1. Basic information
1.1 CRIS number: 2002/000-580-01-07  
Twinning number: PL/IB/2002/OT/03A-03B-03C
1.2. Title: Preparation for CSF and ERDF
1.3 Sector: Public administration
1.4 Location: Poland

2. Objectives:
2.1 Overall objective:
Strengthening public administrative structures for the effective participation of Poland in the EU cohesion policy.

2.2. Immediate objectives:
1. 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 in Regulation 1260/99).
2. Development of the capability of the future managing authorities for Sectoral Operational Programmes – SOPs (“Improvement of competitiveness of the economy”, “Environmental Protection”, “Transport”) for effective programming, management, monitoring, evaluation and control of structural funds assistance as described in UE structural funds regulations (as described in Regulation 1260/99; Regulation 438/01; Regulation 448/01, Regulation 1685/1999).
3. Development of the capacity of the Ministry of Economy for the effective management of the INTERREG Community Initiative.
4. Strengthening the capability of the programming and future managing authority for Integrated Regional Operational Programme (IROP) at the national (Ministry of Economy) and regional level (voivodship offices, marshal offices) for the effective management of structural funds assistance as described in Regulation 1260/99; Regulation 438/01; Regulation 448/01, Regulation 1685/1999).
5. Enhancement of the capacity of the managing authority for Operational Programme for Technical Assistance (placed in the Ministry of Economy) for effective co-ordination of monitoring and evaluation measures.
6. Development of the final version of the programming documents (including Operational Programmes, Programme Complements) for the use of the structural funds.
7. Enhancement of the capability of the ERDF control-monitoring unit for the effective implementation of its tasks.
8. Enhancement of the institutions involved in preparation, implementation, monitoring and evaluation of the projects financed from ERDF and co-operating with ERDF control-monitoring unit and support to social and economic partners participating in the process of programming and implementation of ERDF activities.

2.3 Accession Partnership and NPAA priorities:
The project is in line with the AP and the NPAA. Under the heading “Regional policy and co-ordination of structural instruments” in AP the following priorities are defined:
- 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 properly staff future managing and paying authorities for SF management,
- developing the technical preparation of projects eligible for Structural and Cohesion Funds assistance (project pipeline).
The NPAA has a priority on “establishing of a legal and institutional framework and mechanisms for programming, managing, monitoring, controlling the regional and cohesion policy in compliance with the community requirements”.

2.4 Contribution to the National Development Plan:
The project will contribute directly to the effective implementation of the National Development Plan – through further development of the programming, administrative and institutional capacities of the public administration which will be involved in management, monitoring, control and evaluation of the implementation of the Community Support Framework and operational programmes.

2.5 Cross-border impact: The project will allow for the strengthening capabilities of the public administration in programming, monitoring control, evaluation of the structural fund UE policy included cross-border development measures.

3. Description
3.1 Background and justification:
On the accession to the European Union under the current programming period, all Polish regions defined at the NUTS II level will be eligible for Structural Funds operations under Objective 1. National GDP per capita accounted in 1998 for 36,1% of the EU average. As stated in Second report on Economic and Social Cohesion, regional GDP per capita in Poland ranged between 26,1% of the EU average (Lubelskie) and 52,7% (Mazowieckie).

According to the Council Regulation 1260/99, the EU regions meeting Objective 1 criterion should submit a regional development plan. Preparing for participation in EU structural policy, Poland will draw up one National Development Plan (NDP) based on the sectoral and regional strategies. It will be subsequently (final version by the end of 2002) submitted to the European Commission for negotiations. The document agreed with the Commission – on the basis of the NDP - Community Support Framework - including the strategy and priorities for joint Community and national action will be implemented by means of a number of operational programmes. Some of them will address sectoral priorities across the national territory with management powers located at the central administration level. Integrated regional operational programme, complementary to the sectoral programmes, will address actions specific to the regions. All four Structural Funds will be employed for implementation of measures defined in the operational programmes.

EC regulations for the new programming period 2000-2006 require that Member States have administrative systems in place capable of efficient and effective implementation of the structural funds programmes funded. These systems have to deliver quality projects to meet quantified targets specified in programming documents (CSF, operational programmes), be sensitive to the requirements of EU horizontal policies, guarantee sound financial management and be stringent and transparent to meet the monitoring, control and evaluation obligations for projects and programmes. Under the decentralised management arrangements the roles of different actors in the systems must be clearly defined with a view to smooth co-ordination of the activities financed from the Structural Funds and those implemented within the framework of national and regional policies. These actors, with special emphasis put on managing authorities, must have sufficient administrative capacities for proper realisation of their tasks as defined in the article 34 of the Regulation 1260/99.

The administrative structure of CSF and Cohesion Fund implementation, which is presented below, is a proposal and shall be a subject to agreement on this structure in the context of accession negotiation and in the context of negotiations on programming documents. Therefore the scheme may change in terms of some detailed technical arrangements but will not affect the substance of the project.

The Ministry of Economy is responsible for development of the National Development Plan (NDP) for the years 2004-2006 and co-ordination of works on operational programmes. The basic objectives, priorities and the scope of operational programmes of NDP will be based on the socio-economic programme of the government that was approved by the Council of Ministers in the late January and the number of medium-term strategies and structural programmes which has been prepared for the years 2000-2006. The most important documents include those approved by the government in the years 1999-2001: the National Strategy of Regional Development 2001 to 2006, National Strategy of Growth in Employment and Development of Human Resources 2000 to 2006, Coherent Structural Strategy of Rural Development and Agriculture 2000 to 2006, Polish Fisheries Structural Policy 2001 to 2006, National Strategy of Protecting Natural Environment 2000 to 2006, and National Strategy of Transport Development 2000 to 2006.
Timeframe for the preparation of the National Development Plan and operational programmes includes:

- Final definition of the objective, priorities, implementation system, and the content of operational programmes with indicative allocations: February 2002,
- Development of the first complete revision of the NDP and subsequently operational programmes: May 2002,
- Provision of documents for the ex-ante evaluation: May 2002,
- Working consultations of NDP and operational programmes with the European Commission, Member States, and candidate countries: June/July 2002,
- Working consultations with social partners on the content of the NDP and operational programmes: July to September 2002,
- Receiving ex-ante evaluation of documents: October 2002,
- Final text edition, approval of documents by the government: November 2002
- Provision of the NDP to the EU Commission with the drafts of the operational programmes: December 2002.

The Ministry of Economy will perform following the January 2002 decision of the Committee for European Integration the function of a managing and co-ordinating authority with regard to Community Support Framework. The same Ministry will also manage and co-ordinate intervention of the Cohesion Fund with remaining structural instruments (the scheme of programming of SF and Cohesion Fund in the ANNEX).

*The management of individual operational programmes will be assigned to:*

<table>
<thead>
<tr>
<th>SOP</th>
<th>Description</th>
<th>Ministry</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOP Improvement of competitiveness of the economy</td>
<td>Ministry of Economy</td>
<td></td>
</tr>
<tr>
<td>SOP Development of human resources</td>
<td>Ministry of Labour and Social Policy</td>
<td></td>
</tr>
<tr>
<td>SOP Restructuring and modernisation of the food sector and development of rural areas</td>
<td>Ministry of Agriculture and Rural Development</td>
<td></td>
</tr>
<tr>
<td>SOP Fishery and fish processing industry</td>
<td>Ministry of Agriculture and Rural Development</td>
<td></td>
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<tr>
<td>SOP Environmental Protection ¹</td>
<td>Ministry of Environment</td>
<td></td>
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<tr>
<td>SOP Transport ²</td>
<td>Ministry of Infrastructure</td>
<td></td>
</tr>
<tr>
<td>IROP Integrated Regional Operational Programme</td>
<td>Ministry of Economy</td>
<td></td>
</tr>
<tr>
<td>OP Technical Assistance</td>
<td>Ministry of Economy</td>
<td></td>
</tr>
</tbody>
</table>

SOP – sectoral operational programme
ROP – regional operational programme
OP – operational programme

For some operational programmes, management of particular priorities and measures will be delegated to other Ministries that are listed above (to intermediate bodies as described in Regulation 438 art. 9.2).

The future Managing Authority for OP Technical Assistance will be placed in the Ministry of Economy responsible for all elements of TA which will appear at the level of CSF and the particular operational programmes. In order to ensure the effectiveness of evaluation measures it is planned to establish the independent national evaluation unit operating within the Ministry of Economy, supervised by the Monitoring Committee for Technical Assistance Programme. On-going evaluation of all sectoral, horizontal and regional measures will be carried out at the request of this unit.

Within the regional operational programme Ministry of Economy is planning to delegate some management functions to governmental voivodship offices but setting up criteria, under overall

¹ Scheme of SOP-Environmental Protection in ANNEX I of the project fiche
² Scheme of SOP-Transport in ANNEX II of the project fiche
supervision of the Managing Authority, for granting assistance and identification of priorities, measures and projects will remain the task of the marshal offices (the scheme of the Integrated Regional Operational Programme-multifundung – see ANNEX III).

**Marshall Office will be responsible in particular for:**

**programming scope:**
- preparation of proposal for the IROP in the shape of the Objective 1 type intervention in the frame of regional development operational programme for relevant voivodship,
- preparation of proposals (input) for the Regional Programme Complement concerning their relevant voivodship,

**at the implementation stage:**
- proposals for the detailed projects’ selection criteria after consultation with Steering Committee;
- pre-identification and pre-selection of projects after consultation with Steering Committee;
- participation in the works of regional monitoring committees (subcommittees of the national monitoring committee for IROP),
- participation in the national monitoring committee for IROP,
- monitoring and evaluation of regional activities in the context of realisation of own voivodship development policy;
- performing the role of final beneficiaries for their own projects including the role of implementing institution (e.g. in some HRD measures).

**Governmental Voivod Office:**

**at programming stage:**
- participation in programming of the IROP,

**at implementation stage on behalf of the MA for their relevant voivodships:**
- verification of payments,
- supervision of tenders,
- control of projects,
- financial and physical monitoring of projects;
- participation in national monitoring committee for IROP,
- chairing of monitoring committee for IROP,
- approval of projects,
- conclusion of financial agreement with the final beneficiaries,

**financial management:**
- institution authorised by paying authority to make payments into the accounts of final beneficiaries,
- supervision of the expenditure under Ops and funds,
- checking of payments made by final beneficiaries and confirmation of payments to MA,
- supervision of institutions implementing priorities and measures at regional level,
- check of at least 5% of expenditures made by final beneficiaries.

The community initiatives in which Poland intends to participate during the membership period will take also the form of operational programmes. Management of programmes of particular initiatives will be assigned to Ministries responsible for co-ordination of funds on which the initiatives are based:

INTERREG – Ministry of Economy
EQUAL – Ministry of Labour and Social Policy

Separate administration units in the structure of will ensure supervision over eligibility requirements of individual structural funds:

- Ministry of Labour and Social Policy - ESF,
At present works are underway on defining detailed internal structure of the Ministry of Economy and other Ministries for proper handling management of CSF and operational programmes. It is assumed that all target units will have to be established by the beginning of 2003 so that they are capable of performing assigned tasks before the end of 2003.

In the first years after Polish accession to the European Union the function of Paying Authority for all Structural Funds and Cohesion Fund should be fulfilled by the Ministry of Finance. There will be a separate project under Phare 2002 aiming at building up the capacity of the Ministry of Finance in this field.

Following the requirements that were agreed upon by the European Commission with reference to the Candidate Countries during the technical meetings Poland has to:

♦ to enhance the administrative capacities in terms of authorities or bodies involved in the preparation and implementation of Structural Funds and the Cohesion Fund,

♦ to strengthen the programming capacity with regards to:
- the ex-ante evaluation (methods, approach foreseen for evaluation),
- the effective implementation of the partnership principle at all different stages of programming, financing, monitoring and evaluation of Structural Funds,
- setting up of a monitoring and evaluation system in line with the specific provisions applicable to the SF,

♦ to strengthen the financial and budgetary management concerning:
- legislative, budgetary and administrative framework which will provide for multi-annual, programming, co-financing and financial management of Structural and Cohesion Funds assistance.

The set of the IB project proposals presented by the Ministry of Economy, Ministry of Labour, Ministry of Agriculture and Ministry of Finance addresses all above issues. The project fiche of the Ministry of Economy exclusively focuses on strengthening the administrative capacities of the Ministry of Economy and other ministries to deal with OP management requirements, strengthening the ERDF control-monitoring unit. Support under the project will be also provided to potential final beneficiaries of the ERDF operations including identified future implementing institutions and administrative, economic and social partners engaged in ERDF implementation process, both at regional and central level.

Due to limited knowledge on Structural Funds in Poland and lack of legal regulations in this field, the CSF managing authority will prepare guidelines for all institutions taking part in the process of realisation of operational programmes which will focus on the principles of programming, implementation, monitoring and evaluation. The Managing Authority will also supervise the correctness of the application of prepared guidelines. It is also essential for the Managing Authority to co-ordinate training activities in the field of proper management of programmes and conducting monitoring.

3.2 Linked activities:
The “Special Preparatory Programme for Structural Funds in Poland” under Phare’98 co-ordinated by Office of the Committee for European Integration was the first project moving towards the preparation of the Polish administration to the Structural Funds and the Cohesion Fund. Ministry of Regional Development and Construction, Ministry of Labour and Social Policy, Ministry of Agriculture and Rural Development, Ministry of Environment, Ministry of Transport and Maritime Economy, Public Procurement Office, Main Statistical Office and three out of sixteen regions (elaboration of the Objective 1 type operational programmes) were the beneficiaries of the SPP (PL9808). Strengthening the knowledge of public administration employees about the requirements for administrative structure concerning implementation and management of the structural funds and Cohesion Fund was the one of the main outcomes of the SPP. On the base of the knowledge acquired the institutions involved built up the project:
• PL01.01.14 “Strengthening co-ordination and management capacities for Structural Funds”: preparation of the Ministry of Economy for SF co-ordination and administrative framework for ERDF management. Whereas Phare 2001 is focused on setting up organisational scheme and drawing up documents and procedures for SF and ERDF management, the current project focus on practical implementation of outputs achieved under Phare 2001 project. It will take advantage of the outcomes of the mentioned above projects. Its implementation will be linked with the following projects, drafted under Phare 2002. The project are aimed at strengthen the capacities of the Management Authorities for the other structural funds and Cohesion Fund
• “ESF management and implementation” Ministry of Labour and Social Policy
• “Adjustment of institutions to the implementation of structural policy on the development of agriculture and rural areas” Ministry of Agriculture and Rural Development
• “Preparation of public administration for effective management of UE structural fund – FIFG (Financial Instruments for Fishery Guidance)” Ministry of Agriculture and Rural Development
• Preparation for the effective implementation of the Cohesion Fund

Assistance aiming at development of “project pipeline” for ERDF will be carried out by the project designed under Phare 2002 “Preparation of the project pipeline for ERDF”
The project envisaged under Phare 2002 to be dedicated to the Paying Authority will include financial and control management requirements also in the bodies responsible for implementation under the Cohesion Fund.

These projects will be linked by the component 1 of this project concerning the preparation of the procedures of control and management for the Managing Authorities for SOPs financed by ERDF. According to the Council Regulation 1260/99 and Commission Regulation 438/2001, procedures should keep the same standards. Therefore common approach to fulfil the requirements derived from the above-mentioned legal acts will be elaborated under the project of the Ministry of Economy. The Ministry of Economy is responsible for CSF and ERDF, so this project will cover these issues

Assistance to the regional administration is made under the following projects:
• PL00.03.13 “Strengthen regional policy administration”: enhancement of the regional administration capacities with a view to participation in pre-accession and structural EU programmes and to elaborate Objective 1 type regional operational programme (twinning projects in eleven regions previously not covered by the Phare assistance for structural policy implementation).
• PL00.03.15 “Strengthen acquis implementation at regional level”: seminars and workshops for regional administration employees and authorities to ensure proper aquis implementation project covers as well the regional policy.

In late February, Council of Ministers approved the report “Monitoring and Evaluation System for Structural Funds and Cohesion Fund” financed from the World Bank means. The report presented the recommendations concerning the division of duties amongst involved ministries and setting up the deadlines for activities aiming at preparing the monitoring system to fulfil the Commission’s “Road-map to the Structural Funds”. Its advises were taken into consideration while projects under Phare 2002 were drafted.

3.3 Results:
The results of the project will be grouped in 2 components.
Component 1 will comprise results corresponding to objectives 1-6 listed in the second chapter of the project fiche (see Immediate Objectives).
Component 2 will comprise results corresponding to the objective 7 –8 described in the second chapter of the project fiche.

The detailed results of the objectives are listed under the appropriate components.

Results of Component 1:
CSF Managing Authority (objective 1):  
- enhanced co-ordination of the preparation and realisation of operational programmes (both: sectoral and regional) facilitating enhanced the implementation of CSF,
- control of the efficiency of institutions managing operational programmes strengthened,
- the capacity to elaborate quarterly and annual reports on progress of implementation strengthened,
- the capability of conducting the evaluation of activities undertaken under the whole CSF enhanced,
- the capability of the future CSF Managing Authority in terms of programming, managing, monitoring, evaluation and controlling requirements indispensable for Structural Funds operation enhanced,
- ability to commission the ex-ante, mid-term and ex-post evaluation of all activities financed under SF and co-financed under state budget initiated.

**Future Managing Authority for Sectoral Operational Programmes ("Improvement of competitiveness of the economy", "Environmental Protection", "Transport"), Managing Authority for the INTERREG Community Initiative and Managing Authority for Regional Operational Programme (ROP) - (objectives 2-4)**
- capabilities of all institutions involved for the effective management of operational programmes (including voivod’s offices playing the role of intermediate bodies for IROP) strengthened,
- capabilities of all intermediate bodies involved under mentioned above operational programmes for the effective management of selected priorities and measures strengthened,
- system of collecting financial and statistical data, which will serve for monitoring and evaluation according to which (during the implementation phase) the progress and effectiveness of the programme will be further developed,
- delivering of the data on progress of the implementation to European Commission and preparation of the reports on the course of implementing operational programmes initiated,
- joint preparation of elaboration (Polish institutions with European Commission) of mid-evaluation initiated,
- the correctness of financial operations carried out under the assistance programmes and implemented through the system of internal control ensured,
- the managing authorities for SOPs and ROP 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.

**Managing Authority for Operational Programme for Technical Assistance – (objective 5)**
- effective delivery of the TA for all operational programmes assured,
- co-ordination of all monitoring activities undertaken within the whole CSF assured,
- effective co-ordination of evaluation activities (on-going, mid-term, ex-post evaluation) achieved,
- the national evaluation unit established and fully operational.

**Programming documents required by the SF procedures (objective 6)**
- programme complements fully developed
- complementarity with the community policies of all final versions of the programming documents assured.

**Results of Component 2:**

**ERDF control-monitoring unit – (objective 7)**
- the co-operation with the paying authority and managing authorities for operational programmes (both sectoral and regional) initiated,
- effective control of eligibility of expenditure of the ERDF assured,
- the standards of project fiches, application forms, claims and reports developed and fully maintained,
- the monitoring and evaluation of the effects of ERDF operations and preparation of the reports required for these procedures initiated,
- the training on identification of ERDF projects for ERDF control-monitoring unit as well as for the proper managing institutions provided
This objective will be co-ordinated with the actions being implemented under Phare 2001 project.

**Institutions involved in preparation, implementation, monitoring and evaluation of the projects financed from ERDF and co-operating with ERDF control-monitoring unit and social and economic partners (objective 8)**
- awareness of ERDF operations increased,
- practical capacity of the staff of the central and regional level institutions in terms of effective implementation of ERDF projects,
- the training and promotional actions delivered,
- effective partnership among different parties assured.

**Overall quantified expected results:**

Over 800 persons trained in Managing Authorities, ERDF control-monitoring unit, Monitoring Committees and intermediate institutions,

Over 2000 persons trained in institutions involved in preparation, implementation, monitoring and evaluation of the projects financed from ERDF and co-operating with ERDF control-monitoring unit.

About 80 persons from Managing Authorities, ERDF control-monitoring unit, monitoring committees and intermediate institutions on internships in member states,

About 60 consultation and promotional meetings for 100 people each carried out.

**3.4. Activities:**

The actions envisaged under this project will be broken into 2 components (see: 3.3. Results)

**1 Component (objectives 1-6) – “Strengthening the skills of central and regional administration for the effective programming and management of structural instruments operations”**

The twinning assistance envisaged under this component will focus on adjustment and strengthening of the capacities of the managing authorities, ERDF control-monitoring unit as well as intermediate bodies (as described in Regulation 438/2001) to meet requirement deriving from structural funds Regulations (1260/99, 438/2001, 448/2001, 1685/1999).

On the basis of the ex-ante assessment findings, the twinning partner shall support the institutions in implementing the organisational changes leading to increase their management capacity. The twinning partner shall provide tailor-made advice, training, internships, study visits in MS administration and other form of assistance strengthening administrative capacities of all institutions involved. These changes and subsequent support provided by the partner shall refer to the following fields:

- co-operation with other institutions involved in Structural Funds and Cohesion Fund implementation (e.g. implementing institutions),
- internal co-ordination of activities,
- monitoring and reporting (using indicators, drawing up different kinds of reports, utilisation of IT systems for monitoring and reporting etc.),
- if needed support to drawing up final versions of operational programmes and programme complements,
- project management and control,
- tender procedures,
- financial management (including financial control, financial reporting and auditing, managing irregularities),
- internal audit,
- promotion and information activities,
- verification and confirmation of the operations,
- sample checks,
- reports on irregularities,
- partnership principle,
- on-going evaluation,
- functioning system for monitoring of SF operations,
- administrative procedures and project selection procedures at the national, regional and local level.

The twinning partner shall support managing authorities, ERDF control-monitoring unit and monitoring committees in their activities related to implementation of CSF and operational programmes. In the initial phase of SF implementation the support shall be concentrated on the following issues:

- managing project selection process;
- financial management of CSF and operational programmes
- monitoring of CSF, operational programmes, their priorities and measures as well as individual projects, including utilisation of IT techniques;
- supporting the work of the CSF and all OPs monitoring committees;
- supporting promotion and information activities of managing authorities;
- monitoring of the managing authorities work and proposing possible organisational changes and adjustments.

The beneficiaries of the component 1 will be the staff of the central administration and regional administration (marshal offices in terms of programming process, presentation of criteria of granting aid and selection of projects and voivodship offices in the scope of programme administration of Integrated Regional Operational Programme).

The component 1 will be implemented by 2 twinning covenants. First of them will focus on developing effective programming and management of CSF and ROP and will be co-ordinated by a full time pre-accession adviser (PAA) who shall support activities undertaken under this part of component. PAA, who shall stay in Poland during the whole period of project duration, will be assisted by at least 2 medium term experts (one for CSF issues, the other one for ROP issues) and several short term experts (3 for CSF and 3 for ROP). The activities undertaken under second part of component 1, related to the following SOPs: “Improvement of competitiveness of the economy”, “Environmental Protection”, “Transport” shall be a subject of supervision and co-ordination of another pre-accession advisor. He/she will be supported by 3 medium term experts (one for each SOP) and about 3 short term experts per SOP specialising in the areas pointed out above. Assistance will be provided in the form of know-how transfer, advice, training (one expect about 800 persons trained in Managing Authorities, monitoring committees and intermediate institutions), analysis and placements in member states relevant institutions (about 60 persons employed in entities mentioned above).

Component 2 (objectives: 7-8) – „Elaboration of documentation, procedures for ERDF-control-monitoring unit, support to the central and regional level institutions in terms of effective implementation of ERDF projects, and strengthening of socio-economic actors for effective use of ERDF.”

The overall objectives of this component will be:
- achieving the practical capacity by the staff of the central and regional level institutions in terms of effective implementation of ERDF projects,
- further development of the database comprising all information indispensable for projects implementation under ERDF.

This component will be implemented partly by means of twinning co-operation and partly by technical assistance.

The twinning part of the Component 2 will cover the following areas:
- development and introduction of manuals and check-lists for use by the institutions involved in tender procedure verification and monitoring,
- elaborating the procedures on dissemination of information, publicity and communication strategy.

The twinning part of the Component 2 will be co-ordinated by a pre-accession advisor who shall stay in Poland during the whole period of project duration and shall be supported by a medium term expert and 2 or 3 short term expert specialising in the areas pointed out above.

The part financed under the technical assistance will include:
- implementation of the integrated system of training covering the general issues on SF, detailed procedures required by the European structural policy and essential in order to present and implement projects carried out under the Structural Funds (in particular ERDF) financial assistance.

The project will be delivered through the TA contract. It is planned that project shall be implemented in a form of the national wide training system for Structural Funds which would focus especially on ERDF activities.

The national wide system will be supervised by the Ministry of Economy. The implementation and day-to-day operations of the system will be entrusted the institution (chosen by tender means) being able to deliver the high-level training.

The specific features of the planned system are following:
- establishment of the constant relations, which gives the possibility of intensive co-operation with a
group of people determined to raise the level of their knowledge and skills,
- offering various forms of raising knowledge and skills (inter alia: workshops teaching how to deal with
the EU SF procedures, specialised seminars, exclusive internet portal, possibility of taking part in
study visits to EU institutions, seminars and meeting with people responsible in Poland for
management of EU funds and important representatives of EU institutions and MS),
- special attention will be given to public contracts/tendering procedures as a one of the training
subjects.
The support will be provided in a form of the conferences, seminars, training provided by the EU-
medium, short time experts and exclusive internet portal. Total number of people trained under this
system shall amount to about 2000 persons employed in institutions involved in preparation,
implementation, monitoring and evaluation of the projects financed from ERDF and co-operating with
ERDF control-monitoring unit. Besides, about 20 people from those entities shall be placed in member
states relevant institutions.

4. Institutional framework:
The Ministry of Economy will be responsible for co-ordination and successful implementation of
activities undertaken within the framework of the component 1 and 2. Bearing in mind complex character
of the project, a number of thematic working groups will be set up, including representatives of national
and regional administration, local partners, Polish and Member States experts working under the project.
The Office of the Committee for the European Integration (OCEI) is responsible for the overall co-
ordination of pre-accession funds, for the decentralisation process of pre-accession assistance, as well
as for monitoring of the preparation to the Structural Funds. 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 all IB projects aiming at building Structural Funds implementation
and management structure under Phare 2001 and 2002. It requires relevant information and reporting
system from beneficiaries of the projects.
Ministry of Environment – responsible for management of SOP for environment.
Ministry of Infrastructure - responsible for management of SOP for transport.

5. Detailed budget in mln Euro:

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL</th>
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<tr>
<td>Contract 1 - Twinning covenant (CSF and ROP)</td>
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<td>0,4</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

The co-financing will be available.

6. Implementation arrangements:
6.1 Implementing Agency:
PAO: Krystyna Gurbiel, Under-secretary of State at the Office of the Committee for European
Integration, Aleje Ujazdowskie 9, 00-918 Warsaw; phone 48 22 455 52 41.
Tel (48 22) 622 84 64 Fax: (48 22) 622 72 12.
The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the
Ministry of Economy which shall be responsible jointly with Ministry of Environment and Ministry of
Infrastructure. for preparing projects and managing its technical implementation.
6.2 Twinning:
The project will be implemented by means of twinning covenants (component 1, part of component 2)
and support provided through the contracts concluded within the part of component 2.
The CFCU will be in charge of the financial management.

**Contact person:**
Piotr Zuber, Director of Regional Programming Department, Ministry of Economy
Tel. (48 22) 661 91 48 Fax (48 22) 66186 80, e-mail: Piotr.Zuber@mg.gov.pl

6.3 **Non-standard aspects:** The rules of the Practical Guide will be followed.

6.4 **Contracts:** The following contracts will be concluded:

**Component 1**
Contract 1 - twinning covenant of total value of 0.5 million euro,
Contract 2 - twinning covenant of total value of 0.5 million euro,

**Component 2**
Contract 1 – twinning covenant of total value of 1.00 million euro
Contract 2 – Technical assistance of total value of 2 million euro co-financed by Polish side by 0.2 million euro.

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

7. **Implementation schedule:**
7.1 **Start of tendering:** 1st quarter 2003
7.2 **Start of project activities:** 2nd quarter 2003
7.3 **Project completion:** the end of 2004

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

9. **Environment:** N/A.

10. **Rates of return:** N/A.

11. **Investment criteria:** N/A.

12. **Conditionally and sequencing:** The most important precondition concerns achievement by the Polish Government farther harmonisation of the national legal system to *acquis communautaire*.

   **Benchmarks:**
   - Financing Memorandum signed by the end of 2002,
   - The National Development Plan 4th quarter 2002,
   - The operational programmes 4th quarter 2002,
   - Twinning agreements signed till the end of 1st quarter 2003

Successful implementation of the project depends on the appropriate co-ordination of project activities, effective co-operation and commitment of all institutions involved in the project implementation.
<table>
<thead>
<tr>
<th>Programme Nr.</th>
<th>01.07 Preparation for CSF and ERDF.</th>
<th>Budget: 4 MEUR</th>
</tr>
</thead>
</table>

### Wider Objective

Strengthening public administrative structures for the effective participation of Poland in the EU cohesion policy.

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative system for implementation of EU structural programmes made operational by the end of 2003 Full implementation of requirements deriving from the regulations of Structural Funds</td>
<td>• Community Support Framework, • Polish accession documents and EU opinions, • Central and regional government documents • Studies and analyses</td>
<td>All administrative units for the effective management of structural funds will be created and properly staffed within the year 2003,</td>
</tr>
</tbody>
</table>

### Immediate Objectives

1. Enhancing the capability of the future CSF Managing Authority to fulfill co-ordination, programming, management, monitoring, evaluation and controlling requirements deriving from the Structural Funds regulations (as described in Regulation 1260/99),
2. Development of the capability of the future managing authorities for Integrated Regional Operational Programme (IROP) at the national (Ministry of Economy) and regional level (voivodship offices, marshal offices), Sectoral Operational Programs (SOP) and Operational Program (OP) for INTERREG Community Initiative – for effective programming, management, monitoring, evaluation and control of structural funds assistance,
3. Enhancement of the capability of the ERDF control-monitoring unit for the effective implementation of its tasks,
4. Enhancement of the capabilities of the future final The CSF managing Authority capable of effective coordination and implementation of the whole CSF, All programming documents indispensable for the use of SF elaborated by the date of accession of Poland to UE The future managing authorities for SOPs, IROP, OP including intermediate institutions smoothly implementing programs The managing authority capable to coordinate programmes including monitoring and evaluation measures, evaluation unit operational ERDF control-monitoring Unit operational | • National Development Plan, • Community Support Framework, • Operational programmes, • Studies and analyses, • Reports of relevant national, regional and local institutions, • Ex-post evaluation of the project | • Clear division of responsibilities between the institutions, • Legal regulations allowing for the effective interministerial coordination in place, • Effective co-operation between national and regional administrations, • Professional staff employed and equipped |

01.07 Preparation for CSF and ERDF - p.12
beneficiaries of the ERDF including implementing institutions to meet requirements concerning programming, monitoring and control of projects.

The social and economic partners taking active part in the process of programming, preparation of projects and implementation of the structural funds.

<table>
<thead>
<tr>
<th>Results</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| The results of the project are grouped in 2 contracts. Component t 1 comprises results corresponding to 6 objectives (1-6). Component 2 consists of results referring to objectives 7-8. **Results of component 1:**  
**CSF Managing Authority** (objective 1):  
- co-ordination of the preparation and realisation of operational programmes (both: sectoral and regional) facilitating the implementation of CSF enhanced,  
- control of the efficiency of institutions managing operational programmes strengthened,  
- the capacity to elaborate quarterly and annual reports on progress of implementation strengthened,  
- the capability of conducting the evaluation of activities undertaken under the whole CSF enhanced,  
- the capability of the future CSF Managing Authority in terms of programming, managing, monitoring, evaluation and controlling requirements indispensable for Structural Funds operation enhanced,  
- ability to commission the ex-ante, mid-term and ex-post evaluation of all activities financed under SF and co-financed under state budget initiated. **Future managing authority** (objectives 2-4)  
- capabilities of all institutions involved for the effective management of operational programmes strengthened, | All structural funds spend in due time according to CSF. Operational programmes and programme complements, if needed decision on the repartition of money between OPs taken on time, irregularities uncover and described, monitoring and evaluation used as a tool of management, all required reports prepared in due time. | • Project level monitoring data and information,  
• Legal documents,  
• Ex-post evaluation of the project,  
• The national, regional, local authorities and institutions documents and reports.  
• Ex-ante evaluation of CSF and OPs | • Quality of TA services provided,  
• Trained staff remains within public administration,  
• Effective multi-annual national public co-financing mechanism assured,  
• Successful implementation of other Phare IB projects |

*01.07 Preparation for CSF and ERDF - p.13*
- capabilities of all intermediate bodies involved under different operational programmes for the effective management of selected priorities and measures strengthened,
- system of collecting financial and statistical data, which will serve for monitoring and evaluation according to which (during the implementation phase) the progress and effectiveness of the programme will be evaluated developed,
- delivering of the data on progress of the implementation to European Commission and preparation of the reports on the course of implementing operational programmes 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.

**Managing Authority for Operational Programme for Technical Assistance – (objective 5)**
- effective delivery of the TA for all operational programmes assured,
- coordination of all monitoring activities undertaken within the whole CSF assured,
- effective co-ordination of evaluation activities (ongoing, mid-term, ex-post evaluation) achieved, the national evaluation established and fully operational.

**Programming documents required by the SF procedures (objective 6)**
- the final version of the programming documents required by the SF procedures: operational programmes and programme compliments fully developed,
- complementarity with the community policies of all final versions of the programming documents assured.

**Results of component 2:**
Elaboration of procedures for ERDF-control-monitoring unit (objective 7)
- the co-operation with the paying authority and managing authorities for operational programmes

| Foreseen outputs assured, monitoring and evaluation system used for the effective management, All required reports prepared, Eligibility checks system for all ERDF expenditure at all level of management and implementation operational, Monitoring reports in required format prepared |
| TA assistance covering all needs for the smooth implementation of all OPs, on-going, medium term and ex-post evaluation standards set-up and implemented, All documents ready by the time of accession to the UE |
(both sectoral and regional) initiated,
- effective control of eligibility of expenditure of the ERDF assured,
- the standards of project fiches, application forms, claims and reports developed and fully maintained,
- the monitoring and evaluation of the effects of ERDF operations and preparation of the reports required for these procedures initiated.
- The guidelines for preparation of ERDF projects ready,
- the checklists concerning projects to be financed under ERDF prepared,

**Institutions involved in preparation, implementation, monitoring and evaluation of the projects financed from ERDF and co-operating with ERDF control-monitoring unit and social and economic partners (objective 8)**
- awareness of ERDF operations increased,
- practical capacity of the staff of the central and regional level institutions in terms of effective implementation of ERDF projects,
- the training and promotional actions delivered,
- effective partnership among different parties assured.

**Inputs**
- Twinning, technical assistance, training, study visits, internships, best practice exchanges, analyses

Sufficient number of projects ready to be implemented in the year 2004 according to the planned actions under CSF and OPs

The increase of public awareness about the structural funds operations
Significant number of people trained in the area of the functioning of ERDF
### Annex 2-3: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>Subprojects</th>
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<th>Planning period</th>
</tr>
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<table>
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<td>Implementation schedule</td>
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<td>I</td>
<td>I</td>
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</tbody>
</table>

*Note: D = Draft, C = Contract, I = Implementation, * = Incomplete