1. Basic Information
   1.1. Number PL01.08.20
   1.2. Title: Support for Business Related Infrastructure
   1.4. Location: Poland, the entire area of operation of Phare CBC Poland – Germany

2. Objectives:
   2.1. Wider Objective
   • Balanced social and economic development of the Poland-Germany border area

   2.2. Immediate objectives
   • Removal of the existing barriers and improvement of the basic development and cooperation conditions in the border area.
   • Utilization of the existing potential to promote economic and social development as well as the development of rural areas.
   • Promotion of the economic development of the Poland-Germany border area,
   • Promotion of the development of tourism in the border area

   2.3. Priorities of Accession Partnership and NPAA
   The project complies with the provisions of „Accession Partnership”. In the short-term Priority – Economic Reforms and in the medium-term – Economic Policy – it is necessary to ensure social and economic integrity.
   The project complies with at least three priorities specified in the NPAA – Economic Policy, Improvement of Competitiveness of Small and Medium Businesses, Tourism.

   2.4. Contribution to the implementation of the Joint Programming Document (JPD) Phare CBC/Phare CBC or Phare CBC/Interreg IIIA)
   Priority A: Support for the development of entrepreneurship and economic cooperation
   Stability and development of the economic potential is significant for the region's development and Poland's future integration with the European Union. In order to achieve this goal we need a uniform system of regional and cross-regional economic institutions, such as chambers of commerce, and the development of the border cooperation structures which will receive support. This activity will encompass assistance in the scope of investments, services and auxiliary facilities. One of the areas of the support for economic cooperation is the financing of innovations, research and technology in close cooperation with SMEs. The assistance in this respect will facilitate and intensify the transfer of technology between SMEs and research institutions. Reduction of deficiencies in respect of the creation and marketing of industrial and economic complexes and the adjustment thereof to the tendencies of growth is also a significant priority.

   2.5. Cross Border Impact
   The project provides for support for cross-border institutions cooperating in respect of economic development and support for small and medium businesses. The implementation of the project will contribute to the improvement of the attractiveness of the Poland-Germany border area for potential foreign investors. It will also contribute to the increase of the cross-border economic contacts, e.g., through the creation of data bases concerning the investment opportunities in a given area. It will make it possible for Polish and German companies to exchange experiences, transfer know – how and technology. Through the implementation of the project in the scope of tourism (e.g. bike roads) will contribute to the improvement of availability of tourist attractions for German tourists.
   The Project shall be implemented in the area of Poland-Germany border. The Project complies with the priorities of the Joint Programming Document Phare CBC II / Interreg IIIA. This also proves its cross-border nature. Partners from the other side of the border will also participate in the sub-project approval process (within the scope of the Regional Steering Committees).
   The cross-border nature will be the basic criterion for sub-projects selected according to the „Grants System” procedure.

3. Description
   3.1. Background and justification
   The condition of the implementation of the project if that the necessary support will be provided for the economic development, including the development of tourism, in the areas neighboring with Germany. A
high unemployment rate in the Poland-Germany border area and unequal economic development of the areas on both sides of the border are the reason why this project is being implemented. Further, it is necessary to balance the funds expended on economic purposes on both sides of the border (very big expenses are incurred for such purposes on the German side from the structural funds, including Interreg, as well as from budgetary funds).

3.2. Linked activities

Projects related with the support for the economic development of the Poland-Germany border area were implemented within the scope of the existing cooperation under Phare CBC and Interreg in the years 1995 – 2000, also within the scope of SPFs. The implantation of the project will be coordinated with the Social and Economic Integrity Fund carried out within the scope of the National Phare Program. The project complies with the tasks arising from voivodeship contracts.

3.3. Results

- conditions necessary for the operation of the regional institutions whose goal is to promote the cross-border development of the economic cooperation, support the development of small and medium enterprises,
- conditions for proper and economical operation of enterprises in the border area.
- bases of cross-border tourism development.

3.4. Outputs

- Creation of infrastructure for regional institutions dealing with the promotions of business, transfer of technology and know – how and supporting the development of small and medium businesses (eg. modernization and equipment for such institutions' buildings);
- Creation of infrastructure intended to facilities of the economic activity conducted by small and medium businesses and the infrastructure which would make the regions more attractive for potential investors (eg. construction and modernization of the transportation network, removal of bottlenecks in the development of small and medium businesses related with the environment protection).
- Creation of infrastructure for the development of the cross-border tourism, including modernization/ construction of bike roads, construction, modernization and putting up signs on tourist routes.

3.5. Inputs

We are not able to determine now the specific expenses on the part of the beneficiaries due to the fact that the project will be implemented through the grants system which assumes the identification of projects at a later stage. 2 million EUR from the aid funds of the European Union are allocated for the purposes of implementation of the tasks arising from the project. The beneficiary's minimum participation will be 25% of the project's value. Upon approval of the sub-projects and signing the grants agreement such participation may turn out to be larger.

4. Institutional Framework:

The Implementing Authority for the Phare Cross-border Cooperation Program shall be the institution responsible for the implementation of the project (Contracting Authority). The project shall be implemented in accordance with the detailed principles prepared by the Implementing Authority and approved by the European Commission, on the basis of guidelines for the Grants System, as described in Chapter VI „Practical Guide to Phare, ISPA & SAPARD contract procedures”.

The selection of the sub-projects shall be effected with significant involvement of appropriate president offices in which regional secretariats will be created for their implementation.

5. Budget: (in million EUR)

<table>
<thead>
<tr>
<th></th>
<th>PHARE CBC 2001 financing</th>
<th></th>
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<th></th>
<th>TOTAL</th>
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<tr>
<td></td>
<td>INW Investment Support</td>
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<td>Domestic co-financing</td>
<td>IFI</td>
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<td>Contract 2</td>
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</table>
6. Implementation arrangements:

6.1. Implementing Agency
The Implementing Authority for Phare Cross Border Co-operation Programme
Krucza 36 Street; 00-522 Warsaw
e-mail: Phare@wwpwp.it.pl

6.2. Twinning
• not applicable.

6.3. Non-standard aspects
The implementation of the project shall comply with „Practical Guide to Phare, Ispa & Sapard Contract Procedures”.

6.4. Contracts
The Project will be implemented in accordance with the Grants System. The number of contracts (grants agreement) will be known upon completion of the project recruitment and evaluation by the Evaluation Committee.

7. Implementation schedule:

7.1. Commencement of the tendering process
The implementation of the project shall commence in the 1st quarter of 2002.

7.2. Commencement of the operation of the project
The implementation of the contracts (grants agreements) – 3rd quarter of 2002.

7.3. Completion of the project
The implementation of the project shall be completed on December 31, 2004.

8. Equal Opportunity:
The equal opportunity principles and practices shall be applied in order to ensure a fair percentage of men and women participating in the project.

9. Impact on the natural environment: (applies only to investment projects)
Environmental audits shall be prepared for individual sub-projects.

10. Rates of return (applies only to investment projects)
Financial indexes shall be calculated for individual projects (FIRR).

11. Investment criteria: (applies only to investment projects)

11.1. Catalytic effect
The implementation of the project will significantly affect the development of the Poland-Germany border area through the expansion of the economic infrastructure. The implementation of the project is a condition of the economic development of the region in the scope of tourism, support for production sector and small and medium business sector.

11.2. Co-financing
The project is financed from the owned equity funds at least up to 25% of the total value. The final equity contribution in the implementation of the project will be known upon the approval of the subprojects.

11.3 Additionality
Phare funds will supplement the funds coming from other sources. The project will in the future generate financial revenues through an indirect support for business institutions, development of economy, including tourism.

11.4 Project readiness and size
The project is fully prepared for implementation. The project shall be implemented in accordance with the principles of the Grants System. Only subprojects which are fully ready for implementation will be financed under the grants agreements.

11.5 Sustainability
Sub-projects which will be admitted to the financing under grants agreements must comply with the European Union standards and norms, have a positive impact on the environment and their economic...
analysis must prove that they will be self-sufficient in financial terms. Beneficiaries of the grants agreements will ensure the financing of the operation of the project after the agreements are performed.

11.6 Compliance with the principles of the State’s aid

Direct support under the grants agreements shall concern public administration units and other public institutions. In connection with that, it will not violated the association agreement regarding the State’s aid for business entities.

11.7 Contribution to the implementation of the Joint Programming Document Phare CBC II / Interreg IIIA

One of the common Poland's and Germany's priorities defined in the Joint Programming Document for Phare CBC II and Interreg IIIA for the years 2000 – 2006 is support for the development of entrepreneurship and economic cooperation. The table below present the indicative financial commitment (percentage of the total amount allocated to individual regions) for the implementation of this priority as part of Phare CBC II and Interreg IIIA in the years 2000 – 2006 (in case of Poland in the years 2000 – 2006):

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Mecklenburg</th>
<th>Brandenburg</th>
<th>Sachsen/</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Vorpommern</td>
<td>/Lubuskie</td>
<td>dolnoslaski</td>
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<tr>
<td></td>
<td>Zachodpomern</td>
<td>Morskie</td>
<td></td>
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<tr>
<td>D PL D PL D PL D PL</td>
<td>5 3 18 7</td>
<td>12 8</td>
<td></td>
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</tbody>
</table>

12. Conditions and order of the most important activities:

Upon execution of the Financing Memorandum concerning the implementation of Phare CBC Poland – Germany 2001 the Implementing Authority for the Phare Cross-border Cooperation Program (CA) shall prepare, on the basis of „Practical Guides to Phare, Ispa & Sapard Contract Procedures“, detailed guidelines for the implementation of the project to be approved by the European Commission.
### Annex 1: LogFrame

<table>
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<th>Support for business-related infrastructure</th>
<th>Date of drafting:</th>
<th>March 1 2001</th>
</tr>
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<tbody>
<tr>
<td>Project number:</td>
<td>Planning period:</td>
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<table>
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<tr>
<th>Wider objective</th>
<th>Indicators of Achievement</th>
<th>Where will the information on indexes come from?</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced social and economic development of the Poland-Germany border area</td>
<td>Reduction of differences in the business-related infrastructure between the neighboring regions</td>
<td>Data from the Chief Statistical Office</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Data from the Voivodeship Statistical Offices</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Data from the Tourism Office</td>
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</table>

<table>
<thead>
<tr>
<th>Immediate Objectives</th>
<th>Indicators of Achievement</th>
<th>Sources of information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal of the existing bottlenecks and improvement of the basic conditions of the development and cooperation in the border area. Utilization of the potential for better economic and social development and the development of rural areas. Promotion of the economic development of the Poland-Germany border area. Promotion of the development of tourism in the border area</td>
<td>Number of economic relations between Poland and Germany Number of new companies in the border area Number of German tourists Creation of new work opportunities Number of removed bottlenecks in the economic activity Increased use of the tourist infrastructure</td>
<td>Data from the Chief Statistical Office Data from the Voivodeship Statistical Offices Data from the Tourist Institute Data from the local employment offices Data of Regional Development Agency</td>
<td>Poor macroeconomic situation in Poland and in the region</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results/Outputs</th>
<th>Indicators of Achievement</th>
<th>Sources of information</th>
<th>Assumptions and Risks</th>
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</thead>
<tbody>
<tr>
<td>conditions necessary for the operation of the regional institutions dealing with promotion of the development of cross-border cooperation, support for small and medium businesses, conditions necessary for proper and economical operation of businesses in the border area. foundations of the cross-border development of tourism.</td>
<td>Full utilization of the infrastructure by direct and indirect beneficiaries</td>
<td>Reports of direct beneficiaries</td>
<td>Efficient implementation of the voivodeship development strategy</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Inputs</th>
<th>Costs</th>
<th>Assumptions and Risks</th>
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Creation of infrastructure for regional institutions dealing with the promotion of business, transfer of know-how and supporting the development of small and medium businesses (e.g., modernization and equipment for such institution’s buildings);
Creation of infrastructure intended to facilitate business activity by small and medium businesses and infrastructure which would make regions more attractive for potential investors (e.g., construction and modernization of the transportation network, removal of bottlenecks in the development of small and medium business related to the protection of the natural environment). Creation of the infrastructure for the development of the cross-border tourism, including modernization/construction of bike roads; construction, modernization and putting up signs on the tourist routes.

| The project shall be implemented according to the grants system. Expenses will be known only upon identification of subprojects. | Total EUR: min. 2.67 MEUR  
Phare EUR: 2.0 MEUR | Beneficiary’s compliance with the principles of carrying out projects financed from Phare funds  
(Practical Guide for the Phare, ISPA and SAPARD) |

Initial assumptions:

### Annex 2-4: Implementation, contracting and disbursement schedules

<table>
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<tr>
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<table>
<thead>
<tr>
<th>Legend: D = design of sub-projects / C = tendering and contracting / I = contract implementation and payment</th>
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Pl01.08.20 Cbc Pt/D Business Related Infrastructure – p.6