1. Basic Information
1.1. CRIS Number: 2002/000-196.01.04
1.2. Title: Occupational health and safety in the SME sector
1.3 Sector: Social policy / SME policy
1.4 Location: Poland

2. Objectives:
2.1 Overall objective:
The wider objective of the project is to increase the capacity of the Polish SMEs to implement and enforce the acquis communautaire in the field of occupational safety and health (OSH) and thus to ease Polish accession to EU.

2.2. Project purpose:
1. To initiate investigations on working conditions with a view to ergonomic approach in the SME’s in the following sectors: construction and chemical, rubber and plastic industry
2. To build up capacity of employers, employees and representatives of chambers of commerce in implementing, assessing and improving OSH and working conditions
3. To encourage SMEs to develop OSH culture

2.3. Accession partnership and NPAA priority:
The project directly addresses the Accession Partnership priority in the area of OSH with a respect to the SME sector, as an important component aimed at the improved competitiveness. Alignment of the Polish law in the domain of OSH is one of the medium-term priorities of the Accession Partnership. It is also a priority included in Polish National Programme of Preparation for Membership in the EU (priority no 13.5: Adjustment of Polish Law in the field of safety and health at work)

According to the Regular Report from the Commission on Poland’s Progress Towards Accession serious efforts are needed in the area of health and safety at work.

2.4 Contribution to the National Development Plan
n/a

2.5 Cross Border Impact
n/a

3. Description
3.1. Background and justification
Article 137 point 1 of The Treaty on European Union states that the Community shall support and complement the activities of the Member States in the following fields: (...) - improvement in particular of the working environment to protect “workers” health and safety; - working conditions.

To this end, the Council may adopt, by means of directives, minimum requirements for gradual implementation, having regard to the conditions and technical rules obtaining in each of the Member States. Such directives shall avoid imposing administrative, financial and legal constraints in a way which would hold back the creation and development of small and medium-sized undertakings.

The growth of the SME sector continues to be an important priority for the Polish Government, because of the role played by the sector in an economy under transformation. Recent research and statistical data shows both, that the role of the SME sector in the economy is continually growing; and at the same time, in certain key aspects, this growth needs to be further strengthened. Occupational health and safety issues as regards the introduction of standards stemming from regulations in line with EC directives remains a major problem for the sector. There is a need to ensure that OSH does not hold back the creation and development of SMEs. It is important to ensure therefore that OSH regulations take account of their particular needs and allow them to meet their obligations effectively. This in turn can aid competitiveness and contribute to higher safety standards in SMEs. As a result the current Polish position in this respect, is that the SME sector requires urgent support, to begin the process of adapting to the new requirements.

The Polish negotiation position in the domain of OSH stresses the need to bring the Polish legislation into full conformity with the standards set out in Community directives. That constitutes the context for preparing and executing the project as aiming at increasing the capacity of Polish SMEs to implement and enforce the requirements of the acquis in the OSH field and thus easing its implementation.

The framework directive 89/391 requires from companies to develop a prevention approach. Risk assessment is one of the key element of this approach and shall be considered as the highest priority.
Risk assessment must take into account not only the process but also the work environment. Carrying out risk assessment allows to identify all the sources of danger and to set up and adapt prevention measures taking into account not only the requirements of the regulations but also the requirements of work environment. SMEs have to learn how to update management methods if they want to be more competitiveness. To improve OSH and working conditions in these enterprises, they have to develop OSH management system with regard to other kind of management related to quality or environmental criteria.

The rapid pace of technological change can result in the resurgence of new occupational diseases or the appearance of new risks. Risks are still important, 65 per cent of work accidents occur in SMEs. Financial costs to the state arising from accidents and ill health at work amounts to about 4 per cent of the Polish Domestic Gross Product in 1999.

The over-riding priority of the actions within this project will undertake OSH issues relating to the protection of workers. This is not incompatible with the need to support the competitiveness of enterprises, specially SMEs. The measures aimed at reducing the costs (to employers, workers and State) of ill-health and accidents can all play their part in the development of an efficient competitive, quality-based economy. In addition, the workforce convinced that serious efforts have been made to protect its safety will respond with improved productivity. This in turn will contribute to better employment performance.

Occupational safety and health investigations on the development of the working environment and the effects on the safety and health efforts in relation to the prevention objectives are an essential part of this programme. It is intended to intensify or initiate investigation in the following areas:

- the influence of excessive stress and perception of risk by workers on the incidence of work accidents, occupational disease and work-related diseases;
- the impact for health and safety of new technologies, production techniques;
- the exposure of workers to potential health and safety hazards such chemical agents, dusts, physical agents, etc.

In terms of technological development for most of SMEs, the main advantage is seen to use new products, new production methods, processes and equipment as well as reducing or eliminating risks, or, in the case of chemicals, to use substitution as a way of eliminating risk, or replacing it with a lesser one.

To enable to carry out this properly, employers and employees are given specific training and SME are helped by OSH consultants certified by Central Institute for Labour Protection (CIOP).

The role of this programme is to provide conditions needed to carry out measures which will stimulate enterprises to improve safety and health at work and demonstrate that its can provide support to them rather being a burden. In this respect it will be important to provide grants to SMEs for a purchase of equipment complying with the requirements of respective regulations. These are specially issued from the following directives:


The significant part of work equipment is in general not complying with the directive 89/655 amended 99/63. This fact has the following consequences: work equipment is involved in 25 per cent of fatal injuries (data from Polish Main Statistical Office - GUS, 1999).

According to the data from the Ministry of Economy and from the different impact studies carried out during Phare programs, in 43 per cent of the medium and 29 per cent of small enterprises, work...
equipment must be adjusted. The equipment which should be adjusted can be, in particularly, the following:
- machinery
- self-propelled mobile work equipment
- mobile work equipment
- equipment protection against dangerous parts of machinery (to prevent access or to stop the movement any dangerous part or to any rotating stock-bar)
- equipment protection against specify hazards (exclusion, chemical agents, material falling from equipment, parts of the equipment breaking of and being throw out)
- mobile work equipment for lifting loads

The cost estimated for SME to comply with the requirements to legal regulations are to following:
- for each small enterprise 1 000 EURO
- for each medium enterprise 4 500 EURO

The general estimated costs for adjustment of SMEs employing 4 274 423 workers in production sector, trade and construction will consequently, amount 1 500 MEURO (approximately 350 Euro per workstation).

Small and medium-sized enterprises have particular needs in relation to safety and health. This part of programme will support projects of a practical nature intended to address these needs in a constructive and efficient manner. In particular it will aim at demonstrating that good safety practices and efficient management are interlinked. Good management is essential to business survival on a today’s particularly competitive market. It is a key element which plays an important role in determining the fate of SMEs. In this context OSH measures must become an integral part of the best business practice.

At many work places it is quite clear that the work environment need to be improved. Considering data from GUS (1999): among 350 000 enterprises in construction about 95 per cent are small enterprises employing less than 50 employees. The number of fatal work accidents in construction sector amounts to 120 which is about 25 per cent of the total number of fatal work accidents (530). In chemical, rubber and plastic industry there is also 95 per cent of small enterprises (less than 50 employees) for each work accident we have 42 lost days, the number of injured workers for 1 000 employees is increasing (about 40 per cent) since 1996 (Chief Labour Inspector Report on National Labour Inspection Activities in 1999). However it is not always quite so obvious how this should be done. The programme will also support the development of advice for SMEs and training for employers and employees.

3.2. Linked activities:
Previous programmes:

- **PHARE SPREAD: “Social Policy Reform and Development Programme”**
The project was conducted in 1995 - 1996 by the Ministry of Labour and Social Policy. The Central Institute for Labour Protection participated in the project with a task entitled “Safety Analysis Team” (SAT). The main aim of the project was to raise the level of safety and health protection in the workplace through creation of the intellectual and material basis for development of efficient methods of accident prevention.

- **PHARE 9407: “Worker Protection Programme” and Phare 9707 “Health and Safety at Work”**
The implementing agency of the projects was National Labour Inspection (PIP). The first project was conducted in 1995 -1997. The Central Institute for Labour Protection participated in this project realising a task entitled “The Costs of Work Accidents”. The aim was to work out, in line with the experiences of chosen EU countries, a method of calculating the costs of work accidents. The fundamental definitions, grouping and structured classification of work accident costs were prepared in such a way as to provide the company management with reliable information on accident costs.
Within the framework of the Phare’ 94 project the overall capacity of PIP has been strengthen (TA, training, study visits, purchase of equipment). OMAS report published after completion of the project recommended greater involvement of the MoLSP in the area of the adoption of EU OSH regulations and it’s further support for promotion of new OSH standards among enterprises.

- **PHARE – SIERRA PL No. 9212/01/04/LOO1/045/95: “Harmonisation of Polish law with the European Communities law”**
Project was conducted in 1998 by the Committee for European Integration. Central Institute for Labour Protection participated in the project with a task entitled “European Communities and Polish legislation in the field of OSH”. The aim of the task was to make a comparison of the state of EC legislation and Poland legislation in the field of occupational safety and health. The analysis revealed that there were several items concerning the state of Poland’s advancement in implementing the directives requirements into national law. Recent amendments of the Labour Code and changes resulting in issuing a number of executory provisions, have considerably approximated the Polish legislation to this of the EC. In order to fully fulfil the directives requirements, it is necessary to continue work already undertaken on issuing by different ministers implementing regulations. The outcome of the task points to different ways of fully implementing directives into Polish law and it can be used for the realisation of the 1st Operational Goal of the recommended project.

Current Programme:  
- PHARE PL 99/IB-SO-01: “Further Adoption and Implementation of the EU Health and Safety Legislation”

The project constitutes the pre-accession instrument preparing the overall capacity of the Ministry of Labour and Social Policy and the Central Institute for Labour Protection (implementing agency in the context of OSH policy) to apply and enforce acquis communautaire in the area of health and safety regulations (in particular the framework directive 89/391/EEC on health and safety at work).

3.3. Results:  
Objective 1  
- Needs assessment studies in the field of working conditions (work organisation, ergonomic approach, duration and adaptation of working time, workload, work rate and stress at work) for 2 given sectors (construction, chemical, rubber and plastic industry – for justification of the selection see: 3.1. Background and justification).  
  - manual handling in two sectors  
  - new process and work organisation: how to take into account important changes for workers and how to arrange a new safe workstation

- Model measures (work organisation, working time, risk assessment) to be implemented in the two sectors mentioned above
- SMEs in two sectors provided with published guidelines
- Training organised under Objective 2 facilitated

Objective 2  
- A network of 160 OSH consultants certified by CIOP established
- 800 workers / supervisors and 400 employers trained in OSH
- 50 representatives of sectoral chambers of commerce trained in OSH

Objective 3  
200-250 SME’s provided with grants for co-financing advisory services in the field of OSH (risk assessment, safety management, measurement of noise, pollutants at workplace, lighting, work postures, accident analysis, set up of prevention measures, chemical risk analysis, diagnosis of machinery, ventilation system etc.) combined and/or grants for co-financing the purchase of additional protective equipment and the replacement of work equipment not complying with the relevant legal requirements. (machinery guard, control system, isolation device from sources of energy, emergency stop controls, noise protection, warning devices, markings, signalisation, lighting).

3.4. Activities:  
Contract 1 – Technical Assistance  
TA: Short-term experts (35 man/months) will conduct studies on manual handling and new process and work organisation and will design technical prevention measures in two sectors mentioned above.

Publications: Preparing and publishing manuals and guidelines (app. 1 000 copies per each sector) and publishing training materials

TA and Publications to help CIOP to implement training activities financed by national budget (Objective 2):  
- preparation of training materials
- helping in organisation of training courses

Training delivered by CIOP and founded from co-financing will be organised for:
• OSH consultants, (16 groups of 10 persons each x 10 days each). 160 persons will be trained by CIOP, the consultants will receive CIOP certification (accreditation), training participants will be provided with training materials designed on the basis of those developed under Phare 99 OSH project
• workers / supervisors (800 persons attending two-days training) and employers (400 persons attending 1 day course) provided by CIOP and accredited experts
• representatives of sectoral chambers of commerce (50 persons attending 1 day course) provided by CIOP; training materials will be provided during the training

**Contract 2 - Grants**

This component will involve grant aids to SMEs totalling 4,380 million Euro within one grant scheme covering two types of grants: advisory and investment ones. The approximate budgets earmarked for each type of grants are estimated at:

- 0.880 million Euro for the co-financing of advisory support
- 3.500 million Euro for co-financing of the purchase of equipment

To get either advisory and/or investment grant, an SME will have to develop a project, presenting a safety plan for the enterprise, including the main relevant economic aspects of production processes used, presenting risk assessment, identifying the key issues with a view to safety and prevention measures (technical and organisational), defining priorities and objectives, implementation schedule, expected results and implementation costs.

The advisory grants will provide co-financing for the safety plan implementation regarding human resources (training) and organisational measures. The investment grants will provide co-financing for purchase of protective equipment and/or replacing equipment not complying with OSH legal provisions. Grants for advisory services will cover up to 60 per cent of the costs of advisory services provided to SMEs by accredited OSH consultants, with the total Phare grant at a maximum 4,000 of Euro per SME. Grants for equipment will cover up to 25 per cent of the of the total eligible net project costs with the balance financed from bank credits or companies’ own resources; an estimated 10 per cent out of the total budget of this activity will be spent on protective equipment, 90 per cent on larger projects that will involve replacing equipment not complying with OSH legal provisions. The minimum grant amount will be set at 5,000 Euro, and the maximum at 50,000 Euro, targeting the SMEs in which the implementation of the safety plan will bring a substantial financial burden, difficult to be borne without public aid.

PAED will enter into grant agreements with individual SMEs which will pass an open and public selection procedure, designed with the use of objective selection criteria and competitive procedures, and in line with the Practical Guide for Phare, ISPA and SAPARD contracts. The selection will be undertaken on the basis of grant applications including the SME safety plans, by the Selection Committee established by the PAO, composed of the representatives of MoLSP, CIOP, PAED and assisted by the consultants contracted under Objective 1. The RFI’s will be responsible for recruiting and identifying eligible SMEs, and providing to the SME beneficiary the “first contact” counselling.

The advisory services will be directly ordered from the accredited service providers by benefiting SMEs. The SMEs will select appropriate service providers from the “long list” of pre-selected firms which proved their potential ability to provide services foreseen by the scheme by passing successfully the procedure of accreditation. The verification of the “technical offers” of service providers will take place at an early stage of the process of preparing the grant application, when the SME client (assisted by the Regional Financing Institution) will have the opportunity to obtain and compare competitive offers of service providers from the “long-list”.

**4. Institutional Framework**

The project will be implemented under the direct auspices of the Ministry of Labour and Social Policy (Department for Pre-accession and Structural Programmes) in co-operation with the Ministry of Economy, with the Polish Agency for Enterprise Development acting as the Implementing Agency.

Services under Objective 2 will be provided by the **Central Institute for Labour Protection (CIOP)**, on the basis of the co-operation agreement signed between the CIOP and PAED and endorsed by the MoLSP and the EC Delegation. The Institute has been prepared to play this role under Phare'99 OSH project (TA and training). CIOP is the only institute accredited for certification of services and personnel according to the standard EN 45013 (version 1993) since May 18, 2000. Its certification centre delivers certification for personnel or / and services of training providers in the following fields: OSH issues of general character, safety management, and measurement of working conditions.
All activities directly supporting SMEs will take place under the integrated approach of the National SME Support System as developed under the terms of the Phare 2000 projects, involving at the national level the Polish Agency for Enterprise Development and at the regional level Regional Financing Institutions (RFI’s) acting as regional “windows” of the Agency. The grants will be transferred on the basis of individual grant agreements signed by PAED with SMEs, upon production of relevant documentation confirming the provision of a given service and/or the purchase of equipment, and financing of the agreed part of the costs by the SME client.

5. Detailed budget (in MEURO)

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<th>Private Sector</th>
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Co-financing from the national budget (MEUR 1.180) and private sector (MEUR 13.140) will be available. The Polish authorities assure that the co-financing from the national budget is available either through the reserve budget foreseen specifically by the Ministry of Finance for this purpose or through the budget of the relevant Ministry.

6. Implementation Arrangements

6.1. Implementing Agency:
PAO: Ms Irena Boruta Under-Secretary of State in the Ministry of Labour and Social Policy, 1/3, Nowogrodzka str., 00-513 Warsaw, Poland; tel. (+48 22) 66 10 215, fax. (+48 22) 6610 221;
e-mail: Irena_Boruta@mpips.gov.pl
Contact person in the MoLSP: Mr. Michal Kubisz, Director of the Department for Pre-Accession and Structural Programmes, 3, Kopernika Street, 00-367 Warsaw, Poland; tel (+48 22) 828 81 77, fax. (+48 22) 828 68 06,
e-mail: michal_kubisz@mpips.gov.pl
IA: Polish Agency for Enterprise Development, 02-017 Warsaw, Aleje Jerozolimskie 125/127, tel (+48 22) 699 70 44, fax (+48 22) 699 70 46

6.2. Twinning:
n/a

6.3 Non-standard aspects:
DIS manual and Practical Guide for Phare, Ispa and Sapard will be followed.

6.4. Contracts:
Two contracts: 1 contract – Technical Assistance for 1.000 MEURO and 1 - contract for a grant scheme for 3.500 MEURO.

7. Implementation Schedule
7.1 Start of tendering/call for proposals: August 2002
7.2 Start of project activity: January 2003
7.3 Project completion: July 2005

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 projects life cycle.

9. Environment:
All investment activities supported under the project will be scrutinised during the appraisal procedure from the point of view of environment related hazards and protection regulations. Only environmentally friendly or neutral projects will be thus supported; as well as projects directly introducing new, environmentally friendly or neutral technologies, products, procedures.

10. Rates of return: n/a
11. Investment criteria: n/a
12. Conditionality and sequencing:
12.1 Funding will be conditional on:
   • Appropriate co-operation between stakeholders in the area of accreditation and certification of services and personal
   • Co-financing of project costs through Polish public financing and participating SMEs;
   • Maintenance of quality insurance standards including audits;
   • Maintaining linkages with the timetables set in Government SME and social and economic cohesion policies.

12.2 Benchmarks:
The key benchmarks during project implementation will include:
   • Contracts agreed and signed by November 2002
   • Activities start in January 2003
   • SMEs supports maintained at steady level throughout second half of 2003, so that full participation reached by mid 2005;
   • End of main SME schemes – July 2005;
   • End of training effort – first half of 2004.
### ANNEX No. 1
2002/000-196.01.04 - Occupational health and safety in SMEs sector

**Overall objective**

To increase the capacity of the Polish SMEs to cope with the acquis communautaire in the field of occupational health and safety (OSH) and thus to allow a better implementation of requirements and ease Polish accession to EU.

**Objectively Verifiable Indicators**

1. Good safety practises and efficient OSH management developed
2. The number of fatal work accidents reduced due to work equipment adjustment

**Sources of Verification**

- Statistical data
- EC assessment on compliance of Polish SMEs with requirements of OSH Directives

**Project purpose (Immediate Objectives)**

To initiate investigations on working conditions with a view to ergonomic approach in the SME’s. To build up capacity of employers, employees and representatives of Chamber of Commerce in implementing, assessing and improving OSH. To encourage SMEs to develop OSH culture

**Objectively Verifiable Indicators**

- Needs assessment studies on working conditions prepared: Manual handling, New process and work organisation at food processing. Model solutions (work organisation, working time and risk assessment). Advisory services provided to all SMEs in 2 sectors. Protective equipment purchased and work equipment replaced in SMEs. OSH advisory services purchased by SMEs

**Sources of Verification**

- Assessment studies of working conditions in woodworking and food processing enterprises
- Quarterly reports on the activities implemented under the project

**Results**

Studies on manual handling and work organisation in two sectors: construction and chemical, rubber and plastic industry conducted. Technical prevention measures designed. Manuals and guidelines prepared. A network of OSH consultants (certified by CIOP) established. OSH skills development of SMEs staff and representatives of sectoral chambers of commerce. Advisory support provided to SMEs. Financial support (grants provided to SMEs)

**Objectively Verifiable Indicators**

- Model measures implemented. Published guidelines on ergonomic equipment prepared. 1000 copies of manuals and guidelines per each sector prepared. 160 OSH consultants trained and certified by CIOP. 800 workers and 400 employers trained in OSH. 50 representatives of sectoral chambers of commerce trained in OSH. 200 – 250 SMEs provided with grants to purchase protective equipment, and advisory services in the field of OSH

**Sources of Verification**

- 1. Training reports and evaluation forms
- 2. Invoices of purchased equipment
- 3. Manuals

**Assumptions**

1. Proper promotion of training courses
2. Proper distribution of published brochures
3. Co-operation with the institutions involved

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**Activities** | **Means** | **Assumptions**
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Deadline | Contracting | 31/07/2004
Deadline | Disbursement | 31/07/2005

Total budget | 18.820 MEURO | Phare Budget | 4.500 MEURO
Contract 1: studies on working conditions (manual handling, new process and work organization, new safe work stations) in woodworking and food processing; designing of technical prevention measures; preparing manuals and guidelines developing quality standards for training and advisory services, training for OSH consultants and training for workers and representative of sectoral chambers of commerce
Contract 2: 1 grant scheme covering two types of grants: advisory and investment ones

Preconditions
Designation of information on the project among SMEs
Securing co-financing from both sources: national budget and private sector

ANNEX No. 2: Implementation, Contracting and disbursement schedule

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Legend: D = design of sub-projects  /  C = tendering and contracting  /  I = contract implementation and payment