
- coordinating and ensuring cohesion of measures undertaken within regional observatories;
- support of methodological research and works conducted by the Podlaskie Voivodeship Marshal's Office and other institutions involved in implementing the Strategy.

Realisation of the development plans and programmes aimed at implementing the Strategy will be subject to monitoring, as will the regional operational programme (ROP) and components of the supra-regional and national programmes. Constant monitoring of the instruments for implementing the Strategy will ensure operational tracking of the progress of the whole range of measures. Additional indexes, appropriate to the given plan or programme, will be defined at the level of implementation. Departments of the Marshal's Office will be engaged in obtaining data in this field, as will subordinate bodies and other institutions within the region (including those acting as intermediaries within ROP). Reports from the implementation of the Strategy will be prepared annually. The Marshal's Office's Regional Policy Department will be responsible for the coordination of preparatory work for the reports. Individual departments of the Marshal's Office and voivodeship organisational units will be responsible for the preparation of partial information for the reports.

The monitoring system will be supplemented by evaluatory research which will enable an assessment of the qualitative aspects of the changes taking place in the region.

Diagram 6.
Relations within observatory system on national and regional level



Source: own work on the basis of Operation of National Territorial Observatory and cooperation with Regional Territorial Observatories.



The conclusions and recommendations drawn from the analyses and evaluations conducted will be presented to Podlaskie Territorial Forum and the Podlaskie Voivodeship Regional Council.

Monitoring indexes

The process of monitoring the strategy's realisation will be based on the indexes listed below. A principle has been accepted to limit the number of Strategy monitoring indexes for each of the objectives. Adequacy was the key concern when selecting the indexes, but data availability was a fundamental limitation. Due to the necessity to retain comparative values, public statistics will be the main source of data for monitoring the Strategy.

Table 2.
Indexes for monitoring
strategic objectives

Strategic objective	Target indicators	Measure	Source	Base value (year)	Target value (2020)
Strategic objective 1. Competitive economy	1. GDP per capita (constant prices as of 2005)	PLN	calculated based on Local Data Bank and Central Statistical Office	22,300 (2010)	30,687
	2. Number of registered commercial entities per 10,000 citizens	pcs.	Central Statistical Office	764	830
Strategic objective 2. National and international connections	3. Value of export per inhabitant	EUR	calculated based on Ministry of Finance	930	1 320
	4. Share of foreign capital invested in Podlaskie Voivodeship in total value of such capital in Poland	(2010)	1,320	0.27 (2011)	0.34
Strategic objective 3. Quality of life	5. Permanent internal and foreign migration rate	%	calculated based on Local Data Bank	0.27 (2011)	0.34
	6. Average monthly per capita disposable income in household	people/ per 1000 citizens	Central Statistical Office	-1.64	1 648



FINANCIAL FRAMEWORK

The National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas (NSRD), adopted by the Council of Ministers on 13 July 2010, introduces a range of modifications to method of planning and conducting regional policy in Poland. An important aspect is the departure from a view of regional policy as seen exclusively in terms of spatial variation, towards the use of endogenous potentials of territories in order to achieve the country's development aims, while the main level for planning and realising development aims is to be a regional arrangement.

A departure from this centralised model of authority towards a multi-level management system is to be achieved by, among other things, the introduction of a new instrument of partnership and cooperation – the territorial contract. The purpose of the contract is to focus development activities on achieving common aims set out with regard to the territory. This specific form of agreement between the national and regional government covers enterprises which are of great importance from the point of view of the regional policy implemented by the government, as well as of the development policy implemented by the local authorities, including a broad spectrum of sources of financing. These will, to a great extent, be EU funds acquired for the programming period 2014-2020.

A major instrument for realising the Podlaskie Voivodeship Development Strategy 2020 in the regional system is the Podlaskie Voivodeship Long-Term Financial Forecast (PV LFF). PV LFF covers Podlaskie Voivodeship self-government's key own investments whose implementation lies within the competency of the self-government. This document should provide a rational appraisal and then use of the investment funds at the disposal of Podlaskie Voivodeship's self-government. An important aspect during the planning of both the Long-Term Financial Forecast and the voivodeship's budget should be the separation of the expenditure connected to realisation of the strategy, which will allow transparency of the measures undertaken and a focussing on the objectives set in the Strategy.

The main source of financing for the strategic measures will be public funds, activated by institutions at various levels of development management – not only at the national or regional level, but also locally, as success in realising the Strategy will be assisted by the widest possible stream of funds. Achievement of all the aims will also require the involvement of funds from other institutions, including private funds, through their own contributions to projects co-financed from public funds or investment projects realised by PPPs.



Funds intended for the realisation of the Strategy's objectives will come from both internal and external sources, in particular:

- funds from the voivodeship's budget,
- funds from the county and commune self-governments' budgets,
- funds from the state budget, including the Voivode's budget and funds for programmes realised by ministries,
- funds from the target fund budgets, such as the Voivodeship Fund for Environmental Protection and Water Management,
- funds from the European Union's budget:
 - European Regional Development Fund,
 - European Social Fund,
 - Cohesion Fund,
 - European Agricultural Fund for Rural Development,
 - European community programmes, such as Framework Programmes for Research and Technological Development, LIFE Plus, Neighbourhood and Partnership Instrument,
- other funds from foreign sources, such as the Norwegian Financing Mechanism, EEA Financing Mechanism, Swiss-Polish Cooperation Programme,
- funds from international financial institutions, such as the European Investment Bank and the World Bank,
- private funds,
- funds from other partners engaged in achieving the priorities of the Strategy.

Table 3.
Estimated payments under
the cohesion policy in
UE 2014-2020 financial
perspective⁵

	Summary nominal value 2015-2022 (mIn EUR)	Summary per capita value 2015-2022 (EUR)
Podlaskie	3 100	2 581
Poland	72 900	1 908

Source: Final report of ex-ante evaluation, Annex 1.

⁵ Summary per capita value is calculated basing in number of inhabitants in 2011 (Central Statistical Office). While recalculating 2008 GDP into EUR, the following exchange rate was adopted 1EUR = 3,5166 PLN (annual average exchange in 2008 acc. to NBP data). While recalculating 2011 GDP into EUR, the following exchange rate was adopted 1EUR = 4,12PLN.

Total potential financial resources which may be used by the public sector for the realisation of Podlaskie Voivodeship Development Strategy 2013-2025 have been estimated at PLN 59.8bn, giving an average PLN 4.60bn per annum.

The **annual average** given can be broken down as follows:

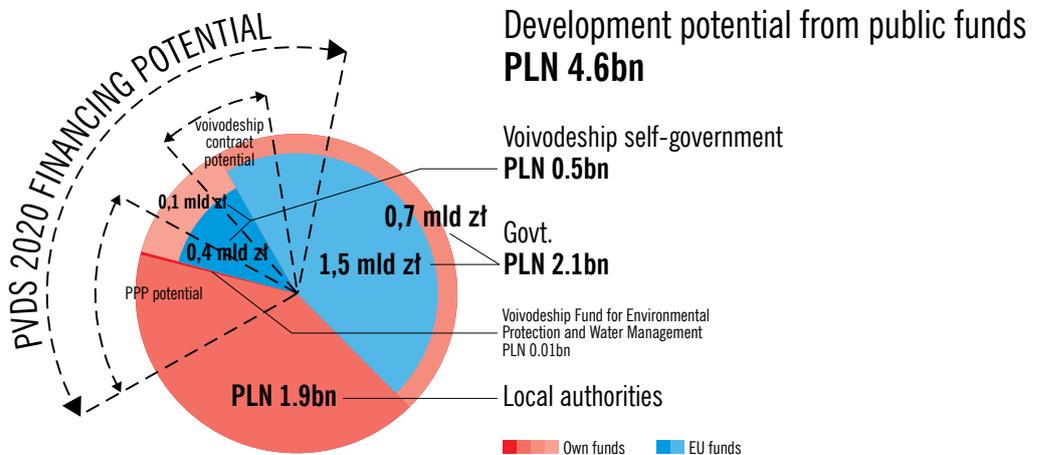
- potential from voivodeship authorities
incl.:
 - potential for expenditure of own funds PLN 0.11bn (2.4%)
 - EU funds spent at voivodeship level PLN 0.40bn (8.6%)
- potential from local authorities PLN 1.92bn (42.1%)



incl.:	
counties	PLN 0.17bn (3.7%)
city counties	PLN 0.82bn (18.1%)
communes	PLN 0.92bn (20.3%)
■ EU funds spent at national level	PLN 1.45bn (31.8%)
■ potential state budget expenditure allocated for Podlaskie Voivodeship	PLN 0.68bn (14.9%)
■ Regional Fund for Environmental Protection and Water Management	PLN 0.01bn (0.2%)

Figure 1.
Potential financing for the PVDS 2020 from public funds – estimated annual average 2013-2025

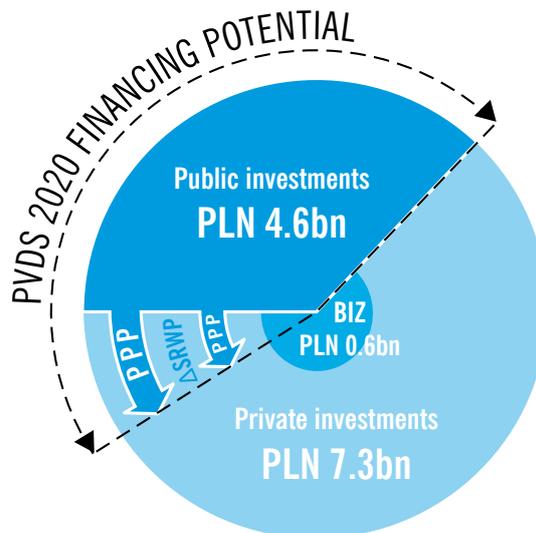
Source: Final report from ex-ante evaluation, Annex 1.



It should be stressed that public sector investments constitute only a small proportion of expenditure of this type (the average share of public investment in total investments during 2004-2009 was 30.4%), thus the effects of public authorities on the region's development through financing investment and development activities should not be overestimated.

Figure 2.
Potential financing for the PVDS 2020 from private funds – estimated annual average 2013-2025

Source: final report from ex-ante evaluation, Annex 1.





A projection of private sector investment for the period 2013-2025 was created based on macro-economic simulations conducted with the use of a HERMIN regional model of Podlaskie Voivodeship's economy. The average value was PLN 7.27bn. As part of BIZ Podlaskie Voivodeship can count on around PLN 7.67bn during the years 2013-2025, an annual average of PLN 0.59bn making up 8.2% of the entire gross expenditure on private sector tangible assets.

Main sources of finance for the Strategy by operational objectives

Below are shown the predicted main sources of financing for the Strategy by individual operational objectives.

Table 4.
Main sources of financing for the Strategy by operational objectives

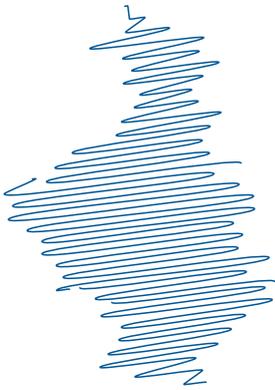
Operational objectives	Expected main sources of financing	
	Main fund	Other sources
Strategic objective 1. Competitive economy		
1.1. Development of entrepreneurship	European Social Fund	European Regional Development Fund, European Agricultural Fund for Rural Development, private funds
1.2. Increasing innovativeness of Podlaskie businesses	Private sources and European Regional Development Fund	European Social Fund, Framework Programmes, state budget, funds of higher educational institutions
1.3. Development of competences for work and support for professional activity of the region's citizens	European Social Fund	Funds of higher educational institutions, private funds
1.4. Social capital as a catalyst for development processes	European Social Fund	Funds of higher educational institutions, private funds
1.5. Efficient use of resources	European Regional Development Fund	European Social Fund, private funds
1.6. Modern net infrastructure	Cohesion Fund	European Regional Development Fund, European Agricultural Fund for Rural Development, state budget, local authority funds, private funds



Strategic objective 2. National and international connections		
2.1. Activeness of Podlaskie businesses on the supra-regional market	Private sources and European Regional Development Fund	European Social Fund
2.2. Improving the voivodeship's investment attractiveness	European Regional Development Fund	local authority funds
2.3. Development of partner cross-border cooperation	European Regional Development Fund	European Social Fund, local authority funds, state budget including Interior Ministry, Neighbourhood and Partnership Instrument
2.4. Development of partner interregional cooperation	European Regional Development Fund	European Social Fund, local authority funds, private funds
2.5. Improving the region's internal and external transport accessibility	Cohesion Fund and state budget	European Regional Development Fund, local authority funds
Strategic objective 3. Quality of life		
3.1. Alleviating the effects of demographic problems	European Social Fund	European Agricultural Fund for Rural Development, local authority funds
3.2. Improvement of social cohesion	European Social Fund	European Regional Development Fund, European Agricultural Fund for Rural Development, state budget, local authority funds
3.3. Improvement of the community's health and public safety	National Health Fund and state budget	European Regional Development Fund, European Social Fund, private funds and local authority funds
3.4. Protection of the environment and rational management of its resources	Cohesion Fund	European Regional Development Fund, European Agricultural Fund for Rural Development, National and Regional Environmental Protection Funds, European Social Fund, state budget, private funds



CHALLENGES FACING PODLASKIE VOIVODESHIP



The phenomena and processes taking place in the voivodeship's immediate and more distant surroundings, the context of new EU financial perspectives, internal conditions and the structure of the objectives set all mean that **over the next few years it will be vital to involve many institutions and groups of people (including in the third sector) and financial resources in key areas of structural intervention. The list of the most important challenges facing the voivodeship is as follows:**

1. The basis for Podlaskie Voivodeship's competitive advantage will be **green industries**, which include the dynamic sectors of industrial production and market services where the region is already achieving success, as well as those yet to be identified which may form a basis for the development of future specialisations of the regional economy. It is important to be consistent in strengthening the region's scientific and R&D potential, especially in those areas where the voivodeship has reached the critical mass required to generate highly innovative solutions.
2. The European Union's external border creates many possibilities for Podlaskie Voivodeship, but **the East** is above all a challenge. The frontier location should be exploited in the coming years as one of the main factors in the region's development.
3. Over the coming years, Podlaskie will have a relatively large number of young people to deal with, who should be as well prepared as possible to compete on job markets. The citizens' relevant **competences for work** mean greater competitiveness of existing companies, the chance to create small businesses and the voivodeship's investment attractiveness.
4. Making full use of the policies realised by the EU and the Polish government to conduct an **energy revolution**, which will not only lead to a rise in the share of renewable sources in its consumption, but also make Podlaskie's citizens and entrepreneurs the owners of decentralised energy sources.
5. Realising the idea of **e-podlaskie** will improve the competitiveness of companies, but also increase the citizens' access to public services. Meeting this challenge will require the swiftest possible action in terms of developing the IT infrastructure and systems of the entire region, development of digital skills and services provided electronically (hardware and software).
6. The region's diversity means that individual development paths should be sought for each individual areas of strategic intervention, as well as for territorial entities (individual counties and communes). **Local development strategies** should be created on the basis of the endogenous potentials of a given area.
7. Fundamental improvement of Podlaskie Voivodeship's **territorial accessibility**, both internally and externally, is a condition for competing effectively for investors, citizens, tourists and resources for development. High quality external links are a



priority of EU and government policy, and enable the region's transport accessibility to be increased. This is mainly a matter for central government and the Polish and European Parliaments.

This list sets out the most important areas so far identified from the point of view of implementing the strategic objectives. However, at the initial phase of realising the Strategy, by 2015, this list of challenges will be verified and may be either expanded or shortened, depending on the circumstances which arise.



ANNEXES

1. Progress of work
2. Strategic diagnosis
3. Conformity with national and EU documents
4. System of monitoring indicators
5. Final report on ex-ante evaluation
6. Strategic environmental assessment
7. Report from consultation
8. Bibliography

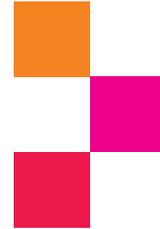
Annexes are available at

www.strategia.wrotapodlasia.pl

A map of Europe with the Podlaskie Voivodeship highlighted in red. A red circle is drawn around the Podlaskie region. The word "PODLASKIE" is written in red capital letters below the map.

PODLASKIE





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