1. BASIC INFORMATION
1.1 Desirée Number: PL0008.05.01
1.2 Title: Slaskie – Human resources development
1.3 Sector: Human Resources Development
1.4. Location: Silesia Voivodship, Poland.

2. OBJECTIVES:
2.1 Wider objective:
The wider objective of the project is achieving greater economic and social cohesion through the development of human resources in the Silesia region.

2.2 Immediate objectives:
The immediate objectives remain in strict alignment with the Silesia Voivodship Operational Programme which identifies priorities in the area of social-economic cohesion. The immediate objectives therefore include:
- increasing employability of the social groups threatened by unemployment (in particular employees of declining industries and sectors undergoing restructurization – education and health sectors);
- increasing entrepreneurism among persons threatened by unemployment (in particular employees of declining industries and sectors undergoing restructurization – education and health sectors);
- increasing adaptability, productivity and competitiveness of regional small and medium enterprises - sustaining jobs in SMEs;
- increasing regional competence within the area of human resources development
Through reaching specific targets related to these objectives the project will increase the adaptation 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. HRD projects proposed within the framework of ‘Economic and Social Cohesion Programme PHARE 2000’ will reinforce and complement other components of the Programme (development of physical infrastructure, development of SMEs) by means of continuing vocational training. This is in accordance with the principles of integrated programming followed under the EU structural funds, which require co-ordination of human resources (ESF) projects with the activities taken under other (ERDF) components.

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 insure regional economic and social growth is Human Resources Development. HRD, which was also 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 entrepreneurism.

2.5 Cross Border Impact: n.a.

3. DESCRIPTION

3.1 Background and justification
Silesia is the second, following the Mazowiecki Voivodship, most inhabited region in the country, with over 5 mln inhabitants living within its boundaries. Majority of the Silesia inhabitants live in the small area of GOP (Górnoslaski Okreg Przemyslowy – Upper Silesia Industry Area), concentrating majority of the voivodship enterprises and industries, with coal mining and steel sector in particular. As those sectors are presently under restructuring, the policy applied results in significant reductions of the employment in the region. Taking into account the highest percentage in the country of people employed in the construction sector and industry (39.7%), employment restructuring creates heavy burden for the regional labour market. Despite lower than the country average unemployment rate, the number of employed has been significantly decreasing for the last few years. In 1997 Silesia observed the biggest decline of employed in Poland (over 55 people per 10,000 inhabitants). Developing regional SMEs are not able to equalise the employment decline with the new work places created.
The major problems of the voivodship in terms of human potential are:
- current and planned employment reductions in the key sectors of the region - coal mining and steel industry
- current and planned employment reductions linked to the employment restructuring in the education and health sectors
- low level of education background of the inhabitants
- slow growth and development of the SME sector
- limited development of growth-oriented branches of the economy (services, tourism).

The project has been prepared to address issues which have been identified in the Preliminary National Development Plan and the Resolution of the Silesia Voivodship Board, identifying development of human resources as one of the highest priorities of the regional development policy. As one of the key problems of the region is economic restructuring and employment rationalisation in the sphere of public services (education and health services), the most urgent issue is to adjust the qualifications of the persons threatened by the unemployment to the needs of local labour market and to assist them in finding new employment in growth-oriented developing local enterprises.

Silesia is characterised by a high percentage of persons with primary, uncompleted primary and vocational education background (67.9%). Those persons are not able to adjust to the requirements and constantly changing needs of the local labour market, while training programmes provided in the region by local labour offices system are primarily addressed to unemployed persons.

Considering low level of education of the working population, resulting in significant divergence between work places offered on the market and education structure of human resources, development of voivodship human potential requires then an increase of vocational adaptation capacity of working population, threatened by unemployment in particular. The project encompasses preventive actions aimed at upgrading qualifications and re-training of working population before they get into unemployment.

Various analysis and research indicate that the SMEs sector faces information, training and modern know-how barriers to a much greater degree than large private companies. Despite the fact that SMEs are perceived as the most dynamic economic entities in the region and the engine of regional economic growth, their further development is dependent on the enhancement and development of management systems and on the introduction of modern technological solutions. Therefore, an appropriate support should be provided to both employees and managers who apply technologies in their every-day practice. The project will put special emphasis on the development of brand tourist products and, thus, on the SMEs operating in the tourism and services related to the tourism in particular. Support provided under the project to local SMEs will allow to increase their employment potential and to reduce the threat of unemployment growth in the Silesia region.

The following groups will be the project beneficiaries:
- persons threatened by the unemployment, including women (50% of trainees), employees of industries and of education and health sectors undergoing restructuring (65% of trainees), inhabitants of the rural areas (10% of trainees);
- employees and managers of the local SMEs, including 40% of the representatives of the management (junior management in particular); 35% of women; 35% of SMEs operating in tourist sector and services relating to the tourism, 15% of SMEs operating in the area of modern technology; 10% of SMEs operating in the area of training and business counselling;
- Voivodship Board and the Marshal Office and other institutions and organisations engaged in the implementation of the project.

As the ensuring of the new work places in regional SMEs for persons threatened by the unemployment requires both upgrading of their qualifications and further development of the regional SMEs, the major efforts of the project are concentrated on the re-training and qualification upgrading of potential employees and on the enhancement of the competence of the SMEs staff. In order to stimulate the development of new SMEs in the region, the project assumes technical support for already existing enterprises in the field of new management techniques and modern technologies, aimed at maintaining and increasing the scope of their economic activities on the market, with special emphasis put on the tourism and services related to it.

3.2 Linked activities

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. The Project will be also 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. Those are the projects already under implementation or about to be implemented, including planned government programmes of coal and sector restructuring, programmes financed from the European Union funds, the World Bank and the Know How Fund. The project will benefit from the experience of Phare STRUDER Programme, Small Grants Fund FIESTA II, Phare OMEGA Programme and Phare PL 9811 INITIATIVE Programme currently under implementation. In
addition, training programmes addressed to the coal and steel sectors financed from the World Bank resources will be taken into account while developing detailed training programmes under the project. Strong co-ordination with the national project “Strengthening Continuing Vocational Training System in Poland” Project, implemented by the Ministry of Labour and Social Policy will also be ensured. 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:
- 4200 persons threatened with unemployment trained (in particular employees of declining industries and sectors undergoing restructurality – education and health sectors), re-trained and provided with individual counselling, which will result in ca. 1700 persons finding permanent jobs and 400 new companies being established, out of which 200 will be started by trained women;
- 3000 SMEs employees and managers (including start-ups) given training and specialised expert support and advice on developing business activity and applying new management methods and modern technologies, which will result in better market position of SMEs and job places preserved in 500 companies;

3.4 Activities:
The proposed scope of activities encompass two components (contracts):
1. Training and business counselling for persons threatened by unemployment
2. Training for employees of SMEs

3.4.1 Training and business counselling for persons threatened by unemployment
This component of the project will concentrate on two types of goals:
1. Vocational training and guidance for persons threatened by unemployment (in particular employees of declining industries and sectors undergoing restructurality – education and health sectors)
2. Training and counselling for start-ups.

The general increase in the quality of the labour force, upgrading qualifications and retraining are essential issues for the social groups threatened by the loss of employment in the industries undergoing restructuring. Therefore a number of training programmes is envisaged in order to adjust the group to the local market needs. The training programmes will encompass guidance and the activities aimed at upgrading the qualifications, vocational training and training on starting up business activity.

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 training. 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.1.: The activities of the component will focus on: Training and guidance related to job search skills and basic labour market information; Guidance and training aimed at upgrading the qualifications: upgrading computer skills, basic management programmes, upgrading secretarial skills, accounting and book keeping, other courses enhancing the qualifications of the target group, adjusted to the local labour market needs, skills related to tourism industry.

Ad. 2.: Courses on starting and conducting own business activity, including: basics of economic activity, legal and financial aspects of conducting economic activity, basics of the management and marketing, business plan development, development of creative thinking, starting up tourist activity – business tourist and municipal tourist activity, special course for people inhabiting rural areas: agro-tourism.

In addition, in order to boost the innovation skills and to develop the entrepreneurial skills, individual counselling is envisaged for persons planning to start-up their own business activity. The counselling will cover the advice on: starting-up own business activity, legal and financial aspects of business activity, business plan preparation, identifying business partners, applying for bank credits, starting-up tourist company.

Services rendered under the project will cover: development of training and counselling programmes, preparation of training base, selection of trainees, preparation of training and information materials,
dissemination of information on training offered, provision of training and counselling services, securing easy access to training, final report on training conducted.

3.4.2 Training for the employees of SMEs

This component of the project will concentrate on two types of assistance: vocational training of SMEs’ employees and training and guidance of the SMEs’ managers

The project assumes support for small and medium enterprises initiating or carrying out business activity in the sectors significant for the growth of regional economy. A special emphasis will be put on the issues of innovation and R&D growth, development of modern environment friendly technologies and tourism development. Despite the fact that SMEs operating in the region show the highest dynamics of development, their further growth is dependent on the knowledge of modern management systems and introduction of new technologies. The training offered within the framework of the project will be addressed to two groups of beneficiaries: the SME management staff and employees as the group implementing new skills in every-day practice.

The Voivodship Board (in co-operation with employers’ representatives and R&D establishments) will be responsible for the preparation of preliminary inventory of the target population, including detailed characteristics of potential SMEs participating in the project (capital value, turnover, number of staff, qualification of the management staff and employees, type of business activity, technologies applied) as well as the scope of training.

The training courses offered within the project will cover: Management and organisational issues, Application of R&D, modern technologies, implementation of innovations, Management of human resources, Finance management, Marketing and promotion, Management of conflict, Management of changes, Modern methods and techniques of development and skills upgrading of employees, Quality management., Other courses needed by local businesses – including computer courses and upgrading language skills (sector specific courses, only as a part of vocational training).

In addition, special programmes will be offered on: management and marketing in the tourist business (for SMEs operating in this sector), introduction of innovations and technology transfer for technological centres, implementation of modern techniques, training and counselling methods for SMEs providing training and counselling services in the area of entrepreneurship.

The tasks implemented under the project will encompass: development of training and counselling programmes, preparation of training base, selection of trainees, preparation of training and information materials, provision of training and counselling services, evaluation and monitoring, final evaluation and report on training conducted.

Counselling services and individual advice is envisaged for SMEs planning to apply new methods in the area of management and modern technologies.

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.

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 Regional Operational Programme and formulate recommendations as to any modifications needed for the effective realisation of the Project objectives.
5. BUDGET (in euro):

<table>
<thead>
<tr>
<th></th>
<th>Investment (I)</th>
<th>Institution Building (IB)</th>
<th>Total Phare funds (=I + IB)</th>
<th>Recipient (state budget)</th>
<th>Private sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and business counselling for persons threatened by unemployment</td>
<td>3 480 000</td>
<td>0</td>
<td>3 480 000</td>
<td>1 158 333</td>
<td>-</td>
<td>4 638 333</td>
</tr>
<tr>
<td>Training for employees of SMEs</td>
<td>2 300 000</td>
<td>0</td>
<td>2 300 000</td>
<td>766 667</td>
<td>1 143 750</td>
<td>4 210 417</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5 780 000</strong></td>
<td><strong>0</strong></td>
<td><strong>5 780 000</strong></td>
<td><strong>1 925 000</strong></td>
<td><strong>1 143 750</strong></td>
<td><strong>8 848 750</strong></td>
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</tbody>
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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: n.a.

6.7 Contracts
It is planned that 2 contracts will be concluded under the project, one contract for each of the components.

7. IMPLEMENTATION SCHEDULE:

<table>
<thead>
<tr>
<th>Contracting</th>
<th>Start of activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training and business counselling for persons threatened by unemployment</td>
<td>01.01.2001</td>
<td>30.09.2003</td>
</tr>
<tr>
<td>2. Training for SMEs</td>
<td>01.01.2001</td>
<td>30.09.2003</td>
</tr>
</tbody>
</table>

8. EQUAL OPPORTUNITY:
The issue of gender equality will be integrated into all levels of the objectives and actions under the project and it will be one of the primary criteria for the selection of trainees. On average minimum 40% of the trainees will be women representatives. Special emphasis will be put on the development of training programmes addressed to persons employed and threatened by the unemployment in order to adjust them to the needs of women.

9. ENVIRONMENT:
The issue of environment protection will be addressed during the provision of training and advisory services to local SMEs in the area of modern technologies application.

10. RATES OF RETURN: n.a.

11. INVESTMENT CRITERIA: n.a.

12. CONDITIONALITY AND SEQUENCING:
Co-financing of project costs through Polish sources and partly by the trainees.
Cohesion of the project training activities with other actions undertaken in the area by public administration units, local labour offices and other training institutions.
### Annex 1: LOGFRAME PLANNING MATRIX FOR PROJECT

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>Slaskie – Human resources development</th>
<th>Date of Drafting</th>
<th>Planning Period</th>
<th>Total Budget of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>November 1999</td>
<td>01.01.2001-30.09.2003</td>
</tr>
</tbody>
</table>

#### Wider Objective:

| Achieve greater economic and social cohesion through the development of human resources in the Silesia region | Higher qualifications of the human resources of the region  
Increasing economic growth in the region  
Higher employability of the region’s working population | Progress report on the implementation of Preliminary National Development Plan  
Progress report on Poland’s application for membership of the European Union | General growth rate and social and economic development of Poland and the voivodship will be maintained  
Stabilised situation on the regional labour market will be maintained  
Polish Government meeting the obligations included in the strategic documents i.e. NPAA & AP |

#### Immediate objectives

| Increasing employability of the groups threatened with unemployment (in particular employees of declining industries and sectors undergoing restructuring – education and health sectors);  
Increasing entrepreneurship among persons threatened by unemployment (in particular employees of declining industries and sectors undergoing restructuring – education and health sectors);  
Increasing adaptability, productivity and competitiveness of regional small and medium enterprises  
Increasing regional competence within the area of human resources development | 2 000 persons will find permanent job (app. 60% of trainees)  
500 new companies will be started by trainees, including around 220 companies by trained women  
Job places in 500 companies will be preserved as a result of improved SMEs management  
The qualifications of at least 95% of persons participating in the project will be upgraded  
At least 50% of SMEs will apply new methods and acquired skills  
Competence of regional and local administration will be increased in the area of development of human resources  
Regional and local administration will be better prepared for seeking and utilising resources from the European Social Fund | Results of the final and ex-post project evaluation  
Central Statistical Office statistics  
Statistics of the local labour offices  
Training evaluation  
Reports of institutions involved  
Reports on audits at the beneficiary institutions  
Project progress reports | Effective co-operation of institutions and organisations engaged in the implementation of the project  
High degree of activity and motivation of project beneficiaries in the implementation of newly acquired skills  
Cohesion of the training activities with other actions undertaken by public administration units, local labour offices and local training institutions  
Voivodship authorities strongly determined to support development of the region’s human potential  
Meeting the timetable set in the project for its individual components |

#### Outputs

| Persons threatened by unemployment trained, re-trained and provided with individual vocational counselling  
SMEs management and employees trained in modern management methods and modern technology application and provided with individual specialised business advice | 4 200 persons threatened by unemployment trained and given specialised vocational advice;  
3 000 SMEs managers and employees trained;  
Project trainees retain employment positions related to areas covered by the project  
Active participation in the project by target group representatives  
Effective co-operation among institutions involved in the project  
Willingness of project beneficiaries to apply skills acquired under the project | Reports and training materials  
Project progress reports  
Periodic and final evaluation reports |  

<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>Vocational counselling and training assistance for persons threatened with unemployment</td>
<td>11,154 man-days of experts and specialists provided</td>
<td>Contracts with the providers of services under the project</td>
<td>Proper selection of trainees and training/counselling providers</td>
</tr>
<tr>
<td>Training and counselling for SMEs</td>
<td>4,854 man-days of training and 1,000 man-days of vocational advice for persons threatened with unemployment provided</td>
<td>Project progress reports</td>
<td>High quality of training and counselling services</td>
</tr>
<tr>
<td>In-kind input under the form of knowledge, experience, information from institutions implementing the project and other engaged in its realisation</td>
<td>3,000 days of training and 800 days of counselling services for SMEs provided;</td>
<td>Official publications</td>
<td>Full and timely provision of target group inventory by the Voivodship Board</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>Provision of technical and organisational support as well as other information for the work of evaluators by the Voivodship Board</td>
</tr>
<tr>
<td></td>
<td></td>
<td>audit reports</td>
<td>Poland’s participation in project costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SMEs participation in the training costs</td>
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<tr>
<td></td>
<td></td>
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<td>Highly qualified project evaluators</td>
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</table>

Annex 2: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>Slaskie – Human resources development</th>
<th>Date of drafting</th>
<th>November 30, 1999</th>
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<td>Planning period</td>
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<tr>
<td>01-2001 – 09.2003</td>
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<tbody>
<tr>
<td>D</td>
<td>C/I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
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<td>I</td>
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<td>Disbursement</td>
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<td></td>
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</table>

Legend: D= design, C= contracting, I= implementation