



CATCHING-UP REGIONS

DEVELOPING NEW GROWTH DYNAMICS IN EUROPE

***Results and rollout of the pilot project
in Poland***

Catching-up Regions Initiative and Cohesion Policy

- *A bottom-up initiative to **maximize performance of Cohesion Policy** and **unlock growth potential in "low-income" regions**;*
- *Two pilot regions in Poland: **Podkarpackie & Świętokrzyskie***
 - *Lower than EU average productivity and competitiveness levels despite dynamic growth and robust Cohesion Policy support;*
 - *Slower growth prospects in longer term because of structural problems going beyond Cohesion Policy remit, but impeding outcomes of ESIF intervention;*
- ***World Bank's expertise** combined with **other knowledge support tools** e.g. PEER-2-PEER reviews;*
- *Financed from **EC Technical Assistance**: EUR 1 million*

From action plans to final report:

February – March 2016	<i>Three interactive sessions with the regions, the World Bank and the Ministry for Economic Development to set action plans</i>
April 2016	<i>Commissioner Crețu's visit to both regions</i>
May 2016	<i>Kick-off meeting with key stakeholders</i>
May 2016 – March 2017	<i>Implementation stage, including monthly steering committees</i>
May 2017	<i>Final conference in Rzeszów</i>



Pilot projects

Pilot projects are developed to be applied all over Poland, address common problems in certain investment fields and provide valid methodology and solutions

(1) Replicating best practice – Technology Transfer Centre

- **"Freeing-up of R&D equipment"**: amending co-financing contracts from 2007-13 period to purchase R&D equipment;
- **Inventorying R&D infrastructure** and creating a **structured offer of R&D services** at universities;
- Defining **the methodology for freeing-up 20% of capacity of R&D equipment** purchased with EU funds contribution;
- Designing **the technology transfer center**

(2) Grant scheme on vocational education and training (VET)

- *Sharing **international best practice** (e.g. **Latvian experience**);*
- *Initiating **cooperation of key VET stakeholders** at the regional level, including between firms and schools;*
- *Incorporating **guiding principles for effective work-based learning into selection criteria** for VET projects;*
- ***Implementing recommendations at national level:** establishing clear definitions of VET system, proper incentives and quality assurance mechanisms, ensuring a facilitating role of Centres for Practical Learning;*

(3) Enhancing entrepreneurship conditions by reducing time and cost to start a company

- Activity focused on **three objectives**: promoting online registration, decreasing the number of returned applications and expediting paper applications;
- **A wider use of e-registration** alone might decrease the cost of business registration in both regions by approx. EUR 350 thousand and speed it up by 13,020 days while faster paper procedures could generate time savings of 5,500 days;
- Measures implemented **without impeding courts' independence**

(4) Creating in-house financial instruments for post 2007-13

Capital stock from 2007-13 can be recouped and subsequently reused under the responsibility of the Managing Authority;

Setting up new innovative instruments – previously rare or non-existent that:

- ***Serve the development of the region (Podkarpackie Development Fund);***
- ***Do not create competition with 2014-20 instruments,***
- ***Are simple in terms of procedures and correspond to recipients' needs.***

Why did it work? Key success ingredients

- *Resolving structural bottlenecks identified in **Country Report / CSR in a bottom-up approach**;*
- ***Ambitious, yet realistic targets**;*
- *Regions' openness to **change "business-as-usual" approaches**;*
- ***Upfront commitment to** implementing results with the OP resources;*
- *Regular (monthly) monitoring by the **steering committee**;*
- ***Flexibility**: adaptation of measures to changing circumstances and needs*



What's next?

- **Reflection Paper on the Future of EU Finances:** *"the lagging regions initiative (...) was an important pilot exercise and its successful elements may be further deployed";*
 - **A well-functioning investment environment** is important to achieve ESIF maximum impact;
 - **New approach complementing ExAC:** *formal transposition of laws is crucial, but their application by strong institutions on the ground can make a clear difference!*

Roll-out process

- ***Dedicated workshop on 11 October 2017 during the European Week of Cities and Regions: "Creating new growth dynamics in Europe – achievements of the Lagging Regions Initiative;***
- ***Specific workshops and peer-to-peer visits*** for regions interested in learning from Swietokrzyskie's and Podkarpackie's experience;
- ***Ministry of Economic Development and other line ministries*** involved in the process;
- *Commission remains open to **modyfing OP to facilitate replication***

And it is for all the regions! Catching-up Regions Initiative 2

- ***Continuation of support to TTO in Rzeszów until the OP Podkarpackie is modified;***
- ***Preparation of ToRs for the development of land use plans in two municipalities in Podkarpackie and Swietokrzyskie;***
- ***Development of financing scheme for energy efficiency in Single Family Buildings;***
- ***Improvement of business inspections***

Further questions?

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