1. Basic information
1.1 CRIS number: 2002/000-580-01-05
1.2 Title: Co-ordination of labour market institutions.
1.3 Sector: Social policy
1.4 Location: Poland

2. Objectives
2.1. Wider objective
ESF oriented co-operation and co-ordination between labour market institutions.

2.2. Immediate objectives
Improvement of co-ordination between the public employment services.
Promotion of best practice concerning a more effective use of labour market instruments identified in Poland and in the MS.
Supporting local initiatives in the area of institutional services for the labour market.

2.3. Accession partnership and the National Plan for the Adoption of the Acquis (NPAA) priorities
The project complies with the medium-term priority of the NPAA „The strengthening of appropriate administrative structures”. Project implementation is at the same time an implementation of the priority 13.1 “Implementing the National Strategy for the Increase of Employment and Human Resource Development 2000-2006 through the implementation of the National Plans of Actions for Employment” and Priority 13.7 “Preparing a system of administration for the European Social Fund” (NPAA, Chapter 13: Social Policy and Employment) as well as medium-term priority 2.2 “Preparing labour administration for functioning within common system of labour information exchange” (NPAA, Chapter 2: Free Movement of Persons).
Also the Regular Report from the Commission on Poland’s Progress Towards Accession states that consistent efforts will be required to ensure full implementation of the measures outlined in the adopted strategy. In particular, there should be close monitoring of the capacity of the public employment service, in its newly decentralised form, to contribute to the delivery of a coherent employment strategy at the national level.

2.4. Contribution to the National Development Plan
The project is in line with National Strategy for Employment and Human Resource Development (HRD) 2000-2006. It is also of a vital importance for the implementation of the priorities identified in the Preliminary National Development Plan (HRD section) by strengthening the competency of key institutions in the area of occupational activation of young people, long-term unemployed, unemployed women and other risk groups on local labour markets.

2.5. Cross Border Impact: not applicable

3. Description
3.1 Background and justification
The Polish Public Employment Services (PES) were created at the beginning of 90’s as a special part of central administration. The PES included: the Ministry of Labour and Social Policy, the National Labour Office, the voivodeship labour offices (WUPs) and the core PES institutions – 350 local labour offices (PUPs) in charge of delivery of services (job broking, vocational guidance, subsidised employment) to the unemployed and contracting training and other services to local service providers. Since early 1990 they have been systematically developed and their scope of services has expanded – in order to comply with the EU model.

In 1998, Poland implemented an administrative reform which entailed, in the first place, the establishment of 16 large and self-governed voivodeships (regions) that replaced the existing 49 provinces, and about 350 self-governed middle-level units (the so-called poviats), and secondly, devolution to local governments of the majority of tasks previously vested in central government. The reformed system became effective as of January 1, 1999, but the reform of employment services, owing to their specificity and the nationwide nature of unemployment, which called for a transitional period, was took effect a year later.

Today Polish PES operate in an unusual de-centralised structure, without sufficient formal horizontal or vertical links. Employment services are no longer a separate administrative body – the voivodeship and poviat labour offices were incorporated into self-governmental structures. This modification was to
provide opportunities for establishing closer links between the office and its customers - the unemployed and those seeking work and employers – to ensure more efficient responses to the needs of the local labour market. It also provides the opportunity to combine Labour Fund resources with the own resources of local and regional authorities and with other funds acquired for labour market programmes. At the moment the Labour Fund resources are divided accordingly: between poviats self-government authorities - 65%, voivodeships self-government authorities – 29.9% and 5.1% is at the Minister of labour disposal. It can be assigned for poviats with considerable worsening of labour market situation influenced by natural calamity.

The National Labour Fund (NLF) is a main financial instrument for implementing national employment policy. It provides for passive and active labour market measures. The Fund is distributed by the MoLSP to the local governments that are responsible for implementation of the measures supported by the Fund (re-training courses, job subsidies, public works). Local governments (poviat labour offices) are also responsible for delivering employment promotion services (eps). Training funded under the MoLSP and eps provided by poviat labour offices are mainly addressed to the registered unemployed.

In terms of implementing active labour market policy programmes the public employment service in Poland plays a similar role as that played by employment services in the EU. The active programmes under implementation by the PES correspond with the four pillars of the European Employment Strategy.

Since the 1st April 2002 the National Labour Office ceased to exist. The majority of its tasks have been transferred to the Ministry of Labour and Social Policy (MoLSP) and some to WUPs.

Today, we come to face a situation that, on the one hand, there is quite an extraordinary decentralization of tasks and full powers have been vested in local governments, while on the other hand, the central government has a limited say about the operation of employment offices. The existing system does not provide for countering unemployment. Moreover, it may make difficult the effective absorption of the European Social Fund which represents the main financial instruments at EU level, providing the means to achieve the objectives of the European Employment Strategy: protect and promote employment and combat unemployment, discrimination and social exclusion. Accordingly, there is a need to come forth with and implement measures aimed at ensuring greater organizational consistency of this highly dispersed system, to maintain what has already been accomplished, to upgrade staff qualifications, to improve procedures and standards of service provision.

Ministry of Labour and Social Policy has been working on the changes in the structures and financing sources. The draft of the Social Policy Strategy has been prepared. The consultations with the self-governments and regional authorities are in the process.

The changes which will be introduced as from 1st January 2003 cover:

- Strengthening of WUPs with a view to create regional labour market policy together with the change in the Labour Fund structure. The latter should lead to the possibility of providing co-financing (minimum 25 per cent) of the activities under ESF.
- Changing the tasks of PUP – focusing on active measures and transferring the passive ones to the Social Insurance Institution (ZUS) and Agriculture Social Security Fund (KRUS). This change is indispensable before 2004 in connection with the ESF absorption, necessity to develop monitoring system (responsibility of the Ministry of Finance).
- Beside the public sector, in Poland there is also emerging non-public sector of employment services. It requires particular attention with regards to human resources development and standards of services.

The Polish government is concerned with further development of this sector for at least two reasons:

- to increase the supply of available services for persons seeking employment and requiring support when entering or re-entering job market
- to create competition for the public sector resulting in an improvement of the offered services.

✓ labour market services provided by public institutions

Services provided by public institutions (poviat labour offices - PUPs) are financed from the state budget and Labour Fund. Beside job counselling and job placement these services include: commissioning of training courses, registering unemployed persons, subsidising employment and job clubs. Legal responsibilities of the Ministry of Labour include a development of quality standards of labour market services provided by local governments. The issue of developing standards of services and improving employment services provided by PES was specifically addressed in the National Strategy of
Employment and the National Action Plan for the Employment. “Joint Assessment of the Principles of Polish Employment Policy” - Joint Assessment Paper (JAP), which was signed in January 2001 by the Deputy Prime Minister of the Republic of Poland and the EU Commissioner for Employment and Social Issues, lays down directions for future development of public employment services as providing public employment services with the funding and structures indispensable to guarantee high quality of services rendered by them across the country and promoting the departure from passive to active labour market measures.

- labour market services provided by non-public institutions

A development of non-public labour market institutions leads to greater diversification of available possibilities and creates wider offer for unemployed and other persons facing difficulties in the labour market. Grass-roots non-public initiatives better match in many cases the real needs of individual persons. Very often NGOs are able to provide more specialised and individually tailored services than public services. Therefore the need for developing partner co-operation between public and non-public employment services seems quite obvious. It seems also reasonable to promote the creation of public – private partnerships (PPP) which will have meaningful role while participating in the Community Initiative EQUAL. EQUAL forms part of the European Union strategy to create more and better jobs and to make sure that no one is denied access to these jobs. EQUAL will operate by bringing together the key players in a geographical area or sector. The different worlds of public administration, non-governmental organisations, social partners and the business sector will work in partnership to agree a strategy to deal with problems of discrimination and inequality.

The Government is also improving the legal framework for provision of employment services by actors other than the PES (temporary placement agencies, personal counselling institutions and non-governmental job-placement). This includes the possibility for local labour offices to contract-out some labour market services.

In Poland there is fairly strong network of non-public institutions providing promotion services for small and medium enterprises (SMEs). Similar network should be created for labour market services. This process should be accompanied by a development of standards for services and training activities for non-public institutions (strengthening institutional capacity). It is particularly vital for strengthening abilities to absorb the European Social Fund.

3.2. Linked activities

*Previous programmes:*

- Employment Promotion and Service Project (World Bank loan 3338-POL, 1991-1999, Components 3 and 4). In the framework of this programme it was planned and implemented uniform informative system in labour offices PULS, 5,000 computer work-stations were installed (INTEL-PENTIUM) allowing employment services in local offices to use PULS program, 3,000 officials were trained and local networks for PULS program were established. Completed actions have created a good basis for the introduction of EURES system.

- Employment Promotion and Service Project (World Bank loan 3338-POL, 1991-1999, Components 2 and 8). The scope of the programme included, among other things, the development of methodologies and dissemination of good practices for:
  - measuring effectiveness of labour market programmes
  - vocational guidance provided by public institutions (local labour offices)
  - job placement provided by public institutions (local labour offices)

- Special Preparatory Programme for Structural Funds (SPP) – Phare 1998. Part of the programme implemented by MoLSP included support for the preparation of the National Action Plan for Employment and building an institutional capacity for ESF absorption. Further development of employment promotion services has been identified as a priority of the National Strategy and precondition for efficient absorption of ESF.

*Present programmes:*

- Phare 2000 “National Continuous Vocational Training System” (PL0003.11). This project addresses training services (methodology of module training, professional qualification standards, training of trainers, development of information system on training services, methods for promoting life-long education).
Phare ESC 2000 – Economic and Social Cohesion. The Ministry of Economy and the Ministry of Labour are jointly responsible for co-ordinating the programme. Individual projects must stay in line with priorities adopted in the European Regional Development Plan and supported from the European Social Fund. The Ministry of Labour is responsible for co-ordinating human resources development project (typical project for the European Social Fund). Services devoted to promoting employment (job counselling, information and advisory) are integral parts of all regional human resources development projects.

Phare 2001 – Economic and Social Cohesion. This project is divided into two components: National and Regional. Regional component (all 16 Polish regions are covered) is direct continuation of measures implemented under the Phare ESC 2000 and supports the following types of measures: services to unemployed and persons at risk of unemployment, training for SMEs, entrepreneurship promotion and encouraging local employment partnerships. National component is concentrated on provision of individualised services to young job seekers (“individual action plans for youth”).

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. Technical Assistance on the scope of required data collection for ESF monitoring and evaluation will be provided.

Phare 2002 “Further development of ESF management capacities and the mechanisms for ESF programmes implementation” This project is a further development of 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 from this project. It will also provide hardware necessary for data collection at the newly identified intermediate bodies and final beneficiaries.

Phare 2000 SIMIK “IT Monitoring and Control System” This project is implemented by the Ministry of Finance and envisages development of IT monitoring and control system for all Structural Funds in Poland. It is expected that all Managing Authorities will be covered by this System. In case of intermediate bodies and final beneficiaries dealing with ESF the system will cover only those institutions on a central level. The SIMIK system will provide for the aggregation of data for ESF but before it is processed within SIMIK data on final recipients will be pre-processed by other system of the Ministry of Labour.

It should be noted that Phare 2001 project for ESF preparations in Poland will provide a technical assistance to identify what information is needed and Phare 2002 project will provide a hardware to collect those data.

In the year 2003 all institutions participating in the ESF implementation in Poland will be identified. The data should be collected on the central and regional level in electronic form. Therefore there is a need to provide appropriate software for data collection and training for all relevant institutions.

3.3. Results

Objective 1.

• Recommendations for the MoLSP and modifications to be introduced before 2004
• Analysis of interdependence between MoLSP WUPs and PUPs
• Software for data collection necessary at the central and regional levels (coming from the ESF project promoters)
• 740 persons (PUP, WUP, central level) trained in using the new software

Objective 2.

• Analysis of the best practices in the Member States and Poland
• Publications (appr. 4 000 copies) on the best practices distributed among all the actors involved
• 50 workshops for 20 persons each (PUP, WUP, central level, representatives of the private-public partnerships /ppp/)

Objective 3
• 20-25 small grants granted (max. up to 100 000 Euro) for local initiatives such as: job clubs, temporary service agencies, welfare job placement agencies, co-operatives of graduates – office equipment, preparation of premises, training of employees; coming from PUPs, WUPs and ppp.

3.4. Activities
Contract 1 Technical Assistance
Technical Assistance TA short-term experts, who will prepare analysis of the new system envisaged in the draft of the Social Policy Strategy, a programming material based on strategical documents: Economic Strategy of the Government “Entrepreneurship – Development – Labour”, Preliminary National Development Plan, NPAA, recommendations for the MoLSP and modifications to be introduced before 2004 and analysis of interdependence between MoLSP WUPs and PUPs, WUP subordination to Voivodeship Marshal Office and PUPs to head of the poviat office.

Technical Assistance TA short-term experts who will develop software for data collection on regional and national levels.

Training: workshops and seminars for 740 representatives of PUPs, WUPs and national level.

Publications: Publication on the best practises (approximately 4 000 copies)

Contract 2 Grants
This component includes support for public, non-public and ppp labour market institutions in a form of small grants in total amount of 1.0 MEUR. It is planned that the maximum grant will amount to 0.1 MEUR.

Institution applying for grant should use the examples of the EU best practice under ESF activity 1.1 “Development of instruments and labour market institutions” and define accordingly its priorities and objectives, implementation schedule, expected results and method of implementation as well as present the plan of work for the coming years. Allocation of a grant will be decided upon by the Commission, established by the Minister of Labour and Social Policy, on the basis of principles elaborated and adopted by the Commission.

Transfers of grants will be based in individual contracts concluded between the Polish Agency for Enterprise Development (PARP) and applying institutions. Allocation of grant requires at least 25% input of applying institution.

4. Institutional framework
Project will be implemented by the Ministry of Labour and Social Policy in co-operation with the Polish Agency for Enterprise Development as an Implementing Agency.

Department for Labour Market Policy placed within an organisational structure of the MoLSP will be responsible for preparing and implementing measures leading to implementation of the National Strategy for Increased Employment and Human Resources Development, as well as for monitoring measures supported from the Labour Fund resources and measures undertaken by Public Employment Services.

Department for Pre-accession and Structural Programmes placed within an organisational structure of MoLSP as an organisational unit implementing all pre-accession programmes undertaken by the Ministry of Labour and Social Policy will be responsible for daily management of the project and co-ordination of implemented tasks with other pre-accession programmes (in particular with projects preparing for participation in the European Social Fund).

Voivodeship Labour Offices (WUPs) – 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.

Poviat (Local) Labour Offices (PUPs) - these offices are units of local administration at poviat level, the scope of their responsibilities includes provision of employment services (in public mode) and management of Labour Fund transactions.
Public, ppp labour market institutions – network of NGO-s (foundations and associations), agencies for local development and self-government institutions able to render its labour market services in the territory of Poland (in all voivodeships).

5. Budget
All costs in MEUR

<table>
<thead>
<tr>
<th>PHARE financing</th>
<th>Total PHARE</th>
<th>National Co-financing</th>
<th>Private Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>IB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>Technical assistance</td>
<td>1.000</td>
<td>0.200</td>
<td>--</td>
</tr>
<tr>
<td>Contract 2</td>
<td>Grants</td>
<td>1.000</td>
<td>0.300</td>
<td>0.200</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1.000</td>
<td>0.500</td>
<td>0.200</td>
</tr>
</tbody>
</table>

Co-financing will be available

6. Implementation arrangements
6.1 Implementing agency:
PAO: Mr Jerzy Hausner, Minister of Labour and Social Policy, ul. Nowogrodzka 1/3, 00-513 Warszawa, Polska, tel. +48 22 6610 118, +48 22 628 77 34, fax +48 22 6610 116
Contact person in the Ministry of Labour: Ms. Mala Bielawska, Deputy Director in the Department for Pre-accession and Structural Programmes of the Ministry of Labour and Social Policy, ul. Limanowskiego 23, 02-943 Warsaw, Polska, tel. +48 22 642 62 22, fax +48 22 642 61 43, e-mail Mala_Bielawska@mpips.gov.pl
Implementing Agency: Polish Agency for Enterprise Development, 02-017 Warsaw, Aleje Jerozolimskie 125/127 Poland, tel. 48 22 699 70 44, fax. +48 22 699 70 46

6.2. Twinning:
not applicable

6.3. Non-standard aspects:
Not applicable.

Tender procedures will be held and contracts will be concluded in accordance with the Practical Guide to Phare, Ispa & Sapard

6.4. Contracts
In a framework of the project the following contracts are planned:
Contract 1: Technical Assistance (1.000 MEUR), with Polish joint co-financing (0.200 MEUR from state budget) designated to co-funding of training organised during the project realisation, additional expertise and research, co-financing publications of training materials, translations. TOTAL 1.200 MEUR
Contract 2: Grants (1.000 MEUR), with Polish joint co-financing (0.300 from state budget + 0.200 MEUR from the resources of institutions applying for grants) designated to translations, additional expertise and required co-financing of projects from institutions applying for grants. TOTAL 1.500 MEUR.

7. Implementation schedule
7.1 Start of tendering/ call for proposals: IV quarter of 2002
7.2 Start of project activities: II quarter of 2003
7.3 Project completion: I quarter 2005

8. Equal opportunities
All activities undertaken by public and non-public employment services are based on equal opportunity principles.

9. Environment
not applicable

10. Rates of return
11. Investment criteria
Not applicable

12. Conditionality and sequencing:
12.1 Conditions
The most important precondition for the project implementation – “The National Strategy for Employment and Human Resource Development” – has been prepared. Successful implementation of the project depends on the appropriate and effective co-operation between all institutions involved in project implementation – and in particular on co-operation (consensus) among central, regional and local administration. It is necessary to ensure co-ordination of Phare 2002 “Enhancement of Public Employment Service (PES) capabilities to implement the European Employment Strategy and to participate in the EURES system” and the present project activities. The effective implementation of this project depends also on the approval of the activities envisaged in the draft of Social Policy Strategy for 2002-2005 as well as on the successful completion on tasks under Phare 2000 “IT monitoring and control system implemented by the Ministry of Finance”.

12.2 Sequence of activities
✓ Contract 1 settled and signed: I quarter of 2003
✓ Beginning of project activities: II quarter of 2003
✓ Beginning of giving the grants: III quarter of 2005
✓ Completing of the project: I quarter of 2005
## ANNEX 1 LOGFRAME PLANNING MATRIX

<table>
<thead>
<tr>
<th>Wider Objective (1)</th>
<th>Objective and Verifiable Indicators of Achievements (2)</th>
<th>Sources of Information (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF oriented co-operation and co-ordination between labour market institutions</td>
<td>Labour Market Institutions (their structures and financing sources) prepared to absorb ESF</td>
<td>Appropriate and effective activities taken by public and non-public employment services.</td>
</tr>
</tbody>
</table>

### Immediate Objective (4)

<table>
<thead>
<tr>
<th>Objective and Verifiable Indicators of Achievements (5)</th>
<th>Sources of Information (6)</th>
<th>Assumptions (7)</th>
</tr>
</thead>
</table>
| 1. Improvement of co-ordination between the public employment services  
2. Promotion of best practice concerning a more effective use of labour market instruments identified at national level and in the MS.  
3. Supporting local initiatives in the area of institutional services for the labour market | Quarterly reports | 1. Effective project management  
2. Effective co-operation with the partners involved in realisation of the project  
3. Proper promotion of training courses  
4. Proper distribution of published brochures |

### Results of project (8)

<table>
<thead>
<tr>
<th>Objective and Verifiable Indicators of Achievements (9)</th>
<th>Sources of Information (10)</th>
<th>Assumptions (11)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Project title and number</th>
<th>PHARE 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.05 Co-ordination of labour market institutions</td>
<td></td>
</tr>
<tr>
<td>End of contracting period: 30/11/04</td>
<td>End of disbursement period: 30/11/05</td>
</tr>
<tr>
<td>Total budget: mln EURO 2.7</td>
<td>Phare budget: mln EURO 2.0</td>
</tr>
<tr>
<td>Activities (12)</td>
<td>Means (13)</td>
</tr>
<tr>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>Contract 1: short term experts who will prepare analysis of the new system envisaged in the draft of the Social Policy Strategy, recommendations for the MoLSP and modifications to be introduced before 2004 and analysis of interdependence between MoLSP WUPs and PUPs Training: workshops and seminars for 740 persons from PUPs, WUPs and workshops for 1000 representatives PUPs, WUPs and ppp Publications: printing and distribution Designing of software</td>
<td>Contract 1: technical assistance</td>
</tr>
<tr>
<td>Contract 2: grants for local initiatives for sum 1.0 MEUR.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preconditions (15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Appropriate and effective co-operation between all institutions involved in project implementation</td>
</tr>
<tr>
<td>4. Participation in the EURES system”</td>
</tr>
<tr>
<td>5. Approval of the activities envisaged in the draft of Social Policy Strategy for 2002-2005</td>
</tr>
<tr>
<td>6. Successful completion on tasks under Phare 2000 “IT monitoring and control system implemented by the Ministry of Finance”</td>
</tr>
</tbody>
</table>
### Annexes 2 – 3: Cumulative implementation, contracting and disbursement schedule,

**Phare 2002**

**01.05 Co-ordination of labour market institutions**

<table>
<thead>
<tr>
<th>PLANNED</th>
<th>Budget Cost Estimate In M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>II</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation</th>
<th>D</th>
<th>D/C</th>
<th>D/C</th>
<th>C/I</th>
<th>C/I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
<td>2.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting</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>Disbursement</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>

<table>
<thead>
<tr>
<th>Implementation</th>
<th>D</th>
<th>D/C</th>
<th>D/C</th>
<th>C/I</th>
<th>C/I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.200</td>
<td>0.300</td>
<td>0.600</td>
<td>0.800</td>
<td>1.000</td>
<td>1.300</td>
</tr>
</tbody>
</table>

**Date of Drafting**: 25.03.2002

**Planning Period**: 3/2002 – 1/2005