1. Basic Information
1.1. Désirée Number: PL01.06.09.03
1.2. Title: Engineering, supervision and monitoring support
1.3. Sector: ESC
1.4. Location: Poland – Regions included in the Phare 2001 and 2002 ESC Programme

2. Objectives
2.1. Wider objective:
The wider objective of the project is to facilitate the process of implementing and increasing the impact of the Phare Economic and Social Cohesion Programme.

2.2. Immediate objectives:
Upgrading the general project management capabilities and capacities in the area of investment projects, in institutions responsible for implementing the Phare Economic and Social Cohesion 2001 Programme. Introducing required standards in infrastructure projects supervision, within actions of the Phare Economic and Social Cohesion Programme, throughout the project cycle and at the appropriate implementation levels. Increasing the quality of investment project monitoring and reporting systems and procedures, and the scope of implemented monitoring activities, adjusting Phare ESC monitoring standards to the Structure Funds requirements. Ensuring speedy and efficient tendering process of Phare ESC investment projects.

2.3. Accession Partnership and NPAA priority
The project responds to the medium term priority identified in the Accession Partnership, being the development of the national policy for economic and social cohesion and preparing for the implementation of regional development programmes, as well as Community Initiatives. It corresponds also with the NPAA priority “Regional and cohesion policy”, impacting directly both in the sphere of necessary institution building adjustments, and in reaching concrete impacts in the piloted regions.

2.4. Contribution to the Preliminary National Development Plan
The PNDP includes the priority related to the “Strengthening development potential of regions and counteracting marginalisation of certain areas”. This priority will be addressed through: The infrastructure measures selected for implementation at the regional level. Major input in infrastructure development projects has been planned, including environment protection, transport, business development and other infrastructure; Human Resources Development. Another priority concerns “Improvement of the economy’s competitiveness through modernisation and structural adjustment of industry and services”. The priority will be implemented through the measure “Development of the SME sector”. The project will contribute to the timely, effective and efficient implementation of the actions planned under the Phare Economic and Social Cohesion Programme within the context of the development targets of the PNDP.

3. Description
3.1. Background and justification
In Phare 2001, similarly like in Phare 2000, in the area of strengthening the economic and social cohesion of Polish regions, the investment oriented Phare Economic and Social Cohesion Programme has been initiated. In the initial effort eight (five being supported by Phare 2000 and three new ones) Polish regions have been included for support, with strategic and operational planning taking place through the Preliminary National Development Plan at the national level, and the eight (new or updated) Regional Operational Programmes, all annexed to the NPAA. These programmes include a major effort in the area of developing infrastructure, human resources and productive sector at the regional and local levels, identified as priority interventions for attaining specific regional development targets in economic and social cohesion. The areas included under Phare 2001 infrastructure proposals are concentrated around environment protection facilities (sewage treatment and disposal, water supply, waste utilisation), transport (roads, by-passes, tunnels), business development sites, municipal infrastructure, tourism support and other. The effective and efficient implementation of these actions will depend to a large extent on the institutional arrangements and capacity of the institutions involved to manage complex infrastructure projects in such a way, so as to meet management (including engineering capabilities), supervision, reporting and monitoring requirements. The national and regional institutions involved do not have the resources and sufficient knowledge to undertake all of these activities without further Phare Programme support. Within this context the project has been designed to provide the necessary
technical assistance in meeting infrastructure and other ESC projects supervisory and monitoring requirements, allowing for maintaining the required flow of resources and activities within the planned project cycles of the Phare Economic and Social Cohesion 2001 Programme.

3.2. Linked activities
The project has been developed being based on previous experience in providing required support for infrastructure projects, as implemented within the Phare Cross-Border Co-operation Programme. The CBC Programme has benefited from support in management, supervision and monitoring of transport and infrastructure projects, with a strong emphasis on engineering support, development of monitoring and assessment systems for future use, and weaving in of training actions for the project implementation institutions. The similar project has been implemented under the Phare Economic and Social Cohesion 2000 Programme. The main objectives of that project included support in preparation documents and reports used in contracting, implementing and evaluation phase of projects’ realisation, at national and regional level and transfer of know-how in the field of projects’ management and monitoring. Taking advantage of that action it has been possible to prepare, verify and efficiently implement the programme by all actors involved in the process. This project will also be closely integrated with the PL9918 Phare Project Preparation Support measure, which targets among others are the effective and comprehensive preparation of the investment projects, subject to Phare Economic and Social Cohesion 2000 and 2001 Programme co-financing. Through the new project this important assistance will be further strengthened during the implementation phase of the projects. Manuals prepared under Phare 2000 engineering support will be used during Phare 2001 ESC projects implementation. Additional activity will concern preparation of projects for Phare ESC 2003.

3.3. Results/Outputs:
Project through Implementing Agency will provide the necessary support in managing Phare Economic and Social Cohesion 2001 Programme investment projects, including introduction and development of appropriate supervisory, reporting and monitoring regimes at the various project implementation levels. Regional and local authorities trained in project management procedures and requirements. All regional projects, undertaken under successive Phare Economic and Social Cohesion 2001 Programme during project period, implemented efficiently and effectively, with supervisory and monitoring data available on-call to ensure full public accountability for results.

3.4. Inputs:
Technical assistance to the Implementing Agency in general project management of the Phare Economic and Social Programme: advice in developing of quality investment project management systems and procedures appropriate for the Implementing Agency in view of the implementing arrangements for the programme; assistance in developing engineering aspects of the project management procedures at the various stages of the projects’ life-cycles, including in-house and bought in expertise; expertise in carrying out of overall programme monitoring functions; advice in introducing methodology for projects and programme evaluation, according to EU standards and requirements; training for the appropriate staff.
Technical assistance for the regional and local authorities and beneficiaries in meeting project implementation standards and requirements: training for selected personnel concerning projects' preparation, procurement and contract procedures, projects' management and assessment.
Technical assistance to the Implementing Agency / other implementing institutions involved in programme realisation: Technical assistance for the Implementing Agency and regional institutions in final verification of project readiness for implementation in all significant aspects related to financing, availability of human resources, formal requirements and others; Technical assistance to the Implementing Agency in development of rules concerning selection and realisation of Small Infrastructure Projects under Phare ESC 2001; Technical assistance in monitoring through the Implementing Agency / other implementing institutions of the development of tender documentation under standards and procedures applicable to the various projects, including development of manuals and check-lists used by the institutions involved in tender procedure verification and monitoring; Technical assistance to the Implementing Agency / implementing institution / regional authority / beneficiary during the tender procedure in organising process and ensuring proper technical and financial analysis during tender proceedings, including drafting of recommendations for the appropriate authorities and assistance in contracts conclusions; Technical assistance to the Implementing Agency in introducing and co-ordination reporting and monitoring system concerning all components (infrastructure, HRD and SME assistance) of the programme.
On-site implementation supervision and project monitoring: Technical assistance in the further development of standard supervision documents to be used at the various implementation levels during construction work; Technical assistance in the further development of the programme monitoring and assessment system for Economic and Social Cohesion Programme infrastructure projects, including development of impact reports for projects supported under the programme; Technical assistance for implementation of infrastructure component of on-site supervisory and monitoring visits (works, reporting documents, financial documents) during project life cycle, including: visits at construction sites and project locations; visits to regional authorities offices and services involved in project implementation; visits to local authorities and beneficiaries offices.

All activities mentioned above will be organised under a classical technical assistance contract, with framework provisions for on-call access to specific expertise on a project by project basis, utilising the following means: long-term consulting and on the job training support through the Implementing Agency with respect to the project management input at Project Manager (32 man-months), Project Engineer (32 man-months), and supervising engineers (two experts for 32 m/m each level); short-term experts (one person for each region, 12 man-months each expert) advising regional authorities during the process of projects preparation for Phare 2003 ESC Programme; short-term experts selected on-call from pool of consultants representing appropriate fields of engineering and with proven project management, supervision and monitoring experience, providing assistance necessary to cover the estimated 30-35 large scale regional infrastructure projects and 100-150 small scale local infrastructure projects; short-term experts with proven experience in HRD and SME support fields being involved in process of assistance to projects covering these components of the Programme; short-term experts with significant experience in training, for the provision of a targeted programme of training for the regional and local authorities in developing investment project management capabilities, implemented in all of the participating regions.

4. Institutional Framework
The programme will be implemented and co-ordinated by the Implementing Agency – the Polish Agency for Regional Development. HRD and SMEs support component will be implemented horizontally under the Implementing Agency supervision by other institutions at central level. The main beneficiary of the project will be the Implementing Agency / other institutions involved in programme implementation and the local and regional authorities, responsible for the implementation of the Phare Economic and Social Cohesion Programme. Furthermore the beneficiaries will include the regional authorities (Voivodes' offices and Regional Self-Governments) and selected local authorities and beneficiaries within the advisory and training components adjusted for the various levels of responsibilities in project implementation. During project realisation institutional framework will remain without changes.

5. Detailed budget

<table>
<thead>
<tr>
<th>Contract 1 TA facility</th>
<th>Investment</th>
<th>Institution</th>
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Polish co-financing will be available and includes operational costs of IA over project period directly related to staff involved in project.

6. Implementation Arrangements
6.1. Implementing Agency
PAO: Undersecretary of State at the Ministry of Regional Development and Construction
Implementing Agency: Polish Agency for Regional Development
6.2. Twinning: n.a.
6.3. Non-standard aspects: Phare DIS will be followed.
6.4. Contracts: One contract will be entered into for the total of 2 million Euro.

7. Implementation Schedule

<table>
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<tr>
<th>Technical assistance facility</th>
<th>TORs/project ready &amp; approved</th>
<th>Start of tendering</th>
<th>Start of project activity</th>
<th>Completion</th>
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8. Equal Opportunity
The project will involve in all phases of its implementation specific provisions for guaranteeing equal opportunity of access to activities and benefits resulting from its implementation. Gender related indicators will be gathered and monitored throughout the projects implementation to ensure that corrective steps can be taken at an appropriate moment in the project’s life cycle.

11. Investment criteria: n.a.
12. Conditionality and sequencing
This project will start after similar Phare 2000 and PL9918 projects have taken into force. Commence and efficient implementation of this project will be condition for proper realisation of Phare 2001 ESC projects. The assistance to individual phases of project life cycle delivered by separate programmes will be achieved as presented below.

<table>
<thead>
<tr>
<th>Years</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
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<tr>
<td>Phare ESC 2000 projects</td>
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<td>Phare ESC 2001 projects</td>
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- preparation of projects for implementation
- projects’ contracting and implementation
**Wider Objective**

The wider objective of the project is to facilitate the process of implementing and increasing the impact of the Phare Economic and Social Cohesion Programme.

**Immediate Objectives**

Upgrading the general project management capabilities and capacities in the area of infrastructure projects, in institutions responsible for implementing the Phare Economic and Social Cohesion 2001 Programme.

Introducing required standards in infrastructure projects supervision, within actions of the Phare Economic and Social Cohesion Programme, throughout the project cycle and at the appropriate implementation levels.

Increasing the quality of investment project monitoring and reporting systems and procedures, and the scope of implemented monitoring activities, adjusting Phare ESC monitoring standards to the Structure Funds requirements.

Ensuring speedy and efficient tendering process of Phare ESC investment projects.

**Results / Outputs**

Project through Implementing Agency will provide the necessary support in managing Phare Economic and Social 2001 Programme investment projects, including introduction and development of appropriate supervisory, reporting and monitoring regimes at the various project implementation levels.

Regional and local authorities trained in project management procedures and requirements.

All regional projects, undertaken under successive Phare Economic and Social 2001 Programme during project period, implemented efficiently and effectively, with supervisory and monitoring data available on-call to ensure full public accountability for results.
**Activities / Inputs**

Long-term consulting and on the job training support through the Implementing Agency with respect to the project management input at Project Manager (32 man-months) and Project Engineer (32 man-months) level.

Short-term experts (one person for each region, 12 man-months each expert).

Short-term experts selected on-call from pool of consultants representing appropriate fields of engineering and with proven project management, supervision and monitoring experience, providing assistance necessary to cover the estimated 30-35 large scale regional infrastructure projects and 100-150 small scale local infrastructure projects introduced in Phare Economic and Social Cohesion 2001 Programme allocation.

Short-term experts with proven experience in HRD and SME support fields being involved in process of assistance to projects covering these components of the Programme.

Short-term experts with significant experience in training, for the provision of a targeted programme of training for the regional and local authorities in developing investment project management capabilities, implemented in all of the participating regions.

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**Annex 2-4: Cumulative implementation, contracting and disbursement schedule**

| Date of drafting: | 2002-2004 |
| Planning period: | |

<p>| cost estimate Phare in million EUR |
| PLANNED |</p>
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Legend: D = design of sub-project / C = tendering and contracting / I = contact implementation and payment