1. BASIC INFORMATION
1.1 Desiree Number: PL0008.02.01
1.2 Title: Podlaskie – Human resources development
1.3 Sector: Human Resources Development
1.4 Location: Podlaskie Voivodship, Poland

2. OBJECTIVES OF THE PROJECT:

2.1 Wider objective
The general objective of the project is the creation of such conditions for the development of human resources in the Podlaskie region, under which targets of greater economic and social cohesion can be reached.

2.2 Immediate objectives:
The immediate objectives of the project directly address the priorities identified in the Podlaskie Voivodship Preliminary Operational Programme, and include:

- increasing employability among groups threatened by unemployment (in particular the employees of declining industries and the inhabitants of rural areas and small towns);
- increasing entrepreneurship and the business start-up rate among persons threatened with unemployment, (especially among the inhabitants of rural areas, school leavers and women);
- increasing adaptability, productivity and competitiveness of small and medium enterprises - sustaining jobs in SMEs;
- increasing the competence of regional and local stakeholders in relation to the development of human resources;

Through reaching specific targets related to these objectives the project will increase the adjustment capabilities of the human resources of the region to the changes taking place on the labour market.

2.3 Accession Partnership and NPAA priority
The project reflects the Accession Partnership and its main priorities in the areas of labour market, social policy and SMEs. Through the project the European Employment Strategy will be implemented and the regional absorption potential for future participation in the European Social Fund will improve. It is important to note that the activities envisaged in the project correspond mainly to the 3 & 4 European Social Fund’s policy fields.

2.4 Contribution to National Development Plan
The Preliminary National Development Plan recognises “Strengthening development potential of regions and countering marginalization of certain areas” as one of the country’s main priorities. Since the development of regions depends not only on physical infrastructure but also on the skills of the regional work force and their access to knowledge, one of the crucial measures taken to insures regional economic and social growth is Human Resources Development. HRD, which was awarded paramount importance in the National Strategy for Increasing Employment and Human Resources Development as well as in the Regional Development Strategy, identifies the promotion of employability and adaptability as an essential condition for the successful implementation of development and restructuring processes in the voivodship as well as a factor ensuring the increase of entrepreneurship.

2.5 Cross Border Impact: n.a.

3. DESCRIPTION
3.1 Background and justification:
The number of people threatened by unemployment is definitely one of the most serious problems the Podlaskie Voivodship has to resolve. Due to current and planned employment reductions in the sector of light industry as well as the constant employment fluctuations in regional SMEs (due to going out of business, changing of profile, or seasonally reducing employment), the number of people facing the threat of becoming unemployed is rising. Significant hidden unemployment in rural areas, which is bound to gain sudden visibility once the process of the modernisation and adjustment of regional agriculture to the EU Single Market has started, makes the problem even more difficult to tackle. Especially, as the vocational training programmes implemented in the region by the Employment Services (Labour Fund) are primarily addressed to the registered unemployed.
The need to develop and offer preventive training courses which would upgrade and provide new qualifications for working population and persons threatened by unemployment has become pressing. Therefore, the activities proposed in the project address the above issues not only by providing the people with possibilities to improve their skills and gain new qualifications but also by promoting entrepreneurship, especially among the inhabitants of rural areas, school leavers and women (i.e. among groups of whom the situation on the labour market is especially disadvantaged) and encouraging the beneficiaries to seek alternative sources of employment (e.g self-employment, business start-up). The school leavers are given particular attention also due to the role they are going to play in the region in a long term perspective.

The role of SMEs in stimulating the economic and social growth of the Podlaskie Voivodship cannot be underestimated - the SMEs constitute the driving force for the regional economic and labour market development. Still, due to the relatively low level of managerial skills among the regional entrepreneurs and their lack of knowledge about recent developments in the areas of marketing, finances, international cooperation, the further growth of regional SMEs is imperilled. Therefore, in order to secure their dynamic development and increased competitiveness, the upgrading of their staff’s skills is absolutely indispensable. The project will address the above issues by facilitating the SMEs’ staff in improving their professional and managerial skills through a series of trainings.

The insufficient capacities of local governments in relation to employment and labour market policy constitute yet another serious problem faced by the region. Although local governments, particularly in the areas affected by high unemployment rate (including hidden unemployment), constitute the only entities whose financial resources allow for active intervention at the local labour market, the inadequate knowledge and lack of specific skills among their staff members frequently limit their effectiveness. Provision of specific knowledge and skills related to the preparation and implementation of local employment initiatives (employment pacts) and local development programmes will increase the governments’ efficiency and facilitate co-operation with other partners as to creation and implementation of effective employment policy.

The activities planned in the project exceed the scope of measures typically undertaken by Polish Employment Service (Labour Fund). They are addressed to target groups, which due to formal reasons are excluded from the state system of support for employment but still require intervention and assistance – for example, the group of SME’s employees, persons threatened by unemployment or rural inhabitants seeking employment outside agriculture.

3.2 Linked activities

Presently in Podlaskie region there are no other programmes devoted to the development of human resources. Between 1996-1997 Phare programme STRUDER was implemented. One of its module, which was devoted to the development of human resources, included training on starting private business and on occupational retraining. Also the Polish- British Entrepreneurial Support Programme, which was implemented between 1994-1998 provided training on entrepreneurship. Previously implemented programmes showed extensive training need of entrepreneurs and employees working in the region.

The project will be harmonised with other actions implemented within the Integrated Phare 2000 Programme, those referring to the small and medium enterprises sector in particular. It will be also co-ordinated with the national project “Strengthening Continuing Vocational Training (CVT) System in Poland,” implemented by the Ministry of Labour and Social Policy. Within the framework of the national project trainers training and monitoring and evaluation will be provided. National project will also develop occupational standards and modular training methodology.

The project will be linked to activities performed by the government, regional government and institutions implementing and co-ordinating projects covering the areas to which the present project refers. The project will also refer to training activities financed from Labour Fund and conducted in the region by local labour offices and regional/local training institutions.

3.3 Results

- 1500 employees in danger of being made redundant trained and given specialist vocational counselling, which will result in ca. 450 persons finding permanent jobs and 50 new companies established;
- 1800 inhabitants of rural areas trained in running their own business outside agriculture, which will result in 500 companies established;
- 600 women trained in starting their own business, which will result in 150 companies established by women;
- 129 high school teachers and 6450 senior high school students trained in the course of special entrepreneurship classes, which will allow for the creation of a system of education promoting entrepreneurship among the youth;
- 3900 SMEs staff members trained, which will result in increased competitiveness and job positions preserved;
• 115 representatives of local government and social partners from poviats and gminas trained on designing and implementing employment and local development programmes;

3.4 Activities
1: Training and business counselling for persons threatened by unemployment
2: Training for employees of SMEs
3: Promoting entrepreneurship in high schools
4: Assistance to the development of local employment pact.

1. Training and business counselling for persons threatened by unemployment
This component of the project will concentrate on two types of goals:
A. Vocational training and guidance for persons threatened by unemployment (employees of declining sectors – light industry and the inhabitants of rural areas and small towns in particular)
B. Training and counselling for start-ups (especially inhabitants of rural areas, school leavers and women)
As many big enterprises of light industry operating in Podlaskie are presently reducing the number of employees, several thousands of people may lose their jobs. Many companies go out of business, change their profile, or seasonally reduce the number of employees. Therefore many workers have to seek new employment. This category of employees are not able to use support provided by the Employment Service (Labour Fund). Without external assistance these people will join the group of unemployed. Therefore preventive assistance is very valuable in this particular case. The best form of assistance is occupational re-training for jobs which are in demand on the local labour market.
There is a high percentage of the population residing in rural areas in the Podlaskie Voivodship. Modernisation of farms which is inevitable in the perspective of integration with the Single European Market will require reduction of employment in agriculture. Thus, the main task of this component is to support multi-functional development of rural areas in terms of human resources by promoting entrepreneurship, which could provide the inhabitants with a chance of alternative source of income. Rural inhabitants interested in self-employment or in opening small companies usually do not participate in training organised in cities due to its incompatibility with the specific nature of rural entrepreneurship and due to lack of financial resources. By assisting the rural population in undertaking economic activities outside agriculture and provision of specialist knowledge as to starting and conducting economic activities in rural areas and small towns, the project will fill a significant gap in this area.
There is also a relatively low number of women among SMEs’ entrepreneurs. Women, due to various factors, including psychological reservations (fear, lack of self-confidence, avoiding rivalry) rarely choose this type of career. Therefore, women interested in starting their own business should obtain additional support. Training companies do not offer many training courses which are addressed exclusively to women and those already existing are not easily accessible. The immediate objective of the activities proposed is to prepare and encourage women to start private business activity and to facilitate their career advancement trough provision of specialist knowledge and promotion of assertive approach.
In the light of the situation described above, adjusting qualifications of the population to the local market needs is one of the greatest tasks of the Podlaskie Voivodship. Therefore a number of training programmes is envisaged in order to assist the groups to adjust their skills to the local market needs and, in consequence, to facilitate the shift in employment to new, growth-oriented branches of their economy.
Although working persons threatened by loosing their jobs are a target group of this component, registered unemployed are also eligible to benefit from the vocational trainings. The Voivodship Board in co-operation with employers representatives will define the exact criteria for the selection of participants and detailed scope of training, which is going to be provided. The training programmes will encompass guidance and the activities aimed at upgrading the qualifications, vocational training and training on starting up business activity. The training programme will be designed to meet the labour market requirements according to the list of jobs in demand, which is regularly updated by the Voivodship Labour Office responsible for the ongoing monitoring of the regional labour market. The list will be prepared in co-operation with employers representatives.
Ad. A:
It is assumed that a majority of employees discharged from work and inhabitants of rural areas will be interested in training courses offering (re)training for specific jobs, which are in demand on the local labour market. The training offered within the framework of the project will encompass:
• Training and guidance related to job search skills and basic labour market information
• Vocational training and re-training (adjusted to employers and local labour markets needs) related to the following jobs/skills: Salesman; Sales Representative; Secretaries – assistants; Accounting for small business; Computerised accounting; Insurance agent; Employees of warehouses; Telemarketing
• Guidance and job counselling (for rural youth in particular)

Ad. B:
Training and counselling for start-ups
These activities will be provided for those who are interested in self-employment. It is planned that this group will be offered training on entrepreneurship. Training programme will include the following subjects: readiness for change; legal and financial aspects of conducting economic activity; basics of management and marketing; sales techniques; financial management in small company; basics of investment.
Within this component special attention will be paid to the promotion of rural entrepreneurship outside agriculture. The subject of training will be adjusted to local needs (at the level of gmina and powiat) and to planned investments in infrastructure and productive sector under Phare 2000. Institutions responsible for training will have to adjust training programme to local conditions.
The training programmes tailored for women will additionally include psychological courses and focus on creation of assertive approaches. Workshops on reconciliation of family and professional responsibilities will also constitute an important part of training. In addition individual counselling will be provided.
The services provided under the project component will encompass: development of training and counselling programmes; preparation of training base; selection of trainees; development of training and information materials; dissemination of information on the training offered; provision of training and counselling; securing easy access to training.

2. Training for SMEs.
In Podlaskie region managerial skills of SME’s managers and entrepreneurs are not very well developed, particularly in terms of financial management and marketing. The lack of knowledge is an obstacle to the further development of SMEs which actually constitute a driving force for labour market development and job creation.
The Voivodship Board in co-operation with the representatives of SMEs will prepare the detailed characteristics of potential SMEs participating in the project.
The training courses offered within the project will focus on: Systematic improvement of company’s economic results; Managerial workshops; Business negotiations; Logistic management; Leadership and team work; Management of sales department; Management of small hotel; Promotion of tourist services; Human resources management; Selection of employees; Marketing rules; Updated tax regulations; Business plan.
The remaining courses will be addressed to the employees of SME’s and will upgrade their special skills and ability to work with people. The subjects of courses offered will match the particular needs of different groups. The courses will touch upon the following issues: Retail sale techniques; Wholesale; Accounting for independent and chief accountants; Computerised accounting; Telephone sales; Organisation of work in the office; Servicing clients of a small hotel; Sale negotiation; Interpersonal contacts; Other skills needed by local business—including computer skills and foreign language skills upgrading (sector specific language courses, only as a part of vocational training)
The tasks implemented within the component will cover: development of training programmes; preparation of training base; selection of trainees; preparation of training materials (separately for two groups of beneficiaries: management and the employees); provision of training; final report.
This subproject will be closely co-ordinated with other projects under Regional Operational Programme (SME grant scheme in particular).
All services provided directly to SMEs will meet the advisory, information, training and financial services standards of the National SME Services Network.

3. Promoting entrepreneurship in high schools
In the long term perspective, the development of entrepreneurship in the region depends on the attitudes of young people. Therefore, entrepreneurship should be promoted among the younger generation, also as a part of school education. It is necessary to introduce special classes on entrepreneurship and to prepare teachers to deliver them.
After graduation, the students participating in these classes will not only be able to start their own business but will also be emotionally prepared to operate in the market and to face the problems associated with this kind of activity. The skills acquired could also be used to seek employment in already existing enterprises. Having such preparation, young people will have a greater chance and flexibility in the labour market. Presently, schools in the region do not include such classes in their curricula. Moreover, due to lack of financial resources related to the costs associated with the recently introduced educational reform, the educational authorities will not be able introduce such classes without additional assistance.
The following issues should be stressed in the entrepreneurship teaching programmes:
- Courses on entrepreneurship: analysis of types of entrepreneurship, the role of an entrepreneur in the company, personality and characteristics of the entrepreneur, creation of leadership, importance of team work, human resources management, techniques of self-presentation.
- Courses on starting and running a small company: phases of initial process, legal and organisational aspects of business activity, management and organisation, marketing, finances, investment.

129 teachers (one from every high school in the region) will be trained on issues related to promotion of entrepreneurship among students. They will be expected to conduct courses on entrepreneurship after the completion of the project. In every secondary school in the region special courses for two groups of 25 students will be organised during the project implementation, 6450 high school students will participate in courses.

4. Assistance to the development of local employment pacts

Local governments, particularly in the rural areas suffering from hidden unemployment and other areas of high unemployment, are the only entities of whom the financial resources (National Labour Fund) allow for active intervention at the local labour market. Provision of specific knowledge and skills related to the preparation and implementation of local employment initiatives (employment pacts) and local development programmes will increase their efficiency and will facilitate effective co-operation in creation and implementation of employment policy.

Beneficiaries: about 115 representatives of powiats and gminas authorities and other local stakeholders (social partners).

The regional Steering Committee will define the exact number of poviats covered by this sub-project (Grajewo, Sejny and Augustów powiats, with the highest unemployment rates, will be included).

Main activities will encompass:
- Training related to: methods of preparation of local human resources development projects (employment pacts) and local projects for employment promotion (tourism promotion etc.); methods of co-operation among different levels of local government, social partners and other stakeholders.
- TA related to: analysis of the current labour market situation and recommendations on the appropriate actions; advice on creation and implementation of local development initiatives, total 600 man-days of work for advisors

Description of provided services: preparation of training and advisory programmes; preparation of organisational base for training and advisory services; selection of participants; preparation of training materials for each participant; implementation of training and advisory programmes; labour market analysis; final report on implementation of training

4. INSTITUTIONAL FRAMEWORK OF THE PROJECT:

The Ministry of Regional Development and the Ministry of Labour and Social Policy will play the leading roles in the Programme. A Programme Monitoring Committee, chaired by the representatives of the Minister of Regional Development and the Minister of Labour, will comprise the representatives of the Ministry of Finance, Ministry of Education, Office of the Committee for European Integration, the Ministry of Agriculture and Food Economy, Ministry of Transport and Maritime Economy, the Ministry of Environment, Natural Resources and Forestry and selected trade union and employers organisations as its members.

At the regional level, Regional Monitoring Committee will be established, with the representatives of the regional and local administration units, non-government organisations and social partners organisations’ representatives as its members. Their tasks will be to monitor the Project implementation, ensure proper coordination of actions undertaken under the Project with other relevant activities of the Regional Operational Programme and to formulate recommendations as to any modifications needed for the effective realisation of the Project objectives.

5. BUDGET (in EURO):

<table>
<thead>
<tr>
<th>Sub-projects</th>
<th>PHARE (investment)</th>
<th>National Co-financing</th>
<th>Private Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training and business counselling for persons threatened by unemployment</td>
<td>1 430 000</td>
<td>476 667</td>
<td></td>
<td>1 906 667</td>
</tr>
<tr>
<td>2. Training for employees of SMEs.</td>
<td>650 000</td>
<td>216 667</td>
<td>250 000</td>
<td>1 116 667</td>
</tr>
<tr>
<td>3. Promoting entrepreneurship in high schools</td>
<td>350 000</td>
<td>116 667</td>
<td></td>
<td>466 667</td>
</tr>
<tr>
<td>4. Assistance to the development of local employment pacts</td>
<td>150 000</td>
<td>50 000</td>
<td></td>
<td>200 000</td>
</tr>
</tbody>
</table>
6. IMPLEMENTATION ARRANGEMENTS:

6.1 Implementing Agency
PAO: Undersecretary of State at the Ministry of Regional Development
Implementing Agency: Polish Agency for Regional Development

6.2 Twinning: n.a.
6.3 Non-standard aspects: For any grant schemes foreseen under this project, the principles of these grant arrangements will follow the principles laid down in the Financing Memorandum for grant schemes.
6.4 Contracts: 4 contracts will be concluded under the project, one contract per each of the subprojects.

7. IMPLEMENTATION SCHEDULE:
Start of project: 1 January 2001
Beginning of contracting: March 2001
Beginning of Implementation of project: April 2001
End of project: 30 September 2003

8. EQUAL OPPORTUNITY:
Specific provisions for guaranteeing equal opportunity of access to activities, employment and other benefits resulting from the project implementation will be included. Gender related indicators will be gathered and monitored throughout the project's implementation to ensure that corrective steps can be taken at an appropriate moment in the project's life cycle, and will be included in the project impact assessment guidelines.

9. ENVIRONMENT: n.a.
10. RATES OF RETURN: n.a.
11. INVESTMENT CRITERIA: n.a.

12. CONDITIONALITY AND SEQUENCING:
Creation of organisational structure necessary for co-ordinating project activities
### Annex 1: LOGFRAME PLANNING MATRIX FOR PROGRAMME

<table>
<thead>
<tr>
<th>Wider Objective</th>
<th>Indicator of Achievement</th>
<th>Sources of information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieving greater economic and social cohesion through the development of human resources in the Podlasie region</td>
<td>Higher qualifications of the region’s human resources; Increasing economic growth of the region; Higher employability rates of the region’s working population</td>
<td>Progress report on the implementation of Preliminary NDP</td>
<td>General growth rate and economic; development of Poland and the voivodship will be maintained; Polish Government meeting the obligations included in the strategic documents i.e. NPAA and AP</td>
</tr>
</tbody>
</table>

### Immediate Objectives

<table>
<thead>
<tr>
<th>Indicator of Achievement</th>
<th>Sources of information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing employability, particularly among groups threatened by unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing rates at which alternative business activities are introduced in rural areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing entrepreneurship and business start-up rates among persons threatened with unemployment, especially among school leavers and women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing adaptability, productivity and competetiveness of small and medium enterprises sustained jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing the competence of regional and local stakeholders in relation to the human resources development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Results of project

<table>
<thead>
<tr>
<th>Indicators of Achievements</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher qualifications of managers working in the region, particularly in relation to management, marketing as well as higher qualifications of employees facilitating professional development and career advancement</td>
<td>Progress Reports, results of monitoring and periodical evaluations conducted by the Voivodship self-governing body.</td>
<td>In order to ensure achievement of objectives in training subprojects, particularly those addressed to women, inhabitants of rural area and persons in danger of being made redundant it is necessary to conduct training need analysis and to adjust training programmes to specific regional needs. Introduction of entrepreneurship classes to high schools curricula requires the commitment of poviat self-governments, directors of schools and teachers. An acceptance from the Ministry of Education is</td>
</tr>
<tr>
<td>New professional qualifications or readiness for starting a business among persons in danger of being made redundant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better motivation, better adjustment to market economy, preparation for starting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
new business among village inhabitants interested in employment outside agriculture.
Enterpreneurship education promoted among youth
Professional activation of women
Increased competence of regional and local stakeholders in relation to the human resources development

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Indicators of Achievement</th>
<th>Source of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and business counselling for persons threatened with unemployment</td>
<td>100 16-day courses for groups consisting of 15 persons (threatened by unemployment)</td>
<td>Questionnaires on trainees’ satisfaction on services provided under the project</td>
<td>Proper selection of trainees and training/counselling providers; High quality of training and counselling services</td>
</tr>
<tr>
<td>Training for SMEs</td>
<td>180 10-day courses for groups consisting of 10 persons (from rural areas)</td>
<td>Contracts with the providers of services under the project</td>
<td>Full and timely provision of target group inventory by the Voivodship Board</td>
</tr>
<tr>
<td>Promoting entrepreneurship in high schools</td>
<td>60 6-day courses for groups consisting of 10 persons (women)</td>
<td>Project progress reports</td>
<td>Provision of technical and organisational support as well as other information for the work of evaluators by the Voivodship Board</td>
</tr>
<tr>
<td>Assistance to local stakeholders involved in the local employment initiatives</td>
<td>2 courses for 25 students in 129 high schools</td>
<td>Official publications</td>
<td>Poland’s participation in project costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reports from involved institutions on training conducted (project budgets, CVs of experts, lists of personnel trained, evaluation sheets)</td>
<td>SMEs participation in the training costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>audit reports</td>
<td>Highly qualified project evaluators</td>
</tr>
</tbody>
</table>

Annex 2: Cumulative implementation, contracting and disbursement schedule

| Date of drafting | November 30, 1999 |
| Planning period | 01.2001 – 09.2003 |

<table>
<thead>
<tr>
<th>Subprojects</th>
<th>Budget allocation cost estimate Phare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation</td>
<td>2,58 M€</td>
</tr>
<tr>
<td>Contracting</td>
<td>0,7 2,58</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0,035 0,289 0,543 0,797 1,051 1,305 1,559 1,813 2,067 2,322 2,58</td>
</tr>
</tbody>
</table>

Legend: D= design / C= contracting / I= implementation and payments