1. Basic information
1.1. CRIS Number: 2002/000-580-06.01
1.2. Title: National Human Resource Development Project
1.3. Sector: Economic and Social Cohesion – Employment Policy
1.4. Location: Poland

2. Objectives:
2.1. Overall Objective:
Promotion of employability, adaptability, entrepreneurship and equal opportunities – implementation of horizontal (national) ESF-type of measures. The project will address significant problems on the Polish labour market (unemployment among young people, problem of social exclusion, skill gaps and quality of HR) assisting the accession process in the field of employment policy. The project will also strengthen administrative capacities of central authorities and local service providers to implement ESF programmes after the accession.

2.2. Immediate objectives:
1. Promotion of employability of young job seekers
2. Social and labour market integration of the risk groups
3. Integration and re-integration of women with the labour market

2.3. Accession partnership and NPAA priority:
The project is in line with the short-term priority of the AP: “Prepare a national employment strategy with a view to later participation in the European Employment Strategy”. Through the project the European Employment Strategy will be implemented and the national and regional capacities for future participation in the European Social Fund will be strengthened. It is also in line with NPAA priority 13.7 “Strengthening administrative structures for future ESF implementation”.

2.4. Contribution to Preliminary National Development Plan:
Project is in line with National Strategy for Employment and Human Resource Development 2000-2006. Assistance to the young unemployed and prevention of social exclusion as well as introduction of individual action plans methodology ranks high in the Strategy. It is also based on the priorities and objectives of the “Preliminary National Development Plan 2002-2003”. Development axis no. 5 of the Plan (“Human Resource Development”) includes 5 priorities and identifies measures to implement these priorities in the pre-accession period. The list of priorities and measures (and their links with development axis no. 6 “Regional Development”) is provided below:

<table>
<thead>
<tr>
<th>Priorities of the development axis no. 5 “Human Resource Development”</th>
<th>Corresponding measures of the development axis no. 6 and regional development programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2. Enhancement of labour market institutions’ capabilities (including public employment service) (Phare IB 2002)</td>
<td></td>
</tr>
<tr>
<td>1.3. Vocational reorientation of rural population – fighting hidden unemployment in rural areas (World Bank’s Rural Development Programme)</td>
<td></td>
</tr>
<tr>
<td>1.4. Active labour market measures supported by the National Labour Fund</td>
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</tr>
</tbody>
</table>

| 2. Promotion of social inclusion measures: | |
| 2.1. Social and labour market integration of the risk groups (Phare SEC – National Project 2002) | - |

| 3. Developing life long learning system measures: | - |
3.1. Developing continuous vocational training system (Phare IB 2000)

4. Promotion of adaptability and entrepreneurship measures:
   4.1. Assisting SMEs in the field of occupational health and safety (Phare IB 99, 2002)
   4.2. Strengthening social dialogue mechanisms (Phare IB 2000)

5. Positive actions for women measures:
   5.1. Integration and re-integration of women with the labour market (Phare SEC – National Project 2002)

This project constitutes the practical implementation of the measures 1.1., 1.2., 2.1. and 5.1. and will be co-ordinated with other labour market projects (including IB projects) – in particular with regional HRD activities implemented under development axis no. 6.

2.5 Cross Border Impact: not applicable

3. Description:

3.1. Background and justification:
The employment situation in Poland deteriorated through the late nineties. The unemployment rate rose up to 17.6% while the employment rate fell to 46.5% in 2001. Poland faces serious labour market problems related to restructuring of industrial sectors and agriculture as well as to significant influx of young job-seekers. 45% of all school leavers (app. 360 000 persons) are currently registered as unemployed. There are also additional 160 000 more who are not registered for various reasons however not employed.

Deteriorated economic and labour market conditions contributed towards deepening of the problem of social exclusion. The economic situation effected severely the most vulnerable groups suffering from multiple disadvantages on the labour market such as the disabled, long term unemployed, former prisoners, youth threatened with social pathology, refugees and repartees. It has also worsen labour market situation of women - these wishing to return to work after breaks related to family life in particular.

The concerted actions against unemployment (especially amongst young persons) rank very high in the new government's socio-economic strategy that has been drafted in January 2002. The package of legal and programming measures called “The first job” that addresses the problems of young job seekers and graduates is one of the most important elements of this strategy and is also closely related to the implementation of this project.

The national HRD project will address the issues of a national significance and will concentrate on new, innovative instruments (individual action plans) that will subsequently be integrated with the mainstream employment policies.

The other purpose of the implementation of the project is preparation to ESF absorption. Therefore proposed activities are in line with planned measures to be implemented under Sectoral Operational Programme for Human Recourses Development (SOP HRD) co-financed from ESF.

The national HRD project will consist of the following measures/ components (corresponding to respective immediate objectives of the project):

1. Promotion of employability of young job seekers
Young people count for 58% of the unemployed in Poland. This situation may deteriorate even more because of the influx of the new graduates (as a result of population boom in early eighties). Therefore, there is a need for concerted action to tackle this problem. The unemployment (apart from external, economic reasons) is often caused by the lack of appropriate skills necessary on the labour market as well as by the lack of job search skills and motivation. The framework of individual action plans (pathways) provides a useful framework for tackling these problems and supporting integration of young people with the labour market. This innovative approach is based on individual plans of action developed
for individuals by public employment services’ provider (powiat labour office). Services under the plans usually include: registration, initial and ongoing guidance (mentoring), job-search courses, vocational training/on-the-job training (subsidised employment) and job-brokering. Significant elements (high quality training) are contracted to non-public institutions. This component is a direct continuation of the activities envisaged by Phare 2001 HRD project (national component) under which individual action plans are going to be implemented in 50 pilot powiats of Poland. Under Phare 2002 this National Scheme will be opened to all powiats of Poland depending on the quality of local applications and ability of powiats to co-finance the activities from the Labour Fund resources.

Services provided in each powiat will include training, guidance and temporary employment. Resources will be mainly used for financing high quality theoretical and practical training leading to obtaining skills/receiving professional qualifications demanded by employers and on-the-job training. Training leading to self-employment and coaching for young start-ups will also be a priority.

2. Social and labour market integration of the risk groups
Deteriorating labour market conditions worsen the situation of vulnerable groups suffering from multiple disadvantages. Social exclusion is one of the highest risks related to the lack of adjustment of skills and attitudes to the labour market needs. At the same time, social exclusion presents a threat for the coherent development of the country and for its social and political stability. The risks of exclusion are particularly high in relation to the long term unemployed who have dropped from PES assistance into social welfare system, young people from dysfunctional families and drop-outs, disabled people, ex-offenders as well as persons looking for better future in Poland – refugees and repartees. There is a need to change the nature of the programmes aimed at these groups from passive measures (that concentrate almost entirely on social assistance–type of measures) to pro-active measures that promote their integration with the labour market (such as promotion of teleworking in case of the disabled, vocational training combined with psychological assistance in case of drop outs, etc.). The project will encourage it’s beneficiaries to stop their dependency on social assistance and to participate actively in economic life of the country.

3. Integration and re-integration of women with the labour market
Women, although better educated, face more difficulties in the labour market than men. It is related in many cases to career breaks due to child birth and child care. Consequently, their qualifications are often outdated, as a result of rapid progress of technology in particular. Additionally, poorly developed infrastructure of institutions providing child care exacerbates the difficulties in reconciling professional and family responsibilities. Particular attention will be also paid for activities aimed at promotion of self-employment among women.

4. Technical assistance
The implementation of the above 3 measures as well as co-ordination of HRD activities implemented under regional Phare 2002 projects requires supporting the Ministry of Labour and Implementing Agency in their management functions. This is particularly important in the case of assessing the applications for assistance under component 1 of the project as well as providing basic training for successful applicants.

3.2. Linked activities:
The National Labour Fund operations:
The National Labour Fund (NLF) is a main financial instrument for implementing national employment policy. It finances passive and active labour market measures. The Fund is distributed by the Ministry of Labour 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 (powiat labour offices) are also responsible for delivering job-brokering services. 30% of the Labour Fund resources is distributed among the regions (regional labour offices) and spend on labour market projects of the regional importance implemented by powiat labour offices (on the basis of the contracts with regional labour offices). The resources of the Labour Fund at the disposal of powiats will be used as co-financing of this project (component 1).
Phare 2001 “Economic and social cohesion – Employment and HRD”
Component 1 of Phare 2002 national HRD project constitutes a direct continuation of the first measure (“Individual action plans for youth”) implemented under Phare 2001.

Phare 2002 “Economic and social cohesion” – regional HRD projects
As it is shown in chapter 2.4. regional HRD projects are directly linked with the five priorities of axis 5 of the Preliminary National Development Plan and measures implemented under this project. The regional projects will be implemented under supervision of the Ministry of Labour (including evaluation and monitoring functions) in order to secure co-ordination of all HRD activities and coherent implementation of all HRD priorities of the Preliminary National Development Plan.

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 covers only 7 regions and is 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 2001 and 2002 – IB projects related to preparations for ESF absorption
Both the national and regional HRD Phare ESC 2002 projects are based on 5 policy fields of ESF and are treated as a pilot scheme for ESF. TA and training provided under IB projects will strengthen the links between current Phare interventions and future ESF operations.

3.3 Results:

Measure 1
• Employment services provided to app. 13 000 young job seekers. It will help to integrate young people with the labour market (it is envisaged that at least 40% of beneficiaries will get into employment or self-employment) and will provide them with work experience. Services will include:
  - high quality training and practical training (subsidised on-the-job training that will be provided on the basis of agreements signed with employers) provided within a framework of individual action plans and
  - training and coaching for young start-ups.

Measure 2
• Employment and social integration services (psychological support, coaching, guidance vocational training, job broking, temporary employment) will be provided to app. 4 000 persons (long term unemployed who have dropped from PES assistance (minimum 30% of allocation of funds for measure 2), young people from dysfunctional families and drop outs (minimum 30%), disabled people (minimum 15%), ex-offenders, refugees, repartees). It is envisaged that 20% of beneficiaries will get into employment.

Measure 3
• Employment services (including coaching for start-ups) provided to app. 1 200 female job-seekers (priority will be given to lonely parents and women wishing to return to work after the breaks due to child care). It is envisaged that 40% of beneficiaries will get into employment or self-employment.

Measure 4
• Advisory services on management, monitoring and evaluation of the 3 national measures provided to the MoLSP and Implementing Agency. This will include: assistance in assessing the applications submitted under component 1 and 2, basic training for successful applicants under component 1, preparation and production of promotional materials. TA will also cover monitoring of the regional HRD projects under Phare 2002 ESC.

3.4 Activities

Measure 1
Employment services under individual action plans will include:
- pre-training assistance (recruitment, needs assessment, guidance)
vocational training services,
- practical training (temporary employment/ on the job training organised under the agreements signed with employers)
- training allowances
- vocational guidance and post training assistance
- job-broking

Services for young start-ups will include:
- initial business training
- guidance on conducting economic activities
- training allowance
- relevant specialised training
- coaching after setting up a business

Services will be provided to app. 13 000 young job seekers. This measure will be implemented as a national grant scheme managed by the Implementing Agency. 50% -80% of resources will be made available to powiat labour offices applications and granted on the basis of the quality of applications and declared co-financing from the Labour Fund and other resources. The remaining amounts will be made available to other entities - primarily National System of Services for SMEs (KSU) and NGOs networks. Applications will be assessed by the Ministry and Implementing Agency and approved by the Monitoring Committee. Regional Labour Offices will also be consulted. Applications from all regions of Poland will be eligible.

Measure 2
Services will include:
- recruitment (in case of youth active and personal methods of recruitment based on the street workers’ involvement will be encouraged)
- needs and opportunities assessment
- coaching and vocational guidance including psychological guidance
- vocational training adjusted to the needs and opportunities of particular target groups (for instance in case of the disabled training related to teleworking will be a priority; job-related language courses in case of refugees)
- temporary employment
- training allowance
- job broking/ coaching for start-ups

Services will be provided to app. 4 000 beneficiaries. This measure will be implemented as a grant scheme managed by the Implementing Agency. Resources will be made available to public and non-public institutions (Voluntary Labour Corps, Powiats Centres for Family Assistance, NGOs) and granted on the basis of the quality of applications and declared co-financing in case of public institutions. Applications will be assessed by the Ministry and Implementing Agency and approved by the Monitoring Committee. There will be no pre-determined allocations of funds for each target group. However, all categories of target groups listed in the “results” section of the project must be assisted. Moreover a minimum 30% of allocation for this measure is envisaged for long term unemployed, a minimum 30% for young people from dysfunctional families and drop outs and a minimum 15% for disabled people. Applications from all regions of Poland will be eligible. The demand for this kind of services is very high. Therefore an additional aim of this project is NGO’s and other public and non-public institutions’ capacity building.

Measure 3
Services will include:
- recruitment
- needs and opportunities assessment
- coaching and vocational guidance
- vocational training/ training leading to self-employment/ temporary employment
- training allowance/ support for child care
- job broking/ coaching for start ups

Services will be provided to app. 1 200 persons within a framework of one service contract. Beneficiaries may be recruited from one or more regions of Poland.
Measure 4
TA: 2 medium term experts helping to manage national measures
TA: 1 medium term expert helping to monitor regional HRD projects
Training: 3 training courses for providers of services under component 1 (altogether for app. 100 participants)
Promotion: Preparation and production of promotional materials

The training being a part of a regular education system on the primary, higher and university levels is not eligible for this programme support.
Participants will be selected on the basis of criteria developed by Regional Monitoring Committees. The equal opportunities principle will be applied (gender balance).

4. Institutional framework
The project will be implemented under the direct auspices of the Ministry of Labour (the Department for Pre-accession and Structural Programmes - future ESF Unit), with the Polish Agency for Enterprise Development (PAED) acting as the Implementing Agency. One of the Agency tasks is new job creation, counteracting unemployment and human resources development. The Supervisory Board of the Agency is composed of 4-11 persons appointed by a number of Ministries. 3 members of the Board shall be appointed by the Ministry of Labour. Ministry of Labour participates in action plan approval and in President nomination. National Monitoring Committee will be established and chaired by the PAO. The principle of partnership will also be implemented due to the involvement of the National Labour Council in evaluating the results of the project. The National Labour County (Supreme Employment Council) is composed of the representatives of representative trade union organisations, employers organisations, State administration organs and local governments.

The Department of Labour Market Policy of the MoLSP will participate in the implementation of the project and will play a leading role in assessing the envisaged applications from the point of view of the national labour market policy priorities. In case of measure 2 this role will be played by the Department of Social Welfare.

Service providers:
The network of 374 local labour offices run by powiat authorities are the main partners of the Ministry of Labour in implementation of all labour market programmes in Poland. Services provided by labour offices are funded from the Labour Fund and from the resources at the disposal of powiat authorities. Services include: vocational guidance and job broking, contracting vocational training, subsidised employment and job clubs. The network of NGOs (foundations, associations) and local development agencies capable of delivering employment services covers all 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 strengthen the capacity of these institutions. They are particularly important and proved to be highly efficient in the area of promoting social inclusion (this policy area is also served by public providers such as 370 powiat centers for supporting families and 2 500 municipal social welfare centres).

5. Detailed budget

<table>
<thead>
<tr>
<th>Contract 1 – measure 1 (grants)</th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare</th>
<th>National Cofinancing</th>
<th>IFI</th>
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<td>TOTAL</td>
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<td>200 000</td>
<td>17 000 000</td>
<td>5 700 000</td>
<td>22 700 000</td>
<td></td>
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</tbody>
</table>

6. Implementation arrangements
PAO: Minister of Labour and Social Policy
ul. Nowogrodzka 1/3/5, 00-513 Warsaw

6.1 Implementing agency:
Polish Agency for Enterprise Development
Al. Jerozolimskie 125/ 127, 02-017 Warsaw, phone:+48 22 699 70 44, fax: + 48 22 699 70 46
06.01 Sectoral HRD Project - p.6
Contracting Authority is PAED.

6.2 Twinning: not applicable
6.3 Non-standard aspects:
In the case of component 1 and 2 PAED will enter into grant agreement with individual powiat labour offices and other service providers on the basis of an open and public selection procedure, designed with the use of objective selection criteria and competitive procedures, and in line with the Practical Guide for Phare, ISPA and SAPARD contracts.

6.4 Contracts
2 contracts for grant schemes – 15 MEUR and 2 service contracts for 2 MEUR

7. Implementation schedule
Start of tendering/ call for proposals: February 2003
Start of project activity: April 2003
Project completion: September 2005

8. Equal opportunities
Measure 3 is entirely meant for promoting equal opportunities on the labour market. However, equal opportunities pillar of the European Employment Policy will also be fully implemented under other measures - first of all through securing equal access to services envisaged by the project. Specific provisions for guaranteeing equal opportunity of access to activities, employment and other benefits resulting from the project implementation will be developed. Gender related indicators will be gathered and monitored throughout the project implementation to ensure that corrective steps can be taken at an appropriate moment in the projects life cycle, and will be included in the project impact assessment guidelines.

   Investment criteria: n.a.
11. Conditionality and sequencing
The most important preconditions for the project implementation – “The National Strategy for Employment and Human Resource Development” and “The Preliminary National Development Plan” – have been prepared.
The key benchmarks during project implementation will include:
   • Decision of Phare Management policy reached by mid 2002
   • Providers participating in the national measure 1 selected by mid 2003
   • Financing Memorandum signed by the end of September 2002
   • Activities start: April 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. It is also important to co-ordinate national project with regional HRD projects’ activities (this will be secured by the Department for Pre-accession and Structural Funds, MoLSP)
Other conditions:
Co-financing of project costs through Polish sources.
Cohesion of the project activities with other actions undertaken in the area by public administration units, local labour offices and training institutions.
It is envisaged that implementation of the project (component 1 in particular) will have a profound catalytic effect encouraging local labour office to invest more in active measures and shift their expenditure from passive to active measures due to the possibility of getting additional support from the EU funding.
Annex 1: LOGFRAME PLANNING MATRIX FOR PROGRAMME

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>06.01 Sectoral HRD Project</th>
<th>Contracting period expires: 30/11/04</th>
<th>Disbursement period expires: 30/11/05</th>
<th>Total budget: 22,7 MEUR</th>
<th>Phare budget: 16,8 MEUR</th>
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</thead>
</table>

### Overall objective
- Promotion of employability, adaptability, entrepreneurship and equal opportunities (implementation of horizontal ESF-type of measures)
- Strengthening administrative capacities of central authorities and local service providers

### Objectively verifiable indicators
- Decreased rate of registered and hidden unemployment among target groups
- Higher qualifications of the beneficiaries

### Sources of verification
- Central Statistical Office statistics
- Reports on the Programme implementation

### Project purpose
- Promotion of employability of young job seekers
- Social and labour market integration of the risk groups
- Integration and re-integration of women with the labour market

### Objectively verifiable indicators
- Number of jobs created as a result of the project

### Sources of verification
- Central Statistical Office statistics
- Statistics of the local labour offices
- Reports from the institutions involved
- Project progress reports

### Assumptions
- HRD maintained as a priority of the government’s and regional authorities’ policies
- Service providers able to design reasonable projects
### Results
- Young job seekers provided with pre-training assistance, vocational training and guidance, job-broking, temporary employment
- People from risk groups provided with psychological support, coaching, guidance, vocational training, job broking, temporary employment
- Female job seekers provided with labour market information, coaching, guidance, vocational training, job broking, coaching for start ups
- MoLSP and Implementing Agency staff provided with advisory on management, monitoring and evaluation of the 3 national measures (assistance in assessing the applications, basic training for successful applicants, preparation and production of promotional materials, monitoring of the regional HRD projects under Phare 2002 included)

### Objectively verifiable indicators
- App. 13 000 young unemployed assisted, (40% will get into employment or self-employment)
- App. 4 000 people at risk of social exclusion assisted (20% will get into employment)
- App. 1 200 female job seekers assisted (40 % will get into employment or self-employment)
- 3 training courses for service providers under component 1(app. 100 persons)

### Sources of verification
- Project implementation reports
- Statistics on unemployment
- New National Employment Action Plans and the reports from their realization

### Assumptions
- Proper promotion of services offered
- Effective co-operation between the institutions involved
- Good quality of services provided

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### Activities
- Assistance to the young unemployed
- Assistance to the risk groups (long term unemployed, young people from dysfunctional families, drop-outs, disabled, ex-offenders, refugees, repartees)
- Assistance to unemployed women
- Technical assistance

### Means
- Public employment services providers (poviat labour offices)
- Non public services providers (mainly NGOs)
- Poviat Centers for Supporting Families
- Municipal Social Welfare Centers
- Training institutions
- Employers

### Assumptions
- High level of involvement and motivation among the project beneficiaries during the implementation period
- Good quality of services provided

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### Preconditions
### ANNEX 2-3: Implementation, contracting and disbursement schedules

<table>
<thead>
<tr>
<th>Project Title</th>
<th>06.01 Sectoral HRD Project</th>
</tr>
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<tbody>
<tr>
<td>Date of Drafting</td>
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D = Design, C = Contracting, I = Implementation