



Rethinking Regional Attractiveness of Lubelskie, Poland



Lubelskie
Urząd Marszałkowski Województwa Lubelskiego



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RETHINKING THE REGIONAL ATTRACTIVENESS OF LUBELSKIE, POLAND



Supported by the European Commission, the OECD Rethinking Regional Attractiveness programme helps policy makers understand how their regions can better **attract talent, investors, and visitors in today's changing world.**

Across the OECD, climate change, geo-political instability, digitalisation, and demographic transition are producing asymmetric impacts both between and within countries and regions. At the same time, a new era of industrial policies, combined with higher demands for more sustainable and green supply chains, are creating opportunities for more balanced regional attractiveness. This makes it an opportune moment to reflect on how to leverage attractiveness policies to support the green and inclusive development of regions.

The regional case studies conducted by the OECD under this programme provide a snapshot of participating regions' attractiveness profiles, along with policy and governance considerations to guide participants in building upon each other's best practices.

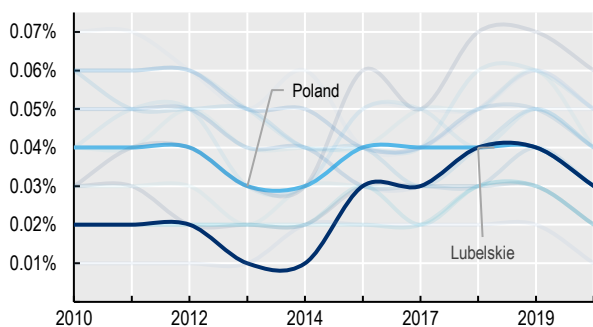
Lubelskie, situated on the eastern EU border and a historically largely agricultural region, is experiencing rapid economic growth and diversification. Its proximity to Russia's war of aggression against Ukraine presents both challenges and potential avenues for engagement, especially as Lubelskie seeks to play a major role in supporting Ukraine's post-war reconstruction efforts. Facing severe demographic challenges, the region must build upon its academic and innovation potential and foster collaboration among actors to attract and retain the talent and green investment necessary for its sustainable and inclusive growth.

A snapshot of Lubelskie in the World

Lubelskie, a region at the EU and NATO eastern border, faces significant attractiveness challenges brought on by Russia's war of aggression against Ukraine, complicating pre-existing structural challenges in terms of economic transition and demographics. In this context, enhancing the region's ability to attract investors, talent and visitors is crucial—to contribute to its economic prosperity and resilience, to generate higher living standards for its residents, and to help address the demographic and environmental shifts at play.

Investors. While the rest of Poland has generally seen a positive trend in attracting foreign investment, Lubelskie remains on the periphery, with minimal gains since 2017 (Figure 3). Recent FDI inflows have focused on manufacturing and construction (fDi markets, 2024^[16]) and the region has significant potential to diversify toward green investment. However, the war in Ukraine has brought volatility to the investment climate, with 66% of European investors expressing concern about the conflict's potential escalation (EY, 2023^[75]), while others see Lubelskie's proximity with Ukraine as an opportunity to partake in post-war reconstruction efforts.

Figure 1. New residents in Lubelskie and other Polish regions coming from another country (% of population)

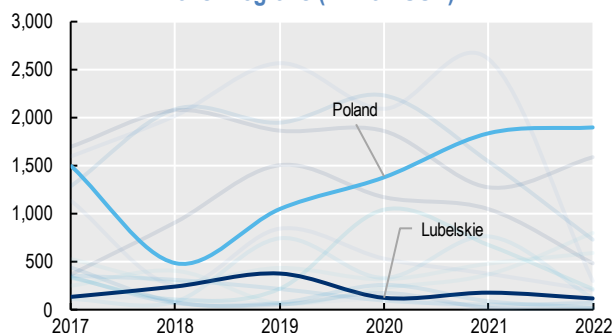


Source: Based on OECD (2024^[74]), *International migration flows – Regions* (dataset).

Note: Faded data series represent other Polish regions. The category of 'new residents' may exclude individuals on temporary resident permits, which are a predominant form of migration in Poland.

Visitors. Since 2010, Lubelskie's tourism sector has struggled to match the national average growth in tourism traffic, with lagging occupancy rates in tourist accommodation (Figure 2). Despite a strong post-pandemic recovery that saw increased international visitors compared to pre-COVID-19 levels, tourism has been stagnating since 2022 in the region, partly due to safety concerns related to the geopolitical situation.

Figure 3. Greenfield inward FDI in Lubelskie and other Polish regions (million USD)

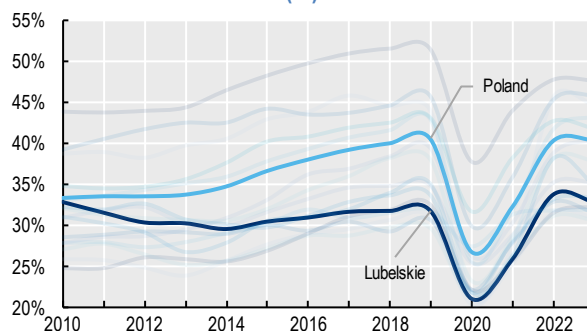


Source: Based on fDi Markets (2022^[77]) (dataset).

Note: Faded data series represent other Polish regions (excl. Lower Silesia and Warsaw)

Talent. Lubelskie attracts relatively few international migrants, though inward migration has been on the rise since 2014, catching up with Poland's average (Figure 1). Despite welcoming millions of Ukrainian refugees (3.5 million crossing the border in 2023 alone), the region has primarily served as a transit zone rather than a destination, with 35,700 refugees staying in Lubelskie—among the lowest rates in Poland (UNHCR, 2024^[78]).

Figure 2. Occupancy rate of tourist accommodation establishments in Lubelskie and other Polish regions (%)



Source: Based on Statistics Poland (2024^[82]), *Occupancy of tourist accommodation establishments in 2023* (dataset).

Note: Faded data series represent other Polish regions

Lubelskie's Attractiveness Profile

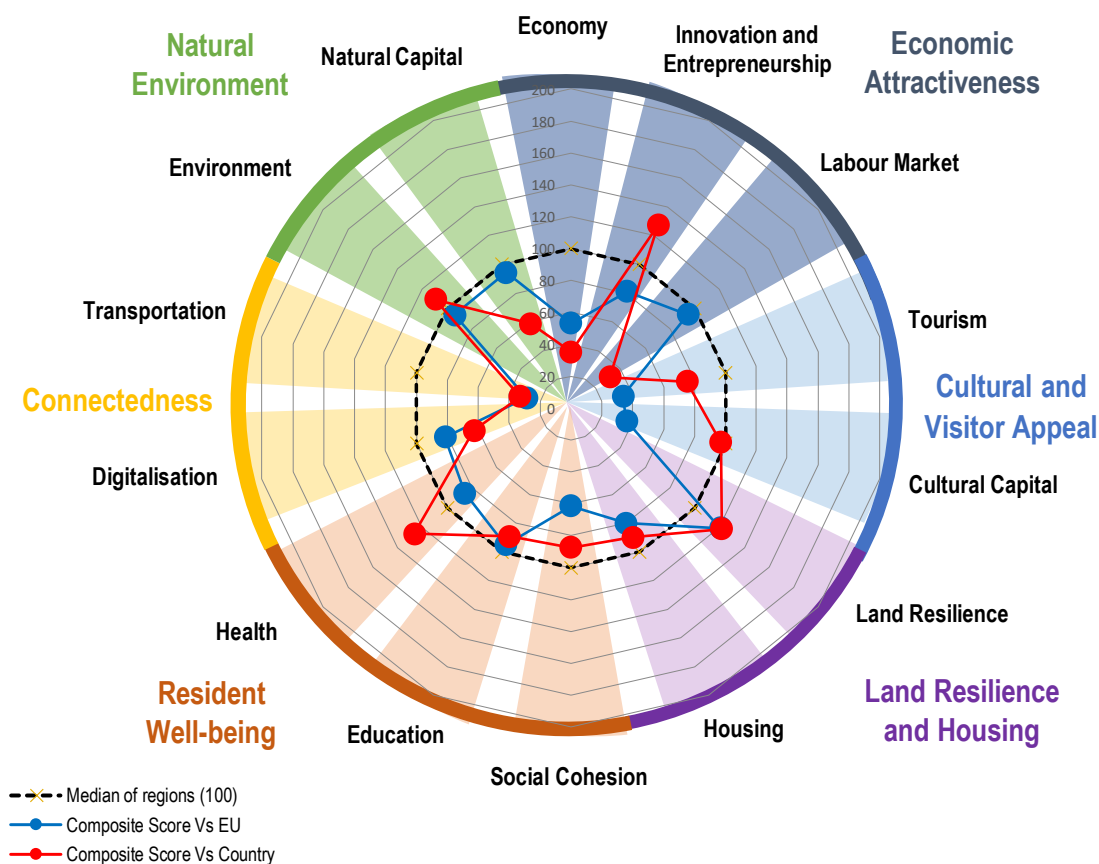
Lubelskie's results on the OECD's Regional Attractiveness Compass at the TL2 level highlight the region's strengths as a hub for international students, enhancing its appeal to investors, talent, and visitors. With its relatively weaker economy, although progressing, and growing demographic challenges, enhancing quality-of-life factors of attractiveness and strengthening the labour market emerge as strategic priorities for the region. Continuing the improvements in transport and digital connections—a major weak point for Lubelskie—is particularly pressing for this border region weathering the significant geo-economic implications of the nearby, ongoing conflict in Ukraine.

The OECD Regional Attractiveness methodology considers global engagement beyond international connections and economic factors alone. It encompasses more than 60 indicators¹, covering 14 dimensions across 6 domains (Economic attraction, Connectedness, Cultural and visitor appeal, Natural Environment, Resident well-being, Land resilience and housing) to create a region's attractiveness compass.

The Compass guides regional policy makers to:

- Assess their region's comparative strengths and weaknesses in the new global environment.
- Identify priority attractiveness drivers to enhance their region's future competitiveness.
- Monitor and evaluate the impact of regional development policies.
- Learn from other regions' position in globalisation.

Attractiveness Compass: Lubelskie



Interpreting the compass:

- A higher score (closer to 200) indicates better performance relative to the other regions for each dimension.
- The closer the point is to the centre, the lower the performance of the region compared with other regions.
- The closer the point is to the outer bound of the compass, the higher the performance compared with other regions.
- The **red dots** indicate how the region is performing relative to other regions in the **same country**.
- The **blue dots** indicate how the region is performing relative to other **EU regions**.

Source: OECD (2024). Rethinking Regional Attractiveness. Available at: <https://www.oecd.org/en/about/programmes/rethinking-regional-attractiveness.html>. Compass results reflect the latest update of the OECD Regional Database (November 2024).

¹ In the Regional Attractiveness Database, the indicators of 'House price index (Base 100 =2015)', 'Number of intentional homicides per 100,000 population' and '% fibre optic coverage' are missing for all Polish regions.

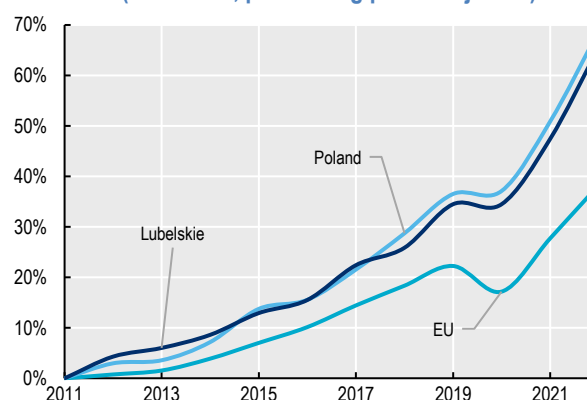
Economic Attractiveness – Lubelskie’s economy, which performs significantly below EU and national benchmarks, is now benefiting from Poland’s fast growth—but economic gains are not translating into commensurate job opportunities for its youth, while the war in Ukraine is impacting the region’s competitiveness profile.

Lubelskie’s low scores on the economy dimension mask a noteworthy progress in recent years. Despite having the lowest Gross Domestic Product (GDP) per capita and Gross Value Added (GVA) per worker in the country in 2020, far below the EU averages,² the region has demonstrated remarkable economic growth, with Lubelskie’s GDP per capita rising from about 35% of the EU average in 2004 to 54% in 2022 (European Commission, 2007^[1]; Eurostat, 2024^[2]). While the region’s economy is somewhat more diversified than most EU and OECD regions,³ it is slightly less so than the Polish average, with agriculture and mining still weighing a lot in the regional industry mix. Like much of Poland, the region’s GDP per capita growth is currently exceeding EU trends (Figure 4), and its productivity growth is nearly four times higher than the EU average, placing Lubelskie third in Poland⁴ (Lubelskie Marshal’s Office, 2024^[3]). This economic dynamism is conducive to attracting investors and talent to a greater extent than suggested by the region’s score on the Attractiveness Compass.

Entrepreneurship is a regional strength, but Lubelskie’s lagging innovation and business environment constrains its economic performance. While Lubelskie boasts the highest employer firm creation rate in Poland at 11.8%—exceeding EU and OECD averages, both around 9%—only 37% of residents see it as a good place to start a business, among the lowest scores in the country and far below the 60% EU median⁵. At the same time, entrepreneurs benefit from special national financial support for Eastern Poland regions. On the innovation front, the region’s 7.6 PCT patent applications per million inhabitants are mid-range nationally, but more than 10 times lower than EU and OECD averages⁶. The region’s innovation lag stems from limited business R&D spending, compounded by a shortage of ICT specialists and structural barriers to innovation in rural areas (European Commission, 2023^[4]). By contrast, the region’s share of employment in R&D is on par with Polish and EU averages, reflecting its role as an academic hub, with most R&D workers typically employed in universities.

Labour market scores⁷ suggest that the Lubelskie workforce—especially its youth—is missing out on the country’s economic growth spurt. The region’s unemployment rate of 4.7% in 2022, while lower than the roughly 6.8% average across the EU, was the second highest in the country, markedly higher than the 3% Polish average. Despite improvements⁸, youth unemployment meanwhile stood at 18.1%, the third highest in Poland (averaging around 14% nationally) and not substantively lower than the EU’s

Figure 4. Cumulative GDP per capita growth rate (2011-2022, purchasing power adjusted)



Source: Based on Eurostat (2023^[7]), *Purchasing power adjusted GDP per capita* (dataset).

² All statistics from the OECD Regional Database (2015-2024) unless otherwise noted.

³ Based on the distribution of employment according to 10 economic branches (inverse of the Herfindahl index).

⁴ European funds contributed significantly to this progress, with EU Cohesion Policy investments for instance accounting for approximately 21% of the region’s GDP growth between 2004 and 2019 (MFiPR, 2022^[47]).

⁵ Based on a 2017-2021 average data.

⁶ Based on 2018 data.

⁷ The employment rate of migrants as a difference from that of natives (%) is missing for Lubelskie in the OECD Regional Database.

⁸ Between 2004 and 2020 EU Cohesion Policy investments contributed to creating approximately 34,500 jobs in Lubelskie and were responsible for a 1.4 p.p. average annual decline in unemployment rate in the region (MFiPR, 2022^[47]).

average of 18.4%— suggesting limited opportunities for Lubelskie’s youth to benefit from the region’s economic dynamism due to mismatches between training and labour market needs.⁹

Cultural and Visitor Appeal – Lubelskie displays limited tourism activity, attractiveness to foreign visitors, and cultural capital, with negative implications for talent attraction and retention.

The region sees low levels of tourism activity and foreign visitors, both further affected by the war in Ukraine. Lubelskie recorded only 1,180 overnight stays in tourist accommodations per 1,000 inhabitants in 2022, four times fewer than the EU median and well below the Polish median (1,541). Its tourism infrastructure is correspondingly limited, again with about four times fewer tourist accommodation beds per capita than the EU median and trailing the Polish one. The net occupancy rate for tourist accommodation at 43% (below the EU and Polish averages of 50% and 47%, respectively) suggests some degree of underutilisation of the existing infrastructure. Tourism infrastructure is still under-developed, with half the number of information centres per capita compared to the EU average. Like most Polish regions, the profile of Lubelskie’s visitors is domestic-oriented, with only 12% of overnight stays by international tourists compared to around 30% across the EU. While improved transport connections and tourism infrastructure had supported modest growth in the region’s tourism and foreign visitor numbers pre-2022 (City of Lublin, 2024^[5]), the impact of Russia’s war on Ukraine creates new challenges for the sector.

Despite notable assets, Lubelskie’s cultural capital, as much of Poland’s, remains below EU averages, with implications not only for tourism but also talent attraction and retention. Lubelskie is home to one UNESCO World Heritage site, the Old Town of Zamość, and ranks in the upper third of regions in Poland for museums per capita but in the lower third for theatres. Compared to the EU averages, Lubelskie has half as many museums and theatres per capita. Though cultural capital shows significant correlations with foreign visitor numbers, it also has broader implications in promoting quality of life for existing and prospective residents (OECD, 2023^[6]). With just 1.2% of employment in culture and creative industries—nearly three times below the EU average—Lubelskie has the third lowest share in Poland, suggesting smaller or less viable businesses and a limited regional impact. In 2018, only 0.2% of its land was devoted to arts, entertainment, and recreation, compared to 1.4% in Poland and 2.0% in the EU, underscoring the sector’s smaller footprint (Eurostat, 2021^[7]). Nevertheless, a recent 25% increase in public expenditure on culture between 2018 and 2023 (Lubelskie Marshal’s Office, 2024^[3]), along with Lublin being selected as the European Capital of Culture in 2029, may help in augmenting and promoting the region’s cultural assets.

Land Resilience and Housing – Lubelskie’s land exhibits greater resilience to climate risks than the EU average (a factor of attractiveness to investors), while residents report significant dissatisfaction with housing affordability (a factor of unattractiveness to talent).

The region’s land is relatively resilient to flood risks, with only 4.5% of its built-up areas exposed to river flooding.¹⁰ This is the fourth smallest share among Polish regions (where exposure ranges from 2.1% to 18.5%) and about half the average exposure of EU regions. This resilience is advantageous for attracting investors given that floods caused 44% of all economic losses from weather- and climate-related extremes in EU countries between 1980 and 2023 (European Environment Agency, 2024^[8]). Lubelskie is also not at a major risk of suffering from wildfires¹¹. While its -1.5% decrease in soil moisture compared to the reference period 1981-2010¹² is lower than the Polish average, it also underscores the need for sustainable water management practices to prevent potential impacts on agriculture. Notably, land resilience does not

⁹ More recent unemployment figures are not showing improvements: in 2024, unemployment in Lubelskie further surged to 7.2% (National Statistical Office, 2024^[73]), still among Poland’s highest and now exceeding the EU average rate of 6%.

¹⁰ 100-year return period.

¹¹ Based on the indicator of the average land burned as a share of total land (%) at 0.004% between 2019 and 2023.

¹² Average percentage change in land soil moisture (0-7 cm depth layer) between 2019 and 2023.

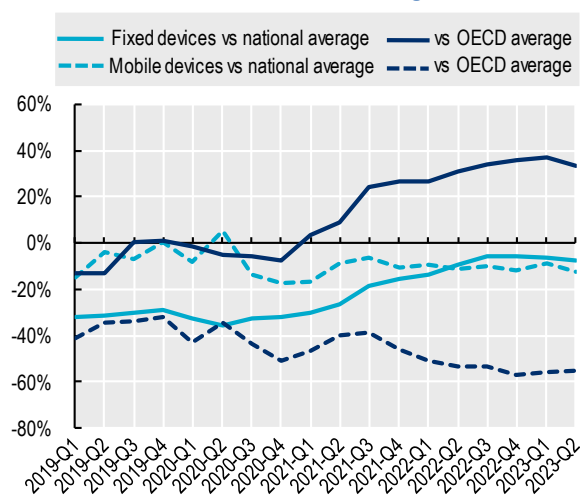
necessarily equate to land availability, which remains a significant challenge for the region's ability to attract investors seeking large-scale parcels.

Residents of Lubelskie face significant housing¹³ affordability challenges, as well as with the availability and quality of housing. Its residents allocate a relatively smaller share of income to housing expenses (20%) than the national and EU averages of 22% and 25%. Yet, Lubelskie's average house prices (USD 3,062 per square metre¹⁴) are the fifth highest among Polish regions, exceeding both the Polish average (USD 2,874). Around 8.6% of Lubelskie's population reports insufficient income to cover housing needs—above the national average of 7.5% and close to the EU's 9.1%. Overall, just under a third of residents (31.3%) express satisfaction with housing affordability, only slightly above Poland's national average but 18 percentage points below the EU average (49%), underscoring widespread discontent and a limited ability to afford higher-quality housing. Beyond affordability, low housing quality is a well-documented issue in the region, where many dwellings still lack access to basic amenities. Rural areas are particularly underserved, with 8.5% of rural dwellings lacking water supply systems compared to 1.7% in cities (Lublin Statistical Office, 2024^[9]). Yet, affordable, high-quality housing is a key factor for attracting international talent: a 10 percentage points (pp) increase in the share of the population satisfied with housing affordability translates into a 1.8 pp increase in the share of foreign-born employed people in the working-age population (15-64-year-olds) (OECD, 2023^[6]).

Connectedness – Lubelskie's road and digital connectivity have improved, bringing the region closer to national and EU benchmarks; however, further gains in connectivity remain to be achieved.

On the digitalisation¹⁵ front, Lubelskie's low compass score masks substantial gains in both internet access and download speeds—crucial factors in attracting and retaining talent and investments (OECD, 2023^[6]). The share of households with broadband access in the region stood at 87% in 2020, which while slightly below the Polish average is higher than the EU and OECD's. Internet speed, although still below national average, fares well among OECD regions and demonstrates growing convergence in download speeds from fixed devices among Polish regions, with downloads from mobile devices much slower than the OECD average (Figure 5)¹⁶. Additionally, its lower score on the Facebook Social Connectivity Index, which measures the reach of personal networks, suggests that residents have weaker international connections compared to most other Polish regions.

Figure 5. Internet download speed from mobile and fixed devices in Lubelskie, % deviation from national and OECD averages



Source: Based on Ookla (2023), *Internet Download Speed* (dataset).

Similarly, Lubelskie's low transportation score masks quickly improving road and rail infrastructures, with the latter showing the way for more progress in green transport options. While

¹³ Internationally comparable data for the 'House price index (Base 100 =2015)' indicator used to calculate the Housing dimension score of the compass is missing for all Polish regions.

¹⁴ 2019-2021 average, USD PPP 2021.

¹⁵ Internationally comparable data for the '% fiber optic coverage' indicator used to calculate the Digitalisation dimension score of the compass is missing for all Polish regions.

¹⁶ The OECD Regional Attractiveness Database only considers the fixed download speed deviation from the national average when calculating the composite scores used for the compass.

the region's road connectivity¹⁷ was the second lowest in the country in 2018, in the bottom quarter of the OECD scoreboard, today its road density is close to both the Polish average and the EU median. Key investments driving this progress include the expansion of expressways that connect Lubelskie to Poland and Europe: three international roads and the S17 expressway, completed in 2020, linking Warsaw to Lublin and which will extend to the UNESCO World Heritage city of Zamość and the Ukrainian border by 2028, and the S19 expressway completed in 2022, linked Lublin and Rzeszów. However, Lubelskie's rail connectivity¹⁸ remains around three times lower than the Polish and EU medians, and its residents have nearly 15 times fewer daily passenger flights available to them within a 90-minute drive than the EU median¹⁹. Yet, progress is under way, with five projects conducted by Poland's national rail company to reduce rail exclusion which have already contributed to a 20% increase in the length of electrified railway lines from 2018 to 2022 (Lubelskie Marshal's Office, 2024^[3]). Remaining gaps to be bridged include public and green transportation options, along with intermodal transport options²⁰. Cycleway density and residents' satisfaction with public transport quality are both slightly below Polish and EU averages. The gap is especially pressing on the green transition front, with electric and hybrid vehicles accounting in 2022 for only 0.17% of Lubelskie's fleet—about half the Polish average.

Resident Well-being – Lubelskie offers excellent access to health services and boasts a highly internationalised higher education sector, but its social cohesion is threatened by socio-economic and governance challenges.

Lubelskie's healthcare accessibility is a strength, contributing to better quality of life for its residents, while air pollution is a shared public health concern across Poland. More than 53% of Lubelskie residents are satisfied with healthcare services—the highest rate in Poland, although still below the EU average of 66%. This result reflects the region's strong healthcare accessibility, with proximity to hospitals and maternity care exceeding the EU average. The region also has a high number of pharmacies per capita, above Polish, EU and OECD averages. Its number of doctors —3.6 per 1,000 inhabitants—ranks fifth highest in the country; however, the ageing of doctors may come to challenge this position. Like in much of Poland, air quality in Lubelskie is lower than EU benchmarks, with residents exposed to 17 µg/m³ of air pollutants compared to an EU average of 12 µg/m³, highlighting a need for continued mitigation efforts due to the increased risk of respiratory and cardiovascular issues associated with higher pollution levels.

Lubelskie's higher education sector is outstandingly international, while its lower road connectivity impacts the accessibility of schools. Lubelskie boasts the highest share of international students among all Polish regions at 10.6%, surpassing the EU median of 8.3%: a key advantage for attracting and retaining skilled talent. The presence of more higher education institutions per capita in the region than the EU median further demonstrates its academic strength, as does its 31% share of residents holding a tertiary degree, on par with the EU median. However, the average distance to primary (2.8 km) and secondary schools (4.7 km) in Lubelskie²¹—relevant to attracting and retaining families—exceeds both national and EU average distances, reflecting lower road connectivity particularly outside urban centres. Participation in lifelong learning is low (European Commission, 2023^[4]), limiting opportunities for skill development—a pressing issue given the region's demographic challenges.

Entrenched socio-economic difficulties and governance shortcomings bring down Lubelskie's social cohesion result²², with poverty representing a significant issue for the region. Lubelskie had

¹⁷ Population that can be reached by road (within 90 minutes) per 100 nearby inhabitants (within 120km radius) in 2018.

¹⁸ Population that can be reached by rail (within 90 minutes) per 100 nearby inhabitants (within 120km radius) in 2020.

¹⁹ 2019 data.

²⁰ Metric used to evaluate how easily and efficiently people or goods can move between different modes of transportation within an area.

²¹ 2011 data.

²² Internationally comparable data for the 'Number of intentional homicides per 100,000 'inhabitants' indicator used to calculate the Social Cohesion score on the compass is missing for all Polish regions.

the highest poverty rate in Poland in 2021 at 22.9%²³, largely above the EU median (15.8%), and one fourth of its population was further at risk of poverty or social exclusion in 2022, again higher than the EU average of 22% (European Commission, 2024_[10]). While Lubelskie offers more community centres²⁴ per capita than the Polish and OECD average and does well on personal safety, with 76.5% of residents reporting feeling safe walking alone at night (4th highest in Poland and above EU average), other subjective indicators of quality of life further contribute to its low social cohesion result. Residents report an overall life satisfaction score of 6.3 out of 10, slightly above the Polish average and slightly below the EU's. At the same time, there are fewer residents satisfied with opportunities to meet people and make friends (71.2%) than elsewhere in Poland (85.5% median) and Europe (81.4%). Finally, Lubelskie ranks second lowest in Poland on the European Quality of Government Index (EQI), with notable declines in recent years²⁵ - a critical issue since higher EQI scores are linked to greater life satisfaction and low trust in government can lead to disengagement from the democratic process and pose a risk to regional economic development, even negatively impacting fertility rates (Barbero et al., 2022_[11]; Rodríguez-Pose and Muštra, 2022_[12]).

Natural Environment – While Lubelskie outperforms EU levels on some measures like waste management and a so far mild climate, it has much room to improve its preservation of natural resources and accelerate its green transition, both in the energy and transportation sectors.

The region underperforms on natural capital due to relatively low tree coverage and share of protected areas. The region's tree cover rate grew by 2.8% between 2004 and 2019, less than the average gains realised across other Polish and European regions (3.1% and 3.8%, respectively), widening the gap in tree coverage. In 2019, the region's tree cover rate of 22.9% was the third lowest in Poland, 10pp lower than the national and EU averages (about 33%). The gap should widen in the near future, with areas designated for conversion from forest land to non-forest uses doubling between 2018-2022 (Lubelskie Marshal's Office, 2024_[3]). Nature conservation areas in 2024 cover 30.8% of the region's territory (higher than the EU average of 28.7% but significantly below national average of 40.3%), including two national parks, 17 landscape parks and 120 Natura 2000 sites (Lubelskie Marshal's Office, 2021_[13]).

Lubelskie performs strongly on the environmental dimension, but its green transition lags other EU regions' progress. In the last five years, the region faced on average 26 additional cooling degree days²⁶ compared to 1981-2010 levels, much lower than the 45 days faced on average in the EU, but higher than the average of 22 days in Poland, indicating growing pressure on electricity demand for cooling and a need for adaptation measures. This presents an opportunity to accelerate the lagging energy transition since at present renewable energy sources generate just under 20% of Lubelskie's electricity, under the Polish average of 24% and less than half the EU average of 43%. Lubelskie's limited reliance on renewables, combined with high emissions from sectors like transport—which produces 2.1 tonnes of CO₂ per capita annually, placing the region sixth highest in Poland and above the EU median—compounds its climate challenges. Fifty-seven percent of the region's residents are satisfied with environmental preservation efforts—the fifth highest rate in Poland where average satisfaction levels are just under 53%, and well above the 46% EU average. Lubelskie also ranks fifth in the country for its share of municipal waste recycled (65%), with a slight advance on the EU average (64.3%). This advance may be challenging to maintain as its municipal waste per capita increased by more than 15% between 2018 and 2022 (Lubelskie Marshal's Office, 2024_[3]).

²³ Measured as % of the population below 60% of national median income after taxes and transfers.

²⁴ Community centres are public locations where members of a community gather for group activities, social support, informal and formal meetings, public information, events and festivities, and other purposes, such as cultural centres, youth centres, community halls, among others.

²⁵ Strong differences in EQI scores are related to the level of trust in public institutions and the degree of their politicisation. A comparative study between the regions of Lubelskie and Opolski found that higher levels of trust in public institutions are influenced by efficient use of European funds, perceived good cooperation between local government units, and effective cooperation with NGOs (European Commission, 2022_[76]).

²⁶ Cooling degree days measure the intensity (in °C) and length (in days) of cooling needs. The 'additional cooling degree days' indicator represents the increase in cooling demand between the 2019-2023 average and the 1981-2010 baseline period.

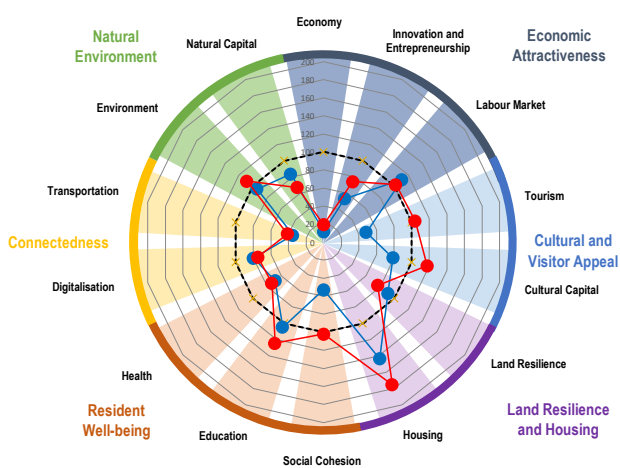
Going granular: Territorial disparities and complementarities in Lubelskie

The OECD’s new NUTS 3/TL3-level regional attractiveness database highlights intra-regional synergies and complementarities within Lubelskie, uncovering further opportunities for improved cooperation and policy alignment to enhance the region's appeal to investors, talent, and visitors. Differences across TL3 sub-regions can indeed offer opportunities to exploit complementarities and improve the region’s overall attractiveness (Ryu et al., 2024^[14]).

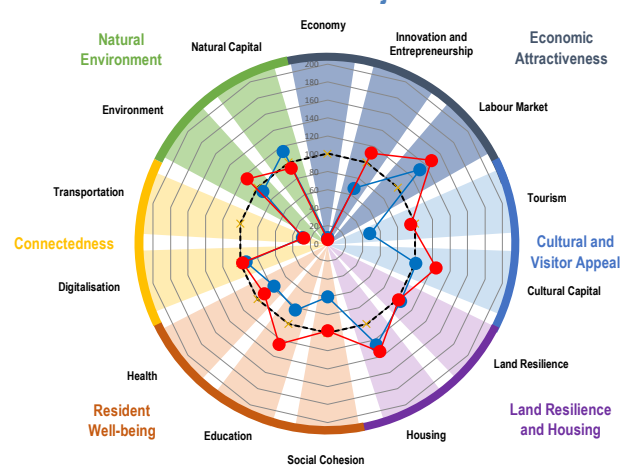
While Lubelskie’s capital Lublin, concentrates economic activity, innovation, and services, its rural sub-regions face distinct challenges including transport connectivity, access to public services, and fewer economic opportunities but fare better in domains like housing. Coordinated efforts to enhance complementarity—through expanding renewable energy production, promoting rural tourism, or improving transport links—could unlock Lubelskie’s full attractiveness to investors, talent, and visitors. At the same time, some disparities underscore the need for place-based policies to reduce territorial disparities.

Attractiveness Compasses: Lubelskie TL3 Regions

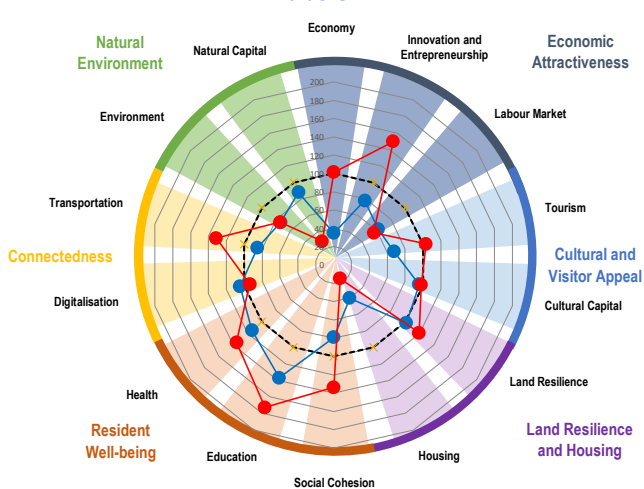
Bialski



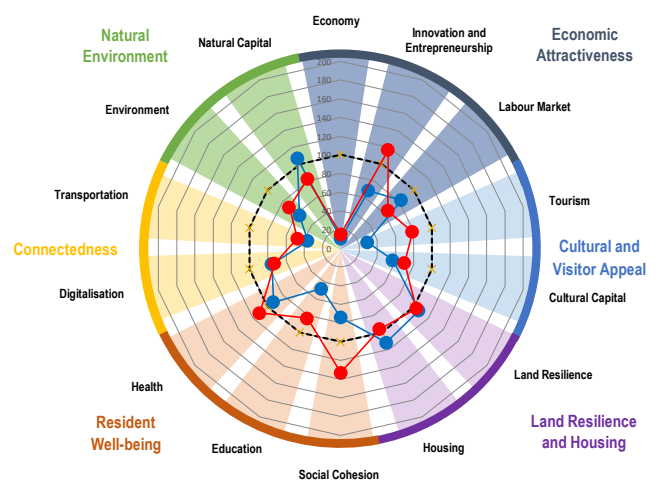
Chełmsko-Zamojski



Lubelski



Puławski



- Median of regions (100)
- Composite Score Vs EU
- Composite Score Vs Country

Disparities in economic performance and opportunities for complementary investments

Lubelskie displays significant economic disparities, with the Lubelski TL3 sub-region, where the regional capital Lublin is located, faring better than other sub-regions. Lubelski's GDP per capita is almost double that of Chełmsko-zamojski, where economic output is the lowest, and its productivity (GVA per worker) outperforms all other sub-regions. Lubelski's economy is also more diverse than that of neighbours, driven by sectors such as trade, services, and industrial production (Statistical Office in Lublin, 2023^[15]). The economies of Chełmsko-zamojski and Puławski sub-regions primarily rely on sectors like wood processing or furniture manufacturing, while Bialski remains the least diverse, with an economy heavily focused on agriculture, a lower-value-added sector that is nevertheless vital for Lubelskie's resilience (idem). Poland's three Special Economic Zones (SEZs) whose sub-zones operate in Lubelskie, namely Starachowice, Euro-park Mielec²⁷ and Euro-park Wisłosan²⁸, provide opportunities to attract strategic investments that generate complementary added value, ultimately boosting growth across the sub-regions. For example, the Puławski Industrial Park in the Starachowice SEZ already focuses its activities on biotechnology and fertiliser manufacturing, one of the main exports of the region, illustrating possible pathways for the growing specialisation of different sub-regions.

While Lubelski stands out regionally on innovation, its results are modest compared to EU trends.

In 2018, the sub-region generated 15.3 patent applications per million inhabitants, significantly more than the 2.3 in the poorest-performing Chełmsko-Zamojski sub-region. However, this performance remains far below the EU average of 113. Lubelski comes closer to EU results in terms of EU trademarks applications, where it again drives Lubelskie's highest scores, while Bialski exhibits the lowest. The creation in 2021 of the Puławy Science and Technology branch of the Puławski Industrial Park, which benefits from Lubelski's academic resources, illustrates efforts to promote innovation outside the capital city. Similar territorialised initiatives could seek to disseminate innovation across the region, boosting overall competitiveness and job creation. Improvements in digitalisation, which exhibits stark disparities across sub-regions, could further help attract investment and talent more evenly.

Different climate change adaptation needs and complementary strengths for a regionally integrated energy transition

Lubelskie's sub-regions face distinct climate risks and adaptation challenges, but also similar ones that call for joint action. While all TL3 regions in Lubelskie share relatively modest increases in cooling degree days²⁹—below the EU average, facilitating shared reflections on adaptation strategies—the regions' natural capital reveals localised vulnerabilities. Tree cover rates, for instance, range from 12% in Lubelski to 29% in Bialski, and protected areas account for 20% of Bialski's land but rise to 40% in Chełmsko-Zamojski, underscoring the need for place-based strategies to expand ecological assets critical for climate resilience. Around 47.5% of the region's land faces heightened drought risk, particularly in Eastern Lubelski and the Bialski sub-regions (Lubelskie Marshal's Office, 2021^[13]), while 14.5% of residents in the Puławski sub-region are exposed to floods, wind storms, water shortages and wildfire, more than double the exposed share of population in Lubelskie's other sub-regions (European Commission, 2024^[10]). This uneven distribution of risks calls for targeted interventions that balance place-based adaptation with regional collaboration, ensuring resilience across all parts of Lubelskie.

Vast territorial differences in renewable energy uptake reveal important areas of priority for the energy transition from carbon-intensive industries. The renewable energy sector, identified as a key specialisation in the Regional Innovation Strategy, offers benefits to all sub-regions but currently reveals

²⁷ Poland's first SEZ was established and is predominantly based in Podkarpackie region, with an important sub-zone located in Lubelskie. It is primarily known as a hub for the aviation industry.

²⁸ Euro-park Wisłosan is predominantly operated from the Podkarpackie region, with significant activities expanding into Lubelskie.

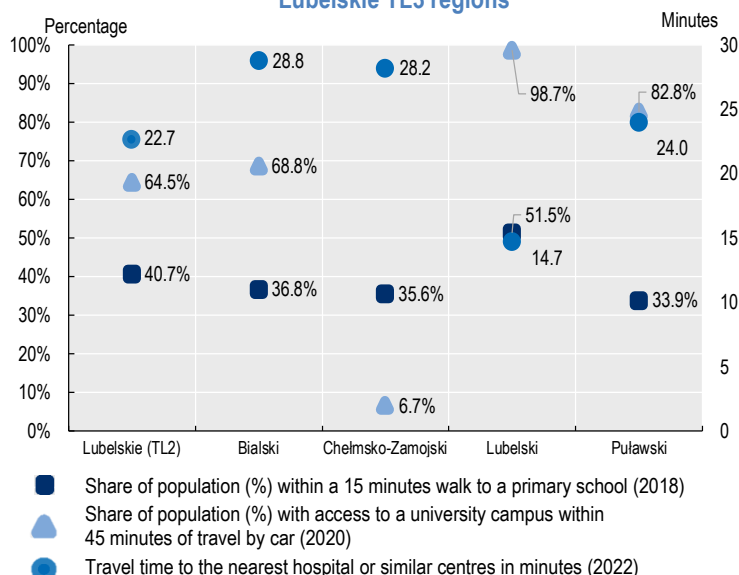
²⁹ 2019–2023 average compared to 1981–2010 levels.

territorial disparities. The Bialski and Chełmsko-zamojski sub-regions lead in renewable energy generation, with nearly all energy coming from renewables. They also boast the highest solar energy potential in Poland, emerging as hubs for green energy (Lubelskie Marshal's Office, 2024_[3]). Bialski is recognised among the top 10% of European regions with untapped solar potential (European Commission, 2024_[10]) and has attracted foreign direct investment (FDI), including two wind power projects in Biała Podlaska (fDi markets, 2024_[16]). In contrast, Puławski and Lubelski sub-regions rely at 93% and 87% on non-renewable sources respectively. Lubelski hosts the LW Bogdanka coal mine, a key player in the region and country's energy transformation. The mine, set to terminate coal activities by 2049, is diversifying by investing in renewable energy and mining for critical raw materials key to attract green investments and develop renewable energy infrastructure. Employees from the mine are currently being upskilled, positioning all sub-regions to participate in the broader trend within the regional energy ecosystem to create a value chain around renewable energy sources. Leveraging this potential is critical, especially for the Chełmsko-zamojski sub-region, which faces a higher risk of falling into a development trap³⁰.

Better transport and digital connectivity for reduced disparities in public services and housing

Lubelskie faces significant disparities in access to public services, underscoring a need for improved connectivity to attract and retain residents. These disparities are particularly pronounced in healthcare and higher education, where the concentration of universities in Lublin creates unequal opportunities for students from less-connected sub-regions, thereby reinforcing broader regional inequalities (Figure 6). With all sub-regions, except Lubelski, experiencing population decline (European Commission, 2024_[10]), there is a growing likelihood of increased concentration of public services, which could further exacerbate regional disparities. Transport infrastructure remains underdeveloped to mitigate these issues. For instance, only 2.4% to 2.6% of the population in Chełmsko-zamojski, Bialski, and Puławski can access rail services within 90 minutes, compared to 4.7% in Lubelski—far below the EU average of 11%.

Figure 6. Comparison of access to public services across Lubelskie TL3 regions



Source: Based on European Commission (2024_[10]), *Ninth report on economic, social, and territorial cohesion* (dataset).

Strengthening public transport links would not only ensure more equitable access to public services but could also alleviate housing pressures in Lublin. Housing prices are on average 30-40% lower in the other three sub-regions compared to Lubelskie's average USD 3385 (PPP, 2021). Quality public transport, including improved rail connectivity, would shorten travel times and enable residents to study and work in Lublin whilst living in the more affordable sub-regions, which are currently facing more severe depopulation issues. This would help spread the benefits of regional growth more evenly,

³⁰ Captures whether a region's growth in GDP per head, productivity, and employment is (1) slower than in the EU, (2) slower than in the country of which the region is a part, and/or (3) slower than in the same region in the past (Rodríguez-Pose, Dijkstra and Poelman, 2024_[81]).

reinvigorating the 11 middle-sized town and cities in Lubelskie at risk of losing socio-economic functions, particularly in the Chełmsko-zamojski and Bialski sub-regions (MFIPR, 2018_[17]).³¹

Digital connectivity can offer residents online access to employment, public and education services located in other sub-regions, reducing dependence on physical transport and housing proximity to urban centres. However, download speeds remain below the national average, though improving across all sub-regions, thanks to the region's investment in optical fibre technologies that have been recognised as a regional smart specialisation and a major focus of R&D activities (IPT Fiber, 2022_[18]).

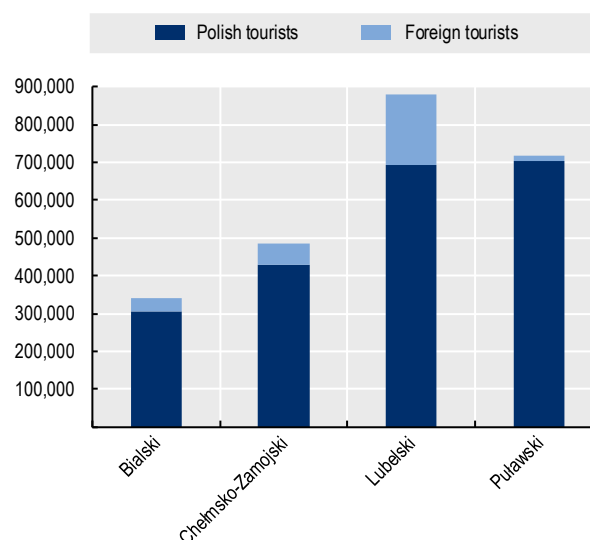
Complementarities and synergies in tourism assets to improve visitor appeal

Lubelskie's tourism activity—particularly from foreign visitors—is heavily concentrated in the Lubelski sub-region despite major assets outside the capital city. Thanks to recent improvements in road and rail connections, and Lublin city selected to be the 2029 European Capital of Culture, tourism in Lubelski is increasing. While the sub-region sees three times fewer tourist overnight stays per capita than the EU median, its share of foreign tourists is higher at 21%, 2pp above the EU median and significantly above the other sub-regions (Figure 7). Lublin's success in revitalising urban spaces, such as the Centre for the Meeting of Cultures, and in hosting major events like the Carnaval Sztukmistrzów, has further boosted its appeal. Yet, other sub-regions offer substantial, complementary tourism potential that remains largely untapped.

Despite the rich tourism assets outside the capital, fragmentation and a lack of cohesive branding have left much of the region's potential untapped.

Chełmsko-zamojski, for example, features the UNESCO-listed Old Town of Zamość and popular outdoor options like the Green Velo Eastern Bicycle Trail, which drew 200,000 cyclists in 2023 (Lubelskie Marshal's Office, 2024_[3]). Nałęczów in Puławski is establishing itself as a geothermal medical tourism destination, while Bialski, with the highest tree coverage in Lubelskie, is seeing increased interest in folk and agritourism. To fully unlock this potential and encourage longer, more evenly distributed stays, sub-regions need integrated tourism packages and branding that highlight these complementary assets. Some progress has been achieved through initiatives like the 'Land of Loess Gorges' in Puławski, which brings together 60 stakeholders, including 11 municipalities, for training and networking to foster sustainable tourism. However, many local organisations continue to operate independently, without the oversight of the Regional Tourism Organisation, leading to missed opportunities and a loss of synergies regarding promotional efforts. Additionally, the lack of thorough monitoring and evaluation of tourism flows and policies limits the development of a cohesive regional strategy.

Figure 7. Nights spent by domestic and foreign tourists in Lubelskie's TL3 regions (2022)



Source: Based on European Commission (2024_[10]), *Ninth report on economic, social, and territorial cohesion* (dataset).

³¹ According to the MFIPR classification of middle-sized towns and cities losing socio-economic functions, in Lubelskie there is one city already in crisis (Tomaszów Lubelski in the Chełmsko-zamojski sub-region), two cities with diminishing potential (Biłgoraj in the Chełmsko-zamojski sub-region and Lubartów in the Lubelski sub-region), six stagnating cities (Chełm, Kraśnik, Radzyń Podlaski, Krasnystaw, Zamość, and Hrubieszów in the Chełmsko-zamojski and Radzyń Podlaski in the Bialski sub-region), and two cities at risk of marginalisation (Łuków and Biała Podlaska, also in the Bialski sub-region) (MFIPR, 2018_[17]).

Addressing attractiveness trade-offs and disparities for green, inclusive globalisation

Top attractiveness priorities were identified by Lubelskie in an initial survey completed by the region. First, ensuring the region's readiness to adapt to megatrends including demographic change, attracting, and retaining (green) talent, and climate change and the green transition. Second, better understanding the impact of recent crises including the war in Ukraine on attractiveness—noting that, in addition to addressing the economic impacts of the conflict, the region is actively supporting Ukrainian refugees and preparing for its role in rebuilding Ukraine.

Attracting and retaining talent to tackle demographic decline

Lubelskie faces a severe depopulation crisis. Between 2001 and 2021, the region already saw its population decline by 6% due to net migration losses, and natural decrease (OECD, 2024_[19]). This decline varies by sub-region, with a -0.7 per 1,000 inhabitants average annual change in Chełmsko-zamojski between 2010 and 2021, with a much milder -0.06 drop in Lubelski sub-region, aided by slight positive net migration (+0.2) (European Commission, 2024_[10]). Overall, the region's population is projected to decrease by around 20% by 2060 (Statistics Poland, 2023_[20]). This trend risks creating a talent development trap³² (European Commission, 2023_[21]), threatening the provision of public services, social cohesion, and resident satisfaction while deterring investment and innovation.

Youth out-migration fuels depopulation, stemming from a mismatch between available skills and labour market needs. The region has an unusual combination of a relatively high youth unemployment at 9.3% and a large share of its population (27.1%) holding tertiary education degrees (Figure 9, p. 22). This suggests a mismatch between skills and labour market needs, which hinders the region's ability to retain its young talent who leave the region in pursuit of education or employment opportunities. There is currently no regional strategy to retain them, although good practices exist at the local level (Box 1).

Box 1. Lublin's "Youth City" programme to attract and retain young people

In the run-up to become the first Polish city to earn the title of European Youth Capital in 2023, Lublin City Hall established a Task Force for managing and implementing a forward-thinking strategy to attract and retain its youth. The team was formed from individuals working in departments that had both direct and indirect contact with youth.

The city's youth policy was designed based on a needs' assessment developed through research and direct interviews with young residents, ensuring their voices were at the forefront of the development process. It focuses on key areas such as education, employment, civic engagement, and mental health support. Youth notably expressed a strong desire for more youth associations and community spaces, of which eight were established to address specific needs, including in areas affected by social exclusion. Lublin also hosted nearly 1,000 youth-centric events in 2023, further fostering active participation, showing a deep commitment to the well-being and future of its young citizens. Youth-driven local change is also supported through the "Miejski Aktywator Młodzieży" (City Youth Activator) micro-grant programme which fosters youth engagement in local initiatives, often in collaboration with local NGOs. In 2023 alone, 20 such initiatives have been supported, including the Polish-Ukrainian Intergenerational Festival. A Youth City Council was also created to allow secondary school students to represent young people in the municipal structures and see how local public bodies and institutions operate. Young councillors can develop proposals, which are later considered by the "adult" Lublin City Council.

Source: City Of Lublin (2023_[22]), *City of Youth: Youth Strategy of Lublin*, <https://lublin.eu/lublin/esm2023/polityka-mlodziezowa-miasta-lublin/>

³² Regions in a 'talent development trap' face a combination of related challenges, including a sharp decline in working age population, a low and stagnating share of people with tertiary education, and a significant departure of young people (European Commission, 2024_[10]).

The region struggles to retain the international talent it hosts. At present, only 0.1% of Lubelskie's population was born in another EU country, far below the EU average of 3.8% (European Commission, 2024_[10]). Yet, higher education students coming from abroad present a significant opportunity to implement targeted retention policies, leveraging international students' shares well above the 9.7% EU average: 10.8% in Lubelski and as high as 15.7% in Bialski. In the absence of a national strategy to attract and retain international talent, efforts currently depend on sub-national actors.

Lubelskie's population is ageing rapidly, with a 13% increase in residents aged 70 and older from 2018 to 2023 (Eurostat, 2023_[23]). At the same time, the population under 19 years old decreased by 10.2%, and the working-age population by 8%, contributing to labour shortages (idem). The elderly dependency ratio³³ in Lubelskie stands at a very high 29% (OECD, 2021_[24]), deepening labour shortages and heightened demand for services tailored to an ageing population. For instance, a doctor shortage looms with an average age of regional doctors of 55 and more than 13% of specialists aged over 65 (Lubelskie Marshal's Office, 2021_[13]), while care workers for the elderly are among the most challenging positions to fill in Lubelskie (Provincial Labour Office in Lublin, 2022_[25]). Retaining medical talent is thus critical, especially as Lublin trains 8.5% of Poland's medical students (Lubelskie Marshal's Office, 2024_[3]). Nationally, an inter-ministerial group on depopulation has been established, but no such coordinated action exists regionally.

Navigating the green transition: ensuring success in climate change adaptation and mitigation

Lubelskie's economic vulnerabilities risk being compounded by the escalating costs of climate change, with droughts among the main risks. By 2050, under a 2°C global warming scenario, the region is projected to face economic losses equivalent to 1.13% of GDP—higher than the Polish average of 0.85% and the EU's 0.74% (European Commission, 2024_[10]). The Chełmsko-zamojski sub-region is projected to be among the top sixth European regions most affected by climate-related economic costs. Close to half of the region (47.5%) is at increased risk of drought (Lubelskie Marshal's Office, 2021_[13]), posing a severe threat to the productivity of its agricultural sector, a cornerstone of the regional economy (19.5% of regional employment) (Lubelskie Marshal's Office, 2024_[3]). This risk is exacerbated by the high fragmentation of farms in Lubelskie, with an average farm size among the lowest in Poland (8.22 ha) (Poland's Agency for Restructuring and Modernisation of Agriculture, 2023_[26]). Many farms primarily produce for subsistence rather than the market and lack the resources to invest in modern technologies like efficient irrigation systems that could mitigate the impacts of climate change. In extreme cases, water scarcity events could reduce GDP growth by as much as 12pp in affected areas (Zaveri, 2021_[27]), making adaptation strategies essential for the region's economic resilience. While efforts like the *Environment Protection Programme for Lubelskie 2030* have advanced areas such as building thermo-modernisation and reducing energy poverty (Lubelskie Marshal's Office, 2023_[28]), broader action is needed to help residents, places and firms adapt to climate change and support sustained regional attractiveness.

To undergo the needed energy transformation, Lubelskie can leverage its significant potential in renewables, building on the availability of workers affected by the mine's closure. The region hosts one of Poland's most profitable coal mines, the LW Bogdanka, which contributed to bringing Lubelskie's greenhouse gas emissions to 10.4 tonnes of CO₂ equivalent in 2022, compared to the 7.96 tonnes EU average (European Commission, 2024_[10]). The industrial sector is the largest emissions contributor, presenting an opportunity for targeted mitigation. Meanwhile, Lubelskie produces just 2.2% of the country's renewable energy supply, despite being Poland's top region for solar energy potential. Progress is under way, with a new regional energy strategy under development. Fully realising the region's energy transition potential is crucial to meet investors' growing demand for green energy and talent's expectations of enhanced climate change action.

³³ Elderly dependency ratio is the % of the population 65+ over population 15-64.

Lubelskie will need workers with the right skills to successfully transform its energy production system. The region currently faces recruitment challenges in critical green transition roles, such as installation, operation, and commissioning of renewable energy systems (Provincial Labour Office in Lublin, 2022^[25]). For example, in the Bialski sub-region, the Parczewski county struggles to meet the demand for environmental engineers, while Zamość county faces similar issues with renewable energy technicians (Occupational Barometer, 2024^[29]). To address these gaps, the new regional energy strategy must include actions to attract talent with skills and professions needed for the green transition. Promising local initiatives already exist. For example, the Łęczyński Energy Cluster was established by the Bogdanka mine authorities together with six municipalities and the Lublin University of Technology to upskill current employees and develop talent in areas like circular economy or energy storage technologies.

While EU funding and programmes have been instrumental in advancing Lubelskie's green transition, a cohesive strategy could help maximise their impact. Initiatives like INTERREG Europe's REC4EU and ADAPTO programmes have supported substantial growth in renewable energy and climate adaptation efforts regionally. The EUR 26 million in additional REACT-EU funding received by Lubelskie in 2022 enabled investments in green technologies, such as photovoltaic systems in forestry and heat pumps in healthcare facilities (European Commission, 2022^[30]). These widely beneficial projects remain ultimately fragmented, with room to coordinate EU-funded projects more systematically in alignment with strategic regional goals for maximum impact.

Adapting to present and future impacts of the war in Ukraine on regional attractiveness

Russia's ongoing war of aggression against Ukraine has impacted Lubelskie's economy in major ways by reshaping supply chains, increasing transport costs, and intensifying competition in some sectors. Cross-border trade with Belarus has been particularly affected, while the EU's temporary trade liberalisation with Ukraine pressures local farmers by driving down grain prices, simultaneously exacerbating inflation. High energy costs are reported to drive some investors away from Lubelskie as production becomes unprofitable. Meanwhile, many Ukrainian companies relocated to Poland, with a significant number choosing Lubelskie, making the region the third ranked for Ukrainian capital presence in the country (Central Economic Information Centre, 2024^[31]). Many entrepreneurs in wholesale trade have reported declining sales and rising costs, with one fifth of surveyed SMEs from the manufacturing industry also reporting termination of contracts with partners in neighbouring countries (Statistics Poland, 2024^[32]).

The region's significant efforts to integrate Ukrainian refugees must adapt from a short-term crisis response to long-term planning. At present, only 35,700 Ukrainian refugees are staying in Lubelskie—among the lowest rates in Poland (Figure 8), and particularly low given that 3.5 million refugees transited through Lubelskie in 2023 alone (Polish Border Guard, 2024^[33]). Recognising that most refugees may want to go back home after the conflict ends (NBP, 2023^[34]), inclusion policies should adopt a dual-intent approach, which simultaneously facilitates long-term integration and removes barriers to return (OECD, 2023^[35]). To support the Ukrainians who settled in the region, a Regional Coordination Group, established by the Marshal's Office³⁴, brings together international organisations, civil society, and public actors to ensure a harmonised and sustainable crisis and integration response. To date, effective integration remains low in Lubelskie where only 22% Ukrainian refugees are permanently employed—the lowest rate in Poland—while nearly 60% are engaged in temporary work or unemployed (NBP, 2023^[34]). Yet, better integrating this talent into the labour market could yield substantial benefits with Ukrainian refugees contributing 0.7-1.1% to Poland's GDP in 2023, with long-term contributions expected to rise to 0.9-1.35% (Deloitte, 2024^[36]). The region opened an Integration Centre for Migrants, funded through EU ESF+, which

³⁴ The *Marshal* in Poland is the indirectly elected head of a regional government (*voivodeship*). The *Marshal's Office* is the administrative body supporting the Marshal, handling tasks related to regional governance.

supports 1,500 individuals with training and community inclusion alongside active involvement from local employers to facilitate job placements and workplace integration (ROPS, 2024^[37]). Branches of the Centre will operate in Lublin, Chełm, Zamość and Biała Podlaska, ensuring that services are provided across the region.

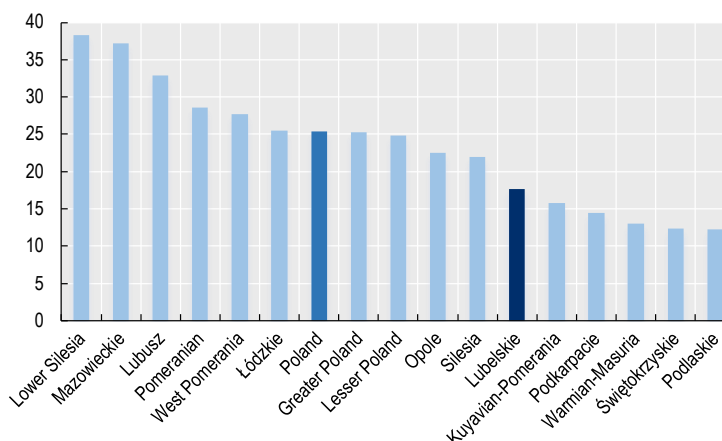
The war has impacted tourism, especially extended stays in border areas, affecting regional appeal.

After a 42% surge in tourist overnight stays from 2021 to 2022, Lubelskie saw a slight decline of 0.1% in 2023 (Eurostat, 2024^[38]). Activities such as kayaking on the Bug River have been partially suspended, disrupting local SMEs, and diminishing the region's tourism offer, with local operators reporting safety concerns affecting visitors' appeal in the region's Eastern areas (Lubelskie Marshal's Office, 2024^[3]).

Cross-border cooperation projects, like the 'Development of Tourist Information System for Cross-Border Eco-Tourism in the Euroregion Bug', are now restructured under the Interreg NEXT Poland-Ukraine programme, excluding Belarus. By increasing concerns about shared natural assets, including Polesie, a UNESCO-listed transboundary biosphere reserve, the war complicates joint policy efforts and cross-border collaboration (OECD, Forthcoming^[39]).

Lubelskie is establishing itself as a significant player in Ukraine's reconstruction. It is among the first regions in Europe to have developed a dedicated strategy for this purpose: the *Plan for the Participation of the Lublin Region in the Reconstruction of Ukraine* (Lubelskie Marshal's Office, 2023^[40]) which outlines substantial opportunities for regional development and places Lubelskie as an economic hub for international partners in the reconstruction efforts. Priorities include enhancing transportation infrastructure, modernising border crossings, and strengthening economic ties with Ukrainian regions. The Centre for Cooperation between Polish and Ukrainian Local Governments in Lublin, planned for 2025, promises to bolster collaboration between cities, regions, and businesses, providing resources and expertise to aid in development projects (Polish-Ukrainian Chamber of Commerce, 2023^[41]). Additionally, the Polish government's increased investment in military presence and infrastructure in Lubelskie aims to ensure the region's resilience and preparedness to potential threats (MON, 2024^[42]), thereby providing a defence dividend that may bolster regional stability and attractiveness.

Figure 8. Registered Ukrainian refugees per 1,000 of population in Polish regions



Source: Based on UNHCR (2024^[78]), *Refugees from Ukraine registered in Poland, by district* (dataset), <https://data.unhcr.org/en/situations/ukraine/location/10781>

Getting results: better multi-level governance for better regional attractiveness policies

This section examines the coordination challenges among various levels of government, local public actors, and education and business stakeholders, emphasising the need for stronger collaboration to enhance regional attractiveness policies for Lubelskie and for platforms to foster such coordination efforts.

Vertical governance for strategic direction towards regional attractiveness

Poland's dual system of governance—both decentralised and deconcentrated—can lead to coordination challenges, resulting in parallel projects with lost synergies, especially when political priorities differ. Poland's governance system is *deconcentrated*, with a Voivode, appointed by the Prime Minister, overseeing national policy implementation and compliance in each region. It is also *decentralised*, with each region headed by a Marshal indirectly elected by citizens. The Marshal's Office is responsible for regional development, managing a significant portion of EU cohesion funds and designing and implementing strategies for spatial planning, environmental protection, and transport infrastructure. In the absence of a coherent dialogue framework and due to an overlap in competences between the two bodies, administrative bottlenecks may hinder attractiveness policies. For example, the central government, through the Voivode, oversees national road projects under the National Transport Strategy, while the Marshal's Office manages regional roads (OECD, 2013^[43]). This may introduce coordination challenges in improving region's connectedness, especially with significant investments under way, such as the S17 expressway expansion to the city of Zamość and the Ukrainian border by 2028 (GOV, 2023^[44]).

New forward-looking strategies under development offer an opportunity to rethink regional attractiveness policies. The COVID-19 pandemic, Russia's war of aggression against Ukraine, and increasing extreme weather events have revealed the limitations of past approaches. Consequently, the Ministry of Development Funds and Regional Policy (*Ministerstwo Funduszy i Polityki Regionalnej*, MFiPR) is finalising the *National Development Concept 2050*, a vision document outlining potential development scenarios for Poland. In parallel, work is underway on a new medium-term national development strategy and a future update of the *National Strategy for Regional Development*. To enhance the effectiveness of these strategies in attracting and retaining investment and talent, regional authorities must drive policies that explicitly foster regional attractiveness. An exemplary initiative in setting this clear strategic direction is the Lubelskie Marshal's Office's *Integrated List of Projects*, which aligns local and regional initiatives with the overarching goals of the *Lubelskie Voivodeship Development Strategy 2030* (Box 2).

Box 2. Marshal's Office's Integrated List of Projects: Aligning local initiatives with strategic goals

The *Integrated List of Projects*, created by Lubelskie's Marshal's Office for achieving the objectives of the *Lubelskie Voivodeship Development Strategy 2030*, is a tool for identifying and selecting initiatives of supra-regional importance which align with the Strategy's objectives. Projects are evaluated based on their potential to advance strategic aims and encourage collaboration across sectors, including partnerships with academia, businesses, and public institutions. Once approved on the list, projects have a possibility of accessing funding from the regional programme, under EU Cohesion Funds.

The current list comprises 280 selected projects, such as the "One-Stop Shop" for business support at Lublin Science and Technology Park, the Integration Centre for Third-Country Nationals managed by the Regional Centre for Social Policy (ROPS), and the "Bug River Product" smart agriculture initiative led by the Tuczna municipality in the Bialski sub-region. By guiding the selection and funding of these initiatives, the Marshal's Office ensures that all efforts within the regional ecosystem are strategically aligned, with more potential to streamline the selection towards attractiveness-focused initiatives.

Source: Lubelskie Marshal's Office (2024^[45]), *Integrated list of projects for the implementation of the objectives of the Strategy*.

Horizontal co-ordination for joint attractiveness projects

In line with place-based approaches, Polish counties and cities of the same functional area can carry out joint projects using territorial instruments. Functional areas are territorial units that emerge from the socio-economic linkages between residents, transcending traditional geographical boundaries (OECD, 2020^[46]). In Poland, functional areas facilitate collaboration among multiple local governments to effectively leverage EU funds and tackle supra-local issues, such as infrastructure development and energy transition—both critical for enhancing regional attractiveness. Lubelskie is a national leader in the utilisation of EU funds, as reflected in the voivodeship’s investment rate in 2020 being 5.7 percentage points higher than it would have been without EU financing (MFIPR, 2022^[47]). Currently, Lubelskie boasts 17 functional areas, the highest number in all of Poland, implementing various territorial instruments to access funds from the 2021-2027 EU Cohesion Policy, among others (Table 1). Lubelskie’s functional areas include the Functional Urban Area of Lublin, four functional areas concentrated around the sub-regional centres of Biała Podlaska, Chełm, Puławy and Zamość, and 12 local functional areas comprising a total of 31 communes³⁵ (Lubelskie Marshal’s Office, 2021^[48]).

Table 1. Available territorial instruments for horizontal collaboration mobilising EU funds

	Integrated Territorial Investments (ITI)	Other Territorial Instruments	Community-led Local Development (CLLD)
Purpose	Building cooperation and partnerships among local government units Increasing local competences in regional development	Advancing cooperation in Areas of Strategic Intervention (OSI) and revitalisation programmes Increasing local competences in regional development	Supporting local projects initiated local actors to foster sustainable development Primarily intended to advance the EU Common Agricultural Policy
Strategic requirements	Legal form of cooperation (agreement, association, or union) and a supra-local development strategy	Legal form of cooperation (agreement, association, or union) and a supra-local development strategy, mandatory for revitalisation	Local development strategies designed by Local Action Groups
Flexibility	Moderate flexibility, projects must be integrated	High flexibility, complementary to ITIs based on regionally-defined needs	High flexibility, driven by local needs and bottom-up initiatives
Main actors	Local government units within urban functional areas	Local government units within functional areas and single local government units (in case of revitalisation)	Local Action Groups (under the LEADER approach) of public, private and civil society actors
% of EU funds allocated in 2021-27 regional budget	9.85%	8.18%	0%
Example of initiative	Integrated urban public transport system in Lublin FUA	46 municipality-level revitalisation programmes	N/A

Source: Ministry of Development Funds and Regional Policy and Advisory Support Centre (2023^[49]), <https://cwd.info.pl/>

While the framework for horizontal cooperation is well established, inter-municipal coordination remains somewhat fragmented. This fragmentation stems in part from limited awareness and capacity building among regional stakeholders, impeding their ability to fully leverage the multiple funding instruments available. Many initiatives, including funding applications, tend to be pursued individually, with the Marshal’s and Voivode’s Offices primarily providing oversight rather than offering comprehensive advisory support. For example, the Community-led Local Development (CLLD) instrument, which encourages local communities—in particular in rural areas—to address regional challenges, is underutilised. The highly fragmented agricultural structures may contribute to limiting opportunities for collective action and innovation. At the national level, the MFIPR has therefore established an Advisory Support Centre (*Centrum Wsparcia Doradczego*, CWD) to build local public servants’ capacity in strategic management of comprehensive development projects in partnership with other local governments (Box 3).

³⁵ The twelve functional areas of local centres include: Biłgoraj, Hrubieszów, Janów Lubelski, Krasnystaw, Kraśnik, Łuków, Opole Lubelskie, Parczew, Ryki, Radzyń Podlaski, Tomaszów Lubelski, Włodawa.

Box 3. Poland's Advisory Support Centre: Capacity-building for horizontal cooperation

Between 2020 and 2023, Poland's Ministry of Development Funds and Regional Policy implemented an Advisory Support Centre, targeting 77 partnerships from approximately 800 local governments, with around 45% from Areas of Strategic Intervention. The Centre aimed to strengthen local authorities' capacity in strategic and project planning, enhance their use of territorial instruments and improve document quality for EU and national funding applications.

In Lubelskie, seven partnerships brought together local governments and experts to foster sub-regional collaboration. They sought common solutions to local challenges, identified shared development potentials, and leveraged partners' expertise in planning and implementing joint projects. Notable initiatives included tourism investments in favour of establishment of Geopark Roztocze, achieving energy self-sufficiency for eight municipalities at risk of permanent marginalisation in the Skierbieszowski area, and enabling five agricultural municipalities in the Bilgoraj border region to secure EU funding for transitioning to a low-carbon economy.

Source: Advisory Support Centre (2023^[49]), <https://cwd.info.pl/>

Enhancing Eastern Poland's attractiveness through strategic interventions

Improving the attractiveness of Eastern Poland—a historically and geographically disadvantaged macro-region—is crucial to unlock its untapped potential and reverse trends of marginalisation.

The *National Strategy for Regional Development 2030* designates Eastern Poland as a macro-regional *Strategic Intervention Area (Obszary Strategicznej Interwencji, OSI)*³⁶ due to its many territories at risk of permanent marginalisation and cities losing socio-economic functions³⁷ (MFiPR, 2019^[50]). The aim is to boost competitiveness and socio-economic potential of the six voivodeships—Lubelskie, Podlaskie, Podkarpackie, Świętokrzyskie, Warmińsko-Mazurskie and regional Mazowieckie—through targeted national and regional programmes funded by the European Funds for Eastern Poland 2021-2027 (EFEP). In Lubelskie, 884 projects were already completed under the previous 2014-2020 programme for Eastern Poland, accounting for 8.5% of EU funding in the region (Lubelskie Marshal's Office, 2024^[3]). Almost all projects (95%) focus on boosting entrepreneurship and innovation, complementing national and regional efforts to improve economic competitiveness. Only the remaining 5% of funded projects focus on energy, climate, and sustainable mobility (MFiPR, 2024^[51]), which may impede Lubelskie's ability to attract crucial green investments and make strides in the green transition.

As a border region facing severe geopolitical pressures, Lubelskie's attractiveness hinges on its ability to effectively leverage nationally available support mechanisms. To enhance existing strategic efforts, the MFiPR has initiated the *Government Programme for the Development of North-Eastern Border Areas (2024-2030)*³⁸ which are experiencing the most severe impacts of Russia's war of aggression in Ukraine, compounding their pre-existing socio-economic challenges. Out of the 32 grant applications submitted by local government actors to the Voivode's Office in Lubelskie, 21 focus on road infrastructure projects, crucial for making the region accessible to talent, investors, and visitors. Meanwhile, only four projects focus on green and blue infrastructure, and another four on high-quality public services (MFiPR, 2024^[51]), although regional resilience, especially in terms of talent retention, will also depend on strengthening the region's position on the resident well-being and environment factors of attractiveness.

³⁶ Apart from OSIs outlined at the national level, regions can identify their own OSIs based on local conditions and functional connections to tailor interventions that address the unique challenges and potential of these areas (MFiPR, 2019^[50]).

³⁷ In Lubelskie, 140 of the 213 municipalities are classified at risk of permanent socio-economic marginalisation, and 11 cities are losing socio-economic functions.

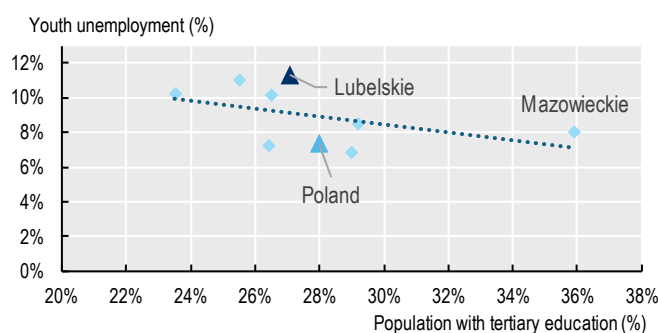
³⁸ In Lubelskie, eligible counties include Bialski, Chełmski, Hrubieszowski, Tomaszowski, Włodawski, and Biała Podlaska and Chełm cities.

Gaps in regional cooperation between employers and training institutions

Insufficient collaboration between the education sector and businesses hinders the alignment of training programmes with market needs in Lubelskie, hindering its attractiveness to investors and talent. Skills mismatches lead to job vacancies and unemployed talent, thereby stifling economic growth and contributing to high youth unemployment and out-migration. Addressing this requires that educational programmes—both formal and informal—better align with labour market demands, both in terms of content and training capacity.

While tools to monitor labour market trends are in place, a structured approach to adjusting education offer is still lacking. The 2024 Occupational Barometer survey reveals that 21 professions are expected to face deficits in Lubelskie, and three to face surpluses (Regional Labour Office Krakow^[53]). Labour demand in the region is predominantly driven by vocational skills rather than higher education qualifications, particularly in manufacturing and trade—sectors vital to its appeal for investors. As a result, the region faces an unusual high unemployment rate among university graduates (Figure 9). Additionally, persistent critical shortages in healthcare, education, and social assistance hinder the region's ability to attract and retain talent.

Figure 9. Relationship between youth unemployment and tertiary education across Polish regions



Source: Based on Eurostat (2024^[50]), *Youth unemployment rate by sex, age and NUTS 2 region*.

Note: The other regions visualised are Lower Silesia, Kuyavian-Pomeranian, Łódzkie, Małopolskie, Podkarpackie and Silesia

The creation of a regional coordination network provides a timely opportunity to improve alignment between educational programmes and employer needs. The Provincial Labour Office in the Lublin Voivodeship, responsible for countering unemployment and activating the local labour market, is well positioned to lead this initiative. A key player in implementing the national *Integrated Skills Strategy 2030*, the Office also leads the *Lifelong Learning Lubelskie* project (Box 4). Promising local initiatives, such as the Marie Curie University satellite campus in Puławy focusing on the bio-economy, Zamość's annual automotive industry event attracting over 1,000 young attendees, and Lublin City Hall's platform connecting vocational schools with employers, stand to benefit greatly from coordinated support within this network.

Box 4. Regional Labour Office in Lublin: Making education more responsive to labour market needs

In 2024 and supported by the EU Recovery and Resilience Facility, Lubelskie's Regional Labour Office launched the *Lifelong Learning Lubelskie* project to better align education and training with labour market needs. Key activities include:

- Establishing a Regional Coordination Network to enhance vocational education at all levels, connecting it with the labour market and businesses.
- Coordinating career guidance activities for pupils, students, and adults through:
 - Implementing pilot solutions such as a "Career Counselling Coupon."
 - Creating a network for collaboration and experience-sharing among career counsellors in primary, secondary, and higher education, as well as labour market institutions.
 - Organising conferences to integrate stakeholders.
- Promoting vocational education and lifelong learning, notably:
 - Development of an integrated brand to promote lifelong learning and establish a visual identity for it.
 - Promotional campaign targeting pupils' parents, school governing bodies, academic career offices, and public employment services to counter negative stereotypes around vocational education and lifelong learning.

Source: Regional Labour Office in Lublin (2024^[52]), *LifeLong Learning Lubelskie*, <https://wuplublin.praca.gov.pl/lifelong-learning>

Policy considerations for Lubelskie

The following policy considerations are intended to help policy makers enhance the impact of attractiveness strategies in Lubelskie towards investors, talent, and visitors, including by drawing from concrete examples deployed in other regions facing similar challenges.

Attracting and retaining talent

1. Expand the competencies of the new Regional Coordination Network, led by the Provincial Labour Office, to strengthen Lubelskie's appeal for talent and investment. This network, originally created as part of the Lubelskie *Lifelong Learning Initiative* (Box 7 above), should foster collaboration among regional authorities, employers, and educational institutions to address critical issues, including youth outmigration and unemployment, and labour shortages. The network should first act as a platform for labour market data exchange, supported by the Lubelskie Labour Market Observatory, to enable education and training providers to design and offer programmes that meet industry needs to residents of all ages. This approach will ensure local businesses find skilled talent, residents gain meaningful employment, and prospective investors recognise Lubelskie as a collaborative region poised to meet their evolving labour needs. The 2026 launch of Individual Development Accounts (IKR),³⁹ provides an opportunity for the network to engage in consultations with employers to align upcoming trainings with emerging market trends. Furthermore, the network could pilot innovative initiatives to retain international graduates in sectors facing labour shortages such as healthcare and green industries. Initiatives should aim to integrate them into the local workforce and foster strong community ties through partnerships for events, cultural exchanges, and volunteer opportunities. By creating final-year internships and apprenticeships in high-demand sectors like green industries, Lubelskie could help more graduates envisage a career in the region.

Improving coordination in skills and training through a Regional Competence Council in Norrbotten, Sweden

The Norrbotten Regional Competence Council in Sweden is a taskforce that coordinates skills development and governance. It includes representatives from local municipalities, regional government (equivalent to the Marshal's Office and the Voivode), the regional employment service, and academic institutions such as Luleå University of Technology or vocational schools. The Council meets every four months to address skills coordination. Firstly, it conducts labour market analyses and forecasts, similar to the work of LORP. Secondly, it aligns adult vocational training with the needs of local employers. For example, Region Norrbotten has invested in skills development programmes to tackle gender imbalance in the labour market, enabling women to enter industrial jobs. Thirdly, the Council has established regional systems for recognising prior learning, creating consistency between larger and more remote municipalities. Lastly, it helped set up Distant Learning Centres (Lärcentrum), enabling adult students to access vocational and university courses, as well as teacher support, remotely. Amidst the war in Ukraine, the Council was able to quickly set up an initiative to support the inclusion of Ukrainians into the local community.

³⁹ Individual Development Accounts (*Indywidualne Konta Rozwojowe*, IKR) are to be piloted by the Ministry of Development Funds and Regional Policy in 2026. IKR is funded primarily by the EU FERS 2021-2027 programme, with additional contributions possible from employers and regional budgets. To anticipate its benefits, regional authorities should align local training infrastructures like the Subject-Based Financing Systems (*Podmiotowe Systemy Finansowania*) and the Development Services Database (*Baza Usług Rozwojowych*) with IKR.

Fostering medical talent in Aveyron, France

The rural Aveyron sub-region in France has implemented an effective strategy, led by its new attractiveness agency, to attract and retain medical graduates. Newcomers receive personalised support to refine their relocation plans and are offered comprehensive assistance, including help in finding housing, monthly financial aid of up to €300, as well as access to sports activities and cooking classes. The agency also supports spouses in their job search by connecting them with potential employers. Dedicated websites, "[Welcoming Doctors](#)" and "[Welcoming Dentists](#)," provide all necessary information. This approach has significantly increased the retention rate of medical interns, with 20% choosing to stay in the region after their internship compared to the national average of 3%.

Attracting youth to Québec, Canada

The *Place aux Jeunes en Région* initiative targets attracting young people from outside the region to rural areas of Quebec, supported by over eighty hospitality agents dedicated to welcoming newcomers across the region. These agents assist prospective newcomers not only with navigating the job market but also by offering advice on housing, business start-up support, and more. They also manage the [Regional Compass tool](#), which matches young people with regions in Quebec that best align with their preferences and skills, alongside organising short exploratory stays for interested youth. In Lubelskie, LORP's data could be used to develop similar tools or frameworks that guide talent toward sectors and areas with the greatest employment potential.

Source: Aveyron (2024^[54]), *En Aveyron on prend soin des médecins*, <https://accueilmedecins.enaveyron.fr/>; Secrétariat à la jeunesse Québec (2024^[55]), *Place aux Jeunes en Région*, <https://placeauxjeunes.qc.ca/>; Lulea Kommun (2024^[56]), <https://www.lulea.se/>

Attracting investment

2. Position the Regional Investor and Exporter Service Centre (COIE) as the central regional investment promotion agency, also supporting internationalisation of local SMEs in Lubelskie. To enhance its effectiveness, COIE, established in partnership with the Marshal's Office and the Polish Investment and Trade Agency (PAIH), must drive diversification towards high value-added sectors, such as bio-economy and smart agriculture, by adopting a more proactive approach embedded in strategic planning. As the main body facilitating investment, COIE should align its services with the smart specialisations outlined in the region's *Innovation Strategy 2030* and engage with the regional ecosystem of stakeholders to identify emerging opportunities and support collaborative projects. Additionally, COIE should implement targeted outreach programmes to attract investors, while enhancing its online presence through improved user-facing features and interactive tools. Strengthening the local SME ecosystem will be key to attracting high-quality foreign direct investment (FDI) (OECD, 2023^[57]). By fostering a dynamic and resilient network of SMEs, the region can better integrate local businesses into global value chains.

Promoting investment through targeted incentives in Tuscany, Italy

Invest in Tuscany, the Tuscany Regional Authority's regional investment promotion agency, offers comprehensive services, including a One-Stop-Shop for investors, support from experienced professionals from major multinationals in the region (Tuscany business advisors), as well as aftercare services to assist existing companies. *Invest in Tuscany* excels in attracting investment through targeted incentives and interacts with the 573 foreign capital groups which create over 62,000 jobs in the region, placing Tuscany 4th in fDi Intelligence's 2024 ranking of medium-sized European regions. Key to its success are local collaboration projects which go beyond traditional investor support and are facilitated through memoranda of understanding (MoU) with around 40 local entities and research institutions. For example, an MoU between the textile company Antica Valserchio, the Tuscan Regional Councillor, and the small commune of Castelnuovo Garfagnana outlined an EUR 8 million investment for a new technological factory and logistics hub, repurposing the current factory as a laboratory for the Higher Institute "Iti" of Castelnuovo Garfagnana while fostering collaboration with local schools to offer internships and workforce training in the textile sector. Similar initiatives are further strengthened through a partnership with the National Association of Italian Municipalities (ANCI), the Metropolitan City of Florence, and other Tuscan municipalities, creating a network of over 28 institutional and consultancy partners to support potential investors.

Supporting local SMEs to enhance investment attraction in South Karelia, Finland

Business Mill, part of the LAB University of Applied Sciences, is a business incubator supporting entrepreneurs, start-ups, and established companies in the South Karelia region of Finland. It offers a range of services tailored to different stages of business development, including idea generation, start-up guidance, growth strategies, and renewal support for established businesses. By leveraging its connection to the LAB University of Applied Sciences, Business Mill provides access to academic expertise, skilled talent, and practical resources, enabling businesses to address challenges in areas such as finance, marketing, and strategy. In 2023, Business Mill engaged with 145 clients, resulting in the creation of 14 new start-ups. On average, businesses receive sustained, hands-on support over a period of four months, ensuring they have the tools needed to succeed. By strengthening the capacity of local SMEs and fostering an environment where businesses can thrive, Business Mill enhances the competitiveness and attractiveness of South Karelia as an investment destination.

Source: Invest in Tuscany (2020^[58]), *Invest in Tuscany: 10 years supporting those who produce value in Tuscany*; Business Mill (2024^[59]), *Business Mill: Supporting your business*, <https://businessmill.fi/en/>

3. Encourage sustainable spatial planning and support for local municipalities' land management to attract large-scale investments while preserving Lubelskie's natural capital.

Despite considerable advancements through the Land Consolidation Programme for the Lublin Voivodeship (2014-2024), which increased the size of agricultural plots by 31% (Lubelskie Marshal's Office, 2024^[3]), challenges persist in balancing the need for consolidated parcels also for high-value-added investments, such as renewable energy generation, with the imperative to protect non-built land. The 2023 national spatial planning reform, which devolved greater competences to local municipalities, provides an opportunity to foster sustainable land use tailored to local needs. However, effective oversight and strategic support from the Marshal's and Voivode's Offices, as well as civil society actors, are crucial to ensure that municipal actions align with regional priorities, protect non-built land, and address potential community concerns. In addition to continued land consolidation efforts, the region could promote cooperative land-sharing arrangement or repurposing of available land for initiatives like agrivoltaics. These strategies would not only attract green investments in renewable energy but also create synergies with agricultural activities, preserving local land structures and ensuring alignment with environmental objectives.

Facilitating cooperative land-sharing in Emilia Romagna, Italy

In Emilia-Romagna, Italy, innovative cooperative land-sharing strategies have effectively addressed land fragmentation, allowing diverse stakeholders to collaborate and create a resilient agricultural sector. Instead of consolidating land directly, participants pooled resources and shared larger tracts for various agricultural purposes, including crop rotation and processing. This model illustrates an interesting alternative to traditional land consolidation, particularly in contexts with numerous participants and strong attachment to the land. By fostering cooperation among a wide range of landowners—both from within and beyond the agricultural sector—this approach not only counters land fragmentation but could also open pathways for similar land-pooling solutions enabling local SMEs to attract investments.

Repurposing public land for green investment in Hauts-de-France, France

In northern France, a former military airfield near Creil, is being transformed into a solar energy facility, demonstrating how repurposing public land can facilitate large-scale renewable energy investments. The site, spanning approximately 350 football pitches across three communes, will soon host 350,000 photovoltaic panels, generating enough electricity to meet the needs of 85,000 households annually. By leasing this land, for now until 2050, France's Ministry of the Armed Forces has enabled the development of one of the country's largest solar power plants, providing an example of how utilising underused public land can attract substantial investment without the challenges posed by fragmented land ownership.

Source: United Nations (2024^[60]), *FAO project targets resolving public-private co-ownership of agricultural land and improved agricultural land management*; Department de l'Oise (2023^[61]), *Projet portant sur l'installation d'une centrale photovoltaïque au sol sur le site de l'ancienne base aérienne militaire*.

Attracting visitors

4. Boost longer-stay tourism in the region by strengthening collaboration among tourism stakeholders, leveraging Lublin’s designations as European Capital of Culture 2029 and European Youth Capital 2023. Expanding beyond the current focus on one-day visits and major sites like Lublin and the UNESCO-listed Zamość requires a coordinated approach, especially in promotion, among local tourism actors. The Regional Tourism Organisation can spearhead this effort, drawing on Lublin’s experience in fostering extensive partnerships through these European titles. The city’s established framework of regular meetings, workshops, joint programming, and collaborative events has already built strong partnerships within the cultural sector—an approach that can be expanded to include tourism stakeholders. Establishing a cross-regional tourism brand could help showcase Lubelskie’s diverse offerings—from eco-tourism and local gastronomy to active tourism along the Green Velo cycling trail and wellness retreats in Nałęczów—and leverage Lublin’s growing international profile as a vibrant, youth-oriented, and culturally dynamic city to shift the tourism model toward longer, more immersive stays.

Enhancing regional co-operation and branding through the 2027 Évora European Capital of Culture in Alentejo, Portugal

Évora’s candidacy for European Capital of Culture 2027 highlights how coordinated regional efforts can benefit both the host city and surrounding areas. Focused on the theme of “vagar” (wandering), the initiative integrates Alentejo’s both tangible and intangible cultural heritage—such as Cante Alentejano music and historic sites—to reinforce regional identity. Led by the Municipality of Évora, the bid united local stakeholders including the University of Évora, regional cultural and tourism authorities, and intermunicipal communities. This collaboration extends benefits across Alentejo Central and surrounding TL3 regions, promoting cultural tourism, sustainable investment, and economic development. By engaging multiple municipalities, the initiative fosters inclusive growth, supports local communities, and enhances cultural and social infrastructure across the wider region.

Promoting thematic tourism routes in Norte, Portugal

Rotas do Norte in Portugal exemplifies how thematic tourism routes can elevate visitor appeal. Led by Norte’s regional authorities and the Porto and Norte Regional Tourism Authority, this initiative organises the region’s diverse cultural assets—spanning historical sites, contemporary art, and architecture—into clearly defined routes. By making cultural heritage more structured and accessible, this approach aims to increase visitor numbers, their geographical distribution and encourage longer stays. Part of the *Norte 2030 Regional Programme*, the initiative integrates into the broader Regional Plan for Culture, with the potential to boost sustainable tourism across Norte. In addition, Norte displays a successful cross-border approach to active tourism with the Duero-Douro Transnational Route. Supported by Interreg Spain-Portugal, this project unites stakeholders to develop and promote tourism along the Douro River, which flows from Spain through 150 municipalities in Castile and León and Norte, Portugal. Consisting of 26 stages for activities like canoeing, kayaking, walking, and cycling, this route promotes regional economic growth for SMEs by simultaneously leveraging shared natural capital.

Source: CCDR Norte (2024^[62]), *Rotas de Norte*, <https://www.ccdr-n.pt/pagina/rotasdonorte>; European Commission (2022^[63]), *Évora to be the European Capital of Culture 2027 in Portugal*, <https://www.evora2027.com/en/>

Multilevel governance and cross-sector collaboration

5. Enhance the involvement of regional actors, including citizens, in government decision-making and resource allocation to foster political and social trust and to improve government quality. The region could first create a collaboration framework to involve, as relevant, the Voivode, municipalities, businesses, academia, and civil society, when co-creating and updating strategies, notably to identify synergies in fund spending. This framework would formalise coordination across government levels and sectors, helping to strengthen the regional brand, identify shared priorities, foster synergies, and track progress effectively across key policy areas (OECD, 2023^[63]). It could help strengthen trust through transparent decision-making and ensure decision-making reflects local needs. In addition, the Lubelskie could implement participatory tools to empower citizens and enhance public decision-making. A participatory budget, previously introduced at the regional level, is a proven means of engaging communities, with youth-specific budgeting offering a valuable approach to retain young residents. The "OECD Guidelines for Citizen Participation Processes" provides relevant guidance for designing inclusive and effective participatory processes (OECD, 2022^[64]). Strengthening civic programmes, including youth volunteering initiatives, could also help cultivate democratic skills, foster social inclusion, and rebuild trust in institutions and between individuals. Such efforts would benefit from being actively and widely promoted by clear communication to ensure representative levels of citizen involvement.

Encouraging civic engagement through a Network of Municipalities for Citizen Participation in Murcia, Spain

The Network of Municipalities for Citizen Participation in Murcia, led by the regional government's Department of Transparency, Participation, and Communication, aims to enhance citizen engagement across the region. This network supports municipalities in adopting practices that encourage active citizen participation in local decision-making, making policies more inclusive. Municipalities join through agreements with the regional government, committing to promote participatory processes. In return, the regional government offers technical support, advisory services, and training. This collaborative model fosters knowledge sharing, coordinated actions, and joint initiatives to strengthen public engagement, aligning regional and local policy priorities.

Designing participatory approaches for the Regional Sustainable Development Strategy in Sardinia, Italy

Sardinia's *Sardegna2030* Regional Sustainable Development Strategy is a model of bottom-up policy design, coordinated by the Regional Department of Environmental Defence and based on four key principles: participatory approach, objective-driven design, policy integration, and climate adaptation. This strategy involved more than 3,300 participants across public administration, businesses, and civil society, strengthening local capacity and aligning with Italy's National Sustainable Development Strategy. Despite COVID-19, the process adapted smoothly to online forums, maintaining robust stakeholder engagement. Integrated with EU funding goals, *Sardegna2030* exemplifies a transparent, co-responsible framework that aligns sustainable development across multiple governance levels.

Enhancing participatory budgeting in Ayrshire, Scotland

The Participatory Budgeting Toolkit, jointly produced by staff from the East, North and South Ayrshire Councils in the Ayrshire region of Scotland with the support of the Convention of Scottish Local Authorities (COSLA) citizen participation team, seeks to support local government units and community organisations develop participatory budgeting initiatives across territorial units. These councils have committed to the COSLA agreement with the Scottish Government to invest at least 1% of Council budgets to participatory budgeting. The Toolkit aims to help public servants structure participatory process that give people a greater voice in how council budgets are allocated in their local areas, including how to adopt models that differ from traditional grant-making processes, for example by hosting dedicated participatory budgeting community events.

Fostering voluntary intermunicipal cooperation in New South Wales region, Australia

The Hunter Joint Organisation (Hunter JO) exemplifies collaborative governance, bringing together 10 municipal councils from Newcastle and Hunter Valley to align regional development strategies on a voluntary basis. By fostering joint decision-making, resource sharing, and stakeholder engagement, Hunter JO has successfully positioned the region as an attractive destination for investment and talent. For instance, coordinated efforts around the \$250 million Newcastle Airport redevelopment included a 2022 summit where councils co-designed strategies to leverage international connectivity for tourism, education, and trade. This unified approach underscores the power of municipal cooperation in enhancing regional competitiveness and attractiveness.

Source: OECD (Forthcoming^[65]), *Rethinking Regional Attractiveness in Spain's Murcia Region*; Hunter Joint Organisation (2025^[66]), <https://hunterjo.nsw.gov.au/>; Sardegna Regional Department of Environmental Defence (2021^[67]), *Regional Sustainable Development Strategy (RSDS) for a more sustainable Sardinia by 2030*; East, North and South Ayrshire Council (2020^[68]), *Participatory Budgeting Toolkit*, <https://www.peoplepowered.org/resources-content/participatory-budgeting-toolkit>

6. Strengthen the capacity of regional and local public servants to address the critical challenges of demographic shifts, climate change, and the ongoing war in Ukraine, thereby boosting the attractiveness of the Lubelskie region. A skilled public administration is vital for creating effective public services both for residents and businesses interested in investing in the region. Lubelskie public servants need both foundational skills for their day-to-day activities but also strategic foresight for long-term planning, especially as the region rolls out strategic initiatives like the *Plan for the Participation of the Lublin Voivodeship in the Reconstruction of Ukraine* or the development of an up-to-date energy strategy, reflecting the need to attract green talent and investments in renewable energy sources. Building on the success of the pilot Advisory Support Centre, Lubelskie could establish a regional taskforce to provide continuous support to regional and municipal staff. Such a taskforce should focus on strategic planning assistance, technical expertise, and cooperation through peer learning workshops. Priority support should be given to public servants in areas at risk of permanent marginalisation and cities losing their socio-economic functions as identified in national strategies. Additionally, regional advisory services should promote the use of underutilised tools, such as Community-Led Local Development territorial instruments, to foster community-driven projects and improve the quality and accessibility of public services, ultimately enhancing satisfaction for both residents and investors.

Knowledge-sharing through the 1000 Experts Programme in Italy

The *1000 Experts Programme* strengthens capacity-building for local administrations in Italy to effectively implement projects under the National Recovery and Resilience Plan. A taskforce of 1,000 experts—including engineers, architects, lawyers, and environmental consultants—temporarily join regional and municipal administrations. Their role is to assist local governments in streamlining bureaucracy, securing permits, and efficiently utilising approximately €200 billion in EU funds for essential infrastructure projects like railways, green technology, and childcare facilities. By addressing the past challenge of underutilisation—where only 48% of EU funds were spent from 2014 to 2020—this initiative equips local officials with vital expertise. Additionally, by establishing 7,000 digital hubs to support residents, particularly seniors, the taskforce aims to enhance public service delivery and create a more efficient and transparent governance system.

Capacity-building through the Development Organisation of the Peloponnese, Greece

Established in 2021 and headquartered in Tripoli, the Peloponnese Development Organisation effectively operates as a strategic partner and internal consultancy for the region and its municipalities. The Organisation is a special-purpose entity established by regional and local authorities as public limited companies to support local authorities in implementing their development policies. This mandate is primarily achieved by enhancing regional and local public servants' capacity through scientific, advisory, and technical support, as well as by coordinating infrastructure projects and other projects related to the digital transition or aligned with the UN's 2030 Agenda for Sustainable Development. In essence, Development Organisations effectively operate as 'consultants' to the decentralised authorities, offering governance analysis and advice.

Utilising social foresight to empower local stakeholders in Germany

The Social Foresight lab is an innovative initiative that focuses on addressing rural challenges, particularly those stemming from demographic shifts like youth migration and the resulting destabilisation of local communities by combining social and technological foresight with participatory design methods. The lab empowers local stakeholders to collaboratively develop future strategies tailored to their specific needs. It actively engages communities through workshops where residents can experiment with speculative solutions, ensuring that local and regional development strategies are both imaginative and anchored in local realities. Initially funded by the German Federal Ministry of Science and Education, the lab partners with academic institutions and encourages collaboration among municipalities to sustain and implement the ideas generated.

Fostering stability and resilience in Latvia's Eastern Borderlands

The *Action Plan for Economic Growth and Security Strengthening* is a coordinated approach to improving both the economic and security aspects of life in the Latgale region of Latvia in response to the ongoing impacts of Russia's war of aggression in Ukraine. This initiative unites multiple ministries, national agencies, and regional actors over a two-year period (2025-2027) to foster resilience and stability in Latgale. By strategically aligning efforts across sectors, the policy aims to enhance the business environment, notably through attracting targeted investments that bolster the Latgale Special Economic Zone (SEZ) as a key engine of economic development. To ensure effective implementation and impact, the strategy includes the use of attractiveness indicators, which measure factors such as investment inflows and public perceptions of safety, allowing for real-time monitoring and adjustments to maximise the region's appeal. This approach allows not only to strengthen crisis response efforts but also to integrate long-term regional development planning and resilience building.

Source: OECD (Forthcoming^[69]), *Rethinking Regional Attractiveness in Peloponnese, Greece*; Latvia's Cabinet of Ministers (2024^[70]), *Action Plan for Economic Growth and Security Strengthening of Latvia's Eastern Borderlands 2025-2027*; Ministro per la Pubblica Amministrazione (2021^[71]), *Un "esercito" di 1.000 esperti aiuterà la ricostruzione italiana*; OECD (2019^[72]), *Social Foresight Lab*, <https://oecd-opsi.org/innovations/social-foresight-lab/>

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