1. Basic Information
1.1. CRIS Number: 2002/000-580-01-02 Twinning number: PL/IB/2002/OT/01
1.2. Title: Development of ESF management capacities
1.3. Sector: Social policy
1.4. Location: Poland

2. Objectives:
2.1. Overall objective:
Setting up a coherent system for ESF management and implementation.

2.2. Immediate objectives:
1. Fine-tuning of the strategic documents concerning ESF programming
2. Further development of the capabilities related to managing authority functions and payments
3. Development of the capacities to effective manage and implement EQUAL Community Initiative
4. Enhancement of the capability of the ESF Control-Monitoring Unit for effective implementation of its tasks and responsibilities
5. Development of intermediate bodies abilities related to the management of ESF activities
6. Enhancement the future final beneficiaries’ capabilities related to ESF implementation
7. Development of the project providers skills to prepare and implement good quality ESF projects – development of the ESF project pipeline.
8. Enhancement of potential project providers (social partners’) abilities to participate in the process of programming and implementation
9. Development of the Information Technology (IT) system

2.3 Accession Partnership and NPAA priority:
The project is designed to address issues related to AP priorities in social policy and employment, namely the “Continue to support social partners capacity-building efforts, in particular with view to their future role in the elaboration and implementation of Community employment and social policy, including the European Social Fund” and also “Regional policy and co-ordination of structural instruments” priority, which defines following objectives:
- establishing the national development plan and defining the implementation structures of the final plan,
- defining the bodies in charge of the implementation of SF and the Cohesion Fund, in particular the Managing and Paying authorities; establishing a clear division of responsibilities,
- ensuring effective interministerial co-ordination and clarifying responsibilities of regional policy issues,
- setting up required monitoring and evaluation system for SF, in particular for ex ante evaluation and for the collection and processing of the relevant statistical information and indicators including regional statistics for the purposes of ex-ante evaluation,
- improving the budgetary system according to SF standards; establishing financial control arrangements for SF management, establishing and proper staff functioning for future managing and paying authorities for SF management,
- developing the technical preparation of projects eligible for Structural and Cohesion Funds assistance (project pipeline).

2.4. Contribution to National Development Plan:
The project will contribute to implementation of the National Development Plan through further developing programming, managing and institutional capacities for ESF absorption.

2.5. Cross Border Impact: n/a

3. Description
3.1. Background and justification
The Ministry of Labour and Social Policy (MoLSP) began preparation work for the absorption of the European Social Fund (ESF) in 1998. The formal decision designating the MoLSP as the institution in charge of preparations for programming and implementing ESF was taken by the Council of Ministers in May 1999. This decision was reflected in the negotiating positions regarding “Social policy and
employment” (Chapter 13) and “Regional policy and co-ordination of structural instruments” (Chapter 21).

The following assumptions were made:
- MoLSP will play a leading role in ESF implementation irrespectively of the type of OP
- there will be 1 National Human Resource Development (HRD) Operational Plan (OP) and 1 Regional OP resulting from the Community Support Framework and supported by ESF
- MoLSP will play the role of the managing authority for the Sectoral Human Resources Development Programme
- tasks are divided between national and regional OPs on the basis of competency criteria (resulting from the legal framework) as well as efficiency and subsidiarity criteria. Analysis of the regional development strategies has also been made in order to establish the division of responsibilities between national and regional programmes.

• Fine-tuning of the strategic documents concerning ESF programming

The strategic ESF programming documents, namely the HRD Chapters of National Development Plan and Regional Operational Programme and Human Resources Development Sectoral Operational Programme will be prepared by the end of year 2002 and submitted to the European Commission. Preparation of these documents as well as preparation of the first version of the Programme Complement will receive significant support under the Phare 2001 “Development of programming and management capacities for ESF implementation” project. However, according to the road map given by the Commission in March 2001, in the current project implementation Poland will be in the process of the documents negotiation. Therefore, the current project is foreseen to support the adjustments of the documents related to implementation of the remarks and fulfilment of the requirements which can arise during the negotiations process. The project is also foreseen to support necessary schemes and mechanisms with regard to all EU guidance, which could appear after the midterm evaluation of the current MS programmes. This Objective is in line and will be co-ordinated with the Immediate Objective nr 6 (Programming documents required by the SF procedures) and Component 1 of the Phare 2002 “Preparation of public administration for the effective management of EU structural instruments” project supervised by the Ministry of Economy.

Poland should also participate in the Social Inclusion Process. According to the Commission decision the future Member States should prepare firstly (the end of 2003 and the beginning of 2004) the Joint Inclusion Memorandum and then the National Action Plan Against Poverty and Social Exclusion. For this purpose separate project will be developed under Phare 2002.

• Further development of the capabilities related to managing authority functions and payments
• Enhancement of the capability of the ESF Control-monitoring Unit for the effective implementation of its tasks and responsibilities

As part of the Ministry of Labour preparations for ESF absorption a Department (Department for Pre-accession and Structural Programmes) intended to deal with ESF was set up in August 1998. The Department is responsible for co-ordination of the preparations to ESF absorption, including co-operation with other ministries, regions and other partners in preparing National Development Plan and operational programmes, planning activities of structural funds and implementing Phare pilot ESF projects within Social and Economic Cohesion Programmes and Phare IB Projects. After the Poland’s accession to the EU, the Department is to be transformed into ESF Department and responsible for ESF programming, managing of Sectoral Human Resources Development Programme, co-ordination, monitoring and control of all ESF actions, audit and evaluation (this position is incorporated in the Conclusions of the JAP Follow-up Seminar).

The Department gained EC assistance within the framework of the Phare ‘98 SPP Programme in order to facilitate the work of the new Unit to implement its tasks. The further development of the Department, namely setting up a structure, which reflects specific competency requirements at the central level, will be supported by the Phare 2001 “Development of programming and management capacities for ESF implementation” project. The Department will be re-organised and within the current Department’s organisation new units will be established to deal with specific and appropriate tasks, which will be essential for ESF management and implementation. Special assistance within the Phare 2001 ESF project will be given to fulfil the tasks related to managing authority functions, financial management, monitoring and audit.
The Phare 2002 “Preparation of public administration for effective management of EU structural instruments” project will provide assistance concerning the CSF managing authority functions. As these functions have significant influence on the Operational Programmes, including the HRD OP, the provided activities within the two Phare 2002 projects will be strongly co-ordinated.

As the tasks related to the managing authority functions and financial management will be mainly addressed within the Phare 2001 “Development of programming and management capacities for ESF implementation” and also, by strengthening the CSF managing authority functions, within the Phare 2002 “Preparation of public administration for effective management of EU structural instruments” projects this project aims to provide the complementary, but still essential, assistance. One of the tasks of the project will be developing the evaluation abilities of the ESF activities as within the Phare 2001 project this issue will receive only introductory assistance (in the moment of the current Phare 2001 project implementation Poland will not be the Member State thus non of the ESF projects will be the process of implementation).

Therefore, the main tasks of the project will be assisting the development of the capacities related to fulfilling the tasks of Control and Monitoring unit of all ESF activities, irrespectively to the OP. This exercise will necessitate carrying out the national and cross-regional consultations, preparation of the detailed guidance for the institutions implementing particular measures, guidance for regional authorities responsible for ESF implementations, relevant strategies, including equal opportunity mainstreaming strategy, rules concerning project selection (bidding rounds), setting the system of monitoring, reviewing and evaluating the delivery of ESF nationally. These all mechanisms must be in place, fully operational and tested before the beginning of the ESF implementation. It is foreseen that the setting up of relevant implementation tools and procedures will receive assistance within the Phare 2001 project. Nevertheless, within the Phare 2001 project only the first drafts of the procedures and guides will be prepared. Within this projects all procedures and guidelines must be further developed and tested. Therefore, this project is addressed to assist in introducing the relevant and sufficient mechanisms, procedures and documents. Particular assistance will be also given to the unit dealing with EQUAL Initiative.

Development of the intermediate bodies abilities related to the management of ESF activities
According to the recent developments of the preparations process to ESF implementation, the following institutions are foreseen to play the role of intermediary institutions:
- Ministry of Labour and Social Policy’ Departments:
  - Labour Market Policy Department concerning management of measures within Priority 1 (“Active measures aimed at counteracting unemployment) and Priority 2 (“Prevention of social inclusion”)  
  - Social Welfare Department – measure addressed to the particular risk groups within Priority 2 (“Prevention of social inclusion”)  
- Office of Government Plenipotentiary for the Disabled (managing the measure addressed to the disabled within Priority 2)
- the Ministry of Education and Sport concerning Priority 3 „Development of continuous training system”
- the Government Plenipotentiary for Equal Statues of Women and Men concerning Priority 5 “Active actions addressed to women”

The Phare 2001 project “Development of programming and management capacities for ESF implementation” will support the further identification of the intermediate institutions and will provide the initial assistance to those institutions. Therefore, this project will be the continuation of the 2001 project and also will be co-ordinated with the Phare 2002 Ministry of Economy project.

Enhancement of the future beneficiaries’ capabilities related to ESF implementation
The main final beneficiaries have been already identified. However the process of identification is still going on. According to the latest developments the following institutions could play this role:
- Polish Agency for Enterprise Development (PAED) as regards the activities implemented within Priority 4 of the Sectoral Human Resources Development OP
- Voivodship Labour Offices (VLOs) as regards particular activities implemented within Priority 1 (both SOP and ROP)
As far as the Priority 4 is concerned it is foreseen, that the final beneficiary for the measures implemented within the Sectoral HRD Operational Programme will be PAED. Measures related to this Priority within the Regional Operational Programme will be implemented by the regional self-government authorities.

The completed list of the final beneficiaries will be identified within the Phare 2001 project “Development of programming and management capacities for ESF implementation”. The aim of this project is therefore to prepare, assist and train all the identified institutions to enable them to fulfil the relevant tasks.

- Development of the projects providers skills to prepare and implement good quality ESF projects – development of the ESF project pipeline
- Enhancement of potential project providers (social partners') abilities to participate in the process of programming and implementation

As the lack of experience in designing HRD projects among grass-roots and Vocational Education Training (VET) organisations causes significant problems for the appropriate absorption of HRD programmes one of the components of the Phare 2001 “Development of programming and management capacities for ESF implementation” project is dedicated to assists the development of regional and local capacities for participation in ESF implementation, mainly by delivering the training for trainers. Taking into account that Poland will be beneficiary of significant ESF resources and that the Phare 2002 project will be implemented just before the moment of Poland accession to EU, the further assistance in developing the capacities of potential project providers is absolutely essential. As compared to the network of non-public institutions involved in SME services (strongly supported under previous Phare programmes), services provided by potential project providers (social partners) are not sufficiently utilised. There is a need to promote ESF-related knowledge among these institutions as well as to encourage them to form an informal network (equipped with detailed procedures, guidance for actions and operational standards) in order to promote concerted HRD initiatives. The number of trained project providers must be increased, the guide for project promoters (first draft of this document will be prepared within the Phare 2001 project) tested and up-dated.

The relevant training should be provided to the potential project providers (social partners) to enable them to participate in the process of ESF programming and implementation.

- The IT system development
The establishment of efficient and effective IT system is absolutely indispensable for the absorption of structural funds. The Ministry of Finance is currently developing the monitoring and financial control IT system (PL 9904.02 and PL 0003.04 projects). The development of the part of the overall IT system regarding ESF absorption will also receive small support (contract for 0.170 mln EUR) within the Phare 2001 project. The aim of the present project is to extend the system to the Regional Labour Offices and to the final beneficiaries identified on the later stage. Regional Labour Offices are not covered by the PL 9904.02 and PL 0003.04 projects although they are foreseen to be final beneficiaries for a number of measures under HRD SOP. The quality of the Regional Labour Offices equipment is not sufficient to serve the IT system. Therefore it is indispensable to provide a hardware, set up an IT infrastructure for those institutions and provide training for the relevant staff. In the monitoring and financial control system (PL 9904.02 and PL 0003.04) only the core indicators for ESF monitoring are included. The system is not going to collect data lower than on the project level. Therefore another aim of this project is to extend the system in order to enable collection of data on the level of individuals receiving help. In order to guarantee the efficiency of the IT system in the field of the EFS monitoring according to EC requirements it is necessary to broaden the scope of core indicators that will be provided at the first stage of the Ministry of Finance project.

3.2. Linked activities:
- Phare 98 Special Preparatory Programme – Actions 1.2, 2.6 and 2.11.
The project assisted the Department for Labour Market Policy to prepare the mechanisms for the implementation of the National Strategy for Employment and HRD and to help design HRD measures in the draft NDP.
Within the framework of action 2.6, the Department for Pre-accession and Structural Programmes has organised several training courses, conferences and workshops for crucial ESF partners (ministries, regional authorities, local authorities, NGOs) related to various thematic (competency) fields (programming, management, evaluation etc.). Training activities were also supported by the SPP-ESF project implemented by European Training Foundation (ETF). The National Training Institute for ESF has been set up. Personnel from the MoLSP and other institutions (NLO, Ministry of Education, regions) participated in study visits. Member States’ advisors actively supported the work of the Pre-accession Department.

- **Phare 2000 “Continuous Vocational Training System”**
  Twinning project implementation will start in the second half of 2001. The project addresses the following issues related to ESF implementation:
  - development of system solutions (institutional set up, design of policies) in the area of life long learning policy
  - designing tools for life long learning programmes (modular training, occupational standards)
  - training for project (training) promoters
  - monitoring and evaluation of the regional HRD projects under Phare Economic and Social Cohesion – developing monitoring methodologies for ESF.

- **National Programme for Vocational Reorientation in Rural Areas**
  Till 2001 the programme covered all regions in Poland. It was funded by the special budgetary reserve on the basis of the Council of Ministers regulation on the rules, conditions and procedures of supporting programmes initiated by local government entities from the state budget of 1 August 2000. The 2002 programme will cover only 7 regions and will be co-funded by the World Bank Project “Labour Redeployment Programme” (Component B1). Within the framework of the programme regional authorities (voivodship labour offices) receive funds for purchasing EPS and re-training addressed at rural population (holders of small farms and rural unemployed). The primary aim of the programme is to fight hidden unemployment in rural areas.

- **Phare Economic and Social Cohesion**
  The Phare 2000 programme covers 5 Polish regions and will be implemented under the responsibility of the Ministry of Economy. The MoLSP (Department for Pre-accession and Structural Programmes) in cooperation with regional authorities has developed 5 HRD (ESF type) projects to be implemented in 2001-2003. The total Phare contribution is 23.4 MEUR.
  Direct objectives of the projects are the following:
  - employability and entrepreneurship promotion (prevention of unemployment) – services to unemployed and people at risk of unemployment, assistance to start-ups
  - adaptability promotion (sustaining jobs) - enhancing skills in SMEs
  - encouraging local partnerships for employment.
  Indirect objectives include:
  - expansion of labour market programmes to new areas and target groups,
  - strengthening regional competencies in HRD as well as non-public service providers (however, the anticipated size of contracts is not conducive to local organisation development).

For the Phare 2001 allocation the MoLSP has developed a project that integrates national (horizontal) and regional actions. The project covers all regions of Poland. The regional component envisages schemes responding to the same direct objectives as Phare 2000 (with more emphasis being put on sector restructuring problems). The National component, apart from IB type of actions, envisages also implementation of a measure aimed at young job seekers (high quality, IT related training within the framework of Individual Action Plans).

- **Phare PL9904.02 – Establishment of a financial control capacity**
  This project is to ensure effective financial control over public spending with a particular emphasis on the funds from the European Union.
  The initial model of IT infrastructure (IT systems, hardware) necessary for the effective implementation of the desired system is to be established.

- **Phare PL0003.04 – Internal financial control at regional level**
  This project will provide co-financing for institution building and equipment for the establishment and development of a computerised management, monitoring and control system for EU funds at regional level and for the strengthening of financial control at regional level.
  The two mentioned above projects are supporting Ministry of Finance in developing the monitoring and financial control IT system. The development of the part of the IT system for ESF absorption will also receive small support (contract for 0.170 mln EUR) within the Phare 2001 project.
need to increase the efficiency of the system developed by the Ministry of Finance in the field of ESF monitoring, the project will extend the IT system to newly identified final beneficiaries and Regional Labour Offices (including hardware). It will also support upgrading of the system by specific information required by ESF (information on the level of individuals) and provid training for the relevant staff.

- **Phare 2001 Development of programming and management capacities for ESF implementation**
  The project identifies two main objectives: the further development of the ESF Unit within the Ministry of Labour, assisting the Pre-Accession and Structural Programmes Department in setting up the structure reflecting the specific competency requirements at the central level, and the development of regional and local capacities for participation in ESF programmes.
  The current Phare 2002 project is the further development of the Phare 2001 project. All beneficiaries of the Phare 2001 project will receive further assistance in practical use of the gained knowledge and skills to settle down the required mechanisms and procedures and to prepare the relevant documents and strategies. The identified institutions (intermediary bodies, final beneficiaries) within the Phare 2001 project will receive assistance within this project.
  The detailed description of the linked activities between the Phare 2001 and 2002 project are given in the Background and justification section.

- **Phare 2002 “Strengthening of the institutional basis and operational capacities of the Ministry of Finance to ensure carrying out the task of future Paying Authority and Certifying Body”**
  In the Objective 1 “Technical assistance” the beneficiaries will be employees of the central administration levels including Paying and Managing Authorities. This objective will focus on development of the capabilities of the financial units of the relevant ministries at the national level and voivode’s offices at regional level to deal with payments from the structural funds. Objective 2 “Technical Assistance” will be focused mostly on adaptability of the internal procedures to particular structural funds in terms of Paying Authority. Additionally the accountancy system will be adapted to the structural funds. It will also include study visits and secondments and twinning for Paying Authority. Objective 3 “Twinning” will focus on the controlling towards Certifying Body and financial auditing.

- **Phare 2002 “Preparation of public administration for effective management of EU structural instruments”**
  This project will be delivered by implementation of 3 components. The component 2 “Elaboration of documentation for the preparation of ERDF project pipeline and support to the preparation of identified best project proposals” and component 3 “Enhancement of the capacities of the future final beneficiaries including implementing institutions and socio-economic actors for effective use of ERDF” will provide assistance only for the ERDF implementation. The component 1 Strengthening the skills of central and regional administration for the effective programming and management of structural instruments operations” will provide to some extent assistance to all Structural Funds implementation process. Namely the project will provide assistance in the following fields:
  - enhancing the capability of the future CSF Managing Authority to fulfil co-ordination, programming, management, monitoring, evaluation and controlling requirements deriving from the Structural Funds regulations (as described COM 1260/99)
  - development of the final version of the programming documents (including Operational Programmes, Programme Complements) for the use of the structural funds

Therefore the first immediate objective “Fine-tuning of the strategic documents concerning ESF programming” of the current project will be mainly fulfilled by the Ministry of Economy project. The current ESF project can provide, only complementary activities to those provided within the Component 1 of the Phare 2002 project “Preparation of public administration for the effective management of EU structural instruments”, which are related to specific ESF requirements (fulfilling the European employment policy requirements, issues related to the equal opportunities policy, social inclusion process, ESF monitoring etc.).

These projects will be strongly co-ordinated, especially in the field of managing functions, as the Ministry of Economy project will provide assistance to the CSF Managing Authority, which has significant influence for all OPs.

The detailed description of the linked activities between these projects are also given in the “Background and justification” section.
3.3. Results:

**Contract 1 - twinning**
- The strategic documents improved following the negotiations conclusions and recommendations
- The MoLSP ready to fulfil all the Managing Authority functions related to ESF management and functions related to payments (as described in COM 1260/99, COM 438/01, 448/01, 1784/99 and others), including:
  - system of collecting financial and statistical data developed; the system will serve for monitoring and evaluation according to which (during the implementation phase) the progress and effectiveness of the programme will be evaluated
  - IT system concerning monitoring and financial control of ESF maintained and further developed
  - assistance for proper use of the IT monitoring system obtained; financial and monitoring units within MoLSP prepared to use the Polish IT system
  - delivering of the implementation progress’ data to European Commission and preparation of the reports concerning Sectoral HRD Operational Programme implementation initiated
  - joint elaboration (Polish institutions with European Commission) of mid-term and ex-post evaluation initiated
  - the correctness of financial operations carried out under the assistance programmes and implemented through the system of internal control ensured:
    - the Managing Authority ready to co-ordinate and control the expenditure of implementing institutions and to confirm them to the paying authority
    - the managing authorities able to conduct direct control of implementing institutions concerning at least 5% of expenditure
- The intermediate bodies ready to fulfil their tasks related to the ESF measures management

In relation to these stated above results this project constitute the **direct continuation** of the Phare 2001 project “Development of programming and management capacities for ESF implementation” (see “Background and justification” section). This project will also be complementary and strongly co-ordinated with activities provided within the Phare 2002 project “Preparation of public administration for the effective management of EU structural instruments”, especially in the field of strategic documents preparation and issues related to the management functions. As far as financial management is concerned, the project will also be co-ordinated and will provide complementary activities to those provided within the Phare 2002 “Strengthening of the institutional basis and operational capacities of the Ministry of Finance to ensure carrying out the task of future Paying Authority and Certifying Body”
- The ESF Control-Monitoring Unit ready to fulfil its tasks and fully operational including:
  - the co-operation with the paying authority and managing authorities for operational programmes (both sectoral and regional) established,
  - effective control of eligibility of expenditure of the ESF assured,
  - the standards of project fiches, application forms, claims and reports developed and fully maintained
  - the monitoring and evaluation of the effects of ESF operations and preparation of the reports required for these procedures initiated

Achieving the stated above aim is one of the main task of this project. The provided activities will be the continuation of the Phare 2001 project, which will be concentrated on preparation on the MoLSP to fulfil the tasks related to managing authority role and provide only introductory assistance to the development of the control and monitoring unit.
- The MoLSP prepared to manage the EQUAL Community Initiative
- The final beneficiaries prepared to meet requirements concerning preparation, monitoring and control of projects

The Phare 2001 project will support the identification of the final beneficiaries. This project will be the continuation, assisting those institutions in fulfilling their tasks.

**Contract 2 - technical assistance**
- the potential project promoters and providers trained on ESF requirements and prepared to submit and implement good quality projects:
  - the abilities to prepare the application forms strengthened
  - the capacities to fulfil the relevant ESF projects requirements developed (legal requirements, eligible costs, added value, equal opportunities ect.)
  - the project providers fully informed and prepared to fulfil the requirements concerning monitoring and financial management of the project
- the number of projects ready to be granted from ESF assistance within all measures prepared
The Phare 2001 project will provide the “training for trainers” activities. This project will increase the number of project providers prepared to implement and submit ESF projects.

- the potential project providers (social partners) prepared to participate in the process of programming and implementation

**Contract 3 - investment**

- The IT system extended to the newly identified final beneficiaries and upgraded to meet the ESF requirements
- The users able to collect and introduce data to the IT system

The monitoring and financial control IT system is currently developed by the Ministry of Finance (PL 9904.0, PL 0003.04). The project will only provide complementary support to the mentioned above.

### 3.4. Activities:

**Contract 1 – twinning assistance**

Twinning assistance under this contract will focus on further development, adjustment and continuation of the Phare 2001 project “Development of programming and managing capacities for ESF implementation” and complementary to activities provided within the Component 1 of the Phare 2002 project “Preparation of public administration for the effective management of EU structural instruments”. As far as financial management is concerned the project will also be co-ordinated with the Phare 2002 “Strengthening of the institutional basis and operational capacities of the Ministry of Finance to ensure carrying out the task of future Paying Authority and Certifying Body”.

The Ministry of Economy project will assist the development of the so-called universal capacities (corresponding to the requirements described in the COM 1260/99, COM 438/01 and COM 448/01) irrespective to the OP. The current project will provide, complementary assistance related to specific ESF requirements (for example in the field of evaluation, related to the overall European employment policy requirements, equal opportunities policy, social inclusion process, ESF monitoring etc.). These two projects will be strongly co-ordinated.

**Long-term PAA** (16 man/months EU expert) supported by 10 EU short-term experts (approximately 14 man/months), 3 EU medium term experts (18 man/months) and by Polish short term experts (10 man/months) will provide tailored-maid assistance within the whole life of the project. Assistance will be provided in the form of know-how transfer, providing advice and recommendations, analysis, training, study visits and secondments.

The provided assistance will refer to following fields:

- co-operation with the experts working within the Phare 2002 project “Preparation of public administration for the effective management of EU structural instruments” and providing assistance in the field of:
  - fine-tuning of the strategic documents concerning ESF absorption following the negotiation conclusions and recommendations (support provided by PAA)
  - development of the managing authority capacities, (support provided by PAA, 1 medium term expert - 6 man/months and 3 short term experts - 3 man/months) including:
    - support concerning development of the guidelines for all institutions taking part in the process of implementation
    - monitoring and evaluation of ESF activities including mid-term and ex-post evaluation
    - delivering of implementation progress’ data
    - ensuring correctness of financial operations and effectiveness of internal control
  - development of the capacities of the financial unit within the MoLSP to deal with the payments from ESF (supported by assistance of short term expert – 1 man/months)

Special assistance will be given to the further development and proper use of the IT system (co-ordinated with the mentioned above Ministry of Finance’s projects and Contract 3 of this project).

- development of the intermediate bodies capacities related to the management of ESF activities (support provided by PAA and one medium term expert)

- The main activities of this project will be related to the following fields, which are not covered by the Ministry of Economy Phare 2002 project in relation to ESF (however they still be co-ordinated) and are not addressed (or receive only initial assistance) within the Phare 2001 “Development of programming and managing capacities for ESF implementation”:
• supporting the development of the Control-Monitoring ESF Unit by assisting between the others (support provided by PAA, medium term expert – 6 man/months and 3 short term experts – 5 man/months):
  - control of eligibility of expenditures of the ESF
  - monitoring and evaluation of the effects of ESF operations
  - development of the application forms, claims and reports
  - national and cross-regional correspondence system
  - ESF marketing and publicity system
  - managing project selection process
  - co-operation between paying authority, managing authorities (sectoral and regional)
• supporting the EQUAL Unit in fulfilling their tasks related to this Initiative implementation (support provided by one short term expert – 1 man/months)
• supporting the final beneficiaries in fulfilling their tasks (support provided by one medium term expert – 6 man/months and by 2 short-term experts – 2 man/months each):
  - the tailored-maid support will be provided to final beneficiaries operating within all 5 ESF policy fields (final beneficiaries will be identified and initially trained within the Phare 2001 project)
  - supporting the development of capacities related to commissioning operations and all requirements pursuant to relevant structural funds regulations

The number of the EU experts is possible to be changed by the suggestions of the PAA during the programme implementation. If necessary the study visits or/and secondments might be organised.

**Contract 2 – technical assistance**

This contract will be implemented by the technical assistance (general TA framework contract). The overall aim of the component is;

- implementation of the integrated system of training provided to the potential project providers related to submit and manage good quality projects carried out under the ESF assistance. Therefore, the training should cover, between the others, following fields;
  - general issues concerning SF and ESF
  - ESF rules (legal framework, who can apply, how much and what can be claimed, added value, funding, costs, data protection, sub contracting, intercompany trading and interdepartmental trading etc.)
  - preparing the application forms
  - eligibility
  - publicity
  - global grants rules
- preparation number of good quality projects ready to receive ESF assistance within all measures implemented within SOP and ROP (project pipeline)
- providing training to the potential project providers (social partners), participating in the process of programming and implementation of ESF concerning general issues on SF and ESF

**Contract 3 - investment**

The contract for equipment and software will extend the IT system to the newly identified final beneficiaries and will support upgrading the system, developed by the Ministry of Finance, by the specific information required by ESF (information required on the level of individuals). The limited resources of the contract will allow to extend the system only to the most important institutions, identified by MoLSP and Ministry of Finance. The necessary training to those institutions will also be provided within the contract.

4. Institutional Framework

**Department for Pre-accession and Structural Programmes, Ministry of Labour and Social Policy.**

The Unit was established in 1998 as a nucleus of the future ESF Unit (see: “Background and Justification” section). The Department will be the main beneficiary of the project. It will also be responsible for the project implementation and management. The project leader (Director of the Department) will be responsible for ensuring proper co-operation between all institutions involved in the project implementation.

**Department of Labour Market Policy, Ministry of Labour and Social Policy** – responsible for development and co-ordination of implementation of the employment policy. It is foreseen that this
Department will be responsible for management of measures within Priority 1 ("Active measures aimed at counteracting unemployment") and Priority 2 ("Prevention of Social Exclusion") addressed to the particular risk groups. **Department of Social Welfare, Ministry of Labour and Social Policy**

It is foreseen that this Department will be responsible for management of measure within Priority 2 ("Prevention of Social Exclusion") addressed to the disabled. **Ministry of Education**: The Ministry is responsible for the formal education system. Under current implementation plans it is envisaged that particular ESF measures, implemented within Priority 3 "Development of life-long learning system" will be managed by the Ministry of Education. **Government Plenipotentiary for the Disabled** – responsible for programming and co-ordination of policy towards the disabled. It is foreseen that the Office of Plenipotentiary will be responsible for management of measure within Priority 2 ("Prevention of Social Exclusion") addressed to the disabled. **Government Plenipotentiary for Equal Status of Men and Women** - responsible for programming of the equal opportunities policy. It is foreseen that the Office of Plenipotentiary will be responsible for management of measure within Priority 5 ("Active actions addressed to women"). **Polish Agency for Enterprise Development** – responsible for implementation of actions concerning SME development and promotion of entrepreneurship. It is planned that this agency will be involved in implementation of the measures within Priority 4. **Regional Labour Offices** – these offices constitute a part of Regional Self-governments’ administration (Marshal administration), they are responsible for developing regional HRD policies and supervision of HRD measures under Phare ESC Programme and other regional HRD programmes. **Regional service providers**: The network of NGOs (foundations, associations), local development agencies and training institutions capable of delivering ESF-type employment services covers all the regions of Poland. However, as compared to the network of non-public institutions involved in SME services (strongly supported under previous Phare programmes), services provided by this network are not sufficiently utilised. There is a need to promote ESF-related knowledge among these institutions as well as to encourage them to form an informal network (equipped with detailed procedures, guidance for actions and operational standards) in order to promote concerted HRD initiatives. Several institutions (national agencies and associations, powiat labour offices) should be also considered as potential final beneficiaries of ESF projects. **Office of the Committee for European Integration** (OCEI) is responsible for the overall co-ordination of pre-accession funds as well as for decentralisation process what is the essential basis for future Structural Funds/Cohesion Fund implementation. 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 projects under Phare 2002/2003 performed by the Ministry of Economy responsible for Regional Development and Ministry of Labour and Social Policy. It requires relevant information and reporting system from both beneficiaries.

### 5. Detailed budget (in MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare (I+IB)</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract 1 Twinning</strong></td>
<td>0.550</td>
<td>0.550</td>
<td>0.150</td>
<td>--</td>
<td></td>
<td>0.700</td>
</tr>
<tr>
<td><strong>Contract 2 TA</strong></td>
<td>1.450</td>
<td>1.450</td>
<td>0.400</td>
<td>--</td>
<td></td>
<td>1.850</td>
</tr>
<tr>
<td><strong>Contract 3 Investment</strong></td>
<td>1.000</td>
<td>--</td>
<td>1.000</td>
<td>0.200</td>
<td>--</td>
<td>1.200</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>1.000</td>
<td>2.000</td>
<td>3.000</td>
<td>0.750</td>
<td>--</td>
<td>3.750</td>
</tr>
</tbody>
</table>

Co-financing is available

### 6. Implementation Arrangement

6.1. Implementing Agency:

PAO: K. Gurbiel, Under-secretary of State at the Office of the Committee for European Integration
Bagatela 14, Warsaw. Tel.: (48 22) 455 52 41 Fax: (48 22) 455 52 43
IA: The Central Financing and Contracting Unit (CFCU), Mr Wojciech Paciorkiewicz, Director, Górnoslaska Street 4A, Warsaw, phone: +48 22 622-00-31, fax: +48 22 622-95-69
The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the Ministry of Labour and Social Policy which itself shall be responsible for preparing projects and managing their technical implementation.

6.2. Twinning:
Activities within contract 1 will be implemented in the framework of twinning. Twinning package will consist of a long term PAA, short term EU experts, conferences, training and study visits.

Twinning contact persons:
Ms. Diana Jablonska, Department for Pre-accession and Structural Programmes, Ministry of Labour and Social Policy, Limanowskiego Street 23, 00-943 Warsaw, Poland
Tel. +48 22 642 24 68, fax. +48 22 642 61 43, +48 22 642 75 57
E-mail: diana_jablonska@mpips.gov.pl


6.4. Contracts:
Contract one: twinning covenant (0.550 MEUR) - The Polish co-financing will cover costs of plane tickets, room provisions for PAA and experts, rooms renting for conferences and seminars, etc. (0.150 MEUR).
Contract two: technical assistance (1.450 MEUR)
Contract three: investment and software (1.200 MEUR) joint co-financing.

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

8. Equal Opportunity
The project will promote equality between genders since it will contribute to the implementation of measures under ESF policy field: “Positive actions for women” and introducing the Equal Opportunity Mainstreaming Strategy


11. Investment criteria: n.a.

12. Conditionality and sequencing:
The most important precondition for the project implementation – “The National Strategy for Employment and Human Resource Development” – has been prepared. Another pre-condition, which is the establishment of the future ESF Unit, has also been met. The key benchmarks during project implementation will include:
- Decision of Phare Management policy reached by mid 2002
- Financing Memorandum signed by the end of September 2002
- Twinning agreement signed (for twinning part of the project): March 2003
- Activities start: July 2003

Successful implementation of the project depends on the appropriate co-ordination of the project activities, effective co-operation between institutions and commitment of all institutions involved in the project implementation.
### Overall objective
Setting up a coherent system for ESF implementation

**Objectively Verifiable Indicators**
ESF administrative structures and project delivery system fully developed. Poland prepared to effectively use ESF support. Full implementation of requirements deriving from the SF regulations.

**Sources of information**
The EU decision concerning the ESF support for Poland.

### Project purpose (Immediate Objectives)

<table>
<thead>
<tr>
<th>Number</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fine-tuning of the strategic documents concerning ESF programming</td>
</tr>
<tr>
<td>2.</td>
<td>Further development of the capacities relating to managing authority functions and payments: - development of the capacities to effective manage and implement EQAL Community Initiative - enhancement of the capability of the ESF Control-Monitoring Unit for effective implementation of its tasks and responsibilities - development of intermediate bodies capacities related to the management of ESF activities - enhancement the capabilities of the future final beneficiaries related to ESF implementation - development of the projects providers skills to prepare and implement good quality ESF projects – development of the ESF project pipeline</td>
</tr>
<tr>
<td>3.</td>
<td>Enhancement of the potential project providers (social partners) to participate in the process of programming and implementation</td>
</tr>
<tr>
<td>4.</td>
<td>Development of the Information Technology (IT) system</td>
</tr>
</tbody>
</table>

**Objectively Verifiable Indicators**

1. All programming documents indispensable for the use of ESF approved by the EU.
2. The management of ESF implementation effective and sufficient.
3. Payments made correctly
4. Good quality projects managed and implemented correctly.
5. The It system effective and efficient.

**Sources of Information**
Relevant documents. EU decisions Reports on programmes implementation The stakeholders and partners opinions. Number of good quality applications from local project providers. The IT data base.

**Assumptions**
Commitment of all stakeholders to work in concerted way Need for actual implementation of recommendations produced within a project (for instance: the decisions on organisational changes, competencies of institutions)

### Results of project

<table>
<thead>
<tr>
<th>Number</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The strategic documents improved following the negotiations conclusions and recommendations</td>
</tr>
<tr>
<td>2.</td>
<td>The MoLSP ready to fulfil all the MA functions related to ESF management and payments</td>
</tr>
<tr>
<td>3.</td>
<td>The intermediate bodies ready to fulfil their tasks</td>
</tr>
<tr>
<td>4.</td>
<td>The ESF control-monitoring unit ready to fulfil its tasks and fully operational</td>
</tr>
</tbody>
</table>

**Indicators of Achievement**

1. The ESF Unit effectively managing the ESF programmes, including financial management, controlling and financial implementation, paying system, monitoring, audit etc.
2. The intermediary bodies effectively managing the particular measures
3. The nationally administered programmes

**Sources of Information**
Reports on programmes implementation Reports on project implementation. The stakeholders and partners opinions.

**Assumptions**
Quality and a number of staff working in the ESF Unit, NTI and in the others involved institutions. Commitment of the national and regional authorities to implement programmes on HRD. Commitment of the national and
5. The MoLSP ready to manage EQUAL
6. The final beneficiaries prepared to meet ESF requirements
7. The potential project promoters trained on ESF and prepared to submit and manage good quality projects
8. the projects ready to grant ESF assistance
9. the IT system extended
10. users able to operate the system

and projects delivered
4. The co-operation between the relevant stakeholders functioning effectively and successfully
5. Sufficient amount of good quality projects to be financed by ESF
6. The IT system established in line with the business processes and coherent with other IT systems

The project providers quality of fulfilling the interactive application forms.
IT data base.

The co-operation between the relevant stakeholders functioning effectively and successfully
Sufficient amount of good quality projects to be financed by ESF
The IT system established in line with the business processes and coherent with other IT systems

Quality and a number of staff working in the ESF Unit and NTI and in other involved institutions.
Commitment of the national and regional authorities to implement programmes on HRD
Commitment of the national and regional authorities to co-operate with grass-roots initiatives for employment promotion

**Inputs**

Twinning, technical assistance, study visits, internships, best practice exchanges, analyses and recommendations.

**Preconditions**

Quality and a number of staff working in the ESF Unit and NTI and in other involved institutions.

---

### ANNEX No. 2-3: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>Date of Drafting</th>
<th>Planning</th>
<th>09/2002-06/2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01.02 Development of ESF management capacities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implementation</strong></td>
<td>D</td>
<td>C</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td><strong>Contracting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disbursement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|                | 0.55    | 0.90    | 1.15    | 1.35    | 1.50    | 1.80    | 2.20    | 2.50     | 3.00    |         |        |

**Budget Cost Estimate**

3.00

01.02 Development of ESF management capacities - p.13