



An Integrated Approach to Development in Poland



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Polish development policy has undergone an important evolution in the last few years. Economic growth, rising employment and the implementation of innovations show that the path chosen by Poland is effective and is producing the expected results.

The key to Poland's development today seems to lie in **an integrated approach to planning and undertaking interventions** conducted within the framework of different public policies. It consists of matching interventions at the level of sectors, areas and territories and brings together economic, social and regional elements: it favours a stronger association and coordination of steps taken by various entities at different management levels; it allows measures taken by central agencies to be adapted to regional conditions in a precise manner; it makes it possible for territories to use their own potential, resources, and knowledge; and it supports the realization of long-term programmes, and not only interventions directed at development challenges.

An appropriately conducted development policy – one that is concentrated thematically and territorially – will contribute to the achievement of long-term development goals, institutional effectiveness and a better use of public funds (of both domestic and EU provenance). It will also be an important element of the building of social dialogue and social capital in Poland. One important development instrument is the EU Cohesion Policy. The steps that were taken within the framework of this policy in Poland have contributed significantly to our country's economic leap forward. **Today, Poland is an active participant in the formulation of the new framework for this policy** – it searches for the most effective means to ensure Europe's further growth, not only to spend EU funds.

A handwritten signature in black ink, reading 'Elżbieta Bieńkowska', written in a cursive style.

Elżbieta Bieńkowska
Minister of Regional Development of the Republic of Poland

The Polish view of development policy

Poland's development policy has come a long way in the past 20 years: from merely spending funds to strategic investment in building competitiveness. Today, Poland is targeting those regions, enterprises and organisations which have the greatest growth potential.

There is more to development policy than several hundred modernization projects, even if each of them were to lead to development in a narrow area.

Europe is unique for its creativity, its intellectual potential, and its ability to turn ideas into action. The *Europe 2020* strategy – a document that is meant to set out an intellectual framework for European political and public administration leaders – embodies such a vision. The Old Continent's new directions of development call for increasing the employment rate of its citizens to 75% (from an average of 69% today), increasing expenditure on research and development to 3% of GDP (it is much lower today) as well as better education. This strategy is supposed to help Europe compete in the global network economy which prizes ability, potential and innovation.



But strategies do not materialize simply by being written down, as was made clear by the Lisbon Strategy. This ambitious document – in which the EU placed such great store – laid out innovation targets for the EU economy, but individual member states did not view the Strategy as their own. For European strategies to make sense, they need to have a solid local foundation, and the local development policy of EU member states is such a foundation.

The notion of “development policy” was viewed in a very narrow sense in Europe until now. In Poland, the approach is somewhat different. The billions of euros which flowed into Poland following its accession to the European Union have accustomed us to think of this policy as a money box into which one reaches to get money for bridges, roads, training programmes, and investments in new machinery. Such projects are obviously very important for the country’s development and modernization: over 1,500 km of express roadways (such as the one from Gdańsk to Szczecin), a rapid rail connection between Łódź and Warsaw, and financing professional training programmes for women. Over 100,000 of such development projects have already been realized. Many of them truly increase the potential of enterprises, organisations or regions.

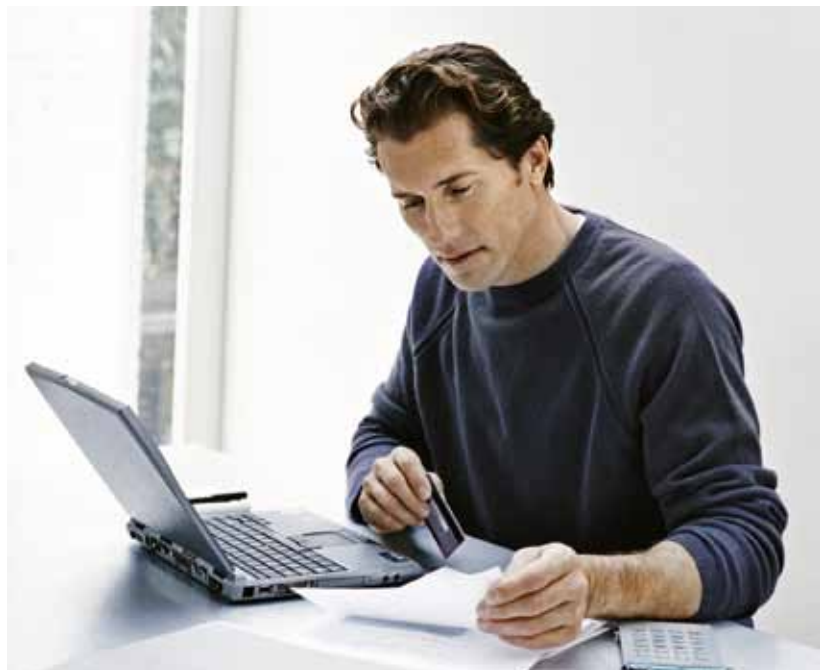
There is more to development policy, however, than hundreds of modernization projects, even if each of them were to lead to development in a narrow area. Rather, it is a whole array of state initiatives taken up to ensure the country’s balanced development, to maintain social, economic, regional and spatial cohesion, to raise the competitiveness of the economy and to create new jobs. It is necessary to think beyond “insular” projects unconnected to one another and to create a cohesive development policy.

A new approach to development

Development planning in Poland has gone from improvised patching up of holes and meeting basic needs to the implementation of a development policy consisting in spending money from available programmes, to a conscious development policy guided by needs and results. The EU Cohesion Policy is part of the evolution of Poland's development policy as one of the inspirations in the debate on the country's development strategy and also as one important source of financing for this development.

Levelling out differences is an important element of the said policy. Various methods of action can be adopted in order to achieve this aim: either to subsidize those regions that have access to the least funds or to invest in those areas that have the greatest development potential in the future. Choosing the second strategy increases the possibilities of a given region, but also indirectly affects the development opportunities of the entire society, of firms, and of citizens. The Polish model of regional development management is based on the second strategy, thanks to which it creates conditions for the development of competitiveness in areas where there are real conditions for its emergence, such as in the form of accessible infrastructure of human capital.

To be successful, such a strategy requires real cooperation between various levels of local government, business, and civic society. The dominant form of cooperation today is that of the generous relative, with the ministry (for domestic programmes) or voivodeship local governments (for regional programmes) in the role of the good uncle. The notion of disburser of goods, an institution that only distributes money and monitors its expenditure, is fast disappearing in modern development policy. It is being replaced by institutions acting together and cooperating in decisions on the allocation of funds.



32,5%

The percentage of households in the Świętokrzyskie voivodeship that have access to the Internet. In the Pomorskie voivodeship, the figure is 53%. Differences in access to the Internet form one of the greatest obstacles to development.

We know today that a single official – or even a group of officials – is not able to offer the level of creativity and effectiveness in the formulation of, for example, development projects (choice of investments – whether to build a culture centre, a park, a bridge or an enterprise incubator) that an interdisciplinary team made up of representatives from different backgrounds can provide. No regional future plan will have any strong points if its sole authors are officials. Only a team made up of representatives from the cultural, scientific and business communities will make it possible to identify those elements that are unique to the region in question and worthy of support. For this reason, a modern region needs to be oriented towards long-term cooperation between these communities.

This will require a change in approach to management at the administration level. The new development policy is considerably closer to the New Public Management concept. In this approach, the state provides services and meets the needs of clients – citizens. Entrepreneurs and society are not treated as suppliants in a race for funds, but as co-authors of the development policy.

Entrepreneurs know that an investment in a specific location will bind them to it for years. They are also conscious of the fact that the success of such undertakings depends on the quality of education, communications, and even culture and leisure amenities in a given region. Such willingness to cooperate should be used and reinforced by, for example, inviting business people to participate in discussions. The views of civil society organizations are equally important.

No regional future plan will have any strong points if its sole authors are officials.

157,8%

The ratio of GDP per capita in the Mazowsze voivodeship compared to the 2007 national average, whereas in the Lubelskie voivodeship GDP per capita amounted to only 68.2% of the national average.

Changing Polish development

Poland will have a development policy that is innovative, cohesive and effective. The country had much to learn, however, before it began treating the development management process in a strategic manner.

An evolution has taken place in Poland towards a conscious strategy for the achievement of development objectives through the use of structural funds.

During the past 20 years, the Polish approach to development policy has evolved similarly to Poland's economic growth rate. Towards the end of the 1980s, when the situation in Central and Eastern Europe was changing, it was difficult to imagine the scale and scope of the challenges that had to be met. Today, Poland is the only country in the region that has positive economic indicators: it was the only EU member state whose GDP increased in the second quarter of 2010, at a rate of 1.4%. This development leap would not have been possible without a development policy pursued with determination. But the results only came after a long wait.

For over a decade, Poland did not think of development management, but strove to develop as fast as possible. This was compounded by the country's long-term goal – the prospect of membership in the European Union, where norms as well as legal, systemic, and institutional guidelines originated. There was no definition of strategic development objectives, however, especially as time for spending available EU funds was short.



The main goal – the EU

In the 1990s, Poland made use of EU assistance funds from the PHARE programme. The average level of financing then amounted to about 150 million EUR per annum and grew constantly in subsequent years. After accession negotiations with the EU began (1998), Poland's approach to transformations changed – it embarked on the preparatory track for membership, which gave the country access to much greater funds than various pre-accession programmes (SAPARD, ISPA and PHARE II). The level of financing grew then to about 1 billion EUR per annum. At the same time, Poland adapted its legislation and institutions to functioning within the framework of the EU and was obliged to draw up documents spelling out in what manner the country would be spending the incoming funds.

The attention of the Polish administration concentrated on creating a system whose principal purpose was to reap the greatest possible quantity of funds. It was a process in which medium-term local strategies looked like unrealistic wish-lists and strategic thinking was limited to the strategic management of structural funds. In the process of fulfilling EU planning requirements, Poland produced over 400 strategic documents of all types, to which one should add several thousand planning documents originating in the regions, counties (*powiat*) and municipalities (*gmina*).

Local self-government institutions, companies, non-government organizations, and central administration agencies did everything in their power to use as much money from the EU funds as possible. Hence, during that period, excessively large and inefficient investments took place. If EU funds were used in, for example, the construction of a sewage treatment plant, the local administration immediately adapted guidelines to the programme documents and aimed at building a plant in keeping with such guidelines, even if it had no real need for one. In

many municipalities, swimming pools and concert halls began to appear only because funds were available for such a purpose. Such an approach was also shown by certain firms which strove at all costs to adapt their business plans to the guidelines regulating the granting of funds. Poland's development and modernization needs were so great, however, that despite the absence of strategic thinking in the area of development, the majority of the projects carried out at the time led to development. Many towns with enormous infrastructural needs to meet automatically agreed to the priorities imposed by the structural funds and developed as a result. In this manner roads, rail lines, bridges and sewage networks were built.

In the last 20 years, Poland has gone from being a recipient of EU funds for the realization of ad hoc needs to planning the financing of specific development aims.

In Poznań, the tram network was rebuilt so that local inhabitants could by-pass traffic jams and reach the city centre more easily. In Gdańsk the authorities concentrated on the communications network around the Tri-City. In other regions hospitals were outfitted and municipal waste management systems were built. Although these were not strategically managed changes, the country developed by using EU funds.

The Cohesion Policy as a catalyst for change

With membership in the EU, Poland's approach to development planning began to change. Following accession, development aims were set out by planning and spending structural funds for member states (National Development Plan 2004–2006), and the average yearly transfers of funds rose more than threefold. Most importantly, the action strategy began to change: the policy of "immediate short-term benefits" began to run dry as the country became saturated with basic investments, and thinking about development began to evolve in the direction of a strategic management model.

The first two and a half years of functioning as part of the EU also taught the Polish administration procedures connected with using structural funds and, for the first time, Poland planned the development strategy for 2007-2013 on its own, as a member state. The country evolved in the direction of a conscious strategy to realize goals for which it can make use of 67 billion EUR from the Cohesion Policy and 28 billion EUR from the Common Agricultural Policy. Polish development projects financed from EU funds in the past and today illustrate this change very well.

When the E20 rail line from Mińsk Mazowiecki to Siedlce was being modernized, the project entailed the repair of the most ruined portion of the rolling stock. Although the local



inhabitants noticed the qualitative change (more rapid and comfortable travel), the project did not fully address their communication problems (there was still only one line between the two towns). The use of EU funds consisted in making existing solutions more efficient, not in creating new possibilities.

Modern, strategic, and long-term thinking was visible in the project for the construction of the A1 motorway from Pyrzowice to Maciejów and Sośnica, which is taking place now within the framework of the Operational Programme Infrastructure and Environment (OPI&E). One of the busiest intersections in Poland, where many accidents happen, is located on this very route. This project very well illustrates the strategic model of development management: on the one hand, it makes the life of local inhabitants more efficient because it facilitates their daily travels (to work, for example) and eliminates road dangers, i.e. it solves a specific problem at the local level; on the other hand, it is a part of the national strategy for building motorways, making communications throughout the country more efficient. Although the motorway section under construction is short, it is important for the entire voivodeship. The investment was planned in such a manner as to meet all the desired aims.

Implementation of the Cohesion Policy in Poland

The Cohesion Policy, an important element of development policy, has changed Poland not only in terms of infrastructure. Thanks to investments in research and science, the construction of a new power infrastructure and scientific facilities, the development possibilities of the entire country have increased. The following examples of the use of EU funds illustrate the fact that, thanks to the Cohesion Policy, the Polish development policy is developing and modernizing entire regions and also supporting the development of entrepreneurship and the economy as a whole.

The ecological entrepreneurship turbine

CATEGORY: Power infrastructure

PROGRAMME: Integrated Regional Operational Programme

PROJECT NAME: Construction and start-up of a wind farm in Nieszawa

Not only large firms, but also small enterprises can join the global trend of investments in renewable energy. As the history of the company Wind-mag from Nieszawa in the Kujawsko-Pomorskie voivodeship indicates, a small enterprise can build its own wind farm and attract clients wishing to purchase “green” energy. Innovative business and the construction of the windmills not only made it possible to begin business activities that are bringing profits today. It also contributed to the improvement of Poland’s energy balance – as part of this project, Wind-mag built and started up a wind farm of a total capacity of 400 kW along with power hook-ups. All of the power produced is destined to be sold, and the company expects the pay-back period to amount to four years! The firm’s owners are already planning to expand the project and to create new jobs thanks to the construction of new wind farms.

5
The number of months it took a small enterprise to build and start up its own wind farm.

Total project costs: 441,000 PLN

EU financing: 121,000 PLN

Development changes

For the inhabitants of Nieszawa and Poland’s energy balance:

- ▶ The construction of a wind farm that will allow for the functioning of a small company
- ▶ Lesser CO₂ emissions
- ▶ In the long-term, the awareness of the profitability of pro-environmental investments in the region.

A kingdom of experiments: the Copernicus Science Centre

CATEGORY: Innovation

PROGRAMME: Operational Programme Infrastructure and Environment

PROJECT NAME: Construction of the Copernicus Science Centre in Warsaw

A demanding child or adolescent brought up in a world of virtual media is seldom interested in biology, physics or mathematics taught in the traditional manner. The Copernicus Science Centre, built on the banks of the Vistula River in Warsaw, may just help solve this problem. The project promotes the effective popularization of science among the young. The Copernicus Centre is an entirely new type of facility that specializes in interactive cultural and scientific education. The Centre contains hundreds of interactive devices and exhibits to encourage experimentation. It's a gigantic "scientific playground" which makes it possible to understand how the world works. Examples from abroad show that investments in science bring a return over the years and the Copernicus Centre will certainly not be an exception.

Total project costs: 364 million PLN

EU financing: 207 million PLN

Development changes

For students and visitors:

- ▶ Education of young people in the natural sciences is conducted in an interesting and intelligible manner.
- ▶ The Centre is a showcase for Poland abroad. Until now, there has not been such an undertaking in our country, and its existence enhances Warsaw's tourist potential.
- ▶ The publicity that accompanied the Centre's inauguration will contribute to growing interest in interactive education in the fields of culture and science.
- ▶ Thanks to the unconventional teaching methods, Polish students gain new competencies allowing them to embark on a life-long process of learning.

6%

The percentage of Polish final-year secondary school students choosing physics as an examination subject.

Searching for the inventor of the windscreen wiper

CATEGORY: Research and development

PROGRAMME: Operational Programme Innovative Economy

PROJECT NAME: Program Ventures – application programmes carried out by students, graduates and doctoral students, to be used in the economy

Windscreen wipers were invented by a Pole – who remembers that today? Today, the best young Polish scientists have the opportunity to follow the path of the greatest innovators. Ventures programme, run by the Foundation for Polish Science, gives them access to grants for scientific projects. The grants range from 106,000 PLN to as much as 166,000 PLN. The funds support ideas that could be of breakthrough significance and can be applied in firms. The purpose of such a programme is to increase the innovativeness of Polish enterprises as well as to promote the transfer of know-how. Even today, the best researchers at the Technological University of Western Pomerania are working on the ingredients for a modern adhesive for self-adhesive structural tape, and the use of optical tomography in the study of images is being researched at the Nicolaus Copernicus University in Toruń. Those are just two of many projects that have found support, and there will be many others!

Total project cost: 14.5 million PLN

EU financing: 12.3 million PLN

35,000 PLN

The amount of the yearly research grant that can be given to scientists realizing ideas that can be used in business. A doctoral student can count on a scholarship amounting to 3,000 PLN per month.

Development change

For Polish scientists and the Polish economy:

- ▶ A source of financing emerged for the most ground-breaking ideas, thus giving Polish scientists the opportunity to pursue their research interests.
- ▶ Companies that wish to implement the most modern Polish technologies can at last have access to them.

Funds for development

Having worked out a strategic model of development management, Poland can currently use incoming funds more effectively and carry out more projects such as the construction of the motorway in Pyrzowice or the Copernicus Science Centre. The amount of funds for development is growing. In the years 2007-2013, 37.6 billion EUR has been set aside **as part of the Operational Programme Infrastructure and Environment for transportation, environmental, power, and educational infrastructure; and for investments in culture and health services.** The funds earmarked for investments in human resources as part of the Operational Programme Human Capital amount to 11.4 billion EUR. Some 9.71 billion EUR could be spent on innovative economy projects, i.e. the development of entrepreneurship and innovativeness of Polish firms, as part of the Operational Programme Innovative Economy. Today, **Polish regions** have access to a total of 16.5 billion EUR within the framework of 16 regional programmes designated for institutions including firms, non-governmental organizations and local self-government entities. Another increase in allocation took place and currently Poland is receiving about 7 billion EUR net (after deducting its own contribution) yearly as part of the Cohesion Policy alone.

Planning for tomorrow

In preparation for the next EU budget period (the 2014–2020 perspective), Poland wishes to implement a mature and integrated development policy resting on its own experience and needs. In the future, the scale and importance of EU funds will decrease, and the financing of Polish development objectives may come from various sources. The Polish model of development management consists mainly in investing in the creation of competitive advantage. Development is seen as a system of identification and resolution of future development problems,

and not solely as a means of levelling present development differences. **Investing in competitiveness using an appropriate development management strategy is the aim of Poland's development policy.** Introducing a hierarchy in the definition of goals (long and medium-term strategy), makes it easier to define “tasks to be carried out” and, as a result, makes their implementation more efficient.

The time of mere money expenditure is slowly coming to an end. Today's thinking about development in Poland and elsewhere in Europe is evolving towards the planning of development goals and the building of a competitive advantage.

Poland's Cohesion Policy could be an inspiration for the implementation of other public policies.

A new model of integrated development policy – seven principal characteristics

- 1. Integration of the socio-economic and territorial dimension and the assurance of cohesion of all sectorial, area, and regional policies.**
 - introducing the *National Long-Term Development Strategy* into the system of strategic documents – this document defines the comprehensive socio-cultural concept of the country's development until 2030 in the social, economic, environmental, territorial and institutional spheres;
 - the assurance of a strengthened and leading role in the system of strategic documents for the *National Medium-Term Development Strategy* – a document defining the background, aims and directions of the country's development in the social, economic, regional and spatial spheres for a period of 4 to 10 years – an updated version of the binding *National Development Strategy 2007-2015* with a lengthened perspective until 2020;
- 2. Definition of the place and role of regional policy as part of the development policy and the modification of the strategic objectives of regional policy.**
 - changes in the regional policy conducted in Poland to date are to consist both of the strengthening of the role and rank of regional policy as a policy coordinating the most important developmental measures taken at the level of the entire country, and of a new approach to the principles, aims, and the regional policy implementation system including the division of competencies and the selection of realization instruments;
 - introducing the *National Strategy of Regional Development* into the system of strategic documents – this medium-term document defines the background, goals, and directions for regional development, state policy with regard to regions, groups of regions, or problem areas as well as the principles and mechanisms of cooperation and coordination of measures taken up by the Council of Ministers at the national level with measures taken up by local self-government entities at the regional level – preparation of the *National Strategy of Regional Development 2010-2020: regions, cities, rural areas*;
- 3. Creating a strong centre (equipped with appropriate instruments) responsible for the coordination of the management of the country's development processes and the establishment of an institutional framework that will ensure the programme cohesion of development policy.**
 - the establishment of a Coordination Committee for Development Policy as a consultative and advisory body of the Prime Minister for Development Policy in matters concerning the coordination of the programming and implementation of the development policy, and for the strategic monitoring and appraisal of the instruments by which it is implemented;
 - close cooperation of the Chancellery of the Prime Minister – provided with monitoring and supervisory functions – with the Ministry of Regional Development provided with reinforced coordination functions;

4. Providing a programming system that will ensure efficient realization of development policy aims.

- elaboration of a new generation of strategic documents corresponding to the challenges of the development policy, drawn up according to a strictly defined structure including, among other things, realization schedules, realization indicators, a monitoring system, and a financial framework; the introduction of the requirement of a close linkage between the aims of these documents and the strategic aims defined in the *National Medium-Term Development Strategy*;
- formulation of a new typology of strategic documents, defining their role in the development programming process and the scope of dependence (hierarchy) between individual types of documents;
- arranging the order of strategic documents in force and the further reduction in their numbers – merging of existing strategic documents into thematic blocks;

5. Appraisal of the effectiveness of individual development policy instruments (monitoring and evaluation system).

- annual preparation of information illustrating the state of implementation of the *National Medium-Term Development Strategy*, taking into account the degree to which goals presented in the *National Long-Term Development Strategy* have been attained;
- the obligation to conduct an *ex ante* evaluation of effectiveness of the planned development programmes as an independent appraisal prior to the document's acceptance for realization;

- the preparation every three years of a comprehensive report on socio-economic, regional, and spatial development containing an analysis of development directions, and assessment of the effectiveness of the realization of the country's development goals indicated in the strategies and programmes and recommendations for the country's development policy that take into account the development of regions, sectors or areas, and spatial development. The conclusions of this report form the basis for updating the development strategies and programmes in force;

6. the formulation of “good practices” and their dissemination;

- the formulation of a methodology for the creation of strategic documents;
- drawing up of a unified list of basic concepts from the area of strategic programming;
- carrying out a series of training sessions in strategic programming for public administration employees;

7. ensuring the effective financing of development policy

- the introduction of a multi-annual state financial plan as an instrument for the allocation of funds for the realization of the country's long-term development goals.

Source: “Assumptions of the Management System for Poland's Development”, a MRD document.

A new model of development management

In the last few years, Poland has been making up for its lag in development by using EU norms and funds. It is now building an integrated system of management to further its development, in order to give it a desired pace. A comprehensive approach to the planning and implementation of development strategies allows for better use of the opportunities offered by Poland's membership in the European Union and also makes it possible to spend public funds more effectively.

Development management in an integrated manner is the driving force of the economy.

Development is the engine of modern economies. It is thanks to development that new roads are built, the business climate is improving, the quality of human resources is increasing, and innovation is growing. Development entails changes in all areas of state activity. But in order to produce a real improvement in the quality of life instead of being just a simple increase of economic indicators, it needs to be managed adequately.

Poland finds itself precisely at the stage of creating such an integral development management system. A detailed survey of Polish practice in this area shows how to plan and implement specific long-term development aims, and how to build structures allowing for effective state management.

Poland's present and future needs call for conducting a development policy that will increase the competitiveness of its economy through the creation and absorption of innovation



(including the reinforcement of the research and development sector and of its ties with business), ensuring adequate technical and institutional conditions for the increase in the level of investments through changes in the GDP creation and employment structures, stimulating the development of social capital, and unleashing untapped labour resources. It is precisely the realization of those important aims that constitutes the main engine behind the new strategic development management model.

New thinking is the key to the new approach

The main characteristic of the new development policy is the so-called integrated approach. It consists, among other things, in the cooperation of many entities at different levels of development planning and implementation. Furthering the development of the state is not solely the domain of the public administration, but also the business of all citizens, and should take place in cooperation with enterprises and social organizations, with the involvement of local self-government and individuals. In such an approach, the most important element is the identification of development aims that are to be recognized as common, i.e. suitable for implementation. Identifying tasks in a top-down manner, without public support or understanding for the proposed policy, has no future. The alternative is the co-participation of all parties to the system – the central administration, local self-governments, non-government activists, business people and individuals – in the identification of priority tasks.

Another important characteristic of the new paradigm of development management in Poland is long and medium-term strategic planning. The point is to first diagnose challenges and then respond to them by setting development goals, and only then to adapt to them the funds, legislative foundation and other elements necessary for their realization. Indicators

for the verification of the effectiveness of planned measures also have to be defined at the outset. This way, monitoring of the entire process and managing it becomes more efficient. It is also easier to divide key issues from the ad hoc, incidental, needs of local communities.

The development management model represents a strategic process (and not only the spending of available funds) and is the result of a wider cultural shift that is currently taking place in the Polish public administration. For the country's modernization and development to be effective, however, a change in thinking within society is also necessary. Even the best strategies require social acceptance in order to function. They require a new type of citizen – one that is more open and willing to communicate.

Seven years after Poland's accession to the EU, one can see that in those regions that have learned to effectively manage public policies – where the actions of the public administration have been reoriented towards achieving aims and where monitoring and evaluation sub-systems have been put in place and expanded and, finally, where the principle of subsidiarity has been applied – an active social dialogue is being conducted on the subject of strategic and operational development choices.

This, in turn, has led to an increase in confidence in the state in general and made it possible to reformulate the negative image of the public administration and the ability to act collectively. For this reason, the new model for managing the development of the country stands a chance of being successfully implemented.

The system's legal foundation

The first step towards the strategic management of Poland's development was the drawing up of the *National Development Strategy 2007-2015* by a new entity – the Ministry of

Regional Development. This document defined Poland's basic development dilemmas during this period. In 2006, the parliament passed an Act on development policy pursuing rules. In 2009, the Council of Ministers adopted the *Assumptions of Poland's Development Management System*, assuming an in-depth reconstruction of the development programming model in place until then, including the integration of socio-economic and spatial planning. This document was the first to describe the drawbacks and problems with the system in such a comprehensive and detailed manner.

The first weakness observed was the lack of a cohesive vision of strategic development management. Only some of its elements, such as the development programming sub-system, were functioning. More importantly, the actions of the state in this area were often guided by political considerations, taken-up ad hoc and serving the realization of incidental needs rather than long-term goals.

Secondly, the development programming system did not precisely define the scope and role of development policy and the mutual dependencies between the socio-economic and territorial (i.e. spatial and regional) programming, leading to difficulties in the designation of strategic aims and their effective realization.

Thirdly, there was no comprehensive vision of regional policy on a country-wide scale. Until then, it had been conducted as part of the EU Cohesion Policy.

Fourthly, there was no separate central entity responsible for comprehensive development management within the structure of the Polish public administration. This led to a lack of coordination of work on the strategic documents created by ministries and local governments which, in turn, resulted in non-cohesive actions and precluded any evaluation of strategy

implementation results. Sectorial thinking in the programming process was predominant, with the result that the number of horizontal strategies was inconsiderable.

Fifthly, measures related to the monitoring and evaluation of the strategies being realized were concentrated on financial and procedural aspects of the implementation process, passing over the evaluation of the degree of realization of these measures and of their effectiveness in terms of the entirety of the development process.

Sixthly, the manner of financing the development policy (which is also an instrument of its implementation) did not guarantee an effective realization of the measures taken, because budgetary planning was not sufficiently tied to the strategic aims of development policy.

The *Assumptions of Poland's Development Management System* document is not limited to pointing out the drawbacks of present administrative practice. It formulates, above all, the bases for the optimal system to be used in Poland. Its purpose is to increase the effectiveness of the programming and implementation of the development policy in Poland and to improve the quality of the functioning of public institutions in this area.

A development management system is a set of actions whose purpose is the effective use of human and material resources in a coordinated manner by public administration institutions at various levels in cooperation with representatives of socio-economic partners and non-government organizations in keeping with the principle of partnership, in order to achieve the intended goals. The functions of the management process are planning, organization, decision-making, delegation of tasks, coordination, monitoring, and control. The managing entity can make use of specific instruments in order to carry out each of these functions.

The model of managing development as a strategic process is the result of a wider cultural shift.

In the new Polish development management model, available budget funds are to be correlated with the main areas assuring the competitiveness of the economy – the main priority arising from strategic documents defining the development management period in the medium and long-term perspective (2020, 2030). The aim is such planning of financing that will adapt the classification of budget expenditures to the needs of the development policy. A modernization of the structure of public expenditures will take place. It will consist in a gradual reallocation of public expenditures so as to increase outlays on pro-development measures (R&D, science, health, education, investments in basic infrastructure). Reaching this aim is to be ensured by the *Multi-Annual State Financial Plan* prepared on the basis of the provisions of the 2009 Act on public finances, which contains a forecast of expenditures from the state budget earmarked for the realization of strategic development aims over a four-year period, and a performance budget, i.e. the tying of state budget functions and tasks with the country's development aims. In such a model, the funds are planned in response to set development aims, and not the opposite.

The institutional sub-system of the strategic model for managing development in Poland

1. The Prime Minister – direct supervision of strategic management
2. The Council of Ministers – making the most important decisions and approving the state's strategic objectives
3. Coordination Committee for Development Policy – a consultative and advisory body supporting the Prime Minister
4. The Chancellery of the Prime Minister – which initiates programme measures and plays a verification and supervisory function
5. The Ministry of Regional Development with coordination functions whose scope is determined by law
6. Ministers and heads of public central agencies and local self-government authorities, i.e. institutions which are subject to coordination defined by law, take up initiatives arising from their own competencies and tasks and implement measures as part of the development policy
7. Other players (social and business partners)

Institutional framework

The assumptions of the strategic management of the country's development also describe its institutional structure. In the new system, the Council of Ministers and local self-government entities are responsible for development policy within the scope provided by the development strategy. Direct supervision over the management is exercised by the Prime Minister. In practice, however, the institutional core is concentrated on the axis of the Coordination Committee for Development Policy and the Ministry of Regional Development. The Committee sets the directions of development policy and strategic programming, and monitors and evaluates existing instruments and mechanisms of action. The Ministry of Regional Development, in addition to the tasks already mentioned, is responsible for the formulation and implementation of the medium-term development strategy.

The most important institutional changes in the system of strategic management of the country's development are the high placement of supervision (with the Prime Minister), the assurance of coordination between planning and execution (Minister-Committee Coordinator, the Ministry of Regional Development) and the assurance of cooperation between all interested parties within the system (government, various levels of local self-government, and social partners).

Strategic documents

In 2009, a team directed by Michał Boni, Head of the Team of Strategic Advisors to the Prime Minister and Member of the Council of Ministers, drew up a report entitled *Polska 2030*, which presents a diagnosis of Poland's present condition and defines its principal development challenges, forming the basis for development initiatives for the next 10-20 years.

Poland's principal development challenges

- Growth and competitiveness
- The demographic situation
- High professional activeness and adaptability of labour resources
- An appropriate potential of infrastructure
- Energy and climate security
- Economy based on knowledge and intellectual capital
- Regional solidarity and cohesion
- Improved social cohesion
- An effective state
- Increase of Poland's social capital

In addition, in 2009, the Council of Ministers adopted the *Development Strategies Arrangement Plan*. This was the first step towards the creation of a conceptual order and the reduction in the number of strategic documents, which were either not implemented or ineffective. It was possible to a degree to achieve this, although it remains an uncompleted process that is being conducted in stages. The new strategies arising at present have been given an integrated character (a departure from a sectorial approach) and arranged into a system:

a) at the national level

- long-term development strategy till 2030
- spatial development strategy till 2030
- medium-term development strategy till 2020
- nine integrated development strategies

b) at the regional level

- voivodeship strategies

The above-mentioned documents are implemented as part of the strategic programming philosophy, whose main premise is setting out aims for specific time-frame horizons. In a 20-year perspective, the country's long-term development strategy defines a vision of development measured in terms of improving living standards and describes the principal challenges and dilemmas Poland is facing. In a 10-year perspective, the country's medium-term development strategy defines the basic areas where intervention is indispensable in order to further development processes and remove barriers, including the weaknesses of the Polish economy, the optimal use of the socio-economic and spatial potential which, appropriately strengthened, will stimulate development. It was decided to abandon the sectorial approach on behalf of a formulation of documents responding to development problems, and not ad hoc ministerial needs.

**Programming
of development
in various time
frames makes
for effective task
planning.**

Although they refer to measures to be taken in different time frames, all strategic documents, i.e. the long-term strategy, medium-term strategy and nine integrated strategies, are part of the development pillars that form the basis of the programming for all strategic measures and whose main long-term goal is to improve the quality of life of Poles. These pillars are:

1. The innovation (modernization) pillar – This presupposes the building of a new competitive advantage for Poland based on increased intellectual capital (human, social, relationship, and structural) and the use of the impetus of digital technology, which will in effect lead to greater competitiveness of the Polish economy and society.

2. The diffusion (balance) pillar – This is consistent with the polarisation-diffusion mechanism of balanced development and social cohesion, which will in effect lead to increased development potential for Poland.

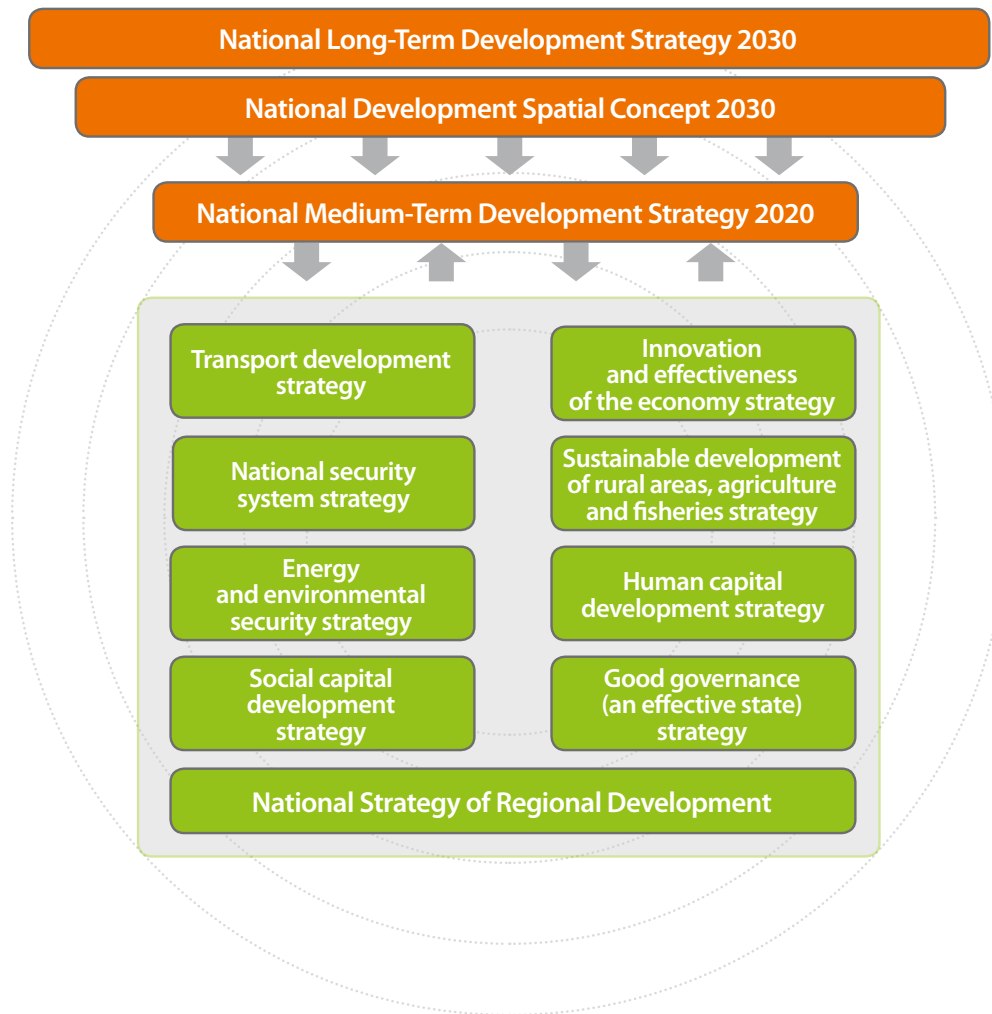
3. The effectiveness pillar – This makes more effective those functions of a citizen-friendly and helpful state that avoids excessive responsibilities and undesirable involvement in certain areas, but acts effectively in key areas of intervention.

The principles of conducting a new development policy allowing for more effective programming of strategic actions are an integrated approach, thematic concentration, financial concentration, territorial concentration, conditionality, a horizontal approach, and evidence-based policy. Thanks to this, new development policy measures include all areas of state management.

The functional approach to territory is another important characteristic of the new development policy. It presupposes that specific functions filled by individual areas are going to be taken into account in development planning. The effectiveness of thematic concentration is to depend on an orientation of public intervention that takes into account the specificity of the territory to which the intervention is addressed. Territorial concentration allows for the cohesive financing of adopted development goals and for the effectiveness of public intervention to be increased in keeping with the principle of multi-level management of development processes. Through better orientation of public funds, development processes that are right for a given area are reinforced.

Designated development pillars are the basis for the programming of all strategic measures.

System of strategic documents



The designated integrated development strategies are documents of a new type – they do not concentrate exclusively on the resolution of problems of a given sector of the economy, but they reflect a dependency between various interventions taken up as part of different public policies so as to attain the greatest effect of synergy. In the years 2009-2011, nine such integrated strategies were prepared:

1. Innovation and effectiveness of the economy strategy

(Coordinator – the Minister of Economy) – The idea that animates this is reinforcing cooperation and the creation of conditions favouring entrepreneurship, the emergence and implementation of innovation, and also the effective use of the available human, financial, material, and natural resources for the development of Poland.

An integrated and horizontal approach to development characterizes all the strategies.

2. Human capital development strategy (Coordinator – Minister and Member of the Council of Ministers, Chairman of the Permanent Committee of the Council of Ministers) – The aim of this strategy is to increase Poland's socio-economic competitiveness and cohesion through creating conditions for the fuller use of the potential of the country's citizens. This strategy points to the most important areas of concentration of interventions in the area of human capital.

3. Transport development strategy (Coordinator – the Minister of Infrastructure) – The principal premise of this strategy is the increase of Poland's internal cohesion and its optimal linkage with other countries through extension of the rail, road, aerial and water communication networks and creation of a friendly transportation system for citizens.

4. Energy and environmental security strategy (Coordinator – the Minister of Economy) – The main aim of this strategy is to guarantee a high quality of life to present and future generations at a high civilizational level with the simultaneous rational and effective use of accessible natural resources.

5. Good governance (an effective state) strategy (Coordinator – the Minister of the Interior Affairs and Administration) – This strategy provides for conducting structural changes so as to create a management system effectively carrying out the state's tasks and meeting its citizens' expectations.

6. Social capital development strategy (Coordinator – the Minister of Culture and National Heritage) – The main premise of this strategy is the strengthening and deepening of social capital among participants in the processes of development.



7. National Strategy of Regional Development – regions, cities, rural areas

(Coordinator – the Minister of Regional Development) – The significance of this strategy is unique in the system of strategic documents and consists in the territorial integration and orientation of public interventions. This document defines the strategic aim of the national regional strategy involving the effective use of specific regional and territorial development potentials in order to attain the country's development goals.

8. National security system strategy

(Coordinator – the Prime Minister) – This strategy concentrates on issues of so-called hard security, i.e. the creation of conditions allowing for measures related to national defence.

9. Sustainable development of rural areas, agriculture and fisheries strategy

(Coordinator – the Minister of Agriculture and Rural Development) – The main aim of this strategy is the improvement of the quality of life in rural areas and the effective use of their resources and potential (including agriculture and fisheries) for the balanced development of the country.

The integrated system of management for Poland's development and the development of Europe

The system of Poland's strategic documents is based on the development priorities of the European Union as defined in the document *Europe 2020*, adopted by the Council of Europe in 2010. *Europe 2020* is a strategy for smart, sustainable and inclusive growth. It defines measures whose application in a coordinated manner by member states will help them emerge from the present crisis and will prepare the European economy for future challenges.

Europe 2020 spells out three development priorities, whose realization will take place at the EU and national levels:

- **Smart growth** – increasing the role of knowledge, innovation, education, and digital society.
- **Sustainable growth** – production making more efficient use of resources with a simultaneous increase in competitiveness.
- **Inclusive growth** – increasing professional activeness, raising qualifications and combating poverty.

In order to ensure a more effective realization of the above-mentioned priorities, five development targets were set out in the following areas: employment, R&D and innovation, climate change and energy, education, and poverty and social exclusion. They define the level of development that the EU wishes to attain by the year 2020.

The new approach to development in Poland will support the realization of *Europe 2020*. The group of measures that the Polish government will undertake for the realization of the *Europe 2020* strategy was described in the *National Reform Programme*. The NRP is a set of guidelines for the implementation of individual balanced development goals for all of Europe.

The aim of the NRP is to build lasting foundations of economic growth that brings together EU and national priorities. The reforms presented in it are intended to allow to overcome growth barriers (bottlenecks), as these hamper the development potential of Poland and other EU member states; as a result of this, the position of the European Union on the international stage will be strengthened.

In keeping with the European strategy, the NRP is directed at smart, sustainable and inclusive growth. At the same time, it constitutes an element of a system for the management of the country's development policy. The proposed reforms in conjunction with the realization of a long and medium-term development strategy and the nine integrated strategies allow for concentration on the areas of high priority in terms of Poland's socio-economic and spatial development, but will simultaneously lead to the fulfilment of the aims of the *Europe 2020* strategy. The *National Reform Programme* takes into account and elaborates on those elements of national strategies which contribute to the achievement of the targets of *Europe 2020* and to the realization of its flagship initiatives.

One of the most important policies that realize the aims of the *Europe 2020* strategy is the Cohesion Policy. Today, Poland, similarly to the other EU members, participates in the shaping of the new Cohesion Policy in Europe and in setting out its new targets for the years 2014-2020.

Although the Cohesion Policy will remain one of the main items in the expenditures of the EU general budget, the approach to it is changing fundamentally. It can no longer be a policy of redistribution, but has to be one of stimulating development in almost 300 European regions of very different potentials, sizes, challenges, populations, etc. In order to awaken this potential, it is necessary to have a vision of an active regional policy whose goal will be not so much the equalization of GDP levels as making good use of different development opportunities and the cooperation of various public institutions managing the state at the national, regional and local levels.

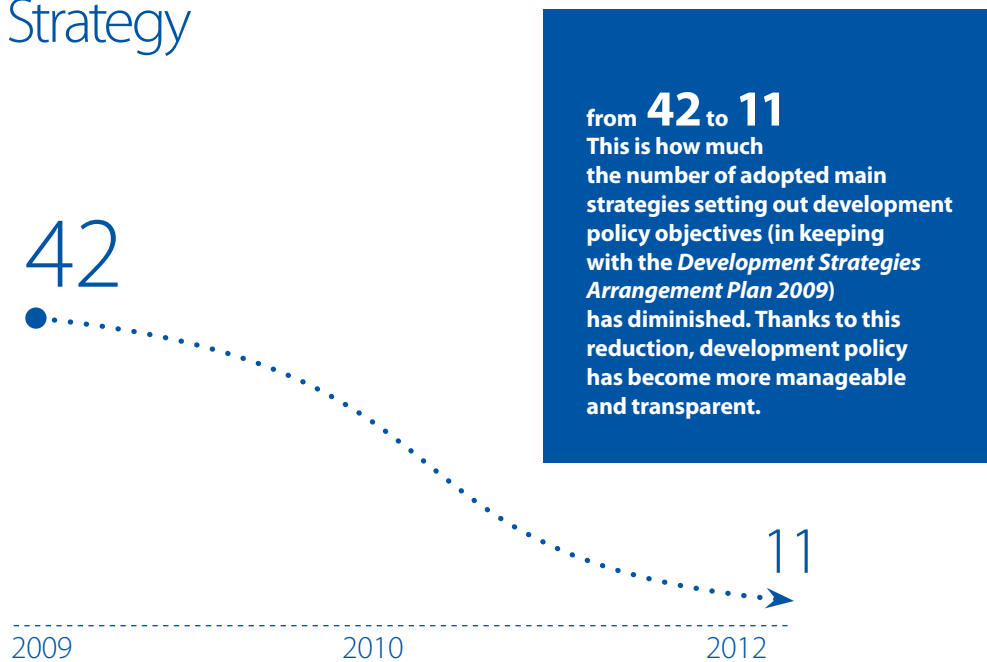


Despite the formulation of its own development management model, Poland continues to need the active involvement of EU policies, especially that of the Cohesion Policy. The financial transfers connected with them, the know-how and the pressure to modernize that they bring should support Poland's development after 2013 to an even greater extent. The reform of EU policies being negotiated at present is aimed at the strengthening of the potential of the Cohesion Policy as an effective EU development policy that is effectively realizing both the development targets contained in the *Europe 2020* strategy and the aims of individual member states and regions. This requires that Poland take an active part in EU work aimed at increasing the pro-development character and mutual coordination of various EU policies and instruments with Polish ones.

Development policy in numbers

Poland is changing, thanks to a development policy pursued with determination. Infrastructure is growing – new roads and airports are being built. Human capital is growing – unemployment is falling and entrepreneurship is increasing. Thanks to investments in research, the Polish economy is becoming increasingly innovative.

Strategy

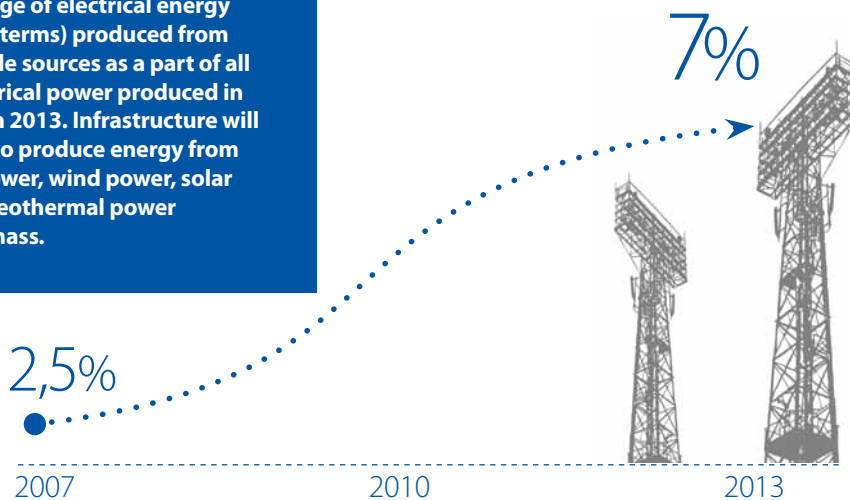


Infrastructure

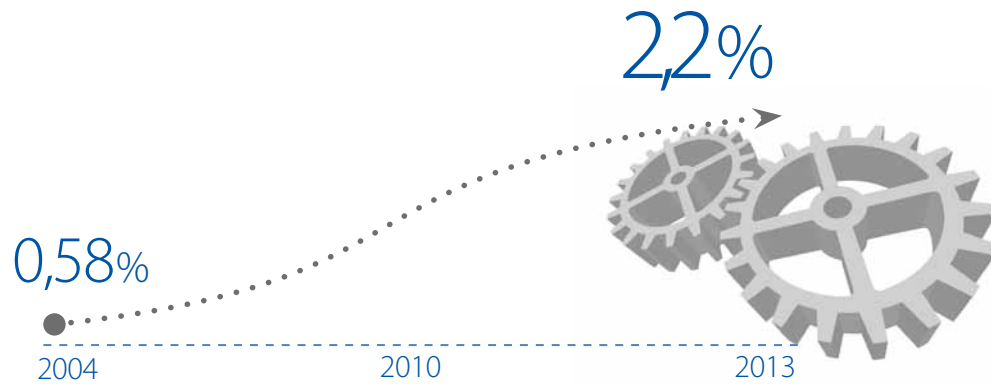
92,8 billion PLN

Such is the value of the projects carried out until now as part of the Operational Programme Human Capital.

from **2,5% to 7%**
The expected increase in the percentage of electrical energy (in gross terms) produced from renewable sources as a part of all the electrical power produced in Poland in 2013. Infrastructure will be built to produce energy from hydro power, wind power, solar power, geothermal power and biomass.



Innovation and entrepreneurship



1,200

The yearly average number of Polish enterprises expected to work with research and specialized laboratories within the framework of projects forming a part of the Operational Programme Innovative Economy.

from **0,58%** to **2,2%**
This is how much research and development expenditures as a percentage of the Polish GDP are expected to grow by 2013 (from 0.58% in 2004, which was then one of the lowest in the EU).

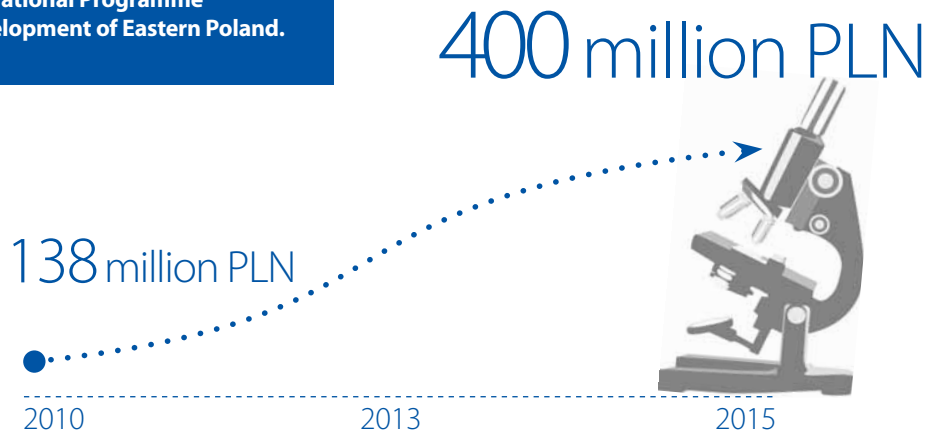
Science

from **262** million PLN
to **400** million PLN

The increase in the amount that learning institutions in Eastern Poland can use for specialized equipment necessary for scientific research. This modern equipment is financed from Priority no. 1 – “A Modern Economy” of the Operational Programme Development of Eastern Poland.

9 million

The number of people who will gain access to public transportation thanks to various regional projects, which will make their commuting to work easier and support balanced development.



Summary

- 1. The Polish development policy** has travelled a long road in the last 20 years. It has gone from a simple redistributive model to investing in the competitiveness of cities and regions. Today, it has a new concept of development policy resting on an integrated management model and a new system of strategic documents.
- 2. The “cohesion policy lesson”** was an important element leading to the present strategic integrated development management model. The projects implemented have prepared the Polish central and regional administration for functioning in the strategic development management model.
- 3. The *Polska 2030*** report defines the country's main development challenges, and the preparation of the long and medium-term development strategy sets out goals to be attained within the next few years.
- 4. At present, the Polish system of development management** is based on the following strategic documents:
 - *National Long-Term Development Strategy* – defining the main trends, challenges and concepts of the country's development 2030
 - *National Spatial Development Concept 2030*
 - *National Medium-Term Development Strategy 2020*
 - nine integrated strategies
 - voivodeship strategies.
- 5. Development policy in Poland** has common goals with the development priorities set out by the EU: the Common Agricultural Policy, Cohesion Policy, Transport Policy and Innovation Policy should be transformed in such a way as to serve pan-European goals as well as national goals and priorities.
- 6. In Europe**, the development policy model, consisting above all in equalizing the development chances and potentials of individual countries and regions, is slowly coming to an end. Today, development in both Europe and Poland means creating conditions for growth and building a competitive advantage on a global scale for the future.
- 7. Despite the formulation of its own development management model**, Poland continues to need the active involvement of EU policies, especially that of the Cohesion Policy. The financial transfers connected with them, the know-how and the pressure to modernize that they bring should support Poland's development after 2013 to an even greater extent. The reform of EU policies being negotiated at present is aimed at the strengthening of the potential of the Cohesion Policy as an effective EU development policy that is effectively realizing both the development targets contained in the *Europe 2020* strategy and the aims of individual member states and regions. This requires that Poland take an active part in EU work aimed at increasing the pro-development character and mutual coordination of various EU policies and instruments with Polish ones.

Notes

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