1. Basic information
1.1 Désirée number: PL01.01.14 Twinning number: PL/IB/2001/OT/04
1.2 Title: Strengthening co-ordination and management capacities for Structural Funds
1.3 Sector: Public Administration
1.4 Location: Poland

2. Objectives:
2.1 Wider objective:
To prepare institutional and administrative structures for the future participation in the EU economic and social cohesion policy.

2.2 Immediate objective:
To prepare the Ministry of Regional Development and Construction capacities for co-ordination of Structural Funds in Poland
To prepare the Ministry of Regional Development and Construction capacities for management of ERDF actions in Poland
To prepare managing authorities for implementation of ERDF operational programmes and ERDF Community Initiatives
To strengthen preparation for the Structural Funds and co-ordination capacity of the Polish administration

2.3 Accession Partnership and NPAA priority:
The project is in line with the AP and the NPAA and addresses short and medium-term priorities of the AP. In the short-term the priority is defined under the heading “Reinforcement of Administrative and Judicial Capacity, including management and control of EU funds” as “elaboration of the National Development Plan”. The AP has also a medium-term priority “economic and social cohesion” which underlines the need for “development of national policy for economic and social cohesion in the view of reducing GDP/cap gap with the EU average as well as addressing internal disparities; preparing for the implementation of regional programmes as well as Community initiatives; clarifying the organisation of the administrative structures dealing with structural policies; improving the budgetary system according to structural funds standards, including appraisal and evaluation”. The NPAA has a priority action on “creation of legal and institutional basis as well as mechanisms to monitor and control the regional policy in compliance with solutions adopted by the European Union”.

2.4 Contribution to the Preliminary National Development Plan: n.a.
2.5 Cross-border impact: n.a.

3. Description
3.1 Background and justification: On the accession to the European Union under the current programming period, all Polish regions defined at the NUTS II level will be eligible for Structural Funds operations under Objective 1. According to the Council Regulation 1260/99, the EU regions meeting Objective 1 criterion should submit a regional development plan. When some or all regions in the Member States are below the 75% threshold, one national development plan may be submitted. Preparing for participation in EU structural policy, Poland will draw up one National Development Plan based on the sectoral and regional strategies. It will be subsequently submitted to the European Commission for negotiations. The document agreed with the Commission – Community Support Framework - including the strategy and priorities for joint Community and national action will be implemented by means of a number of operational programmes. Some of them will address sectoral priorities across the national territory with management powers located at the central administration level. Integrated regional operational programmes, complementary to the sectoral programmes, will address actions specific to the individual regions. All four structural funds will be employed for implementation of measures defined in the operational programmes. EC regulations for the new programming period 2000-2006 require that Member States have administrative systems in place capable of efficient and effective programme implementation. These systems have to deliver quality projects to meet quantified targets specified in programming documents (CSF, operational programmes), be sensitive to the requirements of EU horizontal policies, guarantee sound financial management and be stringent and transparent to meet the monitoring, control and evaluation obligations for projects and programmes. Under the decentralised management arrangements the roles of different actors in the
systems must be clearly defined with a view to smooth co-ordination of the activities financed from the Structural Funds and those implemented within the framework of national and regional policies. These actors, with special emphasis put on managing authorities, must have sufficient administrative capacities for proper realisation of their tasks as defined in the article 34 of the Regulation 1260/99. Following the decisions of the Polish government on division of responsibilities for programming and implementation of Structural Funds programmes, the project will focus on strengthening the administrative capacities of the Ministry of Regional Development and Construction. The Ministry bears responsibility for setting up an administrative framework for implementation of the European Regional Development Fund in Poland. Additionally, the Ministry of Regional Development and Construction as the future CSF managing authority will co-ordinate activities implemented under the national and regional operational programmes and financed from the resources of the European Regional Development Fund, the European Social Fund, the European Agricultural Guidance and Guarantee Fund Guidance Section and the Financial Instrument for Fisheries Guidance. Office of the Committee for European Integration (OCEI) is responsible for the overall co-ordination of pre-accession funds. Co-ordination of all Structural Funds/Cohesion Fund operations requires establishment of coherent implementation system with managing authorities for national and regional operational programmes and Community Initiatives as the core of the system. OCEI, where of NAC and NIC is situated, is responsible for overall co-ordination of pre-accession assistance and overall responsibility for its implementation. Phare 2000 Review emphasises the necessity of preparation of the administration to the decentralisation of pre-accession assistance, especially Phare Economic and Social Cohesion and ISPA. The minimum conditions for the decentralisation have been established in the Council Regulation 1266/99. Moreover, specific guidelines for it are included in the Commission working paper “Preparing for Extended Decentralisation of the Phare and ISPA programmes”. The well functioning decentralised system should be in place before the accession and launching Structural Funds activities in Poland. Therefore the proper co-ordination of the preparation process is essential as a basis for future Structural Funds/Cohesion Funds implementation.

3.2 Linked activities:
Substantial assistance has been provided for Poland with a view to preparing for participation in EU economic and social cohesion policy. Some institutional capacity building actions, limited to a number of regions, have been carried out within the framework of the Phare RAPID, STRUDER, STRUDER II and INRED programmes. Support was provided mainly for regional development strategy formulation and institutional development. Comprehensive actions aimed at preparation of Polish administration to the future participation in EU structural programmes have been initiated under Phare 98 Special Preparatory Programme for Structural Funds (SPP). These included Structural Funds and Cohesion Fund ministries (Ministry of Regional Development and Construction, Ministry of Labour and Social Policy, Ministry of Agriculture and Rural Development, Ministry of Environment, Ministry of Transport and Maritime Economy), Office of the Committee for European Integration, Public Procurement Office, Main Statistical Office and three out of sixteen regions (elaboration of operational programmes). Activities focused on drawing up regional operational programmes were continued under Phare 99 (two regions) and Phare 2000 (eleven regions). The current project shall be conceived as continuation of SPP programme. However, whereas SPP focused on programming phase, this project concerns entirely implementation of Community Support Framework, operational programmes and Community Initiatives.

3.3 Results:
Structures within the Polish administration for co-ordination of structural funds established and strengthened; Unit responsible for co-ordinating ERDF activities funds in the Ministry of Regional Development and Construction established and strengthened; Managing authorities for sectoral and regional operational programmes established and strengthened.

3.4 Activities:
**Twining** assistance will focus on the preparation of administrative structures, procedures and standard documents for managing the European Regional Development Fund on the one hand and on elaboration of appropriate structures and procedures for managing Community Support Framework. The latter implies a number of activities for setting up coherent system for co-ordinating measures and operations implemented under individual operational programmes. The project will therefore include two tiers:

1. **Providing framework for co-ordination of Structural Funds in Poland**
Review of the analysis made under SPP “Identification of current legal and administrative framework for Structural Funds implementation”, as well as “Preparation of comparative analysis on co-ordination and management of Structural Funds in different EU Member States – conclusions for Poland”; Identification
of tasks to be carried out by the managing authorities at national and regional level – case studies from the Member States – conclusions for Poland; Drawing up organisational charts for individual managing authorities for operational programmes and Community Initiatives adjusted to specific requirements of Polish law. The tasks of particular units of the managing authorities must be described in detail. Clear division of responsibilities must be respected both within the managing authorities as well as with regard to links of managing authorities with other institutions participating in CSF implementation. The system shall be designed in such a way to guarantee efficient co-ordination of SF activities by the Ministry of Regional Development and Construction; Setting up overall monitoring system for Structural Funds activities in Poland – elaboration of core indicators for CSF; designing information flow system based on standard interim and final monitoring reports taking into consideration existing monitoring systems for EU funded and national programmes; integration of existing databases for individual Funds to assure co-ordination by the Ministry of Regional Development and Construction; drawing up rules of procedure for CSF and OP monitoring committees; transferring know-how on preparing mid-term and ex-post evaluation of socio-economic programmes – guidance on preparing terms of reference for evaluation, information to be held for comprehensive evaluation, methods of evaluation to be applied in integrated programmes; assistance in co-ordination of decentralisation process; defining detailed levels of the co-ordination of the Structural Funds; Setting up monitoring framework for measures and operations financed from the European Regional Development Fund – elaboration of financial and physical indicators, identification of core indicators for ERDF operations, drawing up baseline indicators and specific indicators for different measures to be implemented under individual operational programmes; designing administrative framework for monitoring; elaboration of standard monitoring report and payment claim for ERDF operations. The activities must be strictly co-ordinated with the works on setting up the overall monitoring system for Community Support Framework; Expertise on setting up internal audit unit within the Ministry of Regional Development and Construction; drawing up proposals for efficient co-operation between Ministry of Regional Development and Construction and the managing authorities responsible for implementation of operational programmes availing of ERDF (regional managing authorities, Ministry of Economy, Ministry of Transport, Ministry of Environment); Elaboration of criteria for project appraisal and selection – identification of actors to be involved in the project appraisal and selection (managing authorities, steering committees, expert panels etc.), elaboration of criteria for project appraisal under individual measures, proposing decision-making procedures for programme delivery – detailed definition of tasks and competence of the actors involved; Support for the Ministry of Regional Development and Construction and ERDF managing authorities in the area of integrating EU horizontal policies to ERDF projects (employment, environment, equal opportunities, information society, innovation); Setting up monitoring framework for measures and operations financed from the European Regional Development Fund – elaboration of financial and physical indicators, identification of core indicators for ERDF operations, drawing up baseline indicators and specific indicators for different measures to be implemented under individual operational programmes; designing administrative framework for monitoring; elaboration of standard monitoring report and payment claim for ERDF operations. The activities must be strictly co-ordinated with the works on setting up the overall monitoring system for Community Support Framework; Expertise on setting up internal audit unit within the Ministry of Regional Development and Construction and ERDF managing authorities – defining the tasks of the unit, preparing appropriate guidance; Seminars, training, traineeships in MS administration for the Ministry of Regional Development and Construction, staff of managing authorities at national and regional level; Publicity and information activities. The main beneficiary of the tier two will be the Ministry of Regional Development and Construction as the institution responsible for setting up administrative framework for the European Regional Development Fund implementation. The other beneficiaries of the actions implemented under this component include managing authorities for ERDF operational programmes and ERDF Community Initiatives. One Pre-accession Adviser (PAA), ideally with operational experience regarding managing authorities, shall support activities undertaken under the project. He shall be
supported by a number of medium- and short-term experts specialising in the areas depicted above. Profile of the PAA: experience with EU structural funds, fluent in English. Assistance will be provided in the form of know-how transfer, training, studies, analysis, study visits and traineeships in MS institutions. The project will be realised via twinning.

4. Institutional framework:
The Ministry of Regional Development and Construction will be responsible for co-ordination and successful implementation of activities undertaken within the framework of the project. Bearing in mind complex and cross-sectoral character of the project, a number of thematic working groups will be set up, including representatives of national and regional administration, Polish and Member States experts working under the project.

As it has been mentioned above, OCEI is responsible for the overall co-ordination of pre-accession funds as well as for decentralisation process. Therefore, following the model of the Special Preparatory Programme for Structural Funds under Phare 98, and bearing in mind the necessity of preparation of a coherent system of implementation and co-ordination of Structural Funds/Cohesion Fund, OCEI will be the co-ordinator of both projects under Phare 2001 performed by the Ministry responsible for Regional Development and Ministry of Labour and Social Policy. It requires relevant information and reporting system from both beneficiaries.

5. Detailed budget:

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>IB</th>
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<td>2</td>
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</table>

The co-financing will be available and will be provided to equip experts with appropriate office facilities, air tickets for participants of study visits, organisational costs of training activities and publicity actions.

6. Implementation arrangements:

**Implementation Agency:**

PAO: P. Samecki, Undersecretary of State at the Office of the Committee for European Integration
Bagatela 14, Warsaw. Tel.: (4822) 455 52 41 Fax: (4822) 455 52 43

CFCU: Foundation “Co-operation Fund”, 6/12 Nowy Świat St., 00-400 Warsaw.

The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the Ministry of Regional Development and Construction which itself shall be responsible for preparing projects and managing their technical implementation.

**Twinning:**
The entire project will be implemented by means of twinning covenant of 2M€. The CFCU will be in charge of the financial management. Contact persons: Dionizy Smolen, Ministry of Regional Development and Construction, Department of Voivodship Contracts and Assistance Programmes, 00-026 Warszawa, Phone: (48/22) 661 91 24, Fax: (48/22) 661 91 33; and Marek Kalupa, Ministry of Regional Development and Construction, Department of Regional Development Programming, 00-026 Warszawa, Phone: (48/22) 661 89 03, Fax: (48/22) 661 91 33.

7. Implementation schedule:

7.1 Start of tendering: 12/2001
7.2 Start of project activity: 4/2002
7.3 Project completion: 12/2003

8. Equal opportunity: All actions of the project will respect equality between men and women.


11. Investment criteria: n.a.

12. Conditionality and sequencing:
### Annex 1: LOGFRAME PLANNING MATRIX FOR PROJECT

**End Contracting:** 15/12/2003 - **End Disbursement:** 15/12/2004

<table>
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<th>Programme Nr.</th>
<th>Project Title</th>
<th>Strengthening co-ordination and management capacities for Structural Funds</th>
<th>Budget</th>
<th>2.21 M€ (of which 2 M€ from Phare)</th>
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</table>

#### Wider Objective
- To prepare institutional and administrative structures for the future participation in the EU economic and social cohesion policy.

**Indicators of Achievement:** Administrative system for implementation of EU structural programmes ready to operate

**Sources of Information:** Community Support Framework. Polish accession documents and EU opinions. Central and regional government documents. Studies and analyses

**Assumptions and Risks:** NDP and Ops prepared. Role of ministries and other involved in management of Community funds clearly defined. Regional development key focus of socio-economic policy.

#### Immediate Objectives
- To prepare Min. of Reg. Dev. and Constr. capacities for co-ordination of structural funds. To prepare Min. of Reg. Dev. and Constr. capacities for management of ERDF actions. To prepare managing authorities for implementation ERDF OPs and Community Initiatives

**Indicators of Achievement:** Administrative structures for co-ordination of SF operations ready to operate and positively assessed by EU Commission. Managing authorities ready to implement ERDF measures of operational programmes

**Sources of Information:** National Development Plan. Community Support Framework. Operational programmes. Studies and analyses. Reports of relevant national, regional and local institutions. Ex-post evaluation of the project

**Assumptions and Risks:** Clear division of responsibilities between the institutions. Effective co-operation between national and regional administrations. Professional staff employed

#### Results of Projects
- Preparation of the structures within Polish administration to co-ordinating Structural Funds strengthened. Unit responsible for co-ordinating ERDF activities in the Ministry of Regional Development and Construction strengthened. Managing authorities for ERDF sectoral and regional operational programmes and Community Initiatives strengthened

**Indicators of Achievement:** Administrative framework for Structural Funds management with clear division of responsibilities between institutions approved by the Polish government. The units within the Ministry of Regional Development and Construction set up. Managing authorities at national and regional level set up

**Sources of Information:** Project level monitoring data and information. Legal acts. Ex-post evaluation of the project. Documents and reports of national, regional and local authorities and institutions

**Assumptions and Risks:** Quality of TA services provided. Trained staff remains within administration. Successful implementation of other Phare projects related to regional development

#### Outputs
- Outputs

**Indicators of Achievement**

**Sources of Information**

**Assumptions and Risks**

Document prepared and distributed to the interested parties. Monitoring system approved by the Government. Role of individual institutions in SF management approved by the Government. Role of individual institutions in ERDF management approved by the Government. ERDF application forms approved by the Government. ERDF project appraisal and selection systems approved by the Government. Standard ERDF payment claims approved by the Government. Standard monitoring reports approved by the Government. Internal audit units set up within managing authorities. Guidance distributed to the interested parties. Number of staff trained. Number of staff participating in study visits. Number of staff participating in traineeships.

Programme level monitoring data and information. Documents and reports of national, regional and local authorities and institutions prepared. Documents prepared by the experts. Study visits and traineeships reports.

Quality of assistance provided. Quality of Polish staff involved. Preparation for SF management as government's priority. Trained staff remains within administration. Proper overall co-ordination. Partners in working groups effectively co-operating.

**Inputs**

Twinning, technical assistance, training, study visits, traineeships, best-practice exchanges.

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

<table>
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<th>Strengthening co-ordination and management capacities for Structural Funds</th>
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