



RATIO

DZIAŁANIA REGIONALNE NA RZECZ
WPROWADZANIA INNOWACJI DO
PROGRAMÓW OPERACYJNYCH

MAŁOPOLSKI PLAN DZIAŁANIA DLA ROZWOJU
INNOWACJI NA TERENACH WIEJSKICH

KRAKÓW, MARZEC 2018 R.

GENERAL INFORMATION

Project

RATIO

Regional Actions To Innovate Operational Programmes

Project partner:

FRDL Małopolska Territorial Self-Government and Administration Institute (P.4)

Country:

Poland

NUTS2 region:

Małopolska Region

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DEVELOPMENT POLICY CONTEXT

Action plan is targeted at making an impact

- Investments towards Growth and Employment Programme
- European Territorial Community Programme
- Other instrument of regional development policy

Name of dedicated policy instrument

Strategic Programme Regional Innovation Strategy for the Małopolska Region 2014-2020

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INNOVATIONS IN THE COUNTRYSIDE?

A few words on why the Małopolska
Action Plan came to being

RATIO-context and position of the project in Małopolska

FRDL Małopolska Territorial Self-Government and Administration Institute has since March 2016 been working on the assumptions of the Małopolska Action Plan in the framework of international project devoted to the development and promotion of innovation in rural areas, called *Regional actions to innovate Operational Programmes* (RATIO), funded from the EU Programme INTERREG EUROPA.

FRDL MISTiA represented the Małopolska Region in the project pursuant to the Act No. 931/15 of the Małopolska Region Management from 14 July 2015 on signing with the Małopolska Region of the list of support in international projects, submitted by the institutions from the Małopolska region under the Intra-regional Programme INTERREG Europe (European Territorial Cooperation 2014-2020). The project was realized by FRDL MISTiA with an active participation of the Małopolska Region, including Department of Treasury and Economy, Department of Regional Policy and Department of European Funds of the Marshal Office, as well as the Małopolska Entrepreneurship Centre.

Challenges of RATIO project in Małopolska-why is a change needed?

Over 92% of the Małopolska communes are rural communes or rural-municipal ones, while more than half of the Małopolska inhabitants live in the countryside. Services provided by the Małopolska enterprises from rural areas may and ought to constitute a significant driving force for the areas of Małopolska outside the Kraków Metropolitan Area.

In the present European context, SME located far from the urban areas have been facing a challenge with regards to their development or even survival. Improvement of their innovative potential is necessary for promoting regional economic development and combating further significant depopulation in rural areas. Assistance for Małopolska SME located in rural areas in strengthening their position in order to overcome the barriers in their growth and competitiveness constitutes a challenge for the regional innovation policies. The above mentioned barriers include: geographical isolation (distance from the urban and populated terrains), gaps in infrastructure, limited possibilities of cooperation and significant gaps in knowledge, not only in the scope of ICT.

Małopolska as a region which is socially, culturally and economically diverse, despite constituting one of the strongest regions on the map of Poland, faces challenges related to the new perception of development. The accepted at the end of March 2018 new plan of spatial management encompasses resources and heritage, achievements of the region and of the local self-governments, but it also points out to the new development directions of Małopolska. Undoubtedly strong Kraków Metropolitan Area, after many years, is of significant importance for the development of innovation, however, the unused potential of the remaining areas of Małopolska, including in particular rural areas, constitutes a substantial area for consideration and planning of direction of further regional growth.

How we worked on the action plan, oriented towards innovation growth in the countryside

Works related to the elaboration of the Małopolska Action Plan were initially focused on establishing a proposal which would constitute a supplementation for the provisions and solutions of the Regional Innovation Strategy for the years 2014-2020, bearing in mind to a large degree the optics of development of innovation in rural areas of the region. However, in the course of the analyses and discussions with the process stakeholders, in particular with the Małopolska Group of Stakeholders, a number of aspects concerning the development of rural areas, with a significant impact on the growth of innovation in the countryside were identified. **Works conducted in the project constituted in the end an attempt to view the growth of Małopolska through the prism of its potentials and resources in rural areas, as well as barriers for their development, bearing in mind the key target of innovation development.** The accepted optics of perception thus constitutes an attempt to answer the questions asked with regards to the growth of the region from the perspective of the countryside inhabitants as well as the specific resources at their disposal and the barriers with which they need to cope.

Significant aspects in the entire process of searching for new solutions, tools and instruments, which may contribute to the development of innovation in rural areas include:

- **Exchange of knowledge**
 - The key role in the works on the project was played by the **Małopolska Group of Stakeholders** for the development of innovation in rural areas, which consisted of, among others, representatives of the region, self-government members, representing rural areas, local action groups, researchers, institutions responsible for the growth of entrepreneurship and innovation as well as entrepreneurs functioning in rural areas. The meetings of the Group of Stakeholders were targeted at an exchange of experiences and knowledge as well as discussion on the topics of directions and methods of development of innovation in rural areas of the Małopolska region (in total 10 meetings).
 - **The exchange of knowledge and discussion of project partners of RATIO** who, coming from nine organizations representing, apart from Małopolska, other regions in: Spain (leader), Germany, Czech Republic, Latvia, Estonia, Portugal, Italy and Ireland, shared their challenges and achievements with others was also of importance. It constituted an important inspiration for understanding of the development processes of innovation in rural areas, but it also delivered some tips in the scope of models of actions or individual solutions.
- **Participatory meetings with process stakeholders**
 - **20 local workshops**, realized in October and November of 2017 within the area of 18 poviats of Małopolska, during which the stakeholders of innovation development from rural areas could jointly search for solutions that would be adequate for rural areas.
 - The announcement of local workshops was the regional conference entitled **Małopolska: Innovations in rural areas-If? How? Which ones?**, which took place in rural areas-27 September 2017 in Ludźmierz. Approx. 100 persons attended the conference, representing different environments engaged in development actions towards rural areas, including scientists, industry environments, enterprises, representatives of the region and a large number of self-government representatives.
- **Researches, analyses and expert reports**, targeted at formulating key outcomes-the content of the action plan.
- **Consultations** on the proposed solutions under the elaborated action plan.

Conclusions, apart from the diagnostic part, were concentrated on formulating replies, which are individual parts of the action plan:

1/ What can the REGION do for the development of innovations-STRATEGICALLY

Strategic recommendations for regional self-government in the scope of development policy of rural areas in the region, in the context of innovations (innovation ecosystem).

This part contains recommendations which may be significant in the framework of works on the strategy for development of the region, which will be elaborated in the context of the new spatial management plan. It is an attempt to gather applications, taken out of the course of works over the plan. Not all the postulates are possible to be realized in such short perspective of time as it was planned as the implementation phase within the project INTEREG EUROPA (that is 2 years from the moment of completion of works on the plan).

Part of these proposals will be found in recommendations-the so called fast track of action plan-as ones proposed for priority implementation in relatively short period of time. These actions which are directly correlated with the development of entrepreneurship and stimulating innovation development.

2/ What can the REGION do for the development of innovation-FAST TRACK OF ACTION PLAN

Proposals of actions/regional instruments, directly impacting the development of innovation on rural areas- years 2018-2020.

As noted above, in this part one may find proposals of actions/ policy instruments, which are proposed for implementation in the framework of the carried out development policy of the region. These actions

are recommended for implementation until March 2020; they constitute a response related to the system of carried out projects realized in the framework of INTERREG EUROPA Programme (all projects under the programme assume conceptual and obligatory two year implementation stage).

Key indicators for the subject Plan were referred to this element.

Undoubtedly one must note that after almost thirty years of transformation, new challenges stand before self-governments. In the context of summing up the works on the new Action Plan it is worth noting one of the key conclusions from Ex-ante evaluation of RIS of Małopolska 2008-2013 (Kraków, November 2017):

“It means that the future innovation strategy will be more a strategy of building social capital, which ought to have more impact on cultural conditions for innovation, education, climate for using the scientific potential than direct financing of company investments”.

Therefore, within the presented Plan actions targeted at building the structure of ecosystem of innovation as an environment for people and creative institutions, open and cooperating, whose local activity and entrepreneurship constitute a driving force for the regional development were considered as critical.

PART 1: Policy Instrument profile

Policy Instrument- Strategic Program Regional Innovation Strategy of the Małopolska Voivodship 2014-2020

Strategic Program Regional Innovation Strategy of the Małopolska Voivodship 2014-2020, Axis 2. Creating demand for innovations.

Strategic Program Regional Innovation Strategy of the Małopolska Voivodship 2014-2020 is a detailed plan of implementation of the "Strategy for the Development of the Małopolska Voivodship 2011-2020" in the field of innovative economy. The main goal of the RIS is to increase competitiveness and innovativeness of Małopolska region through the implementation of a harmonious policy focused on improving the conditions for business development, innovation and science and the information society, stimulating demand for innovation and strengthening cooperation between science and economy, especially in the areas of regional specialization.

The RSI programme part has been structured in a three-step system that creates priorities, activities and strategic undertakings. The objective of priority 2 is to increase the companies' propensity to introduce business innovation by eliminating barriers and reducing innovation costs. It also assumes the achievement of private sector sustained expenditure increase on research and development activities, which is connecting with support for companies in the area of shaping innovation policy and regional development.

The RATIO project assumes the improvement of the "Strategic Program RSI WM 2014-2020" by:

1. improvement of the Program management, so that the development of innovative entrepreneurship takes into account the territorial specificity, in particular rural areas,
2. development of a new instrument, that will be designed, so that on one hand it contributes to diffusion of innovation to areas far from the metropolis, and on the other - to increase own innovative potential of enterprises in rural areas, especially in the field of knowledge and skills in using information and communication technology in order to accelerate development.

The Małopolska Action Plan was based on the conclusions of moderated local workshops carried out in 19 Małopolska poviats and 1 regional workshop, attended by representatives of various sectors, such as representatives of local governments, local non-governmental organizations, entrepreneurs, and also social economy entities. Moreover, regional analyses and the results of the RIS 2007-2013 evaluation have also been taken into account, as well as good practices and good solutions identified through the implementation of the RATIO project. The Małopolska Action Plan, prepared in this way, was subject of consultations of the Małopolska Group of Stakeholders, which included representatives of regional public administration, responsible for managing the policy instrument, Regional Innovation Strategy of Małopolska Voivodships 2020. Support for the recommendation was expressed by the Deputy Marshal of the Małopolska Voivodship, as a representative of the Board of the Małopolskie Voivodship and by Deputy Director of Department of Treasury and Economy Marshal Office of the Małopolska Region- Managing Authority of Regional Innovation Strategy of Małopolska Voivodships 2020 in the following endorsement letters:

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Kraków, 29 maja 2018 r.

dr hab. Stanisław Sorys
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i Administracji w Krakowie

W odniesieniu do Małopolskiego Planu Działania na Rzecz Rozwoju Innowacji na Obszarach Wiejskich opracowanego przez FRDL Małopolski Instytut Samorządu Terytorialnego i Administracji w Krakowie w ramach projektu RATIO Interreg Europa, chciałbym potwierdzić, że otrzymałem ww. dokument w marcu 2018 r. Rekomendacje zawarte w Małopolskim Planie Działania na Rzecz Rozwoju Innowacji na Obszarach Wiejskich zostaną wzięte pod uwagę w procesie aktualizacji dokumentów strategicznych związanych z rozwojem regionalnym w latach 2018-2020.

I refer to the Małopolska Action Plan developed by FRDL Małopolska Territorial Self-Government and Administration Institute in Krakow in the context of the Interreg Europe RATIO project, I wish to confirm receipt it in March 2018. Recommendations contained therein will be taken into account in the process of actualization of strategicall documents of regional development in Małopolska region in the period of 2018-2020.

Z poważaniem
Your sincerely

Wicemarszałek
Województwa Małopolskiego

dr hab. Stanisław Sorys


Kraków, 24 września 2018 r.

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W odniesieniu do Małopolskiego Planu Działania na Rzecz Rozwoju Innowacji na Obszarach Wiejskich opracowanego przez FRDL Małopolski Instytut Samorządu Terytorialnego i Administracji w Krakowie w ramach projektu RATIO- Regional Actions to Innovate Operational Programmes Interreg Europa, rekomendacje dotyczące wzmocnienia kompetencji kapitału ludzkiego obszarów wiejskich, kierowania do przedsiębiorców na obszarach wiejskich dedykowanych form wsparcia, w postaci różnych rodzajów i typów bonów wzmacniających inkubowanie i wdrażanie innowacji, wsparcie mechanizmów stymulowania rozwoju i transferu innowacji na obszarach wiejskich poprzez inwestycje w infrastrukturę oraz wzmocnienie usług rozwojowych, stymulowanie rozwoju i transferu innowacji na obszarach wiejskich poprzez wsparcie procesu dydaktyczno-naukowego, zostaną wzięte pod uwagę w pracach nad aktualizacją instrumentu polityki, jakim jest Program Strategiczny Regionalna Strategia Innowacji Województwa Małopolskiego 2020 oraz w pracach nad nowymi dokumentami strategicznymi tj. Regionalna Strategia Innowacji 2027 oraz Strategia Województwa Małopolskiego 2030.

I refer to the Małopolska Action Plan developed by FRDL Małopolska Institute of Local Government and Administration in Krakow in the context of the Interreg Europe RATIO- Regional Actions to Innovate Operational Programmes project, recommendations for strengthening competences of human capital in rural areas, referrals to entrepreneurs in rural area dedicated forms of support, in form of different types of vouchers for innovations, support mechanisms for stimulating development and transfer innovation in rural areas through infrastructure investments and strengthening development services, stimulating the development and transfer of innovations in rural areas by supporting the didactic and scientific process, will be taken into account in the work on updating the Policy Instrument, the Strategic Programme Regional Innovation Strategy for Małopolska Region 2020 and in the work on new strategic documents, i.e. Regional Innovation Strategy 2027 and Strategy of the Małopolska Voivodship 2030.

Z poważaniem
Your sincerely


Zastępca Dyrektora
Departamentu Skarbu i Gospodarki
Joanna Domańska

Taking into account the regional context (Diagnosis, Annex 1), the Małopolska Action Plan defines the following main recommendations to the Policy Instrument, Regional Innovation Strategy of the Małopolska Region 2014-2020:

- Strengthening the competence of **human capital in rural areas** and greater concentration of regional programs and projects on the development of key competences, including through such undertakings as: development of local leaders of innovative entrepreneurship among young people, development of key competences of adults in non-formal education, exchange of experience and good practices in international partnership projects.
- Referrals to entrepreneurs in rural area **dedicated forms of support**, taking into account the specificity of rural areas, in the form of various types of vouchers that strengthen incubation and implementation of innovations.
- Support for mechanisms stimulating the development and transfer of innovation in rural areas through investments in **infrastructure**, e.g. economic zones, co- working and implementation of **development services** targeted at economic entities located in rural areas, such as: mobile, specialist innovation consulting, services brokerage.
- Stimulating development and transfer of innovations in rural areas by supporting the **didactic and scientific process** in the field of rural development: thesis, master's and bachelor's theses and the development of innovation networks in the region based on the **education of local self-governments**.

The Małopolska Action Plan, in relation to each of these recommendations, formulates appropriate ways to implement them, inspired by the exchange of good practices and experiences resulting from the RATIO project, which is presented in the table below:

I ASSUMPTIONS OF THE RATIO PROJECT	II ELABORATED RECOMMENDATIONS	III ELABORATED FORMS OF REALIZATION	IV GOOD PRACTICES INSPIRATIONS
1. improvement of the Program management, so that the development of innovative entrepreneurship takes into account the territorial specificity, in particular rural areas,	a) Strengthening the competence of human capital in rural areas and greater concentration of regional programs and projects on the development of key competences, including through such undertakings as: development of local leaders of innovative entrepreneurship among young people, development of key competences of adults in non-formal education, exchange of experience and good practices in international partnership projects	ACTION A: LEADERSHIP AT LOCAL LEVEL ACTION B: BUSINESS FOR THE YOUNG-THE YOUNG FOR INNOVATION-B1 01.MI. EDUCATING AND DEVELOPING EMPHATIC AND CULTURE-CREATIVE LEADERS	Creativity applied to innovation through improvement of human resources capacities in SMEs - <i>Regional Association of Lazio Municipalities IT</i>
1. improvement of the Program management, so that the development of innovative entrepreneurship takes	b) Referrals to entrepreneurs in rural area dedicated forms of support, taking into account the specificity of	ACTION E: SUPPORT FOR MECHANISMS OF STIMULATING DEVELOPMENT AND INNOVATION TRANSFER-	Regional Agency of Technology and Transfer in Aragon region-cooperation between science environment and

<p>into account the territorial specificity, in particular rural areas,</p>	<p>rural areas, in the form of various types of vouchers that strengthen incubation and implementation of innovations.</p>	<p>E.1.1, E2 05.MI. MICRO VOUCHER FOR INNOVATION IMPLEMENTATION 07.MI. VOUCHER FOR HORIZON</p>	<p>SMEs and building capacity for innovation incubation in SMEs</p>
<p>1. improvement of the Program management, so that the development of innovative entrepreneurship takes into account the territorial specificity, in particular rural areas,</p>	<p>c) Support for mechanisms stimulating the development and transfer of innovation in rural areas through investments in infrastructure, e.g. economic zones, co-working and implementation of development services targeted at economic entities located in rural areas, such as: mobile, specialist innovation consulting, services brokerage.</p>	<p>ACTION B: BUSINESS FOR THE YOUNG-THE YOUNG FOR INNOVATION- B2 02.MI. THE SUPPORT FOR CREATION OF CO-WORKING SPACE IN RURAL AREAS ACTION F: COOPERATION FOR THE DEVELOPMENT OF ENTREPRENEURSHIP AND INNOVATION 03.MI. MAŁOPOLSKA WINDOW OF KNOWLEDGE AND POSSIBILITIES (paper clip) ACTION G: STIMULATING AND</p>	<p>Good practice, a model example of the Irish Ludgate https://www.ludgate.ie/ - West Cork. Projects inspired by the good practice of Local Enterprise Office from the Irish South West region.</p>

		DEVELOPING LOCAL PRODUCTS	
2. development of a new instrument, that will be designed, so that on one hand it contributes to diffusion of innovation to areas far from the metropolis, and on the other - to increase own innovative potential of enterprises in rural areas, especially in the field of knowledge and skills in using information and communication technology in order to accelerate development.	d) Stimulating development and transfer of innovations in rural areas by supporting the didactic and scientific process in the field of rural development: thesis, master's and bachelor's theses and the development of innovation networks in the region based on the education of local self-governments.	<p>ACTION E: SUPPORT FOR MECHANISMS OF STIMULATING DEVELOPMENT AND INNOVATION TRANSFER-E.1.2</p> <p>06.MI. STUDENTS FOR THE COUNTRYSIDE</p> <p>ACTION D: DEVELOPMENT AND STRENGTHENING KNOWLEDGE FOR INNOVATION IN THE REGION-D1</p> <p>04.MI. NETWORK OF KNOWLEDGE-SELF-GOVERNMENT IN THE NETWORK FOR INNOVATION</p>	Projects inspired by the good practice- financial support to innovative projects of SMEs. The support enables SMEs to cooperate with universities or research centres on innovation of their products or services, Czechy, Ústí nad Labem.

PART 2: **What may the REGION do for the development of innovation- STRATEGICALLY**

**Strategic recommendations for the
regional self-government in the scope
of policy of development of rural areas
in the region, in the context of
innovations/**

Priority I STRENGTHENING COMPETENCIES AND HUMAN CAPITAL

KEY CHALLENGES:

- Weakly used assessment tool for own potential in the context of labour market and various professions, understood as individual professional consulting and the process of educating the parents, who are to support the children in making the right choices.
- Mass education in vocational schools, in professions inadequate for the local labour market-deficit on the labour market, especially in traditional professions (dying ones)/ industries in some parts of Małopolska.
- Increasingly stronger felt lack of competent personnel/ with qualifications searched by the entrepreneurs.
- Too theoretical process of vocational education (in colleges and vocational schools)-does not prepare graduates to enter the labour market, which in the effect “forces” them to take up jobs in larger urban centres, on the basis of labour contracts, regardless of local demand for services in their industry (i.e. in towns distant from the city in rural areas).
- Outflow of most precious intellectual capital-labour emigration of the youth and the talented. Kraków and the entire Kraków Metropolitan Area and Silesia are attractive places for work and living, constituting an alternative for the youth, who migrate from rural areas, settle down and start families; the outflow of young people occurs from rural areas, which are the greatest development potential.
- The identified and defined by the stakeholders of innovation development in rural areas need for a definitely greater creativity and actions for stopping the outflow of young people in rural areas (most invested social capital).
- Weak use of the potential of the youth and gaps in infrastructure and the offer, improving their social inclusion (gaps causing social exclusion, which does not facilitate decisions on staying or coming back to one's home place after a leave for educational or work purposes).
- Adjusting qualifications of the young generation to the needs of local enterprises as a factor which stimulates part of them to return.
- Too small support for the existing local leaders and almost no local leaders as initiators/promoters of the existing development initiatives-lack of mechanisms stimulating creativeness of the inhabitants.

ACTION A: LEADERSHIP AT LOCAL LEVEL

Type of actions:

- A.1. Educating and developing emphatic and culture-creative leaders as transmitters of modern form of management and pro-social activity, based on cooperation and local activity.**
/Creating conditions for activeness of the young at the stage of secondary school and studies constitutes a significant but necessary investment in social capital. The young may learn activeness and engagement in their own (local) matters, solely through activeness at the stage when they have time, are brave and eager to take risks, engage keenly. This experience is substantial at the stage of taking later decisions, related to settling down and engaging professionally. What is important is for the proposed training cycles to end in realization of micro projects for the local society, elaborated in teams through the participants and implemented in the course of project duration (possible cooperation with organizations/local institutions).
Local leaders constitute a significant potential for the development of rural societies, as well as for creation of ecosystem, necessary for the development of entrepreneurship and innovation. They are often called development driving force. Therefore, the support of active local leaders-persons acting towards local communities-and investing in their development is of great importance socially in the context of development perspectives.
- PROPOSED FORMS OF REALIZATION:**
- Inclusion in the programme of cooperation of the Małopolska Region with non-governmental organization and other entities conducting public utility activity, targeted at development of leadership competencies of young persons at the stage of high school and studies (leadership)-entrusting/support for realization of the tasks in the form of open offer contests.**
Description:
Inclusion for cooperation of NGOs and other entities conducting public utility activities and planning funds for projects of social organizations which may be supported/entrusted in the effect of realization of open offer contest and the selection of best offers.
 - Inclusion into the cooperation programme of the Małopolska Region with non-governmental organizations and other entities conducting public utility activity, targeted at development of leadership competencies and professionalization of local leaders-persons acting towards local societies (leadership) - entrusting/support for realization of the tasks in the form of open offer contests.**
Description:
Inclusion into the cooperation non-governmental organizations and other entities conducting public utility activity and planning resources for projects of social organizations which may be entrusted/supported in the effect of realization of open contest of offers and the choice of best offers.
 - Realization of projects by regional self-government in potential cooperation with local partners.**
Description:
Projects elaborated and implemented by the Małopolska Region towards the target group, with a possibility of realizing jointly with local partners. Projects may be funded from the region's budget and the external resources, as well as with participation of funds from local partners.

Proposed/sample projects:

Project A.1.1: YOUNG LEADER ACADEMY

Trainings in the scope of leadership for the youth (cycles of trainings), where young people will be prepared for undertaking local activities with regards to:

- Their identity and place in which they live;
- Conscious adjusting of their development path for their actions;
- Knowledge and tools for project realization (development ventures);
- Features and skills necessary in the work of a leader/motivator/coordinator,
- Practical realization of proposed by the training participants ideas/projects, in cooperation with the existing local organizations or as non-formal groups (it is worth to consider the possibility of granting micro grants for the project-i.e. In the amount of PLN 500).

The venture is based on the assumption that activeness, engagement, actions may be learnt through active work in a group towards the local society (engagement in various types of charity organizations, interest groups, local projects).

Project A.1.2: SCHOOL OF LEADERS

Assigning teachers at high schools who would animate the work of the group of young people, interested in creating creative projects in rural areas. These groups might compete with one another in the framework of a contest for the most innovative project and several best teams ought to receive funds for their implementation. Organization of a kind of social hackathon is proposed once a year for this youth.

A.2. Optimizing the programme of development of key competencies in projects realized under the Regional Operational Programme of the Małopolska Region for the years 2014-2020

/Review and optimizing the programme of development of key competencies in projects realized under the Regional Operational Programme of the Małopolska Region for the years 2014-2020, in particular Priority 9 development of daily support facilities and in Priority 10 projects in the scope of pre-school education, education in schools conducting general education. Directing educational projects at development of competencies, promoting innovative thinking, such as: sense of initiative and entrepreneurship, learning skills and social competencies.

PROPOSED FORMS OF REALIZATION:

1. Rewarding projects which place special emphasis on development of competencies promoting innovative thinking.

Description:

Rewarding projects which apply and develop pedagogical innovations while assuming development of innovative thinking in the learning effects.

2. Introduction of Action 10.1 ROP MR for 2014-2020, possibilities of realizing projects for a wider catalogue of key competencies.

Description:

Within the project types, expanding the catalogue of key competencies, covering not only the following competencies: Mathematical and basic scientific-technical competencies and IT competencies (group A).

At the same time, in the context of recommendation from evaluation of the Małopolska Strategy for Innovation Development for the years 2007-2013, the need for larger impact on cultural conditions of innovation and education are emphasized. In this context introducing classes to the offer of schools and educational facilities which enable development of the remaining key competencies, which concern directly pro-active attitudes and openness to entrepreneurship and innovativeness, that is: Learning skills, social and civil competencies, sense of initiative and entrepreneurship as well as awareness and cultural expression (group B).

Therefore, introducing preferences is proposed (access to granting additional points), for projects in the framework of the action in a manner which will combine the possibility of participation of pupils in classes developing key competencies from groups A and B, whilst the classes in the scope of development of key competencies from group B should not constitute less than 25% of the total number of offered hours of classes.

A.3. Incubating social innovations as stimulants of development of social capital

/Strengthening and developing social capital determines on one hand the development of innovation as well as conscious use by the society of innovations implemented in various areas of social and economic life. Social capital and innovations are two variables which impact one another.

Adult education ought to shape the adults in such a way, so that, on one hand they supported the process of innovation incubation and/or incubating innovations, become authorities for the children in this scope, as well as were aware recipients of the innovations which increase the quality of life. For this purpose, non-contest based, non-formal education for adults is critical, which ought to develop key competencies, also for the adults such as: communicating in native language, communicating in foreign languages, mathematical and basic scientific-technical competencies, IT competencies, learning skills, social and civil competencies, sense of initiative and entrepreneurship, awareness and cultural expression. Development of key competencies impact the development of behaviours and attitudes desired while generating innovations, such as: growth of knowledge on the basis of various sources, critical analysis of information, cooperation, creative discussion, responsible decision making, critical thinking, active working and participating in social life-placing targets, forecasting and implementing changes, including all members of the local society to local projects, interdisciplinary thinking. Programmes of adult education ought to be based on modern themes, important from the perspective of modern problems, trends and changes which might strengthen competencies and above noted features such as: global education, ecological education, cultural education, new media and media education.

PROPOSED FORMS OF REALIZATION:

- 1. Inclusion into the programme of cooperation of the Małopolska Region with non-governmental organizations and other entities conducting public utility activity, targeted at development of key competencies of adults-entrusting/supporting realization of tasks in the formula of open offer contests.**

Description

The contest of offers for realization of ordered public tasks in the area of projects for adults, non-professional education of adults, with reference to the indicated topics, such as: global education, ecological education, cultural education, media education with special consideration of didactic innovations in the proposed projects

- 2. Directing the Civil Budget of the Małopolska Region towards generating innovations**

Description

Rewarding within the Civil Budget of the Małopolska Region innovative projects in the scope of non-professional adult education, directed towards teaching key competencies based on the desired topics: global education, ecological education, cultural education, and media education.

- 3. Development of the fund of own input for NGOs.**

Description

Support for NGOs which realize projects co-funded in the non-professional areas of adult education, directed towards developing key competencies through financing own input in their projects.

- 4. Inclusion of innovation in the scope of educating adults in the area of non-professional education into the events of the Małopolska Region.**

Description

Inclusion of events devoted to innovative projects, methods, non-professional practices of adult education into the programme of events of Małopolska Region, such as for instance: Festival of Innovations and other general promotional events.

A.4.

Identification of the assumptions of competence model of social innovators.

/Identification of assumptions for the competence model of social innovators which ought to become a point of reference for projects of shaping the leaders of social innovations. This model should in a practical way identify competence features of social innovators in the area of knowledge, skills, and attitudes. It should also identify the tools of competence development of social innovators in the area of: tools of competence assessment, effects of learning, forms and educational methods. The competence model of social innovators should also differentiate the methods of learning and the development of competencies with regards to children and the youth and adults. The model should identify pedagogical innovations with regards to children and teenagers and didactic innovations with regards to adult education.

PROPOSED FORMS OF REALIZATION:

- 1. Realization of the regional project in non-contest mode in the scope of defining the competence model (in potential partner cooperation with key regional institutions in the area of social capital development).**

Description:

The project of conceptual nature, which includes research works in the area of identifying the features of social innovations, development works in the area of competence model of social innovators, cooperation and working groups with the stakeholders in the region, elaborating the competence model and the plan of promoting the project outcomes in the region.

- 2. Realization of international project of exchange of good practices and identification of innovations in strategic partnership of the regional self-government, key regional institutions in the area of social capital and foreign partners.**

Description

International partner project, based on exchange of good practices and conceptual works between partners in the area of identifying features of social innovation, competence model of social innovators.

Proposed/sample projects:

Project A.4.1 SOCIAL INNOVATOR-COMPETENCE MODEL

The project of conceptual nature, which includes:

- Research works in the area of identification of features of social innovations,
- Development works in the area of competence model of social innovators,

- Cooperation and working groups with stakeholders in the region,
- Elaborating competence model,
- Elaborating the plan of promoting project outcomes in the region.

ACTION B: BUSINESS FOR THE YOUNG-THE YOUNG FOR INNOVATION

Type of actions:

B.1. Identification and incubation of new ideas of young enterprising persons from rural areas, motivating to experiment/set up local businesses.

/Outflow of young, invested persons from rural areas is as a rule a phenomenon which cannot be stopped. However, it is important to create conditions/instruments which will constitute an incentive to remain of at least some of them for those, in whom the region invested for years (i.e. Through scholarships, or non-school classes), wanted to invest their effort of professional start locally. What is significant here is that today's reality enables access to outlets and customers even in distant places (i.e. Internet, emails or sale of services/goods via internet). Undoubtedly, for the Małopolska countryside this situation is relatively new and requires new instruments-solutions for the realization of public policies. At the same time, a critical value for the young and for local societies is building its future in the context of heritage both with regards to the place of residence and the family as well as the possibilities of gaining support (also in the context of resources-land, buildings or future support in educating children). This added value may in the future decide about competitiveness of provided services or the produced goods, since they may require less financial inputs in the phase of activity development (smaller need of crediting development, which increases the costs of activity).

Combined with the reliefs introduced at the national level in payments for ZUS-exemption from payments for the first 6 months of conducting new economic entity (apart from the preferential payments for the subsequent 24 months) may constitute an additional element of incentive in the scope of entrepreneurship, especially one realized locally. These actions may be of great importance for the carried out and necessary processes of disagrarisation in the countryside. /

PROPOSED FORMS OF REALIZATION:

1. Realization of contests for innovative solutions of the youth in high schools with potential for local realization-entity activity in the commune/town from which he or she comes from.

Description:

The contest will constitute a tool for the promotion of entrepreneurship among the youth (education for entrepreneurship) and shaping of pro-business and innovation attitudes.

The addressees of the contest are the youth from high schools in the area of Małopolska.

The realization of the contest is optimal on the region scale (it is also possible to be realized in the poviat structure).

The contest ought to provoke the young to create the concepts of new solutions, possible for realization as business ventures. Pupils who as school teams elaborate common business concepts may be engaged in the contest.

The created business concepts ought to consider local conditions of the planned activity (commune, poviat), understood as potentials/resources/competitive advantages, with reference to the possibilities of providing services/ distributing products not only on the local market but also to the neighbouring markets, in line with the principle **act locally-sell globally**. One of the assumptions may be the relation with local or regional strategic documents (i.e. Smart specializations).

Business plans may be created in categories compliant with the requirements of strategic documents (i.e. smart specializations stemming from the Regional Innovation Strategy of the Małopolska Region 2014-2020).

Awards: apart from financial awards, these could be the so called development vouchers for trainings which prepare for activities on the market (i.e. In the scope of marketing, presentation, time management) or participation in a dedicated training cycle, the so called leadership.

2. Realization of contests for innovative solutions of students with potential for local realization.

Description:

The contest will become a tool for promotion of entrepreneurship among the youth and incubation of new business innovative ventures in the areas of communes/poviats which are submitted by the youth.

The created business concepts ought to consider local conditions of the planned activity (commune, poviat)

understood as potentials/resources/competitive advantages, with reference to the possibility of providing services/distributing products above all on the local market (clients, competition, means of sale on the local market). Upon assessment of the business plans the adequacy towards these assumptions should be highly evaluated.

At the same time, the business plan may include the impact and the possibility of providing services not only on the local market, but also in neighbouring markets, in line with the concept of **act locally-sell globally**.

The best business ideas in the area of Małopolska may obtain financial support (form of scholarship/grant) for the implementation of the given business idea. The height of award would correlated with the degree to which the local self-government wished to participate in the funded award. It is anticipated that bearing in mind the local benefits, including from strategic perspective, the award could be funded by the region (as the main organizer) or the local self-government (communes, poviats in which the economic activity would be established).

3. Introduction of preferences in the framework of the existing and projected repayable instruments-loans for realization of business ideas for the young entrepreneurs up to 26 years old.

Description:

Creation of the system of preferential loans for realization of business ideas for young entrepreneurs up to 26 years old, including laureates of the above described contests, who wish to implement their business ideas. The system of loans for "start" would assume better conditions, upon the assumed financial threshold (maximum amount) with regards to the remaining market offer.

This is targeted at supporting young businesses and creating a certain development impulse-an instrument dedicated for the young initiatives with a potential for innovation development.

A possibility of additional preferences is assumed for laureates of the above noted contests (as ideas supported by previous consulting/trainings).

For most innovative ideas which reach the assumed effects, a consideration/implementation of partial redemption of repayment would be optimal.

Proposed/sample projects:

Project B.1.1 BUSINESS JUNIOR

The contest for business ideas for pupils of high schools.

Framework assumptions of the contest:

- The contest will constitute a tool for promotion of entrepreneurship among the youth (education for entrepreneurship) and shaping the pro-business and innovative attitudes.
- The contest ought to encourage the youth to create concepts of new solutions possible for realization as business ventures. Pupils who as school teams elaborate jointly the business concepts may participate in the contest.

They ought to consider the local conditions of the planned activity (commune, powiat), understood as potentials/resources/competitive advantages with regards to the possibility of providing services/distribution of products not only on the local market, but also on the neighbouring markets, in line with the concept of **act locally-sell globally**. One of the assumptions may be the relation with local or regional strategic documents (i.e. Smart specializations).

- The addressees of the contest are the youth from high schools within Małopolska.
- The realization of the contest is optimal on the region scale (it is also possible to be realized in the powiat structure).

Framework realization assumptions:

- One of the assumptions was the link with local or regional strategic documents-ideas might be created in categories, in line with smart specializations, stemming from the Regional Innovation Strategy of the Małopolska Region for 2014-2020.
- The criteria of assessment of business plans will use good practices and experiences of institutions participating in granting of financial support for the start of economic activity as well as ones supporting innovative ventures of entrepreneurs.
- The contest may be realized in 2 states or, upon lower number of submitted business plans, it may be realized in a single stage and it may assume that:
 - Teams are submitted for the contest-from each school a maximum 1 team of 3 members.
 - The selected teams elaborate business plan according to a defined pattern.
 - Contest participants present the assumptions of a business plan-functioning of their innovative company which might operate in the place of their residence (commune). The presentation of the idea may be carried out in any form (i.e. Multimedia presentation, model).

- Business plans may be created in categories compliant with the requirements of strategic documents (i.e. smart specializations stemming from the Regional Innovation Strategy of the Małopolska Region 2014-2020).
 - Awards: apart from financial awards, these could be the so called development vouchers for trainings which prepare for activities on the market (i.e. in the scope of marketing, presentation, time management) or participation in a dedicated training cycle, the so called leadership.
- Organizer: Business environment institution/proposal: FRDL MISTIA/

Project B.1.2 YOUNG MAŁOPOLSKA FOR BUSINESS

The contest for best business concepts addressed to the students coming from Małopolska.

Framework assumptions of the contest:

- The contest would assume creating individual or team business concepts, located in places from which the students come (place of registering activity “my commune”).
- **Creation of business concepts must include local conditions of the planned activity** (commune, powiat), understood as potentials/resources/competitive advantages, with reference to the possibility of provision of services/distribution of products, above all, on the local market (clients, competition, methods of sale on the local market). Upon assessment of the business plans the adequacy towards the assumptions ought to be highly evaluated.
- At the same time, one may include in the business plan the impact and the possibility of providing services not only on the local market, but also in the neighbouring markets, according to the concept of **act locally-sell globally**.
This may also be concentrated, i.e. on creating elements/components or provision of services for the purposes of other entities acting locally and importing them from distant location or even from abroad.
- The contest is realized as an event of regional scope.
- The target group of the contest includes students coming from Małopolska (place of residence).
- In the context of targets of the action plan for the development of innovation in rural areas of Małopolska, it is anticipated that there will be a possibility of taking decisions regarding excluding from the contest the area of the city of Kraków (member of a team might however come from the area of Kraków, but the activity ought to be located in the place of origin of another team member).

Framework realization assumptions:

- One of the assumptions may be the link with local or regional strategic documents-ideas might be created in categories compliant with smart specialization stemming from the Regional Innovation Strategy of the Małopolska Region for the years 2014-2020.
- The criteria for business plans will use good practices and experiences of institutions participating in granting financial support for the start of economic activity and supporting innovative ventures of entrepreneurs.
- Contest would be realized in 2 stages:

Stage 1

- The contest would encompass the first stage in which business plans would be submitted according to a specific pattern and then assessed, obtaining implementation recommendations.
- The assessment of a business plan in line with the accepted criteria would mean additionally the creation of package of recommendations in the context of the submitted business plan (conceptual and marketing), which might constitute an important element in the context of potential implementation.
- Awards for participants of the contest at this stage might be formed by the so called development vouchers for trainings which prepare for activities on the market (i.e. in the scope of marketing, presentation, time management) or participation in a dedicated training cycle, so called leadership.
- Recommended/winning ideas qualify to participate in the second stage-contest laureates who wish to undertake implementation, post review of business plans, might obtain **consulting support in order to maximize the implementation effects** and, through recommendation of experienced experts, select optimal solutions for a given type of activity (i.e. Building a network of clients, marketing, e-marketing).

Stage 2

- The best business ideas from the area of Małopolska might obtain financial support (form of scholarship/grant) for implementing the business idea.
The youth whose business plans have been created in the framework of the contest and are of implementing nature are invited to use further possible step-obtaining financial support for

realization of their business idea (implementation). The obtaining of financial awards is related to undertaking an intention to implement the business idea (declaration of contest participants). At this stage the youth will have a chance to conduct corrections of their business plans (also in the context of recommendations at the earlier stage).

- The youth who wish to implement the described assumptions might/should obtain consulting support-as shown by positive experiences of entrepreneurship development in rural areas (i.e. Kentucky Highlands Investment Corporation or Nebraska Community Foundation), the largest percentage of survival of new companies takes place in conditions of comprehensive management consultancy, accompanied by ensuring financial means designated for development.
- The value of financial award for a given business idea would have a specific minimum pot, however, the maximum would depend on a degree in which the local self-government would wish to participate in the funded award. It is estimated that, bearing in mind local benefits, including the strategic perspective (a chance for the functioning of such venture locally and the potential for creation of new attractive workplaces), this award might be funded by:
 - a. Regional self-government-Małopolska Region (main organizer of the contest).
 - b. Commune self-government in which the economic activity would be set up.
 - c. Powiat self-government in which the economic activity would be set up.

Two variants of realization in the context of award are possible.

The first one, in which the value of award for the young from the area of a given commune might be defined at the stage of contest announcement (volume of award for a given commune will depend on whether a given commune and powiat participate in the funding, which may constitute an element of an incentive for the young and a positive social PR).

The second one, in which a minimum value of the award is established and in the effect of the carried out call for applications, the self-governments may make a decision on jointing the contest realization, funding a give pot of funds for awards.

Promotion:

For effective realization solely dissemination and promotion among the young inhabitants or rural areas of poviats and rural communes of Małopolska is assumed.

Organizer:

Proposal-Małopolska Agency of Regional Development/ Małopolskie Centre of Entrepreneurship.

/An alternative for realization of the above formula of generating new business ideas (possible for realization simultaneously) is to invite **young active and creative students**, coming from outside Kraków to join the training-advisory cycle, in the effect of which business ideas possible for implementation would appear. This path is thought for a group of those students who are worth being provoked for self-creation of their ideas (and not through joining a large enterprise-in line with the opinion of the entrepreneurs that creative youth who "anchor" after studies at the stage of large corporation, will in almost no case decided to change the direction of own business).

Stage I would assume submission of the young, creative persons out of which 3-4 person teams will be formed. The teams will participate in a cycle of trainings which is to prepare them to work on the assumed business plans. Then, during the workshops led i.e. By means of design-thinking method the young people will elaborate their own business plans (product/service for implementation). These ideas will be made more precise with a coach/consultant, selected for each team.

Subsequently, the elaborated business plans will be assessed in accordance with the principles and approach described in stage 1 above.

Stage II-similarly to the described above formula, however, above 2 team members the award/scholarship should be doubled.

B.2. The support for creation of co-working space in rural areas, correlated with smart specializations of Małopolska as a promotion of entrepreneurship attitudes.

/Creation of co-working space in the countryside as an increasingly more popular form of work among the persons who commence their professional activity. *In the context of rural areas this might have a significance for the increase of their attractiveness on the labour market. More and more often the strong sides of places distant from city noise and traffic are appreciated which at the same time allow for realization of one's aspirations, using the same what is ensured by co-working zones in the city (a desk, computer, internet, training room or conference room or equipment in case of profiled zones and, more importantly, creative team).*

The solution may be adaptation of free facilities belonging to the commune or leasing of other objects for the purposes of newly established companies. This type of actions should not only encourage for creation of new companies thanks to minimizing the needs for financial input in the initial period, but also stimulate cooperation between entrepreneurs. Depending on the part of region and its specificity, creation of thematic space or hubs as initiatives targeted at common use of machines and devices by young entrepreneurs is possible. Dynamic growth of co-working zones in Kraków and the ongoing new investments in this scope constitute a significant information about culture and mentality of the youth, for whom the quality of life is critical, which is understood not only as quality of space in business but also as potential of interesting meetings in such zone.

PROPOSED FORMS OF REALIZATION:

1. Realization of contest, enabling granting of subsidy for local self-governments, local groups of actions or business environment institutions, allowing for the creation/availability and commencement of co-working space activity, combined with the training-consulting support for SME at an early stage of development.

Description:

Subsidies for local self-governments (or entities representing them-operators), local action groups or business environment institutions, which in the effect of the announced contest wish to create/make available the co-working space for the purposes of the inhabitants of rural communes or rural-urban communes.

The projects would ensure creation and commencement of activity of co-working spaces, combined with training-consulting support. The created co-working zones will operate on the basis of a specific plan of use of the planned for realization infrastructure under the venture, including the strategy of service provision. The document should contain also a catalogue of offered services and direction of offer development, including also the assumed price policy (prices of rental of "desk" in such space with access to common infrastructure/devices ought to be higher after 2 years of operations, especially in case of thematic space/hubs (i.e. with infrastructure for production of advertisements, graphics, sound processing etc.). Point of reference for the planning of this type of activity might be the model example of the Irish <https://www.ludgate.ie> - West Cork.

In the process of planning and assessment a special attention must be drawn to the target group, joined with potential idea for the created co-work, bearing in mind the local market of services, resources and potential. A key element is also the communication plan-promotion of the created co-working space, which will show its key advantages not only in the context of way of functioning or infrastructure but also a place for living for the entrepreneurs, who decide to conduct their activity away from the fast and crowded city.

An extremely significant aspect of the planned co-working zone is the training-consulting offer. Care for its quality and relation to industry/industries, under which the entrepreneurs will function. These services are to give the possibility of factual pragmatic support for the entrepreneurs, which will translate into the functioning on the market. Thus, it is important in this respect for the zone organizers to maintain flexibility and react to factual development needs of the entrepreneurs who will function in the framework of zones.

Preferences important for the promotion of enterprising attitudes in rural areas (possible for encompassing in the scale of points and/or the access criteria):

- Lack of co-working zone in the commune.
- The project assumes modernization, potentially joined with an expansion of the existing building.
- Communes characterized by the lowest level of entrepreneurship with reference to average level in Małopolska.
- The commune and powiat in the territory of which a co-working zone is planned to operate will undertake to include in the realization of the contest Young Małopolska for business (project described in the frames of type of action B.1), through joining in the funding of scholarship/grant which will enable implementation of the planned business plan-for participation of each of the levels of self-government

additional points (not applicable for cities with powiat rights).

- Commune/powiat in the area of which the co-working zone will operate, will introduce within its offer classes in the scope of entrepreneurship, assuming the creation of simulation of company operations (from idea to realization) if possible with the use of IT tools for the minimum of 10% of the youth at the age of 16-18 in each subsequent year of the period of project duration.
- Within the communal programme of revitalization, the outflow of young people, the precious social capital, was defined as one of the significant social-economic problems and the creation of co-working zones was anticipated.

2. Realization of projects by regional self-government (in potential cooperation with local partners) in towns distant from Kraków by approx. 50 km and towns below 50 thousand inhabitants, targeted at creating specialist zones.

Description:

The realization of projects, **placing emphasis on the realization of co-working specialist zones (including in the scope of high technologies)** which might be located in towns distant from Kraków by approx. 50 km and towns below 50 thousand of inhabitants, targeted at creating specialist zones.

Projects elaborated and implemented by the Małopolska Region towards the target group with the possibility of realization in cooperation with local partners. Projects may be financed from the regional budget and/or external sources as well as participation of funds from local partners.

The assumptions for this type of ventures are analogue as in the contest formula-specified in point 1.

Priority II INTENSIFICATION OF DISAGRARISATION ACTIONS IN MAŁOPOLSKA

KEY CHALLENGES:

- Too weak development of entrepreneurship in rural areas-the entrepreneurship develops too slowly, thus it is difficult to expect innovations in economic sector.
- Specific model of approach to development of innovation should not be the only trend in light of the diverse barriers for the development of innovation, needs and specificity of rural trends-lack of specific relationship, model solutions, institution, that would support disagrarisation of rural areas is significant.
- System of information and innovation support in rural areas is not comprehensive enough and is distant from local entities. It is hard for an average interested party to reach the information and get familiar with a body to be contacted regarding their idea, its analysis in terms of innovation and the funding perspectives. Advisors are too far away, in larger cities.
- Not sufficiently transparent system for building entrepreneurial-educational partnerships:
 - Entrepreneurs find it difficult to identify the centre/persons with whom they may contact (significant barrier for many initiatives),
 - Schools have problems in finding partners for the planned/realized researches.
 Lack of connection system- contact, the so called “single window” to which partner of innovative projects are directed.
- Weakly specialized local self-government in managing the assistance/support, consulting/information for enterprises (competence gap).

ACTION C: EFFECTIVE PROGRAMMING AND IMPLEMENTING DISAGRARISATION PROCESSES

Type of actions:

C.1.	<p>Disagrarisation instruments of the Małopolska countryside towards development.</p> <p><i>/Disagrarisation, understood as decreasing the economic meaning of agriculture and agricultural production in national economy is a significant challenge for the development of innovation in Małopolska countryside.</i></p> <p>PROPOSED FORMS OF REALIZATION:</p> <p>1. Improvement of access in rural areas to broker and consulting services in the scope of developing innovative actions.</p> <p><u>Description:</u></p> <p>Postulated by the inhabitants of rural areas need for increasing access to information and consulting support, targeted at development of entrepreneurship concerns change of logic of service provision. At present consultant/manager of information point in majority of cases “waits” for clients. There is a need to change the manner of acting towards one where consultant/employee of information point reaches out with the information and consulting service to the client (good practice and reference point: actions of brokers in SPIN project and network of consulting in Ireland).</p> <p>There is a real and justifiable need of creating a network of services or coordinating actions of the already functioning institutions of business environment (including EEN), information points or other organizations/institutions, acting in this scope from public funds in such a way so as to actively reach with information and support the potential clients-actions on site. It is not the client/entrepreneur who should drive to the consultant but rather the consultant-wishing to maximize the effect-is to visit the client, offering him individualized, specific support (according to the possibilities and adequately to the stage or cooperation theme).</p> <p>This consulting ought to be locally provided-with engagement and towards:</p> <ul style="list-style-type: none"> • Persons wishing to set up economic activity-implement their idea for provision of services or production (incubate). • Persons/entities developing economic activity (being in the first stage of development)-in this case consulting should assume mainly individual meetings with the entrepreneur in the context of dedicated actions/instruments for them. • Functioning longer on the market of entrepreneurs, in order to strengthen their competencies and improve their competitive position on the market, and consequently, increase the potential for creation of new workplaces and innovations. <p>Level of subregional cities seems to be strongly insufficient.</p> <p>It is key for the consultant who will act locally (on site), to have practical and not only theoretical possibilities of supporting a given client. It is not sufficient solely to present the offer but it is about</p>
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the possibility of factual realization of service and support for client on site, in his environment. Thus, the sole passing of information about the forms of support (including realized by information points, concerning European funds or OWES, is highly insufficient-it will have a low real efficiency). Therefore consulting should concern not only the passing of information (for what? where? When?) but above all offer the possibility of support in the scope of specifying a potential scope/direction of actions of the enterprise (or organization or natural person). In case of more advanced actions/projects it may constitute a base material for making a specific application on funding more precise, or obtaining the necessary elements (i.e. Energy audit of the building).

Bearing in mind large diversification of Małopolska (visible most generally in a division into subregions), elaboration of such variants of the offer which are justifiable, which will be adjusted to the specificity of the given region (i.e. powiat). Each time, through a field visit, the consultant should adequately adopt the offer in terms of needs, problems and expectations of given local societies, so that their willingness and energy are not lost, suggesting support which for various reasons will be unattractive and unnecessary. A good example is here the Małopolskie Standard of Educational-Training Services and the procedure of testing the needs of participants of training prior to their realization, in order to adjust the programme of training to a given training group. In the scope of adjusting/making the offer individualized, also testing of specificity of local economies may be necessary, carried out by a Statistical Office. It is also justifiable to support this with opinions of local associations of farmers, entrepreneurs or i.e. mayors who know the specificity of a given area. Individualized support means that the service cannot be as a rule provided in a group form. It's about its strongest local attachment.

All procedures should be maximally simplified and possible for realization in the fastest possible time.

The proposed support may be correlated with the actions of institutions acting towards disagrarisation of the Małopolska countryside or part of another structure of implementing EU sources.

Venture inspired by good practice of Local Enterprise Office from the Irish region South West (Cork).

C.2. Improvement of access to knowledge and the existing instruments for innovation development.

Different nature of barriers available for development of innovation in relation to cities (especially Kraków), makes it necessary to reply to the strongly articulated by the inhabitants of rural areas need to "get them closer to" the development-related services as well as to knowledge and information.

Organizing the system of information with possibilities of support for development of entrepreneurship and innovation is significant in the formula of "single window" from which one may get the perception and the knowledge on instruments and service networks/institutions, supporting development of entrepreneurship. Significant importance is to be placed on increasing availability of information on the possibilities of finding funds for the development or adequate business partners or scientific partners.

PROPOSED FORMS OF REALIZATION:

3. Project realization by regional self-government (in cooperation with universities and institutions included in the process of implementation of European funds), targeted at creating and servicing the portal, related to the information on the support of development of entrepreneurship and innovation with access to development services provided locally and related to building enterprise-training centre partnership (entrepreneur-scientist).

Description:

Analysis of problems indicates the necessity of elaborating and implementing by the Małopolska Voivodeship towards the target group with the possibility of realization in cooperation with local partners. The projects may be funded from the voivodeship fund and/or external resources, as well as with participation of funds from local partners. The assumptions for this type of ventures correspond to the contest formula.

The project elaborated and implemented by the Małopolska Region towards the target group, with the possibility of realizing in cooperation with local partners. The project may be funded from the budget of the region or from external sources.

4. Information-promotional campaigns using tools adequate for the inhabitants, being the target group in rural areas.

Description:

Communicating about the funds and available sources for development of entrepreneurship requires simplifying the language and adjusting the forms and transmission channels for the needs, expectations and possibilities of individual groups of inhabitants of rural areas.

One of the methods of acting may be organizing information meetings "closer" to the inhabitants of villages,

i.e. At the occasion of their local events, or obtaining local leaders for promotion of events and offered instruments. Bearing in mind the social and civil changes, present domination of visual culture, a good solution seems to be furthermore the use of various types of movies, in particular inspiring case studies, presenting true stories where the inhabitants of Małopolska are the characters (including from rural areas), who have opened up for innovations and gained success.

Also the right definition of the concept of innovation is very important. Many people associate this solely with new information and communication technologies, operating of a collage, large and respected enterprises, something that does not concern them, what is far away, outside their reach. The key is to “dispel” this term. It is about making innovation something less foreign and distant.

There is thus a need of promotion and presentation of innovations, useful/new solutions (services and products) which improve quality of life-to change the manner of thinking about innovations, as solutions in the scope of high, advanced technologies, against the dominating way of thinking: “This does not concern us”.

Innovative solutions concern also the countryside-we need to open up for them especially in terms of awareness.

Proposed/sample projects:

Project D.2.1: MAŁOPOLSKA WINDOW OF KNOWLEDGE AND POSSIBILITIES (paper clip)

Creating a website/portal which presents an offer of possible forms of support for development of entrepreneurship and innovation, related to the access to development services, provided locally and related to building partnerships on the enterprise-scientific centre level (entrepreneur-scientist).

It will at the same time be the source of knowledge and space for establishing contacts (enterprise-school), search for partners for cooperation (by the school or SME). As shown by the so far practice, difficulties in the scope of mutual perception of partners constitute a significant barrier for the use of available support in the region, including the financial one (i.e. Vouchers for innovations)

Key components:

• **DEVELOPMENT FUNDS**

- **Window for development funds** (innovation and entrepreneurship)-information about support/regional/national instruments and other instruments under the control of the European Commission for the entrepreneurs, i.e. Horizon 2020 or COSME (window for information with the indication of necessary contact data).
- **Window for start-up funds**-information on support for commencing economic activity or entity of social economy.
- **Window for seed capital instruments**-information about the available seed capital funds/start-up capital funds, as ones with significant importance for the development of small companies with large innovative potential (promotion and approximation of information on the existing instruments coordinated and adequately adjusted to the needs of recipients is important).

• **KNOWLEDGE FOR DEVELOPMENT**

- **Window for knowledge**-key information concerning innovations, including: good practices for individual industries or industry related knowledge bases (related to the existing entities or publications)-i.e. According to smart specializations of the region. Operations of a platform may be related to the activity conducted already under SPIN project (as a new formula or its expansion), under which the representatives of the region try to adjust to build partnerships between entrepreneur and the school, granting support or directing towards the existing networks of support, i.e. Regional centres of Enterprise Europe Network.
- **Window for cooperation**-database of contacts, connecting enterprises and schools, scientific institutes in the region (entrepreneur sends the scope to a given email address specified in the form, for which he searches for cooperation, in the effect the regional consultant on contact service (innovation broker) who receives the information is able to search not only for the adequate school but also for a specific scientist who may constitute a partner for cooperation.
- **Window for information and consultancy**-comprehensive information on granting advice in the area of Małopolska, including divided into scope of consulting and its location, related to the possibility of establishing direct contact with a specific consultant.
- **Window for trainings**-a place of available information, funded trainings for entrepreneurs (development vouchers) and for persons who are not entrepreneurs.

Contents of individual components (including verification of their validity/developing their scope) and functional set up ought to be consulted at the stage of architecture and functionality design of the side with the representatives of rural areas (organizations and entrepreneurs operating there).

The party in the scope of support details may refer to the already existing parties various institutions which will exclude duplicating of the same information.

The project inspired by good practice of *Local Enterprise Office* from the Irish region of South West.

ACTION D: DEVELOPMENT AND STRENGTHENING KNOWLEDGE FOR INNOVATION IN THE REGION

Type of actions:

D.1. Strengthening knowledge and competence of employees of self-governments in the scope of developing entrepreneurship and innovation.

Representatives of local self-government-employees of public offices of communes or poviats and local groups of actions are often the first and the only contact point for many inhabitants of rural communes, searching for the possibilities of realizing their development plans. Unfortunately, they are rarely prepared for such contacts and for granting a specific information or support. This constitutes a significant barrier for the development of entrepreneurship and innovation. Therefore assigning and training of a person who might be responsible in each commune or powiat for cooperation with interested parties in commencement or development of economic activity or in creation of innovations in other areas, responsible for the passing of first, key information, directing to a specific institution or person where possible will be to deepen the information and/or using development services, may constitute a significant element which stimulates the inhabitants of rural areas to use the existing solutions/instruments.

Understanding the role of innovation in the local development and the knowledge of possible and valid forms of their support by local self-government employees or LGD will allow for a more effective use of the existing possibilities.

PROPOSED FORMS OF REALIZATION:

- 1. Realization of projects by regional self-government (in cooperation with local partners) targeted at increasing/update of knowledge of the personnel of commune and powiat public offices and LGD offices on the available possibilities of support for entrepreneurs and the rules of service/cooperation with entrepreneurs/investors.**

Description:

In order to increase the level of innovation of enterprises in rural areas, simplifying information on the available offer of support is significant, while at the same time approximation of the existing financial instruments (returnable and non-returnable) and development services, funded under ESF (trainings, consulting) to their recipients in rural areas). The cooperation in this scope between the communes and local groups of action as environments functioning the closest to the inhabitants is key. As it stems from the carried out analyses, the inhabitants of the countryside most often gain information/use the instruments they learn about during direct contact. At the same time, most frequently the first and only contact for many inhabitants are the employees of the already noted public offices of communes and poviats as well as LGD offices. The path and the information language/ distribution of data on the instruments ought to consider this specificity of rural areas. The task consists of removing the competence gap in local self-governments which at present prevents full use of their potential, as animators of entrepreneurship and innovation in rural areas.

Projects elaborated and implemented by the Małopolska Region towards the target group, with a possibility of realizing jointly with local partners. Projects may be financed from the regional budget and/or external sources as well as participation of funds from local partners.

The assumptions for this type of ventures correspond to the contest formula.

- 2. Creation of network of cooperation for economic growth (forum) of employees of public offices of communes and poviats.**

Description:

Apart from a single time training for the employees, a permanent improvement and updating of their knowledge and skills is critical. A proposed solution is the creation of cooperation network of economic development in the form of a forum of employees of public offices of communes and poviats. The forum will be a unique space of integration for the environments of self-governments towards economic developments, constant exchange of knowledge, experiences and good practices, building partnerships and professional relations.

The forum should operate in the form of cyclical meetings.

Proposed/sample projects:

Project E.1.1.: NETWORK OF KNOWLEDGE-SELF-GOVERNMENT IN THE NETWORK FOR INNOVATION

In order to increase the level of innovation of enterprises from rural areas, a significant seems to be the **increase of access to knowledge about the possibilities of support for development of enterprises and entrepreneurship of the inhabitants of Małopolska, including under the Regional Operational Programme for the Małopolska Region for the years 2014-2020, among others by:**

- The existing financial non-returnable instruments (vouchers, research projects, improvement of energy efficiency of companies);
- The existing returnable instruments (preferential loans-very significant presentation in a transparent way both in the network and through directly transmitted knowledge)
- Necessary knowledge in the scope of innovation;
- Available development services, funded under RSF (training vouchers, consulting);
- Funds for commencement and development of economic activity.

Realization of this assumption is possible through presenting a specific, dedicated information on the available offer of support to the countryside inhabitants. The cooperation with communes and local groups of actions as institutions which are the closest to the inhabitants is critical. As it stems from the analyses, the inhabitants of countryside most eagerly obtain information and use the instruments of support of which they learn during direct contact. At the same time, most frequently the first and only contact for many inhabitants are the employees of the indicated public offices of communes and LGD offices. The path and the information language/distribution of data on the instruments ought to consider this specificity of rural areas. At present, full use of potential of the employees employed in communes or LGD offices as animators of entrepreneurship and innovativeness in rural areas is hindered by a significant competence gap.

Thus, increasing the qualifications of personnel of the public offices in communes and poviats and of the local groups of actions with the support of the region (regional institutions) is proposed through a cycle of trainings for the employees designated for cooperation at local level with persons wishing to set up and develop their own business or implement innovations as well as with larger entrepreneurs or investors.

These employees, having completed the trainings, will constitute a source of "first information" about the available offer of support (they will be able to show what is possible, where to find which information, who is responsible for individual actions and services, contact a given person with FEM and/or institutions implementing individual actions/instruments).

The project assumes a systemic support and strengthening of personnel of public offices of communes and powiat offices and in particular local groups of actions in order to create a well-developed network of information and support at the local level.

Scope of trainings ought to cover, among others, the following topics:

- Offer of support for entrepreneurs for the development and implementation of innovations,
- Possibility of support in the scope of setting up one's own economic activity (including start-up funds) or entity of social economy,
- Meaning of the investment offer and the rules of service for investors or cooperation with SME (investor service, information which should be placed on the website, information regarding the role/support of local institutions and regional institutions during a new investment etc.).

Framework assumptions of realization:

- The project would cover a cycle of, among others 19 trainings within the structure of poviats (due to the scope of the plan of actions, the cities with powiat rights are not considered). In majority of poviats the consideration of realization of a larger number of trainings is possible.
- Realization of a separate training for the representatives of local action groups under the existing network is assumed.

Value added of the project:

Pursuant to the realization of the project, specific persons will be appointed who will deal with the support for development of entrepreneurship. This constitutes a potential for creation of a network of economic development in the form of employer forum of public officials of communes and poviats and employees of LGD offices (powiat networks will create a regional network). This network will be used for the transfer of current knowledge on regional and national institutions as well as for presenting good practices/novel solutions in the country and abroad.

The potential for creation of this forum is at the disposal of FRDL Małopolska Institute of Territorial Self-Government and Administration, which runs 18 self-government forums in Małopolska (for the personnel of the

territorial self-government); cooperating on a permanent basis with the region in the scope of local self-government development and the development actions carried out by him.

Priority III INCUBATING AND DEVELOPING ENTREPRENEURSHIP AND INNOVATIONS

CHALLENGES:

- Too costly and complicated process of applying for support and burdening almost entirely the entrepreneurs with the risk (on all stages).
- Relatively low level of risk acceptance for the projects which are to contribute to development of entrepreneurship and innovation.
- Simplifying the language/way of communication about the available sources of funding and contest documentation.
- Assumption stemming from RIS that the centre of innovation will be/is the Kraków metropolis, without considering the territorialisation of innovation policy which significantly impacts the areas outside of KOM-the strategy does not differentiate the approach with regards to various areas/groups of recipients and their scale of actions.
- Too weak use of endogenic potential and resources, including non-material heritage of rural areas (traditions), especially those located far from the metropolis, for defining new qualitative products and services.
- For the inhabitants of the countryside the funds are associated with almost exclusively highly technological innovations-possibility of creating new products/services is not related to the resources of the countryside (material and non-material heritage).
- Weak information about trends, fashions and tendencies which shape development of innovative solutions.
- Weak skills of cooperation towards reaching a better, joint effect (i.e. Conduct of production, sale and promotion under one brand, reaching an effect of synergy). Weak links, both business and non-business, creative.
- Difficulties in networking the objects (including public ones)-in rural areas due to the mental barrier, which does not help the creation of quality, broad offer.
- Very behavioural way of thinking at work regarding the functioning of entities existing in the countryside.
- Average number of ecological producers on a country scale (1166 which gives the 8th place countrywide)-there is a space for creation of new entities of this type.
- Worsening state of many private wooden objects outside the trail of wooden architecture.

ACTION E: SUPPORT FOR MECHANISMS OF STIMULATING DEVELOPMENT AND INNOVATION TRANSFER

Type of actions:

E.1. *Elaboration, implementation and promotion adequate for entities from rural areas of instruments of support of the creation of incremental innovations.*

/In many cases the level of competitiveness of entities in rural areas might be significantly increased through the application of incremental innovations, which do not require investment expenditure or long-term R&D works. The creation of innovation of this type may be stimulated by vouchers with relatively low value or appear pursuant to the MA and LA theses dedicated for the purposes of the entrepreneurs. These solutions may be particularly important for the relatively young entities on the market as development stimulants. In relation to the reliefs introduced at national level in ZUS payments for the first half a year, the conduct of new economic entity may constitute an additional element of incentive in the scope of entrepreneurship, especially one realized locally (exemption from fees for ZUS for micro companies for the first half a year of activity./

PROPOSED FORMS OF REALIZATION:

1. **Elaboration and implementation by the Małopolska Region of a voucher for incremental innovations.**

Description:

MICRO VOUCHER FOR IMPLEMENTATION

Proposal of voucher for implementation of low-budget "idea" of micro entrepreneur. Vouchers dedicated for implementations of incremental innovations in rural areas, the effect of which would be a new/improved product or service. The entrepreneur may purchase products or services necessary for elaboration of a new/better product or service under the funds from the voucher.

This instrument would constitute a support in the conducted and necessary processes of disaggregation in the countryside, as complementary for the returnable instrument (preferential loans) or resources for research (voucher for innovations), for companies that need a larger capital for development investments. It is worth noting the fact that the majority of economic entities registered in rural areas are micro enterprises (preferring to the scale of region, this is significantly lower share of small enterprises while medium and large enterprises almost have no appearance/are not registered in rural areas of this region.

Framework requirements and stages of realization:

- Elaboration of assumptions of micro-voucher implementation, for implementation (referring to experiences from implementing the voucher for innovations) for entrepreneurs.
 - Value of voucher should amount to a minimum of PLN 10 thousand.
 - 1 installment-50% of voucher value could be designated as pre-payment,
 - 2 installment-50% of voucher value might be designated at the stage of settlement, post documenting the expenditure and indicating effects.
 - Vouchers may be designated for micro enterprises leading their activity in the area of Małopolska, for the minimum 3 months and which may indicate profits from the conducted by them activity, related to the sale of products or services.
 - Assumptions, concerning documentation, related to the intake and description of the business idea should correspond to good practices and conclusions from implementing the Małopolska voucher for innovations.
 - Realization of the voucher may be correlated to the project described below-“*Students for the countryside*” so that in case, when innovation would constitute the effect of ordered LA or MA thesis the value of the voucher would double.
 - In case of the solution elaborated in the course of writing doctoral thesis, the value of the voucher would triple.

- Announcement of recruitment of projects (minimum one per year or in the formula of ongoing recruitment).

Preferences significant for the promotion of voucher implementation (possible for considering in points and/or access criteria):

- Vouchers will be designated for areas characterized by lower level of entrepreneurship, with regards to the average for Małopolska.
- In the commune's programme of revitalization as one of the social-economic problems the outflow of the youth as a precious social capital was noted.

2. Creation of the system of support for the Małopolska Region for creation of incremental innovation, thanks to the creation of dedicated to rural areas projects under student diploma works and MA theses.

Description:

The system of dedicated to rural areas projects under student diploma and MA theses. In many cases the level of competitiveness of entities in rural areas might be significantly uplifted through applying incremental innovation which might be elaborated in the frames of dedicated MA and LA theses.

The idea inspired by good practice: *Financial support to innovative projects of SMEs. The support enables SMEs to cooperate with universities or research centres on innovation of their products or services, Czechy, Ústí nad Labem.*

Proposed/sample projects:

Project F.1.1.: STUDENTS FOR THE COUNTRYSIDE

The project of creating the system which will enable cooperation and joint search of solutions for the development of enterprises (their products or services). Entrepreneur operating on the market or student, with the support of his promotor, will search for solutions for the designated problem or design supplementary components for identified innovations (i.e. Design of housing for a device, pattern of a new shoe or cloth item, using local patterns or application which facilitates distribution of goods or system of storing products).

This intention stems from a strong conviction that there is a need for making the process of education more practical (contact with real problems of entrepreneurship environment), while at the same time ensuring fast access for the entrepreneurs to students with their specialist skills and knowledge.

At the same time, in many cases the level of competitiveness of micro and small enterprises in rural areas might be significantly increased through the use of incremental innovations which might be elaborated under the dedicated MA and LA theses.

System of dedicated to rural areas projects under student diploma and MA theses assumes two stages:

Stage 1:

In the first stage the launch is planned by the voivodship self-government, in the framework of the portal Innovative start that belongs to it, of an interactive database which includes submissions of the entrepreneurs and other entities acting in rural areas in the scope of problems to be solved.

The students might also submit to the database the topics of their potential works they are interested in.

Who can submit demand for services/products:

- micro and small entrepreneurs from rural areas in Małopolska (according to company registration),
- Entities of local self-government (including urban communes, urban-rural communes or poviats from Małopolska),
- NGOs, including local action groups.

Stage 2:

In the second stage, recruitment for the contest organized by the voivodeship self-government is planned for motivational scholarships up to the level of PLN 5 thousand, devoted to cover parts of costs for elaboration of proposals for an innovative solution, dedicated to a specific entrepreneur (the remaining part after agreeing with the company/entity, would be covered by them).

Who is the recipient of the offer related to the participation in the contest:

The following students may participate in the contest:

- from Małopolska higher schools,
- from Małopolska (according to the residence address) who commenced studies at universities located also outside of Kraków.

Interdisciplinary teams would be preferred-students of various disciplines (i.e. engineer, material engineer, industrial pattern designer, economist)-then, the motivational scholarship for the project would amount up to PLN 6,000.

Work promotor-remuneration in the amount of PLN 2,000, compensation for the time input, necessary to conduct this type of work with implementation nature.

E.2.

Introduction of solutions in the scope of increasing access to creating innovative actions and using other external means for these purposes.

/Development of innovation requires bearing certain financial expenditure which may be covered by own resources, loans or which may stem from the funds of project nature. Due to the more frequently occurring lower rates of profit in case of innovative projects in rural areas, than in the cities, it is advisable to apply solutions that prefer entrepreneurs who function there as well as assist them in applying for the project funds.

Therefore it is of particular importance to identify information-promotion actions, more strongly correlated with the specificity of rural areas (i.e. In cooperation with LGD or communes) for the strengthening of competitive potential of companies, operating in rural areas and the capacity for expanding activity by new products.

Equally important is undertaking actions which prepare the Małopolska entities for the use of financial resources for research, under the financial instruments implemented by the European Commission, especially in the context of the fact that in the future financial perspective the allocation for realization of research and implementation at the European level is to be larger, since it is innovations which are considered to be the driving force of the economic development. /

PROPOSED FORMS OF REALIZATION:

1. Introduction of preferences for SME in rural areas in the scope of loan instruments, as actions targeted at disagrarisation of the countryside.

Description:

In order to increase the level of innovativeness of enterprises in rural areas, increasing access to the existing financial instruments is significant-including returnable loan funds, through introducing the system of preferences in interest rates, as an element targeted at:

- Increasing the level of using available financial instruments by entrepreneurs from rural areas,
- Strengthening the conducted disagrarisation processes in Małopolska.

2. Elaboration and implementation by the Małopolska Region of a voucher for the elaboration of research concepts, targeted at becoming the basis for applying for funds for realization of research under the programme Horizon 2020.

Description:

VOUCHER FOR HORIZON

Proposal for the voucher for elaboration for the needs of enterprise of the research concept (research programme) which will become the basis for applying for the Horizon 2020 programme. On the basis of the elaborated research concepts the entrepreneurs will be able to apply for the support of research or implementation the objective of which is to elaborate solutions.

Stages of realization:

- Elaboration of assumptions for implementation of Voucher for Horizon (referring to the experiences from implementations of the voucher for innovations) for entrepreneurs.
 - Target group: SME operating in Małopolska,
 - Proposed voucher value: PLN 20 thousand
- Implementation of the voucher: announcement of call for projects (in the contest formula or in the ongoing recruitment formula).

This action is of pilot character in the context of elaboration for the subsequent financial perspective. Implementation of approx. 15 vouchers in the pilot programme is estimated.

/Explanation concerning the number of designed vouchers:

Due to the rather small number of small and medium entities which have the potential for applying to the Horizon Programme 2020, it is proposed that the pilot will consider a larger number of vouchers than the possibilities of entities from rural areas. This assumption is accepted due to the effectiveness of introduced pilotage. Thus, the instrument will concern all economic entities in Małopolska, since it is critical to introduce tools for stimulating the occurrence of innovation in all types of enterprises functioning in rural areas, including small and medium ones./

Inspiration: good practice on the example of Aragon.

ACTION F: COOPERATION FOR THE DEVELOPMENT OF ENTREPRENEURSHIP AND INNOVATION

Type of actions:

F.1. Development and strengthening the potential of economic zones
/Rural areas due to the access to qualified staff and transport costs to the market are characterized by smaller investment attractiveness than urban areas. Due to this fact, actions targeted at increasing the investment value of these areas are significant in the process of entrepreneurship development and in consequence, the occurrence of innovation./

PROPOSED FORMS OF REALIZATION:

1. Specialization of staff responsible for managing the zones in the region (support for local self-governments/sharing knowledge and good practices).

Description:

Organization of cyclical trainings addressed to persons managing specialist economic zones in the region (SEZ). Apart from lifting qualifications of these persons the trainings will contribute to creating network of exchange of information between them. This will allow to share knowledge, that is effective solutions conditioning not only the level of "filling" the zone but also the development of the entities inside the zone.

	<p>These trainings are addressed to the employees of self-governments and the representatives of institutions that manage the activity and development of economic zones.</p> <p>The training leaders should be practitioners, responsible for managing and developing the zones which in the specific areas may indicate specific successes or model solutions in the region (i.e. KPT), on the country and international scale. Trainings should additionally cover the representatives of local self-governments or institutions/organizations engaged in the creation of SEZ, who are in the course of investment process related to their creation.</p> <p>2. Support by the Małopolska Region of the process of merging lands for the creation of large-size zones which the investors search.</p> <p><u>Description:</u> The support of the process of merging lands into investment activity zones will cover the organizational and financial scopes. In case of Małopolska with specific agricultural structure, it is characterized by the smallest in Poland average size of households, which is a challenge which is significant for simulating changes in the development processes, especially in the context of areas located outside the cities-in rural areas. This action is also very significant in the context of legal changes and relations of creating SEZ with other indicators, which will condition economic efficiency from the investment for the entrepreneur.</p> <p>3. Increasing communicative availability of activity and investment zones.</p> <p><u>Description:</u> Creating the possibility of funding access roads to economic zones by the regional self-government under the regional funds (optimally ROP Małopolskie Region). Creating access roads is significant for the presently operating zones and newly created ones, as an elementary and key conditions for rationality of undertaken investments.</p>
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F.2.	<p>Promotion of use of public-civil partnership for the local development.</p> <p><i>/Public-private partnership to a significant degree increases the investment possibilities of local self-governments and is of particular importance in the context of realizing development actions after 2020 (against the expected decrease of funds stream for the region of EU). At the same time, being a uniquely difficult challenge in applying this increasingly desired model, it requires specific actions for sharing knowledge and experiences in Poland by these entities, which already draw social-economic benefits from applying the promoted approach.</i></p> <p>PROPOSED FORM OF REALIZATION:</p> <p>1. Realization of projects by regional self-government (in potential cooperation with local partners), targeted at increasing the knowledge and change of thinking themes on PPP.</p> <p><u>Description:</u> Organization by the regional self-government in cooperation with local partners of events (i.e. conference), addressed to the employees of communal offices and powiat starost offices and entrepreneurs in the scope of good practices, conditions and possibilities of applying the rules of public-private partnership, as an instrument enabling implementation of new/innovative solutions.</p>
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ACTION G: STIMULATING AND DEVELOPING LOCAL PRODUCTS

Type of actions:	
G.1.	<p>Support for the development and promotion of local production.</p> <p><i>/Local production, by using endogenous resources (provisions, recipes, cultivations) may significantly impact the possibility of finding employment in rural areas; constitutes a significant development factor. Simultaneously it constitutes an element that increases the processes of building local identity (regional), which is significant towards the existing development trends, including in the scope of lifestyle (slow life). Thus, support for the process of creation of incubators of food processing is key, as well as promoting short deliveries and support for the process of creating and developing clusters, as initiatives targeted at increasing local cooperation./</i></p> <p>PROPOSED FORMS OF REALIZATION:</p> <p>1. Further support for creating incubators of food processing (kitchen) or local processing plants, in the formula of grant support granted under LEADER actions-support for the local development directed by the society (RDP).</p>

Description:

The contest support of the process of creation incubators of food processing (kitchen) or local processing plants should create engagement for the commune's or powiat authorities. Małopolska experience in creating and functioning of the first in Poland Kitchen Incubator in Zakrzów (led by LGD Goścień 4 Żywiołów), constitute a positive experience not only for stimulating local production, but also for social and professional activation. Thus, it is a positive verification of the accepted direction of actions and the method for realization of specific goals. However, the effect of scale is critical for the region, for the factual enhancing of local production, therefore, these actions should be promoted and continued on the scale of entire region.

2. Support for development of short supply chains for products created locally (harvested crops, breeding, processing), through organizing grant/subsidy contests.

Description:

This is an action targeted at connecting within the economic circulation of the inhabitants the offered valuable/attractive products or services with recipients on the local market.

In order to reach the desired effects, it is critical to ensure access to entities functioning locally to funding development initiatives in the scope of reading:

- Product distribution networks, including through local and regional operators,
- Tools, supporting sale of local products,
- Creation of producer groups, including those enabling cooperation of producers of healthy and eco-friendly food, coming from local farms,
- Creating open markets in town centres, including city centres.

These are very important elements for education and development of short supply chains, which will constitute an instrument for stimulating local development, professional activation as well as building local identity.

At the same time, these actions will bring many calculable benefits for the inhabitants:

- Decreasing the costs of supply and promotion, and consequently prices for clients (at the same time constituting optimization of price for producer/breeder/farmer),
- Increasing product freshness (food processing, vegetables, fruits),
- Increasing access to healthy and cheap food (which is significant for consumers oriented towards healthy lifestyle),
- Promotion of handicraft,
- Promotion of local products and talents,
- Diversification of methods of sale of products, coming from rural areas (under one brand).

3. Incubating and developing cluster initiatives, related to the local production and creation of short supply chains, through organizing grant/subsidy contests by the region's self-government.

Description:

The grant contest for strengthening the cluster potential should cover both actions related to the creation of initiatives of this type and the development of the existing initiatives. The support should be granted in case of indicating own input of cluster partners.

4. Information-promotional campaigns, realized by the regional self-government (in potential cooperation with local/industry partners).

Description:

Organizing by the region self-government promotional campaigns in the scope of promotion of local products as well as the meaning and the benefits for the inhabitants of the development of short supply chains.

The support for the above noted actions by created brands (i.e. Made in Małopolska or Local Product of Małopolska) or creating new ways for marketing/local promotion of production and encouraging the region inhabitants for the use from locally created ecological food.

Promotional actions should cover also the shaping of ecological attitudes (i.e. Promotion of beekeeping contributing to the protection of environment, including species protection and promotion of local products).

PART 3

What can the REGION do for the development of innovation? FAST TRACK OF ACTION PLAN

*Proposals of regional
actions/instruments directly impacting
the development of innovation in rural
areas-years 2018-2020*

Fast track of action plan-implementation aspect of the RATIO project

Part third of the action plan refers directly to the second phase of RATIO project, with a time horizon from March 2020 FRDL MISTiA, in cooperation with the Małopolska Council of Stakeholders and other interested parties, elaborated the subject Action Plan, representing the Małopolska Region in the RATIO project (pursuant to the Resolution No. 931/15 of the Management of the Małopolska Region from 14 July 2015 on signing the letters of support in international projects submitted by institutions of the Małopolska Region under the Interregional Programme INTERREG Europe (European Territorial Cooperation 2014-2020). Works on the project and thus Action Plan, were realized by FRDL MISTiA, upon active participation of the Małopolska Region, including Department of Treasury and Economy, Department of Regional Policy and Department of European Fund of Marshal Office as well as the Małopolska Entrepreneurship Centre.

Part of recommendation-ventures from part three, were considered in the recommendations for the region in the so called FAST TRACK OF ACTION PLAN-as proposed for implementation as priority in a relatively short period of time-within the frames of phase II (implementation) of RATION project. These are the actions directly related to the development of entrepreneurship and stimulation of development of innovation recommended for implementing in the period: April 2018-March 2020).

Individual ventures, recommended for implementation by regional authorities in the frames of the realized pro-innovation policy and construction of eco-system of innovation development may be found below, indicating reference to part three-priority which concerns actions, key challenges, description of intention, supplementing them with provisions concerning the budget; proposed realiser and potential partners and time of realization in order for these proposals to have the most implementing and operating character.

Implementation action, no and name:	01.MI. EDUCATING AND DEVELOPING EMPHATIC AND CULTURE-CREATIVE LEADERS <i>(MI- Małopolska implementation)</i>
Priority which concerns:	Priority I Strengthening competencies and human capital
Action which concerns:	Action A: Leadership at local level
Type of action which concerns:	A.1. Educating and developing emphatic and culture-creative leaders as transmitters of modern form of management and pro-social activity, based on cooperation and local activity.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Outflow of most precious intellectual capital-labour emigration of the youth and the talented. Kraków and the entire Kraków Metropolitan Area and Silesia are attractive places for work and living, constituting an alternative for the youth, who migrate from rural areas, settle down and start families; the outflow of young people occurs from rural areas, which are the greatest development potential. • The identified and defined by the stakeholders of innovation development in rural areas need for a definitely greater creativity and actions for stopping the outflow of young people in rural areas (most invested social capital). • Weak use of the potential of the youth and gaps in infrastructure and the offer, improving their social inclusion (gaps causing social exclusion, which does not facilitate decisions on staying or coming back to one's home place after a leave for educational or work purposes). • Too small support for the existing local leaders and almost no local leaders as initiators/promoters of the existing development initiatives-lack of mechanisms stimulating creativeness of the inhabitants.
Description of implementation action	<p>Inclusion in the programme of cooperation of the Małopolska Region with non-governmental organization and other entities conducting public utility activity, targeted at <u>development of leadership competencies of young persons at the stage of high school and studies (leadership)-entrusting/support for realization of the tasks in the form of open offer contests.</u></p> <p><i>Creating conditions for activeness of the young at the stage of secondary school and studies constitutes a significant but necessary investment in social capital. The young may learn activeness and engagement in their own (local) matters, solely through activeness at the stage when they have time, are brave and eager to take risks, engage keenly. This experience is substantial at the stage of taking later decisions, related to settling down and engaging professionally. What is important is for the proposed training cycles to end in realization of micro projects for the local society, elaborated in teams through the participants and implemented in the course of project duration (possible cooperation with organizations/local institutions).</i></p> <p>Inclusion for cooperation of NGOs and other entities conducting public utility activities and planning funds for projects of social organizations which may be supported/entrusted in the effect of realization of open offer contest and the selection of best offers.</p> <p>The grant competition should assume</p> <p>Trainings in the scope of leadership for the youth (cycles of trainings), where young people will be prepared for undertaking local activities with regards to:</p> <ul style="list-style-type: none"> • Their identity and place in which they live; • Conscious adjusting of their development path for their actions; • Knowledge and tools for project realization (development ventures); • Features and skills necessary in the work of a leader/motivator/coordinator, • Practical realization of proposed by the training participants ideas/projects, in cooperation with the existing local organizations or as non-formal groups (it is worth to consider the possibility of granting micro grants for the project-

	i.e. In the amount of PLN 500). The venture is based on the assumption that activeness, engagement, actions may be learnt through active work in a group towards the local society (engagement in various types of charity organizations, interest groups, local projects).
Estimated budget:	300 000 PLN
Proposed realiser:	Office of the Management of the Marshal Office of the Małopolska Region
Cooperating entities:	NGOs
Funding sources:	Małopolska Region's Budget
Period of realization:	2018-2020

Implementation action, no and name:	02.MI. THE SUPPORT FOR CREATION OF CO-WORKING SPACE IN RURAL AREAS
Priority which concerns:	Priority I Strengthening competencies and human capital
Action which concerns:	Action B: Business for the Young-the Young for Innovation
Type of action which concerns:	B.2 The support for creation of co-working space in rural areas, correlated with smart specializations of Małopolska as a promotion of entrepreneurship attitudes.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Outflow of most precious intellectual capital-labour emigration of the youth and the talented. Kraków and the entire Kraków Metropolitan Area and Silesia are attractive places for work and living, constituting an alternative for the youth, who migrate from rural areas, settle down and start families; the outflow of young people occurs from rural areas, which are the greatest development potential. • The identified and defined by the stakeholders of innovation development in rural areas need for a definitely greater creativity and actions for stopping the outflow of young people in rural areas (most invested social capital). • Weak use of the potential of the youth and gaps in infrastructure and the offer, improving their social inclusion (gaps causing social exclusion, which does not facilitate decisions on staying or coming back to one's home place after a leave for educational or work purposes).
Description of implementation action	<p><i>Creation of co-working space in the countryside as an increasingly more popular form of work among the persons who commence their professional activity. In the context of rural areas this might have a significance for the increase of their attractiveness on the labour market. More and more often the strong sides of places distant from city noise and traffic are appreciated which at the same time allow for realization of one's aspirations, using the same what is ensured by co-working zones in the city (a desk, computer, internet, training room or conference room or equipment in case of profiled zones and, more importantly, creative team).</i></p> <p><i>The solution may be adaptation of free facilities belonging to the commune or leasing of other objects for the purposes of newly established companies. This type of actions should not only encourage for creation of new companies thanks to minimizing the needs for financial input in the initial period, but also stimulate cooperation between entrepreneurs. Depending on the part of region and its specificity, creation of thematic space or hubs as initiatives targeted at common use of machines and devices by young entrepreneurs is possible. Dynamic growth of co-working zones in Kraków and the ongoing new investments in this scope constitute a significant information about culture and mentality of the youth, for whom the quality of life is critical, which is understood not only as quality of space in business but also as potential of interesting meetings in such zone.</i></p> <p>Subsidies for local self-governments (or entities representing them-operators), local action groups or business environment institutions, which in the effect of the announced contest wish to create/make available the co-working space for the purposes of the inhabitants of rural communes or rural-urban communes.</p> <p>The projects would ensure creation and commencement of activity of co-working spaces, combined with training-consulting support. The created co-working zones will operate on the basis of a specific plan of use of the planned for realization infrastructure under the venture, including the strategy of service provision. The document should contain also a catalogue of offered services and direction of offer development, including also the assumed price policy (prices of rental of "desk" in such space with access to common infrastructure/devices ought to be higher after 2 years of operations, especially in case of thematic space/hubs (i.e. with infrastructure for production of advertisements, graphics, sound processing etc.). Point of reference for the planning of this type of activity might be the model example of the Irish https://www.ludgate.ie - West Cork.</p>

	<p>In the process of planning and assessment a special attention must be drawn to the target group, joined with potential idea for the created co-work, bearing in mind the local market of services, resources and potential.</p> <p>A key element is also the communication plan-promotion of the created co-working space, which will show its key advantages not only in the context of way of functioning or infrastructure but also a place for living for the entrepreneurs, who decide to conduct their activity away from the fast and crowded city.</p> <p>An extremely significant aspect of the planned co-working zone is the training-consulting offer. Care for its quality and relation to industry/industries, under which the entrepreneurs will function. These services are to give the possibility of factual pragmatic support for the entrepreneurs, which will translate into the functioning on the market. Thus, it is important in this respect for the zone organizers to maintain flexibility and react to factual development needs of the entrepreneurs who will function in the framework of zones.</p> <p>Preferences important for the promotion of enterprising attitudes in rural areas (possible for encompassing in the scale of points and/or the access criteria):</p> <ul style="list-style-type: none"> • Lack of co-working zone in the commune. • The project assumes modernization, potentially joined with an expansion of the existing building. • Communes characterized by the lowest level of entrepreneurship with reference to average level in Małopolska. • The commune and powiat in the territory of which a co-working zone is planned to operate will undertake to include in the realization of the contest Young Małopolska for business (project described in the frames of type of action B.1), through joining in the funding of scholarship/grant which will enable implementation of the planned business plan-for participation of each of the levels of self-government additional points (not applicable for cities with powiat rights). • Commune/powiat in the area of which the co-working zone will operate, will introduce within its offer classes in the scope of entrepreneurship, assuming the creation of simulation of company operations (from idea to realization) if possible with the use of IT tools for the minimum of 10% of the youth at the age of 16-18 in each subsequent year of the period of project duration. • Within the communal programme of revitalization, the outflow of young people, the precious social capital, was defined as one of the significant social-economic problems and the creation of co-working zones was anticipated.
Estimated budget:	Implementation does not generate additional costs. (Concerns action 3.2 Promotion of entrepreneurial attitudes and BEI, ROP MR for the years 2014-2020 for which the funds were planned for the years 2018-2019- PLN 16.9 million)
Proposed realiser:	Małopolska Entrepreneurship Centre (as Implementing Authority)
Cooperating entities:	Arrangements at the stage of establishing the scope of preference: Department of Treasury and Economy of the Marshal Office of the Małopolska Region, Managing Authority of the Operational Programme of the Marshal Office of Małopolska Region, Małopolskie Entrepreneurship Centre
Funding sources:	ERDF
Period of realization:	2018 -2020

Implementation action, no and name:	03.MI. MAŁOPOLSKA WINDOW OF KNOWLEDGE AND POSSIBILITIES (paper clip) (Project D.2.1)
Priority which concerns:	Priority II Intensification of disagrarisation actions in Małopolska
Action which concerns:	Action D: Effective programming and implementing disagrarisation processes
Type of action which concerns:	D.2. Improvement of access to knowledge and the existing instruments for innovation development.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Specific model of approach to development of innovation should not be the only trend in light of the diverse barriers for the development of innovation, needs and specificity of rural trends-lack of specific relationship, model solutions, institution, that would support disagrarisation of rural areas is significant. • System of information and innovation support in rural areas is not comprehensive enough and is distant from local entities. It is hard for an average interested party to reach the information and get familiar with a body to be contacted regarding their idea, its analysis in terms of innovation and the funding perspectives. Advisors are too far away, in larger cities. • Not sufficiently transparent system for building entrepreneurial-educational partnerships: <ul style="list-style-type: none"> – Entrepreneurs find it difficult to identify the centre/persons with whom they may contact (significant barrier for many initiatives), – Schools have problems in finding partners for the planned/realized researches.
Description of implementation action	<p><i>Disagrarisation, understood as decreasing the economic meaning of agriculture and agricultural production in national economy is a significant challenge for the development of innovation in Małopolska countryside.</i></p> <p><i>Supports conduct of coherent actions targeted at developing entrepreneurship in the countryside which may lead to an increase of the number of innovations, especially in communes with weak and average quality of soil.</i></p> <p><i>It is worth noting that the specificity of entrepreneurship and innovation development in rural areas requires a different approach than in case of stimulating these processes in urbanized areas.</i></p> <p><i>It is important for the actions to be adjusted to the local specificity and assumed conditions of availability and mentality of rural societies (personal meetings/discussions-as a basic form of perception and overcoming the existing stereotypes and inadequate or insufficient models of actions, scepticism towards new innovative solutions).</i></p> <p>Creating a website/portal which presents an offer of possible forms of support for development of entrepreneurship and innovation, related to the access to development services, provided locally and related to building partnerships on the enterprise-scientific centre level (entrepreneur-scientist).</p> <p>It will at the same time be the source of knowledge and space for establishing contacts (enterprise-school), search for partners for cooperation (by the school or SME). As shown by the so far practice, difficulties in the scope of mutual perception of partners constitute a significant barrier for the use of available support in the region, including the financial one (i.e. Vouchers for innovations)</p> <p>Key components:</p> <ul style="list-style-type: none"> • DEVELOPMENT FUNDS <ul style="list-style-type: none"> → Window for development funds (innovation and entrepreneurship)-information about support/regional/national instruments and other instruments under the control of the European Commission for the entrepreneurs, i.e. Horizon 2020 or COSME (window for information with the indication of necessary contact data).

	<p>→ Window for start-up funds-information on support for commencing economic activity or entity of social economy.</p> <p>→ Window for seed capital instruments-information about the available seed capital funds/start-up capital funds, as ones with significant importance for the development of small companies with large innovative potential (promotion and approximation of information on the existing instruments coordinated and adequately adjusted to the needs of recipients is important).</p> <p>• KNOWLEDGE FOR DEVELOPMENT</p> <p>→ Window for knowledge-key information concerning innovations, including: good practices for individual industries or industry related knowledge bases (related to the existing entities or publications)-i.e. <u>According to smart specializations of the region</u>. Operations of a platform may be related to the <u>activity conducted already under SPIN project</u> (as a new formula or its expansion), under which the representatives of the region try to adjust to build partnerships between entrepreneur and the school, granting support or directing towards the existing networks of support, i.e. Regional centres of Enterprise Europe Network.</p> <p>→ Window for cooperation-database of contacts, connecting enterprises and schools, scientific institutes in the region (entrepreneur sends the scope to a given email address specified in the form, for which he searches for cooperation, in the effect the regional consultant on contact service (innovation broker) who receives the information is able to search not only for the adequate school but also for a specific scientist who may constitute a partner for cooperation.</p> <p>→ Window for information and consultancy-comprehensive information on granting advice in the area of Małopolska, including divided into scope of consulting and its location, related to the possibility of establishing direct contact with a specific consultant.</p> <p>→ Window for trainings-a place of available information, funded trainings for entrepreneurs (development vouchers) and for persons who are not entrepreneurs.</p> <p>Contents of individual components (including verification of their validity/developing their scope) and functional set up ought to be consulted at the stage of architecture and functionality design of the side with the representatives of rural areas (organizations and entrepreneurs operating there).</p> <p>The party in the scope of support details may refer to the already existing parties various institutions which will exclude duplicating of the same information.</p> <p><u>The project inspired by good practice of <i>Local Enterprise Office</i> from the Irish region of South West.</u></p>
Estimated budget:	200 000 PLN
Proposed realiser:	Regional institution-Department of Regional Policy of the Marshal Office of Małopolska Region, as realiser of the SPIN project
Cooperating entities:	Managing Institution of the Operational Programmes of Marshal Office of Małopolska Region, Małopolskie Entrepreneurship Centre, Department of European Funds of the Marshal Office of Małopolska Region, Department of Treasury and Economy of the Marshal Office of Małopolska Region, and institutions of business environment, local action groups, higher schools and their Technology Transfer Centres, Enterprise Europe Network, commune offices and powiat offices of Małopolska
Funding sources:	ERDF
Period of realization:	2018-2020

Implementation action, no and name:	04.MI. NETWORK OF KNOWLEDGE-SELF-GOVERNMENT IN THE NETWORK FOR INNOVATION (Project E.1.1.)
Priority which concerns:	Priority II Intensification of disagrarisation actions in Małopolska
Action which concerns:	Action E: Development and strengthening knowledge for innovation in the region
Type of action which concerns:	E.1. Strengthening knowledge and competence of employees of self-governments in the scope of developing entrepreneurship and innovation.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Too weak development of entrepreneurship in rural areas-the entrepreneurship develops too slowly, thus it is difficult to expect innovations in economic sector. • Specific model of approach to development of innovation should not be the only trend in light of the diverse barriers for the development of innovation, needs and specificity of rural trends-lack of specific relationship, model solutions, institution, that would support disagrarisation of rural areas is significant. • System of information and innovation support in rural areas is not comprehensive enough and is distant from local entities. It is hard for an average interested party to reach the information and get familiar with a body to be contacted regarding their idea, its analysis in terms of innovation and the funding perspectives. Advisors are too far away, in larger cities. • Weakly specialized local self-government in managing the assistance/support, consulting/information for enterprises (competence gap).
Description of implementation action	<p><i>Disagrarisation, understood as decreasing the economic meaning of agriculture and agricultural production in national economy is a significant challenge for the development of innovation in Małopolska countryside.</i></p> <p><i>Supports conduct of coherent actions targeted at developing entrepreneurship in the countryside which may lead to an increase of the number of innovations, especially in communes with weak and average quality of soil.</i></p> <p><i>It is worth noting that the specificity of entrepreneurship and innovation development in rural areas requires a different approach than in case of stimulating these processes in urbanized areas.</i></p> <p><i>It is important for the actions to be adjusted to the local specificity and assumed conditions of availability and mentality of rural societies (personal meetings/discussions-as a basic form of perception and overcoming the existing stereotypes and inadequate or insufficient models of actions, scepticism towards new innovative solutions).</i></p> <p>In order to increase the level of innovation of enterprises from rural areas, a significant seems to be the increase of access to knowledge about the possibilities of support for development of enterprises and entrepreneurship of the inhabitants of Małopolska, including under the Regional Operational Programme for the Małopolska Region for the years 2014-2020, among others by:</p> <ul style="list-style-type: none"> • The existing financial non-returnable instruments (vouchers, research projects, improvement of energy efficiency of companies); • The existing returnable instruments (preferential loans-very significant presentation in a transparent way both in the network and through directly transmitted knowledge) • Necessary knowledge in the scope of innovation; • Available development services, funded under RSF (training vouchers, consulting); • Funds for commencement and development of economic activity. <p>Realization of this assumption is possible through presenting a specific, dedicated information on the available offer of support to the countryside inhabitants. The cooperation with communes and local groups of actions as institutions which are</p>

the closest to the inhabitants is critical. As it stems from the analyses, the inhabitants of countryside most eagerly obtain information and use the instruments of support of which they learn during direct contact. At the same time, most frequently the first and only contact for many inhabitants are the employees of the indicated public offices of communes and LGD offices. The path and the information language/ distribution of data on the instruments ought to consider this specificity of rural areas. At present, full use of potential of the employees employed in communes or LGD offices as animators of entrepreneurship and innovativeness in rural areas is hindered by a significant competence gap.

Thus, increasing the qualifications of personnel of the public offices in communes and poviats and of the local groups of actions with the support of the region (regional institutions) is proposed through a cycle of trainings for the employees designated for cooperation at local level with persons wishing to set up and develop their own business or implement innovations as well as with larger entrepreneurs or investors.

These employees, having completed the trainings, will constitute a source of "first information" about the available offer of support (they will be able to show what is possible, where to find which information, who is responsible for individual actions and services, contact a given person with FEM and/or institutions implementing individual actions/instruments).

The project assumes a systemic support and strengthening of personnel of public offices of communes and powiat offices and in particular local groups of actions in order to create a well-developed network of information and support at the local level.

Scope of trainings ought to cover, among others, the following topics:

- Offer of support for entrepreneurs for the development and implementation of innovations,
- Possibility of support in the scope of setting up one's own economic activity (including start-up funds) or entity of social economy,
- Meaning of the investment offer and the rules of service for investors or cooperation with SME (investor service, information which should be placed on the website, information regarding the role/support of local institutions and regional institutions during a new investment etc.).

Framework assumptions of realization:

- The project would cover a cycle of, among others 19 trainings within the structure of poviats (due to the scope of the plan of actions, the cities with powiat rights are not considered). In majority of poviats the consideration of realization of a larger number of trainings is possible.
- Realization of a separate training for the representatives of local action groups under the existing network is assumed.

Value added of the project:

Pursuant to the realization of the project, specific persons will be appointed who will deal with the support for development of entrepreneurship. This constitutes a potential for creation of a network of economic development in the form of employer forum of public officials of communes and poviats and employees of LGD offices (powiat networks will create a regional network). This network will be used for the transfer of current knowledge on regional and national institutions as well as for presenting good practices/novel solutions in the country and abroad.

The potential for creation of this forum is at the disposal of FRDL Małopolska Institute of Territorial Self-Government and Administration, which runs 18 self-government forums in Małopolska (for the personnel of the territorial self-government); cooperating on a permanent basis with the region in the scope of local self-government development and the development actions carried out by him.

Estimated budget:	120 000 PLN
Proposed realiser:	Regional institution-Managing Institution of the Operational Programmes of Marshal Office of the Małopolska Region, responsible for the promotion of EU funds
Cooperating entities:	Entities engaged in implementation of the funds in the above scope (MCP, Department of European Funds of the Marshal Office of Małopolskie Region, MARR) and economic development (MARR, KPT).
Funding sources:	ERDF/technical assistance
Period of realization:	2018-2020

Implementation action, no and name:	05.MI. MICRO VOUCHER FOR IMPLEMENTATION
Priority which concerns:	Priority III Incubating and developing entrepreneurship and innovations
Action which concerns:	Action F: Support for mechanisms of stimulating development and innovation transfer
Type of action which concerns:	F.1. Elaboration, implementation and promotion adequate for entities from rural areas of instruments of support of the creation of incremental innovations.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Too costly and complicated process of applying for support and burdening almost entirely the entrepreneurs with the risk (on all stages). • Relatively low level of risk acceptance for the projects which are to contribute to development of entrepreneurship and innovation. • Assumption stemming from RIS that the centre of innovation will be/is the Kraków metropolis, without considering the territorialisation of innovation policy which significantly impacts the areas outside of KOM-the strategy does not differentiate the approach with regards to various areas/groups of recipients and their scale of actions. • Too weak use of endogenic potential and resources, including non-material heritage of rural areas (traditions), especially those located far from the metropolis, for defining new qualitative products and services.
Description of implementation action	<p><i>In many cases the level of competitiveness of entities in rural areas might be significantly increased through the application of incremental innovations, which do not require investment expenditure or long-term R&D works. The creation of innovation of this type may be stimulated by vouchers with relatively low value or appear pursuant to the MA and LA theses dedicated for the purposes of the entrepreneurs. These solutions may be particularly important for the relatively young entities on the market as development stimulants. In relation to the reliefs introduced at national level in ZUS payments for the first half a year, the conduct of new economic entity may constitute an additional element of incentive in the scope of entrepreneurship, especially one realized locally (exemption from fees for ZUS for micro companies for the first half a year of activity).</i></p> <p>Proposal of voucher for implementation of low-budget “idea” of micro entrepreneur. Vouchers dedicated for implementations of incremental innovations in rural areas, the effect of which would be a new/improved product or service. The entrepreneur may purchase products or services necessary for elaboration of a new/better product or service under the funds from the voucher.</p> <p>This instrument would constitute a support in the conducted and necessary processes of deagrarianisation in the countryside, as complementary for the returnable instrument (preferential loans) or resources for research (voucher for innovations), for companies that need a larger capital for development investments. It is worth noting the fact that the majority of economic entities registered in rural areas are micro enterprises (preferring to the scale of region, this is significantly lower share of small enterprises while medium and large enterprises almost have no appearance/are not registered in rural areas of this region.</p> <p>Framework requirements and stages of realization:</p> <ul style="list-style-type: none"> • Elaboration of assumptions of micro-voucher implementation, for implementation (referring to experiences from implementing the voucher for innovations) for entrepreneurs. <ul style="list-style-type: none"> – Value of voucher should amount to a minimum of PLN 10 thousand. <ul style="list-style-type: none"> 1 installment-50% of voucher value could be designated as pre-payment, 2 installment-50% of voucher value might be designated at the stage of settlement, post documenting the expenditure and indicating effects. – Vouchers may be designated for micro enterprises leading their activity in the area of Małopolska, for the minimum 3 months and which may indicate profits

	<p>from the conducted by them activity, related to the sale of products or services.</p> <ul style="list-style-type: none"> – Assumptions, concerning documentation, related to the intake and description of the business idea should correspond to good practices and conclusions from implementing the Małopolska voucher for innovations. – Realization of the voucher may be correlated to the project described below- "Students for the countryside" so that in case, when innovation would constitute the effect of ordered LA or MA thesis the value of the voucher would double. – In case of the solution elaborated in the course of writing doctoral thesis, the value of the voucher would triple. <ul style="list-style-type: none"> • Announcement of recruitment of projects (minimum one per year or in the formula of ongoing recruitment). <p>Preferences significant for the promotion of voucher implementation (possible for considering in points and/or access criteria):</p> <ul style="list-style-type: none"> • Vouchers will be designated for areas characterized by lower level of entrepreneurship, with regards to the average for Małopolska. • In the commune's programme of revitalization as one of the social-economic problems the outflow of the youth as a precious social capital was noted
Estimated budget:	PLN 2 million (pilotage for designating approx. 100 vouchers with maximum amount per voucher of 20,000-with a decreasing value of voucher, decreases total budget).
Proposed realiser:	Regional institution (i.e. Małopolskie Entrepreneurship Centre).
Cooperating entities:	Arrangements at the stage of specifying assumptions: Department of Treasury and Economy of the Marshal Office of the Małopolska Region, Managing Authority of the Operational Programme of the Marshal Office of Małopolska Region, Małopolskie Entrepreneurship Centre
Funding sources:	Małopolska Region's Budget
Period of realization:	2018-2020

Implementation action, no and name:	06.MI. STUDENTS FOR THE COUNTRYSIDE (Project F.1.1.)
Priority which concerns:	Priority III Incubating and developing entrepreneurship and innovations
Action which concerns:	Action F: Support for mechanisms of stimulating development and innovation transfer.
Type of action which concerns:	F.1. Elaboration, implementation and promotion adequate for entities from rural areas of instruments of support of the creation of incremental innovations.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Too costly and complicated process of applying for support and burdening almost entirely the entrepreneurs with the risk (on all stages). • Relatively low level of risk acceptance for the projects which are to contribute to development of entrepreneurship and innovation. • Too weak use of endogenic potential and resources, including non-material heritage of rural areas (traditions), especially those located far from the metropolis, for defining new qualitative products and services. • Weak information about trends, fashions and tendencies which shape development of innovative solutions. • Very behavioural way of thinking at work regarding the functioning of entities existing in the countryside.
Description of implementation action	<p><i>In many cases the level of competitiveness of entities in rural areas might be significantly increased through the application of incremental innovations, which do not require investment expenditure or long-term R&D works. The creation of innovation of this type may be stimulated by vouchers with relatively low value or appear pursuant to the MA and LA theses dedicated for the purposes of the entrepreneurs. These solutions may be particularly important for the relatively young entities on the market as development stimulants.</i></p> <p>The project of creating the system which will enable cooperation and joint search of solutions for the development of enterprises (their products or services). Entrepreneur operating on the market or student, with the support of his promotor, will search for solutions for the designated problem or design supplementary components for identified innovations (i.e. Design of housing for a device, pattern of a new shoe or cloth item, using local patterns or application which facilitates distribution of goods or system of storing products).</p> <p>This intention stems from a strong conviction that there is a need for making the process of education more practical (contact with real problems of entrepreneurship environment), while at the same time ensuring fast access for the entrepreneurs to students with their specialist skills and knowledge.</p> <p>At the same time, in many cases the level of competitiveness of micro and small enterprises in rural areas might be significantly increased through the use of incremental innovations which might be elaborated under the dedicated MA and LA theses.</p> <p>System of dedicated to rural areas projects under student diploma and MA theses assumes two stages:</p> <p>Stage 1:</p> <p>In the first stage the launch is planned by the voivodship self-government, in the framework of the portal Innovative start that belongs to it, of an interactive database which includes submissions of the entrepreneurs and other entities acting in rural areas in the scope of problems to be solved.</p> <p>The students might also submit to the database the topics of their potential works they are interested in.</p> <p>Who can submit demand for services/products:</p> <ul style="list-style-type: none"> • micro and small entrepreneurs from rural areas in Małopolska (according to company registration), • Entities of local self-government (including urban communes, urban-rural communes or poviats from Małopolska),

	<ul style="list-style-type: none"> • NGOs, including local action groups. <p>Stage 2: In the second stage, recruitment for the contest organized by the voivodeship self-government is planned for motivational scholarships up to the level of PLN 5 thousand, devoted to cover parts of costs for elaboration of proposals for an innovative solution, dedicated to a specific entrepreneur (the remaining part after agreeing with the company/entity, would be covered by them).</p> <p>Who is the recipient of the offer related to the participation in the contest: The following students may participate in the contest:</p> <ul style="list-style-type: none"> • from Małopolska higher schools, • from Małopolska (according to the residence address) who commenced studies at universities located also outside of Kraków. <p>Interdisciplinary teams would be preferred-students of various disciplines (i.e. engineer, material engineer, industrial pattern designer, economist)-then, the motivational scholarship for the project would amount up to PLN 6,000. Work promotor-remuneration in the amount of PLN 2,000, compensation for the time input, necessary to conduct this type of work with implementation nature.</p>
Estimated budget:	PLN 450 thousand (pilotage for realization of approx. 50% with promotion costs).
Proposed realiser:	Regional institution-regional institution-Department of Treasury and Economy of the Marshal Office of Małopolska Region.
Cooperating entities:	Higher schools
Funding sources:	Małopolskie Region's Budget
Period of realization:	2018-2020

Implementation action, no and name:	07.MI. VOUCHER FOR HORIZON
Priority which concerns:	Priority III Incubating and developing entrepreneurship and innovations
Action which concerns:	Action F: Support for mechanisms of stimulating development and innovation transfer.
Type of action which concerns:	F.2. Introduction of solutions in the scope of increasing access to creating innovative actions and using other external means for these purposes.
Key challenges to which the enterprise responds (conclusions drawn from the project which constitute the basis for implementation)	<ul style="list-style-type: none"> • Too costly and complicated process of applying for support and burdening almost entirely the entrepreneurs with the risk (on all stages). • Relatively low level of risk acceptance for the projects which are to contribute to development of entrepreneurship and innovation. • Too weak use of endogenic potential and resources, including non-material heritage of rural areas (traditions), especially those located far from the metropolis, for defining new qualitative products and services. • Weak information about trends, fashions and tendencies which shape development of innovative solutions. • Very behavioural way of thinking at work regarding the functioning of entities existing in the countryside.. • System of information and innovation support in rural areas is not comprehensive enough and is distant from local entities. Przeciętnemu zainteresowanemu trudno jest dotrzeć do informacji, trudno się zorientować z kim należy się skontaktować w sprawie swojego pomysłu, jego analizy pod kątem innowacji oraz możliwości finansowania. Advisors are too far away, in larger cities.
Description of implementation action	<p><i>Development of innovation requires bearing certain financial expenditure which may be covered by own resources, loans or which may stem from the funds of project nature. Due to the more frequently occurring lower rates of profit in case of innovative projects in rural areas, than in the cities, it is advisable to apply solutions that prefer entrepreneurs who function there as well as assist them in applying for the project funds.</i></p> <p><i>Therefore it is of particular importance to identify information-promotion actions, more strongly correlated with the specificity of rural areas (i.e. In cooperation with LGD or communes) for the strengthening of competitive potential of companies, operating in rural areas and the capacity for expanding activity by new products.</i></p> <p><i>Equally important is undertaking actions which prepare the Małopolska entities for the use of financial resources for research, under the financial instruments implemented by the European Commission, especially in the context of the fact that in the future financial perspective the allocation for realization of research and implementation at the European level is to be larger, since it is innovations which are considered to be the driving force of the economic development.</i></p> <p>Proposal for the voucher for elaboration for the needs of enterprise of the research concept (research programme) which will become the basis for applying for the Horizon 2020 programme. On the basis of the elaborated research concepts the entrepreneurs will be able to apply for the support of research or implementation the objective of which is to elaborate solutions.</p> <p>Stages of realization:</p> <ul style="list-style-type: none"> • Elaboration of assumptions for implementation of Voucher for Horizon (referring to the experiences from implementations of the voucher for innovations) for entrepreneurs. <ul style="list-style-type: none"> – Target group: SME operating in Małopolska, – Proposed voucher value: PLN 20 thousand • Implementation of the voucher: announcement of call for projects (in the contest formula or in the ongoing recruitment formula). <p>This action is of pilot character in the context of elaboration for the subsequent financial perspective. Implementation of approx. 15 vouchers in the pilot programme is estimated.</p>

	<p>/Explanation concerning the number of designed vouchers: Due to the rather small number of small and medium entities which have the potential for applying to the Horizon Programme 2020, it is proposed that the pilot will consider a larger number of vouchers than the possibilities of entities from rural areas. This assumption is accepted due to the effectiveness of introduced pilotage. Thus, the instrument will concern all economic entities in Małopolska, since it is critical to introduce tools for stimulating the occurrence of innovation in all types of enterprises functioning in rural areas, including small and medium ones./</p> <p>Inspiration: good practice on the example of Aragon</p>
Estimated budget:	PLN 300,000 (pilotage for assignment of approx. 15 vouchers).
Proposed realiser:	Regional institution-Department of Treasury and Economy of the Marshal Office of Małopolska Region (work on the concept) in cooperation with the Małopolska Entrepreneurship Centre (MCP work on the concept and implementation).
Cooperating entities:	-
Funding sources:	ERDF
Period of realization:	2018-2020

PART 4 Monitoring System of

the Małopolski Action Plan of the Development of Innovation in rural areas

Monitoring system

FRDL Małopolska Institute of Territorial Self-Government and Administration is responsible for the conduct of the process of monitoring of the Małopolska Action Plan for Development of Innovation on Rural Areas, in close cooperation with the Marshal Office of the Małopolska Region, which is responsible for implementing the Plan in the scope of its 2 and 3 part, concerning the planned instruments and actions of regional nature, including those related to the implementation of the Regional Operational Programme of the Małopolska Region for the years 2014-2020.

This type of solution guarantees greater independence and objectivism, especially in the situation when within the process of implementation there are other entities involved. Monitoring of tasks realization, saved in this document, will be conducted mainly on the basis of an analysis of product indicators for the year 2019 and 2020. This type of simplified approach to the problem of monitoring is most proper in relation to selecting the part of actions to the so called fast realization track of the Action Plan. With such practical conditions it becomes impossible to monitor the degree of realization of assumed targets or the assessment of effectiveness of the conducted intervention.

The present monitoring of product indicators, conducted in half year cycles, will however allow for the conduct of corrective actions in case when values of indicators have not been reached in individual period of time or danger occurred of non-obtaining of these values.

Reporting in the scope of indicators of the product will be correlated with the process of implementing individual tasks and will require ongoing cooperation between FRDL MISTiA with individual departments of the City Office of the Małopolska Region. The main recipient of the reports from monitoring of product indicators will be the Management of Małopolska Region.

Product indicators with regards to the realization fast track

Type of action	Name of indicator	Measurement unit	Estimated value (2019)	Estimated value (2020)
A.1. Education and development of emphatic and culture-creating leaders as transmitters of modern form of management and prosocial activity, based on cooperation and local activity.	Number of trainings for young leaders	piece	5	5
	Number of micro projects addressed to local societies realized by young leaders	piece	0	8
B.2. Support for creation of co-working spaces in rural areas , including those correlated with smart specializations of Małopolska	Number of created places offering co-working space	piece	15	15

in rural areas to knowledge and broker and consulting services in the scope of development of innovative actions	Number of Małopolska SME from rural areas which introduced innovative process/product/service, using the external consulting support	piece	5	5
E.1. Strengthening knowledge and competencies of self-government employees in the scope of the problem of support for innovativeness	Number of trained employees of communal offices and powiat offices in the scope of cooperation with entrepreneurs/investors	persons	100	100
F.1. Elaboration, implementation and promotion for entities from rural areas of support instruments for occurrence of incremental innovations	Number of incremental innovations which occur due to the support in the form of vouchers,	piece	0	10
	Number of granted subsidies for preparation of application in Horizon programme 2020,	piece	0	2
	Number of enterprises cooperating with research institutions	piece	5	10

In the longer perspective, that is until 2022 depending on the degree of realization of all remaining actions covered in the Plan, also the conduct of monitoring with regards to the proposed list of result indicators will also be justified. Data concerning result indicators should be taken annually from the base of Local Data Bank gathered by the Central Statistical Office.

Result indicators-for monitoring in the longer perspective

Name of indicator	Measurement unit	Current value (year)	Estimated value (2022)
Professional activity indicator in rural areas	%	56.1 (2017)	58.4
Average search time for work in rural areas	month	13.2 (2016)	10.6
Percentage of industrial enterprises cooperating in the scope of innovative actions	%	5.7 (2016)	6.27

Annex1: Diagnosis of what we know about innovations and development of the Małopolska countryside

How do we understand the rural area?

In accordance with the definition specified by prof. Monika Stanny, rural area is a space in which people live and manage their resources, creating local societies, but also a place which in comparison to a city:

- 1) has a more dispersed social and economic activity (especially the rural one),
- 2) has less diverse social and economic structures which is the consequence of their lesser competitiveness,
- 3) has less available goods and services (public).¹

Małopolska countryside in the context of social-economic development

In the Małopolska voivodeship the number of people at the end of December 2016 amounted to 3,382.3 thousand persons and its share in general country population amounted to 8.8%. In comparison, in 2015 in four voivodeships: Pomorskie, Mazowieckie, Małopolska and Wielkopolskie the number of inhabitants increased. Whilst, Małopolska is one of 3 regions in which the growth rate of inhabitants was the highest and remained at the level of 0.3% (country-real decline minus 0.01%).

In terms of population density, the Małopolska region remained on the second position after the Silesian region (370 persons/sqkm). Diversification of the indicator was observed in powiat division that is from the highest in the cities with powiat rights: Krakow (2342 persons/km²), Tarnów (1 521 persons/km²) and Nowy Sącz (1459 persons/km²) to the lowest in Miechowski powiat (73 persons/km²).

For rural areas, the density of population amounted to 128 persons/km².

At the end of 2016, 1,637.4 thousand persons lived within the cities of Małopolska region (increase by 0.2%), whilst in the countryside this number was 1,744.9 thousand persons (increase by 0.4%). In total the inhabitants of rural areas constituted almost 52% of region's population. **Urbanisation indicator**, specified as share of rural inhabitants in general population, was at the level of 0.1 percent point lower than the year before and amounted to 48.4% (country 60.2%).

In accordance with the assumptions of population projection, an increase of number of inhabitants of the Małopolska region will occur until 2025, whilst the speed of this increase will continue to slow down. It is estimated that from 2025 onwards the population will be decreasing.²

As visible however in the research carried out by the Institute of Countryside and Agriculture Development PAN, the dynamics in the context of number of persons is rather average, which constitutes a significant challenge for the region, all the more in case of rural areas, where density of population is relatively lower and more and more noticeable outflow of young people has been visible.

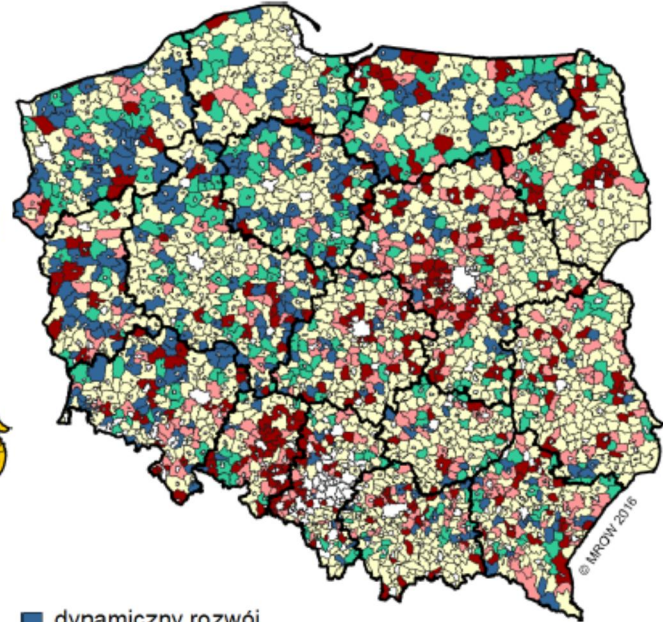
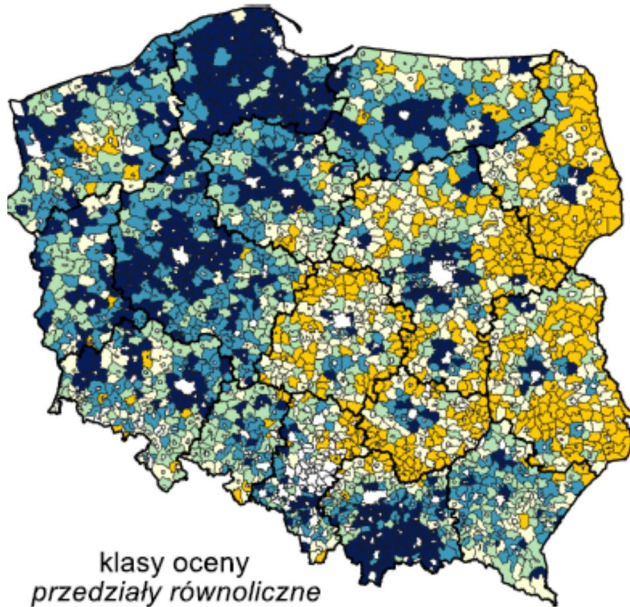
¹ Stanny M., 2013, Przestrzenne różnicowanie rozwoju obszarów wiejskich w Polsce, IRWiRPAN, Warszawa.

² Stan i ruch naturalny ludności w województwie małopolskim w 2016 r., Urząd Statystyczny w Krakowie, rok 2017

Problematyka demograficzna

POZIOM

DYNAMIKA



klasy oceny
przedziały równoliczne

- bardzo wysoka
- wysoka
- przeciętna
- niska
- bardzo niska

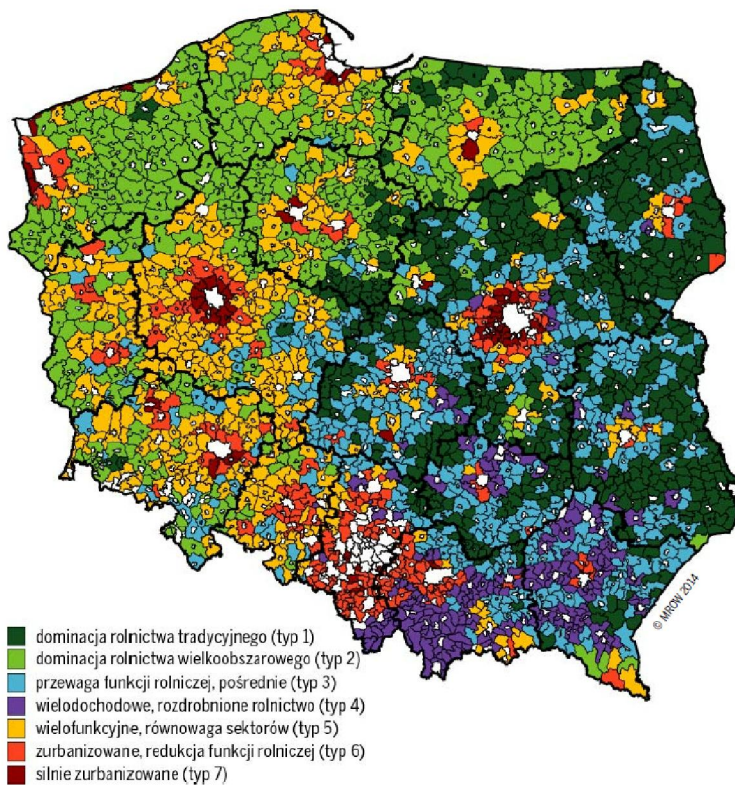
- dynamiczny rozwój
- dynamika ponadprzeciętna
- dynamika rozwoju przeciętna
- dynamika poniżej przeciętnej
- relatywnie wolny rozwój

Źródło: MROW 2014,
MROW 2016

Source: Monika Stanny, Łukasz Komorowski, *Obszary wiejskie strukturalnie zróżnicowane. Charakterystyka i specyfika obszarów wiejskich woj. małopolskiego na tle kraju, z uwzględnieniem zróżnicowania wewnętrznego regionu, 2017 (w oparciu o dane z Monitoringu Rozwoju Obszarów Wiejskich).*

In the context of the analyses carried out concerning rural areas, it is rather important to refer to the outcomes of analyses concerning rural areas with regards to Poland. According to the data in Monitoring of Development of Rural Areas³, which specifies the types of rural areas according to the development components, in the region of Małopolska there are three dominating types of areas.

³ Monitoring of Development of Rural Areas is a large research project. Period of realization: 2012-2104 I stage, 2014-2016 II stage, 2016-2018 III stage. The financing and ordering institution: EFRWP Foundation (European Fund for Development of Polish Countryside), Project Manager, Prof Monika Stanny, PhD. IRWiR PAN, Main Contractor: Prof Andrzej Rosner, PhD. Contractors: Edyta Kozdroń Msc., Łukasz Komorowski Msc., dr Patrycjusz Zarębski. <http://www.irwirpan.waw.pl/538/badania/monitoring-rozwoju-obszarow-wiejskich>



Typology of rural areas-Spatial distribution of types of rural areas, according to the structure of development components

Source:

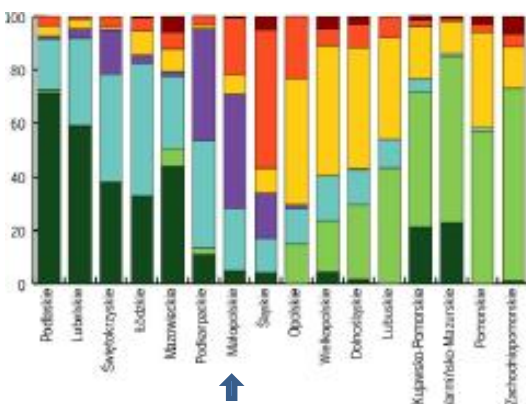
Monitoring of Development of Rural Areas (MDRA). Stage I, 2014 (Forum of Development Initiatives)

- dominacja rolnictwa tradycyjnego (typ 1)
- dominacja rolnictwa wielkoobszarowego (typ 2)
- przewaga funkcji rolniczej, pośrednie (typ 3)
- wielodochodowe, rozdrobnione rolnictwo (typ 4)
- wielofunkcyjne, równowaga sektorów (typ 5)
- zurbanizowane, redukcja funkcji rolniczej (typ 6)
- silnie zurbanizowane (typ 7)

Type 3 **multi-profitable expanded agriculture** is characteristic for eastern and central Poland (areas of former Russian partition), which encompass the areas of traditional family farming, whilst differing among others with location in terms of cities of average size-mainly northern and eastern part of Małopolska.

Type 4 **multi-profitable fragmented agriculture** is an area of Małopolska and Podkarpacie, thus southern-eastern part of the country (former Galicia) with communes of fragmented agricultural structure but with very large rural towns-mainly the southern part and part of communes in the east of Małopolska.

Type 6 urbanized communes, where the agricultural function is reduced, include above all the suburban areas, that is the closest, first ring (spatial "stretching" of towns) or further located communes, but remaining in the impact zone of cities-mainly KOM area from the southern and western side and the subregion of Western Małopolska



Percentage share of communes according to the types of structure of development in individual administrative regions

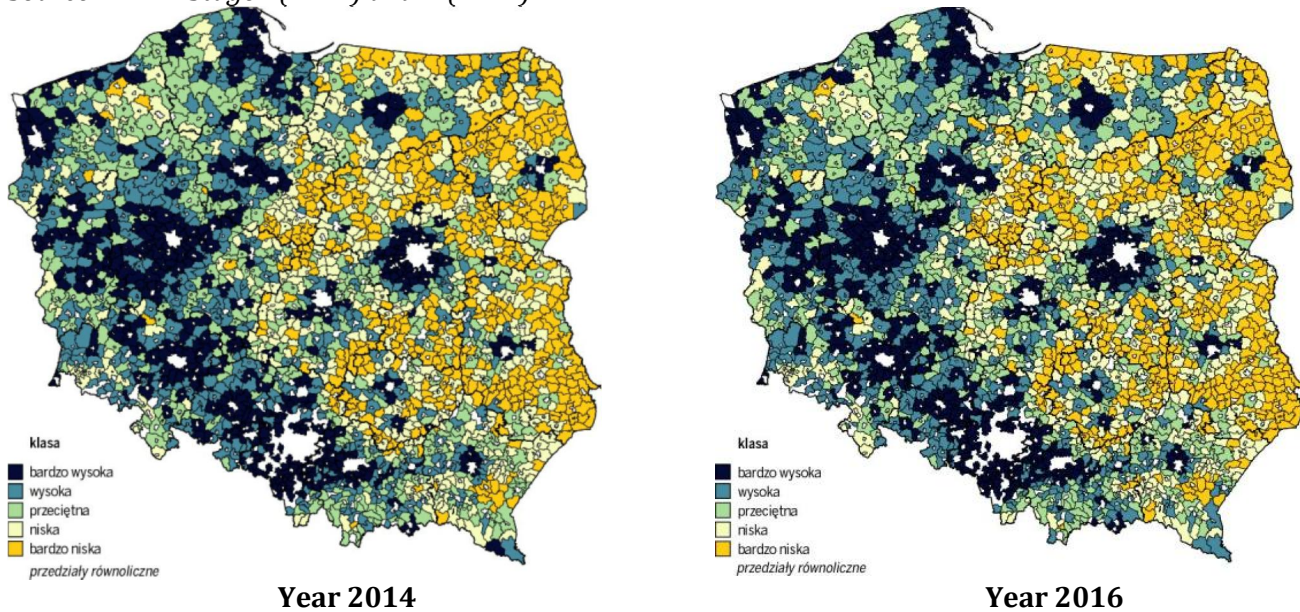
Source: *Monitoring of development of rural areas (MDRA) Stage II, 2016*

- dominacja rolnictwa tradycyjnego (typ 1)
- dominacja rolnictwa wielkoobszarowego (typ 2)
- przewaga funkcji rolniczej, pośrednie (typ 3)
- wielodochodowe, rozdrobnione rolnictwo (typ 4)
- wielofunkcyjne, równowaga sektorów (typ 5)
- zurbanizowane, redukcja funkcji rolniczej (typ 6)
- silnie zurbanizowane (typ 7)

Nature of Małopolska communes, their resources and potential are reflected in the level of social-economic development which is presented by the below drawings.

Level of social-economic development according to MDRA 2016

Source: MDRA Stage I (2014) and II (2016)

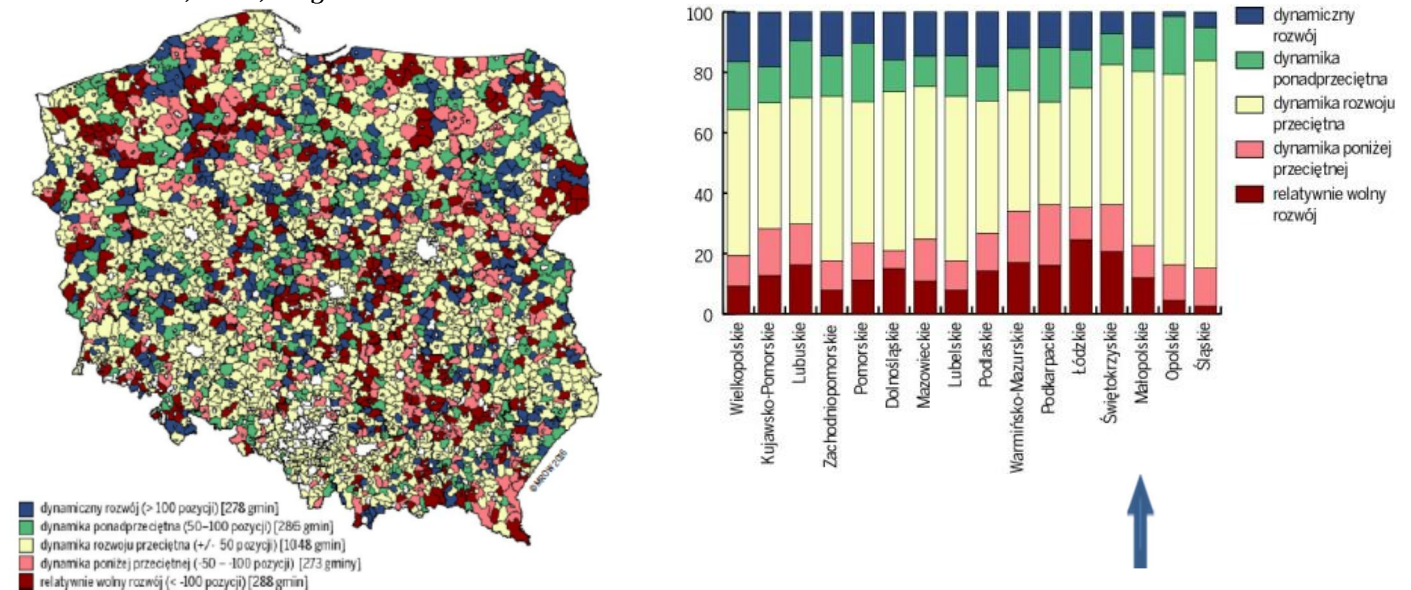


Southern and north-eastern part of Małopolska is characterized by significant challenges, since only the KOM area and the western part of Małopolska are characterized by large economic competitiveness. This correlates with the type of communes which occur there (type 6)-**urbanized communes where the agricultural function is reduced**, above all the suburban areas, that is the Kraków Metropolitan Area (KOM), the closest, first ring of spatial “stretching” of Kraków or communes located further away, but remaining in the zone of its impact (in the west this concerns also the impact of the Silesian conurbation).

Bearing in mind the **changes in the position of communes on a scale of level of social-economic development** (2014 to 2016), the situation of Małopolska in the context of rural areas also requires detailed attention.

Changes of position of communes on a scale of social-economic development

Source: MDRA, 2016, Stage II

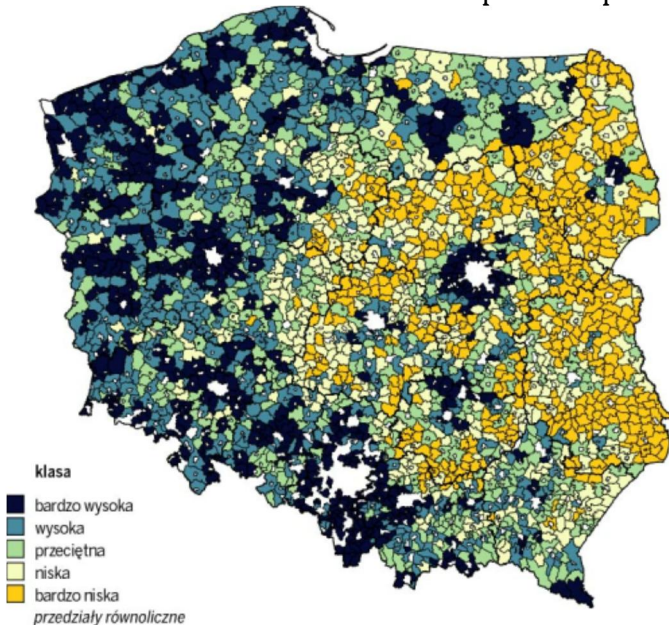


A significant factor for the analyses of rural areas in the context of development of entrepreneurship and innovation is the so called **Synthetic measure of disaggregation of local economy**.

Disagrarisation is understood as an increase of importance of non-agricultural sources of living for the inhabitants of rural areas, thus abandoning the domination of agricultural function within economic structure.

Two factors are decisive with regards to the spatial diversification of a degree of disagrarisation of local economic structures:

- **Location towards the large or average size city**
- And historical factor related to the period of partitions.



Synthetic measure of disagrarisation of local economy

Source: MDRA, 2016, P. 86

The above presented data concerning the level of social-economic development are correlated with a synthetic measure of disagrarisation of local economy. Many communes in the region have an average, or even low class in the scope of disagrarisation measure (especially in the eastern part of the region), and in the north-eastern part of Małopolska it is even very low. It is also indicated by: negative result in terms of a change in the scope of level of disagrarisation of Małopolska communes for the years 2014-2016, the fact that out of 168 verified communes, 52 mark the result below the average.

Województwa	Ogólna liczba gmin	Gminy o przeciętnej dynamice rozwoju (pozostające w przedziale zmiany o +/- 30 pozycji)	Gminy mobilne, w tym			Wskaźnik mobilności	Wskaźnik awansu
			razem	o poniżej przeciętnej dynamice rozwoju (pogorszenie o co najmniej 30 pozycji)	o ponadprzeciętnej dynamice rozwoju (poprawa o co najmniej 30 pozycji)		
Polska – obszar wiejski	2173	1047	1126	569	557	51,8	-0,01
Dolnośląskie	133	75	58	41	17	43,6	-0,41
Kujawsko-Pomorskie	127	57	70	4	66	55,1	0,89
Lubelskie	193	101	92	70	22	47,7	-0,52
Lubuskie	74	30	44	10	34	59,5	0,55
Łódzkie	159	77	82	36	46	51,6	0,12
Małopolskie	168	92	76	52	24	45,2	-0,37
Mazowieckie	279	134	145	50	95	52,0	0,31
Opolskie	68	36	32	3	29	47,1	0,81
Podkarpackie	144	32	112	111	1	77,8	-0,98
Podlaskie	105	62	43	29	14	41,0	-0,35
Pomorskie	98	50	48	20	28	49,0	0,17
Śląskie	118	80	38	34	4	32,2	-0,79
Świętokrzyskie	97	35	62	56	6	63,9	-0,81
Warmińsko-Mazurskie	100	39	61	20	41	61,0	0,34
Wielkopolskie	207	93	114	18	96	55,1	0,68
Zachodniopomorskie	103	54	49	15	34	47,6	0,39

“Mobile” and “non-mobile” communes and the promotion indicator in terms of changes of the level of disagrarisation of local economy by regions

Source: MDRA, 2016, p. 88

Źródło: opracowanie własne – MROW 21014 i MROW 2016.

At the same time, the analyses included in the diagnosis of the Spatial Management Plan for the Małopolska Region, approved in March of 2018 indicated very similar aspects:

In the spatial perspective the Małopolska region shows a rather significant diversification in terms of the situation on labour market and possession of social infrastructure objects. **A division into metropolitan area of Kraków and the north-western part of the Małopolska region is clear- showing the largest growth dynamics of social and economic development as well as the south-eastern and eastern part of the region** (excluding Tarnów and Nowy Sącz) characterized by **low development tempo**.

“Bearing in mind the values of GDP both in current prices, per capita, as well as a change in GDP, **an increase in disproportion of development between Kraków and the remaining areas** of the region was noted, especially with regards to the sub-region of Nowy Targ. The areas developing the fastest include: Kraków and the Kraków subregion, thus the area of direct impact of the city of Kraków”.

Policy framework

- There are no regional policies in Malopolska aimed specifically at improving research and innovation in enterprises located in rural areas.
- The policy framework for this issue is indirectly shaped by policies of general interest like:
 - Malopolska Region Development Strategy for 2011-2020 and its strategic programs,
 - Strategic Programme Regional Innovation Strategy for the Malopolska Region for 2014-2020,
 - Strategic programme for Rural Areas.

Strategic Programme Regional Innovation Strategy for the Malopolska Region for 2014-2020

is a strategic plan to "Malopolska Region Development Strategy for 2011-2020" in the field of innovative economy. The main objective of the Strategy is to increase the competitiveness and innovation of Malopolska through the implementation of a harmonious policy, focusing on improving the conditions for business, innovation and science, development of information society, stimulating the demand for innovation and strengthening ties of cooperation between science and economy, especially in the areas of regional specialization.

The objective of priority 2 is to strengthen the propensity of companies to conduct business innovation by reducing the barriers and reducing the costs of innovation. The premise is also to achieve sustainable growth of private sector spending on research and development activities, and thus empowering companies in shaping of innovation policy and the development of the region.

One of the basic statements of the new RIS is the conclusion, based on research, analysis and technological forecasts, about the smart specialisation areas of Malopolska regional innovation strategy:

- Life sciences;
- Sustainable energy;
- Information and communication technologies;
- Chemical industry;
- Manufacturing of metals and metal products as well as products made of mineral non-metallic materials;
- Electrical engineering and machine-building industry;
- Creative and leisure-related industries.

An advantage for the programme would be to put a greater emphasis on the development of MicroSMEs in rural areas. In its current range not much attention is devoted to rural areas, despite the fact that Malopolska Region is in large part covered by rural areas.

Strategic programme for Rural Areas aims at functional space management and economic development of rural areas. It focuses on two priorities: implementation of regulatory instruments and planning for integrating rural development and economic activation of rural areas.

The main activities planned for implementation during the period of validity of the document are:

- Improving the management of rural areas,
- Sustainable management of water resources in rural areas,
- Support for specific areas of strategic directions of production and market development,
- Exploiting the potential of manufacturing and entrepreneurial skills of local communities,
- Strengthening the productive potential of agriculture foods,

→ The economic use of the potential of agricultural and natural heritage in the Carpathians. Strategic programme for Rural Areas does not aim to stimulate or create the ecosystem propitious for innovation. Priority areas of support for agriculture in the Malopolska Region appointed in the program are justified by the perspective of short-term planning. In these kind of policies more attention should be paid to strengthening the existing strengths of agriculture than at the usually long-term and socially and economically expensive reconstruction.

Interaction between main regional players

The mix of public institutions responsible directly for implementing country level innovation policy consists of several main types of organisations: Technology Parks, Technology Incubators, Technology and Knowledge Transfer Centers, Academic Business Incubators (pre-incubators) and Business Incubators. All of that types of institutions operate in Malopolska region, none of them specialises in innovation and technology transfer in rural areas. Below the review of main players of general interest are presented.

- Krakow Technology Park (KPT) – as one of 42 technology parks identified in Poland. Technology parks are located in all 16 regions of the country and generally have at their disposal land for investment and rental space for rent, over half of them – including KPT in Krakow have in-house laboratories offering services and laboratory space for rent.
- KPT is one of the most vivid technology parks in Poland, focuses on ITC, creative industries & smart city solutions. It offers technology incubator, living lab for smart city solutions and multilab for creative industry initiatives, seed fund for start-ups. Also it is a managing body for the special economic zone in Malopolska region.
- Technology and/or Knowledge Transfer Centers - located at the universities and focusing on technology transfer, knowledge transfer, technology audits, including: Intelligent IT Systems Center (CISI/AGH), Center for Energy-efficient buildings (MCBE/PK), Biotechnology Center (MCB/UJ). All of them are located in big cities.
- There are 12 clusters and cluster initiatives identified in Malopolska region now: Edutainment, Sustainable Infrastructure, Digital Entertainment, Water Cluster of Southern Poland, Smart Buildings, Life Science Kraków, MedCluster, Active Tourism, Tourism Cluster Beskid, Innovative Molding, IT in Construction, Printing Cluster of Malopolska. Nine of them are seated in Krakow, two in other large cities of Malopolska, only one outside cities, in the rural area of Chelmiec (initiative, not an operating cluster).⁴ Only few of them are really active, with the Life Science Cluster in Krakow and MedCluster in Tarnow as one of the leading ones.
- In Malopolska Region there are no private local stakeholders operating specifically in innovation policies, however there are organizations providing wide range of tools supporting businessess. At the moment, they are not focused on innovation per se, but they have the potential to be such in the future.
- Furthermore, there are no innovation coordination and management structures in Malopolska Region. This type of activity is partly related to the tasks of Department of Economy in the Marshal Office of the Malopolska region.

Structure of regional rural areas economy and employment

In agriculture sector in Malopolska in 2016 were working 154 thous. people, it is much lower than in 2009 where it was 195 thous. (but more than two years before, when in 2014 it was only 145 thous.). It situates the region at 4th position in a country behind Mazowieckie (265 thous.), Lubelskie (185) and Wielkopolskie (181). At the same the number of employed in agriculture, forestry, hunting and fishing in Malopolska (working and employed in enterprises with numbers working up to 49 people) in 2016 was only 2 401. It situates the region at 14th position in a country (lower number of employees was only in Podlaskie and Swietokrzyskie) Comparing the situation of Molopolskie in this demension with leaders of ranking (Wielkopolskie, 10275 employed, or Zachodniopomorskie, 6193) it is visible that this part of the regional economy should be strengthened in Malopolskie, especially in order to create stronger firms connected with agriculture.

⁴ *Updating the diagnosis of in-depth innovativeness of the Malopolska economy, 09.2016 (Report on Innovation diagnosis of Malopolska region economy).*

Małopolskie and Podkarpackie are characterised by the strongest durability of the structure of the agricultural sector. According to report Rural Development Monitoring 2016 it confirms the high inertia of the structure of agriculture and without any political intervention nothing good changes will happen.

Małopolska is characterised by relatively slow deagrarianisation of the local economy, and at the same time balancing the labour market and improving conditions housing, but low number of municipalities are able to create enough income. According to report Rural Development Monitoring 2016 only Podkarpackie is characterised by lower dynamic of deagrarianisation than Małopolskie. Also the share of communities in Małopolskie characterised as above-average dynamics of development of socio-economic components with the exception of social activity and elements of infrastructure equipment is very low and higher only than in Podkarpackie.

Innovation and enterprises

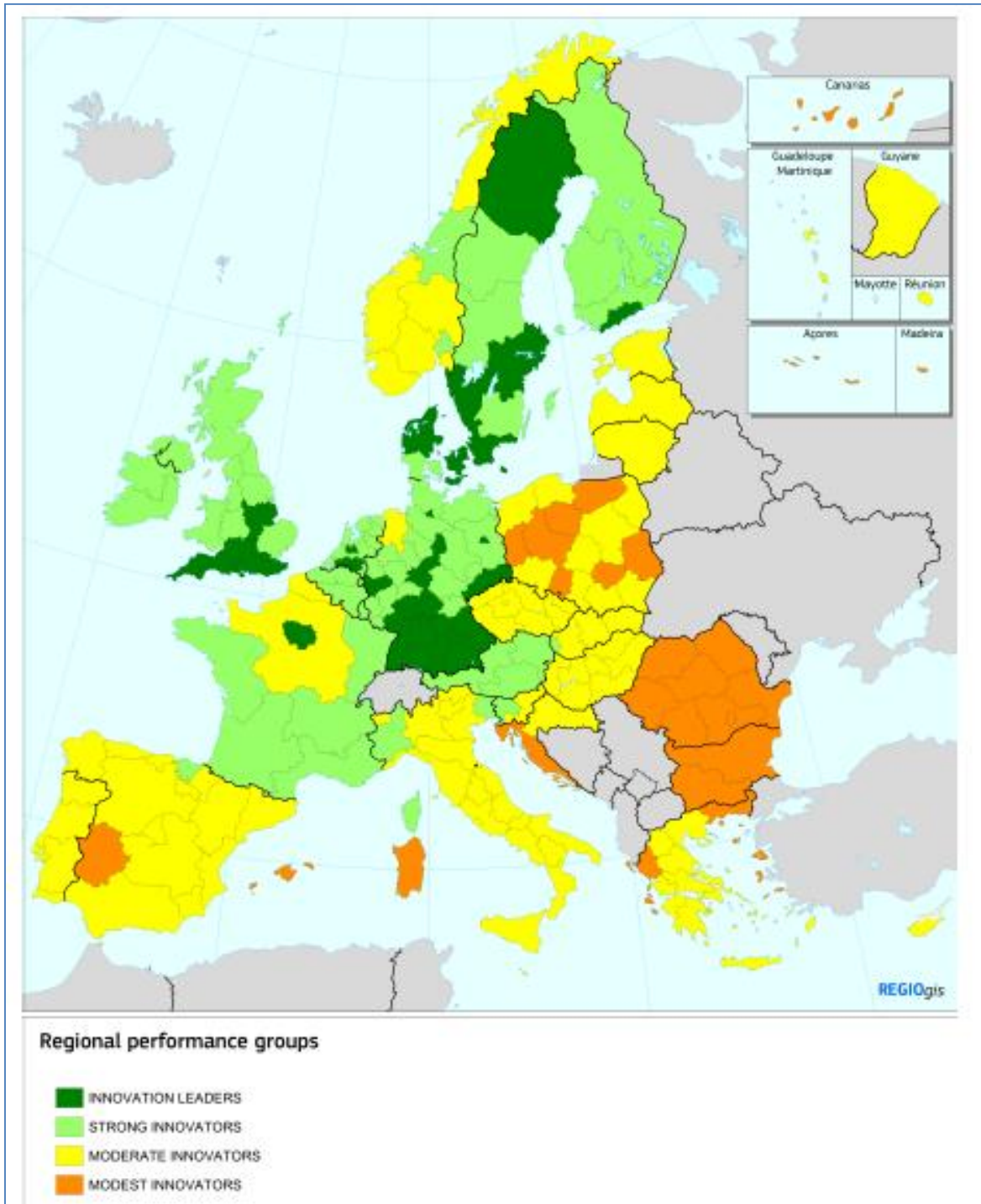
- The process of shaping the regional innovation ecosystem in Małopolska started in the '90 with public institutions – universities, regional development agency, technology park – on one hand and foreign-origin companies deciding to locate first high-tech and R&D branches in the city of Krakow and special economic zone on the other hand.
- In 1998 Motorola Solutions opened its Design Center in Krakow and it was the first important larger scale investment bringing the spirit of innovation to the city. Two years later Delphi Automotive opened its R&D Technical Center in the vicinity of Krakow. Then came the others. At that time the focus was technology and the leaders of the process were technical university as source of professionals (Akademia Górniczo-Hutnicza) and the Governor's Office & the City of Krakow as investment promotion agencies. Links between firms as well as cross-sectoral public-private cooperation were rather incidental, neither systemic nor systematic, based mostly on individual efforts and strength of local leaders with vision of the future of the city and its region.
- Anyway the local climate must have been good enough to let Comarch S.A., the first visible local spin-off company grow since 1993, enter the Warsaw Stock Exchange in 1999 and become a significant IT systems player in early 2000. That we may call the second stage – the rise and development of locally based innovative companies becoming global players. Still the development concerned mostly technological, IT companies.
- In meantime a new public player showed up on the scene – due to administrative reform 16 new autonomous regional authorities were created in Poland including Małopolska Region. Since 1998 it has been responsible for the regional development strategy, as well as consequently, the subsequent regional innovation strategy (RIS).
- In 2004 Poland gained access to EU structural funds and thanks to that source of financing an unprecedented development in regional infrastructure took place, creating completely new environment for business development. It covered general public infrastructure in the first run (roads, airport, telecommunication systems, management systems) and more sophisticated R&D infrastructures at universities (technical, agricultural, medical etc.) and the ITC and creative industries equipment at technology park (Krakowski Park Technologiczny, KPT) in the next step. At the same time the city of Krakow started to attract more and more foreign investment in outsourcing and IT businesses becoming one of its global (small-) centres.
- First Regional Innovation Strategy for Małopolska Region covered the 2008-2013 period. It stated that the increase in firms' innovativeness was to take place by means of a better use of the EU resources, including those directed to the development of funds investing in ventures of high risk level. Also the knowledge concerning available grants should have been enhanced among businesspeople. As indispensable were stated the quality improvement of the R&D potential and more active co-operation with business (AT that time providing only about 15 per cent resources for R&D units). Development of fair infrastructure and support for events promoting modern technologies and achievements in medicine were stated necessary, as well as the enhancement of alternative methods of education, including e-learning should be pursued.
- According to the EU-wide methodology Regional Innovation Strategy (RIS) was to be a document created in a region in co-operation with representatives of educational institutions, regional authorities,

organizations uniting entrepreneurs and business related institutions. The main task of the strategy was to specify the ways of increasing innovativeness in the region using financial assistance from the European Union. It should have focused on the SME sector competitiveness increase through creation of listing relations between science and business. Also it should help using the funds earmarked for R&D in the most efficient way and instruct how to enhance the regional infrastructure for innovativeness support.⁵

- First 2008-2013 RIS for Malopolska fulfilled these assumptions only in a part. Strategy instruments were mostly focused on investment grants directed to universities and another academic public institutions, with a parallel but separate path of smaller scale grants for enterprises.
- Next RIS - Regional Innovation Strategy for Malopolska Region for the years 2014-2020 is much more mature. It is a result of the work that aimed at updating the existing regional innovation strategy and adapting it to challenges, which not only addressed the new programming period, but also resulted from the RIS3 methodology and the related expectations in terms of smart specialisation. Upon completing the strategy updating, which was carried out with the involvement of representatives of various groups of the regional innovation system, the document was adopted by the Board of Malopolska Region in the early June 2014.
- Today one might say that the innovation system in Malopolska starts to reshape into real innovation ecosystem – complex, self-sustaining and in a way self-perpetuating thanks to several domestic players based locally & running global business which are gate-openers for others. A CD Project company (The Witcher game) along with the Digital Dragons game festival and award, vivid creative life in the city, strong cultural institutions and well-ranked IT and creative studies being a good example of innovative ecosystem for the Krakow game dev community.
- The question is – is it regional? An the answer for the moment would be – no. Rather one might say – it is metropolitan, strongly based and connected to the city of Krakow, it's resources and potential. It barely flows over the limits of metropolitan area of the city of Krakow. Substantial part of the region is left aside the process, with few isolated small innovative companies developing in the countryside.
- In the last, 2016 Regional Innovation Scoreboard⁶ report, Malopolska Region is classified as „Moderate Innovator”, which may be treated as a sign of average, moderate level of innovativeness of the region, similar to the majority of other regions in central and southern Europe. The bad sign is that according to the report the innovative performance of the region has decreased (see below).
- In the report Europe's regions have been classified into one of 4 groups: regional Innovation Leaders (36 regions), regional Strong Innovators (65 regions), regional Moderate Innovators (83 regions) and regional Modest Innovators (30 regions). In 2016 in Malopolska only 5,7% of industrial enterprises cooperated in innovation activities what was only slightly above the national average which was 5,5%. It was growth comparing to the previous year (when only 4,6% enterprises declared such type of cooperation) there is sharp decline comparing to 2005 when almost 26% of enterprises declared this activity (in Poland it was 24,5%).
- In Malopolska was 96 new registered entities of the national economy per 10 thous. inhabitants (2016). It situated a region at 6th place in national ranking.

⁵ http://www.pi.gov.pl/eng/chapter_86528.asp

⁶ As stated in the report: RI Scoreboard provides a comparative assessment of innovation performance across 214 regions of 22 EU Member States and Norway. In addition, Cyprus, Estonia, Latvia, Lithuania, Luxembourg and Malta are included at the country level, as the regional administrative level as such does not exist in these countries. Source: <http://ec.europa.eu/DocsRoom/documents/18046>



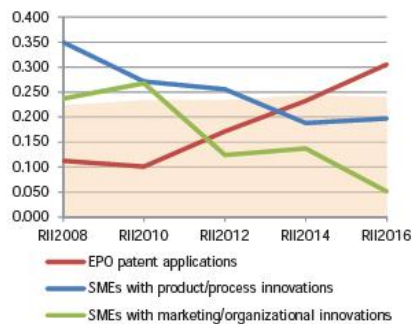
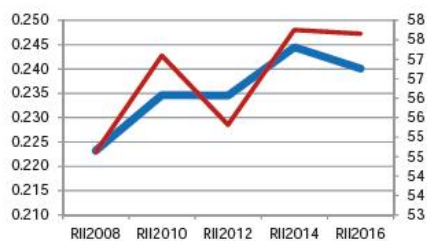
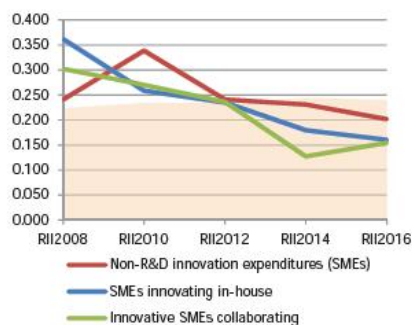
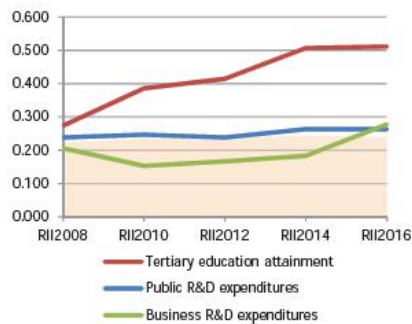
Regional Innovation Scoreboard 2016

Małopolskie (PL21)

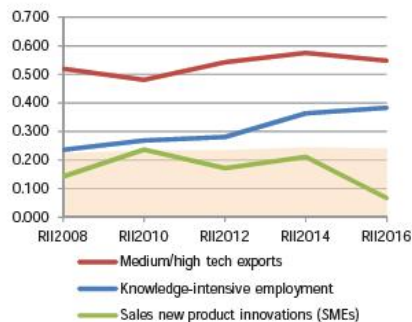
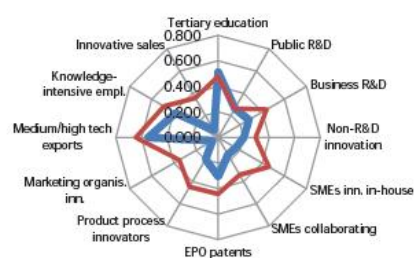
The Małopolskie region is a Moderate Innovator. Innovation performance has decreased (-2%) compared to two years ago.

The radar graph shows that relative strengths compared to the EU28 are in Tertiary education attainment, Public R&D expenditures, and Exports of medium and high tech products.

The trend graphs on the right show that the relative strengths in the regional innovation system (i.e. the indicators which are most above the shaded area showing the region's Regional Innovation Index) are Exports of medium and high tech products, Tertiary education attainment, and Employment in knowledge-intensive industries. Relative weaknesses are in SMEs with marketing or organisational innovations, Sales of new product innovations, and Innovative SMEs collaborating with others.



— Innovation index (left axis)
— Relative to EU28 (right axis)
— Małopolskie (PL21) — EU28



- According to latest data of the Statistical Office (2015) the share of innovative enterprises in the global number of enterprises in the region scores 13,5% and is lower than country average of 14,5% (10 position between 16 regions). On the other hand the employment rate in R&D in the region is comparatively high – 1,44% in 2014 compared to 0,96% for the whole country (second position between 16 regions), most of it in public sector. In on of regional surveys 15,8% of enterprises declared having employees devoted only to R&D (mostly large companies). These numbers show both the gap, the potential for growth and the main

structural challenge – which is the shift from public to private investment in R&D and the commercialization of R&D results.

- Internal expenditures on R&D in Malopolska per employee in 2015 were estimated at 628 PLN. In the national ranking it situates a region at second place after Mazowieckie, where it was 1 300 PLN. There is stable growth of these kind of expenditures from 2002, up to now they increase by more than 4 times.
- 10,6 employed in R&D per 1000 economically active persons in 2015, Malopolska situated the region at the second place in Poland just after the Mazowieckie, where it was only slightly higher value 11,6.
- According to latest research around 33% of enterprises located in the region use the support of external institutions in developing and/or implementing innovative solutions⁷.

Regional services to the diffusion of innovation among rural enterprises

- The new Regional Operational Programme (ROP) for the 2014-2020 period for Malopolska consists of thirteen one-fund priority axes. Among them, the largest amounts are planned to be spent on innovation, energy policy and transport infrastructure. Tasks aimed at development of innovation are included in the priority axis 1. „Knowledge economy”, however, it aims to increase the innovativeness of the regional economy mainly through increased spending on research and development. Within this axis, Malopolska Region will support interventions that contribute to the strengthening of research, technological development and innovation in the areas of the smart specializations, resulting from the Regional Innovation Strategy of the Malopolska Region.
- Rural Development Programme 2014-2020 is one of the instruments of implementation of the Strategy for sustainable development of rural areas, agriculture and fishing for the years 2014-2020. RDP 2014-2020 determines the strategy and the rules for how to use the funds of the European Agricultural Fund for Development of Rural Areas in order to facilitate the development of Polish agriculture and rural areas.
- The main goal of RDP 2014-2020 is the improvement of competitiveness of Polish agriculture, sustainable management of natural resources, climate-oriented measures and sustainable territorial development of rural areas.
- The Programme is to implement six priorities with regard to rural areas. One of them aims at: Facilitation of the transfer of knowledge and innovations in agriculture, forestry and rural areas.
It is planned to lead three types of activities designed to achieve this objective:
 1. **Transfer of knowledge and information activities** – implementation of the measure is to enable the increase the base of knowledge and innovation in rural areas and strengthening connections between agriculture and forestry and research and innovation and also to promote lifelong learning in order to strengthen human potential in the agricultural and forestry sector.
 2. **Consulting services, services in the field of farm management and services for substitutions** – essential for the development of agricultural sector is strengthening knowledge and innovation transfer mechanisms among others, through consulting services. A new agriculture advisory system will be designed to be a necessary link between academic centres and agricultural sector. Through individual consultation taking into account the specific needs of farmers, there will be provided practical and current knowledge conducive to the growth of innovation in rural enterprises. Steps will also be taken to develop the knowledge and skills of counselling services.
 3. **Cooperation** – the purpose of this task is supporting the formation and functioning of partnerships associating farmers, research units, entrepreneurs, forest owners, non-governmental organizations, advisory entities which within operational groups for innovation will jointly develop new solutions to apply in practice. At the end activity of this type of partnerships will increase the interactive collaboration between entities operating in the agri-food sector and at the same time will strengthen the links between research and creating innovative activities and practical demand and occurring in the sector, leading to its development.
- The necessity of incubation of innovative projects at rural areas in Malopolska is also connected with very low number of applications for co-financing of projects co-financed from EU funds for 2007-2013 (per

⁷ Updating the diagnosis of in-depth innovativeness of the Malopolska economy,, 09.2016 (Report on Innovation diagnosis of Malopolska region economy).

10,000 inhabitants) which according to Rural development monitoring report (2016) was the lowest in country.

New tools of service and innovation for companies

- One of the activities planned in the Rural Development Programme 2014-2020 is a support for local development in the framework of LEADER conducted in methodology of community-led local development (CLLD). LEADER achieves its objectives through the implementation of local development strategies (LDS). LDS is a strategic document developed in relation to a coherent area, created in a partnership of three sectors. One of the action supported by the Programme is the development of entrepreneurship in rural areas covered by local development strategy through (among others) the forming or development of incubators for local processing (so called „kitchen incubators”) of agricultural products. It is a place for small processors of agricultural products, catering companies and farmers, who can prepare and process their products in a well-equipped and prepared for this purpose, in accordance with applicable regulations, areas. This allows small processors to meet all sanitary requirements without investing their own funds in the equipment and thus substantially reduce the manufacturing costs of their products.
- One of the specific objectives in Rural Development Programme 2014-2020 is support for lifelong learning and vocational training in agriculture and forestry sectors. Within this aim it is planned to support training activities will be for farmers and forest owners. They will be tailored to the needs of customers and implemented through active forms favouring the acquisition of specific practical skills. Training activities organized within this framework will address issues related to: management, technology and organization of production on the farm, including organic production, work safety, marketing, accounting, insurance on the farm, use of financial instruments, environment and climate (including the use of renewable energy sources) using ICT, cooperatives, the establishment and operation of producer groups, shortening the food chain.
- Innovation loan is a tool introduced by the Polish Agency for Enterprise Development. Micro, small and medium-sized enterprises which have a registered office in Poland are allowed to submit applications for a loan for the implementation of an innovative investment. Eligible costs which can be covered by the loan include:
 - purchase and implementation of the outcome of research and development works;
 - purchase of national and international licences, consisting in the acquirement of the rights to see scientific and technical solutions and production know-how;
 - purchase and mounting of machines and equipment;
 - construction, extension or modernisation of buildings or installations which are necessary for the implementation of an innovative solution;
 - acquirement of consultancy services concerning investment planning, which refer in particular to: drafting of a business plan and feasibility studies for the investment, environmental impact assessments of the investment, preparation of technical documentation for the investment;
 - acquirement of `consultancy services concerning the implementation of innovations or new technologies, which refer in particular to: preparation and implementation of the strategy for the development of the company basing on new technologies or innovative solutions, preparation and implementation of the technological strategy of the company, including a feasibility study for the planned technologies or innovative solutions, preparation and implementation of new technologies or innovative solutions.
- In Malopolska in 2016 in financial service activities were functioning 1 931 entities. It situates this region at 5th position in national ranking.

Competences and activity of human capital

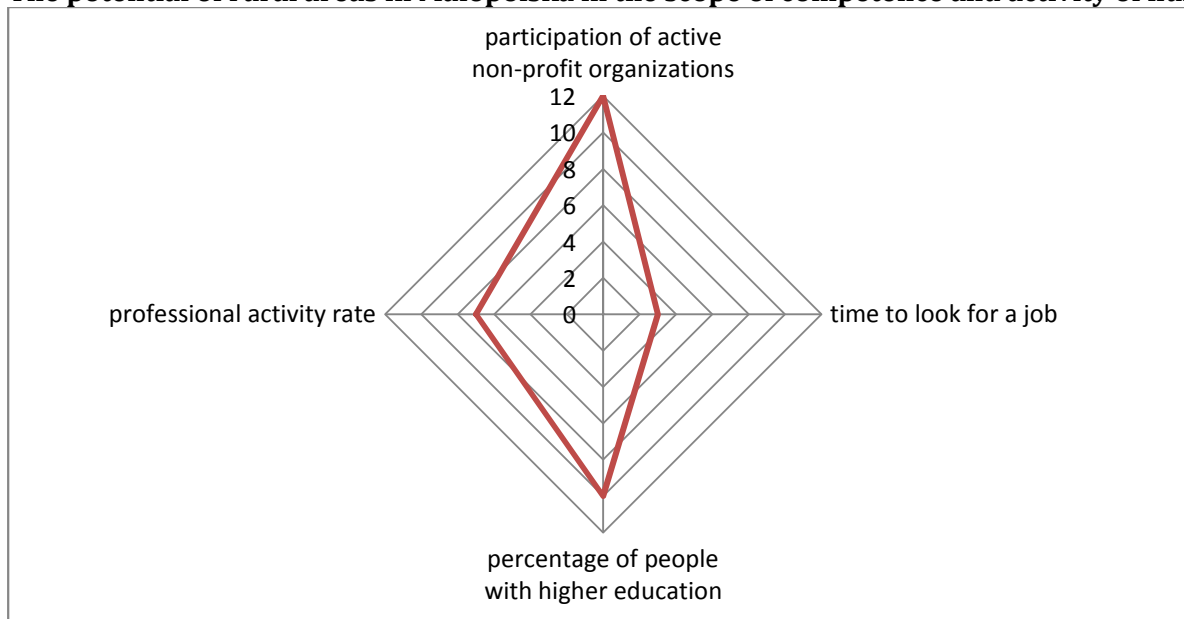
- The dynamics of the number of rural population in Malopolska is positive. Also forecasts shows that up to 2050 this population will growth by about 7% (it gives the second position in Poland after Pomorskie and Wielkopolskie).
- At rural areas in Malopolska is localised the second highest number of people in production age among Polish regions (1095 thous. in 2016, while in Mazowieckie it was 1 188 thous). The relative share of people

in this category is in Malpolskie much higher (52%) than in Mazowieckie (where is only 36%). Higher percentage of people in production age living at rural areas is higher only in Podkarpackie, Swietokrzyskie and Lubelskie.

- Malopolska is characterised by a very strong human capital potential measured by number of students. In 2016 there was over 169 thous. of students what gave the second place in Poland after the Mazowieckie (270 thous.). Because of the demographic reasons there could be observed an stable decline of number of students from 2009 when was a peak. What important Malopolska is the second largest center of education of students at technical universities (almost 43 thous. of such students in 2016 what was 15% of total number in the country).
- The level of youth education analyzed on the basis of comparable examination results is very high Malopolska comparing to the rest of the country. For example, results in the mathematics and natural sciences (mathematics) in relation to the national average (the last available data from the Local Data Bank for the gymnasium examination in 2013) showed that Malopolska was ranked first in Poland ex equo with the Mazowieckie Voivodship with a level of over 106%.
- In the region, there is a lack of employees in many professions, while the economic activity rate in rural areas in the first quarter of 2017 was only 56.1%. It places the Małopolskie voivodship only at the 9th position in the country (in Wielkopolskie, where the value of this indicator is the highest was 60.3%) and below the national average, which was 56.6%.
- The average time to look for a job in rural areas in Malopolska in 2016 was 13.2 months and it was the third worst result in the country after the Podlasie Voivodship (14.1 months) and Wielkopolskie Voivodship (13.5 months). The average for the whole country was 11.3 months and the shortest were seeking work in the rural areas of the Mazowieckie Voivodeship (8.4 months).
- The percentage of people in rural areas with higher education in 2016 was 16% in Malopolska, which places the region at the 6th position in the country (however, differences between individual regions are (outside the Śląskie Voivodship, where the ratio was 18.2%) below one percentage point The average value of the analyzed indicator for the whole country was 15.6%.
- The share of active non-profit organizations in rural areas in relation to all organizations in the voivodship according to the latest available data (for 2014) amounted to 35.1%, it is above the national average (28.1%). It places the region on the 4th position in the country behind such provinces as Lubelskie (53.1%), Świętokrzyskie (40.8%), and Podkarpackie (40.3%).

The graph below presents in a synthetic way the potential of rural areas in Malopolska in the scope of competence and activity of human capital. The following aspects were taken into account: participation of active non-profit organizations in rural areas in relation to all organizations in the region, time of looking for a job, percentage of people with higher education and professional activity rate. For the 1st place in the ranking of 16 voivodships were awarded 16 points, for the occupation of 2 – 15 points, etc. The analysis of the presented data indicates the need to support the development of entrepreneurship, which will allow to raise the low rate of professional activity and shorten the time of job search.

The potential of rural areas in Malopolska in the scope of competence and activity of human capital



Barriers for the development of innovation in rural areas of the Małopolska region identified during the works carried out by the Group of stakeholders of RATIO project and the local workshops

A. The support for the development of innovation

1. Regional Innovation Strategy (RIS) as a strategic planning tool for innovations concentrates on entities with a relatively large development potential and easy access to academic environments, considering however to a very small degree the specificity and the development possibilities of rural areas (this translates into the operational programme).
- Launching of the innovative potential in rural areas requires a different approach, which is not reflected by regional documents.**
2. The assumption stemming from RIS that the innovation centre will be/is the Kraków metropolis without considering the territorial nature of innovation policy, which significantly impacts the areas outside KOM-the strategy does not differentiate the approach with regards to different areas/groups of recipients and their scale of action.
 3. Poorly transparent system for building enterprise-school partnerships:
 - Entrepreneurs have difficulties in identifying the centre/persons whom they are to contact (significant barrier for many initiatives),
 - Schools have difficulties in finding partners for the planned/realized researches.

No connecting-contacting system, the so called single window to which the partners of innovative projects would be directed.
 4. Weak innovation promotion level, as usable/new solutions (services and products) - for a change of way of thinking about innovations, as solutions in the scope of high/advanced technologies-dominating way of thinking: "Innovations-this does not concern us".
Innovations are presented as solutions solely in the scope of very sophisticated technological solutions. The promotion does not reach the inhabitants of rural areas, they think of it as: not concerning them.
 5. **Weak access for persons from rural areas to knowledge- persons who are weakly oriented do not know where to start and how to get support-information points are normally located in larger towns, remote to the inhabitants of villages-the funds are associated almost exclusively with high technological innovations "it's not for us"**. Possibility of creating new products/services is not related to the village resources (material and non-material heritage)
 6. Too weak knowledge on site regarding **good practices, latest achievements** and solutions applied in the EU and worldwide **in certain industries, especially with regards to the specificity of rural areas**

and their resources, including agriculture

7. **Still too difficult and complicated language in communication and in access to funds for development and innovations (unclear messages, unreadable), constituting a significant development barrier for entrepreneurship and in consequence, innovation in rural areas.**
8. Noticed inadequacy of tools for the assessment of innovations in companies (not only in rural areas) does not encourage them/ discourages them, frustrates and leads to non-adequate or too general applications very often (that is without considering the scale of micro, small and average company or companies with young seniority and strongly "seated" on the market).
9. Too much red tape with regards to procedures related to the support of innovative projects which often kills creativity and places too big impact on schematic actions
10. Relatively low level of risk acceptance for projects designated to contribute to the development of entrepreneurship and innovation (i.e. in case of SAG for local self-governments and highly innovative projects of entrepreneurs). Innovative projects are burdened with risk so the beneficiaries think that it needs to be included in the principles of funding projects.
11. Local self-governments rarely cooperate and use support towards their inhabitants, on the side of Enterprise Europe Network Centres, providing support services for innovations of enterprises and their international cooperation.
12. Lack of possibilities of support for development projects for companies with large potential, which wish to be included/realize a project under the Programme HORYZONT 2020 (cost-generating application/ giving other possibilities/both in the context of entities from rural areas and cities/

B. Entrepreneurship and labour market

13. Too weak development of entrepreneurship in rural areas-the entrepreneurship develops too slowly, thus it is difficult to expect innovations in economic sector.
14. **Too weak access or lack of staff on labour market** (specialists), including in the context of specific competencies/qualifications/especially in the context of towns distant from the cities-gaps in the scope of specialists understood as, for example, machine operators.
15. Low wages and weak job offers, which do not meet the expectations of modern inhabitants of rural areas.
16. Lack of possibility to hand over a well-operating enterprise (with perspectives)-**succession in family companies in rural areas**, which hinders investments/pro-development actions (educated children do not want to come back-"they escaped").
17. High costs of **market research**.
18. **Labour migration** of the young and talented-Krakow and entire Krakow Metropolitan Area and Silesia, as attractive place for work and life, are an alternative for the young, who migrate from rural areas, settle down and start families ("sucking out" of the young of human capital, which is the largest development potential "Kraków drains out the rural areas").
19. **Lack of system of incentives for the young**, especially well-educated, to come back to their place of residence in rural areas-young people, as a significant social capital and potential for innovation development.
20. Weak awareness among the inhabitants, in the context of value of education-increasing competencies and qualifications, whether a change of profession and openness to new challenges.

C. Education for employment

21. Too theoretically carried out process of vocational education (on universities and vocational schools)-does not prepare a graduate to be implemented or enter the market which in the effect "enforces" undertaking labour in large urban centres on the basis of work contract, even towards local demand for services in a given branch (i.e. In places away from the city, in rural areas).
22. Work organization of universities, still insufficiently directed towards cooperation with entrepreneurs, especially in the context of micro and small firms searching for new solutions.
23. Weak cooperation with entrepreneurs- education too remote from factual conditions of work position in a company.
24. Erratic education, especially at Vocational level.

25. Not creative teaching personnel, often teachers do not encourage pupils to be creative, don't care for their modern and resembling urban education development.
26. Not innovative approach to education, both for children and adults.
27. Weak use of potential of the youth and gaps in infrastructure and the offer of improvement of their social inclusion (gaps creating social exclusion, which does not facilitate decisions regarding remaining or returning to home towns and villages after leaving to study or to work).
28. Very ineffectively managed professional consulting in schools, based mainly on group consultations (discussions with a teacher). Relatively few meetings with entrepreneurs.
29. Weakly applied tools for assessment of own potential in the context of labour market and various professions-understood as individual professional counselling and the process of educating parents, which are to support their children in making the right choices.
30. Depreciated perception of vocational training/education in profession-it is not perceived as a significant value in the context of the labour market, enabling obtaining employment after completing education
31. Common education in vocational schools in professions not adequate for the local labour market-deficiencies on the labour market, especially in traditional professions (dying)/industries of some parts of Małopolska.

D. Local infrastructure-basis for entrepreneurship/ innovation development

32. Still identified gaps in infrastructure, including in particular access to broadband Internet, mobile network, electricity with an option of large transfer of energy for the conducted production, access roads (infrastructure is treated as basis for incubating and innovation development).
Much worse (hindered) access to quality infrastructure for the conduct of economic activity (i.e. Roads, Internet) as well as human and financial resources makes the companies move to locations where their functioning/development could be easier (normally to larger cities or their outskirts).
33. Many towns still have large delays in basic infrastructure. In some of them there are too few media for innovative methods of management (i.e. sewage and water supply systems).
34. Too weak online availability as a significant development barrier, including cable network (backbone network) and network of wireless Internet (GSM networks).
35. Relatively weak state of transport availability, especially of the parts of Małopolska located far from Kraków (in particular this concerns the express road S7 from Lubnia to Nowy Targ and from Krakow to the border of the region with the Świętokrzyskie region as well as express roads from Brzesk to Nowy Sącz and from Kraków through Wadowice to Bielsko Biała)

E. Management-development policy-local and regional policy

36. Too few system actions in a situation when individual entrepreneurship "exceeds" the possibilities of the surrounding environment and is conducted in a manner which **does not fulfil the assumptions of balanced development**.
37. Lack or low level of spatial planning in the context of rural areas, considering the aspects of economic growth-lack or weak protection of areas for investments in spatial management plans.
38. Lack of planning of what we wish to place under protection on rural areas, weak awareness of own protection of area potential, including landscape.
39. **Too weak use of endogenous potential** and resources, including non-material heritage of rural areas (traditions), especially those at distance from the metropolis, for defining new quality products and services.
40. Too weak use of **specificity of subregional potential/functional areas' potential** for the development policy and search for innovative solutions.
41. **Too weak knowledge on good practices** and solutions applied in EU worldwide, in the scope of use of local resources (for self-governments which create the potential for innovation growth).
42. Defined model of approach to the development of innovation should not be the only approach in light of the various barriers for innovation development, needs and specificity of rural areas-**lack of specific approach, model, solutions, and institutions supporting disagrarisation of rural areas is significant**.

43. System of information and innovation support in rural areas is not comprehensive enough and is distant from local entities. It is hard for an average interested party to reach the information and get familiar with a body to be contacted regarding their idea, its analysis in terms of innovation and the funding perspectives. **Advisors are too far away, in larger cities.**
44. The existing information points are not enough based on market sales solutions/offering services-actively oriented towards a client (contact with him), and not on gaining information when they come for it.
45. Local self-government is poorly specialized towards assistance/support/advisory services/information for the entrepreneurs (competence gap).
46. Lack of funding and time for developing innovation in self-government entities.
47. **Frequently innovative solutions are related to short-term financing** (project), communal centres are insufficient for the continuation of interesting, novel solutions.
48. Development policy of many communal self-governments is often undertaken and realized as **“compensatory development”** (i.e. Supplement the roads, sewage and water supply system, “improve quality of school networks), while there is a lack of factual development vision which would be reflected, among others, in the spatial management plan.
49. **Difficulties in networking of entities** (including public ones) - is difficult in the countryside due to mental barrier, which does not encourage quality, broad offer creation.
50. Administration in the countryside is used to often **familiar/known solutions**, closed for changes-no interest in rural innovations.
51. Weakly **defined and used local potential** in the countryside, weak promotion of products and services elaborated locally. Lack of good definition for the functioning of many rural areas.
52. **Too few actions for creation of beneficial conditions for starting families and for their development-conditions for quality of life** in light of a change of lifestyle in the countryside and large similarity to urban lifestyle.
53. **Existing platforms of cooperation and exchange of experiences are not innovative**, do not deal with the topic of innovation and focus too little attention on it.
54. Formalism of regional institutions which stands above innovative nature of local solutions. “Institutions which are to support innovations in rural areas practically kill the spirit of innovation through constant placement of innovative ideas into the frames of requirements”.
55. Requirements which assume only one type of solutions with regards to other categories of a problem (i.e. Exchange of boilers, when in some places financing of gas would be more effective because this is what the inhabitants would want). Provisions in grant rules which often kill the innovativeness through their rigid approach and narrow catalogue of criteria.

F. Social

56. **The inhabitants who see the changes through a better infrastructure and not through ambitious challenges and “soft” actions**, being the long-term investment in people (short-distance look on development). It is difficult to encourage for innovative solutions, i.e. in the energy solutions, only economy rules.
57. Unprepared society for certain solutions, which **require large engagement and do not show instant effects** (i.e. Investments in human capital).
58. Weak dialogue with inhabitants concerning future development concepts and plants of spatial management based on these concepts
59. Too small support for the existing local leaders, or even lack of local leaders as initiators/promoters of the existing development initiatives
60. **Lack of mechanisms stimulating creativity of inhabitants.** Lacks concerning instruments for creativity support on local level.
61. **Weak use of the potential of the retired persons** (especially educated ones/ with unique knowledge/heritage knowledge) and lacks in infrastructure and offer which would improve social inclusion.
62. **Smaller openness for changes and creating new products and services**, in parts of region the

- inhabitants of which migrate after work to a small degree (i.e. USA, Germany, Austria).
63. Inhabitants of rural areas, including farmers, **often can't cooperate with each other in order to reach a better joint effect** (i.e. Conduct production, sales and promotion under one brand, reaching a synergy effect). Weak links, both business and non-business, creative.
 64. **Lack or too small degree of perception of cooperation as potential for development**-association, cooperation, and producer groups are not treated as development potential.
 65. Rural areas do **not enforce new attitudes and other/modern thinking** on the inhabitants, i.e. with regards to the environment or pro-ecological behaviours.
 66. **Narrow way of thinking about innovations**-limiting them to technological solutions (innovations are created by people for improving quality of life of people).
 67. **Very behavioural way of thinking about work**, the way of functioning of entities in the countryside.
 68. Weakly conducted and used **social dialogue**.
 69. **Weak information** on trends, models and tendencies which create development of innovative solutions.

SYNTETIC SUMMARY OF DIAGNOSIS-MAŁOPOLSKA IS CHARACTERIZED BY:

- Low percentage of enterprises cooperating in the scope of innovative activity.
- Relatively high expenditure on R&D per employee and non-adequately low level of company innovativeness.
- Small number of applications for funding for projects co-funded from EU resources.
- Positive dynamics of rural population growth.
- High level of education of the youth confirmed by comparative exam results.
- Large number of students and persons in production age in rural areas.
- Lack of "attractive" labour positions, adequate to one's education, especially for persons with higher education.
- Lack of employees in many professions and low indicator of economic activity in the countryside.
- Relatively long average time for job search in rural areas.
- Relatively slow disagrarisation of local economy.
- Not satisfactory institutional network in the scope of coordinating disagrarisation policy in rural areas and, above all, too "remote" from the inhabitants information and advisory services.
- Too few tools and instruments for encouraging investors and development of entrepreneurship and innovations in rural areas (adequate for the specificity and possibilities of the countryside).
- Low participation of the society characterized by over-average dynamics of growth in social-economic dimension.
- Too low social activeness and cooperation of the inhabitants of rural areas and weak support towards educating local leaders as motors for local development.
- Małopolska is a region with large interregional diversification of processes- the growing disproportions in social-economic development (significantly faster tempo of development of towns located around the metropolis).
- Unused potential of rural areas makes the development dynamics of Małopolska weaker.
- Better use of potential or rural areas-launching the innovative potential on rural areas requires a different approach.