01.08 - IMPLEMENTATION OF THE INTEGRATED REGIONAL OPERATIONAL PROGRAMME ON CENTRAL AND REGIONAL LEVEL

1. BASIC INFORMATION

1.1. CRIS number: 2003/004-379/01.08 Twinning number: OT/03
1.2. Title: Assistance in the process of implementation of Integrated Regional Operational Programme on central and regional level
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
? Enhancement of the capabilities of institutions involved in implementation of Integrated Regional Operational Programme (IROP) for implementation and monitoring of the programme
? Raising awareness of implementing institutions and potential beneficiaries of possibilities for receiving support from Structural Funds under IROP and enhancement of their capabilities for application for SF support and implementation of the projects
? Continuation of development of “project pipeline” for ERDF within IROP

2.3. Accession Partnership and NPAA priorities
The project is in line with the AP 2002 and the NPAA. Under the heading “Regional policy and coordination of structural instruments” in AP the following priorities are defined:
? 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 capacities of the public administration which will be involved in management, monitoring, control and evaluation of the implementation of the CSF and operational programmes.

2.5. Cross-border impact: N/A

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. 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. Actions addressed to specific regions will be implemented under one Integrated Regional Operational Programme. Three out of four Structural Funds, namely ERDF, ESF and EAGGF will be employed for implementation of measures defined in IROP.

According to the decision of the Polish Government of March 2002 on the institutional system for future implementation of Structural Funds in Poland, Ministry of Economy will perform the function of Managing Authority for Integrated Regional Operational Programme. However, due to the complex and integrated character of this programme (IROP will be multi-funds programme consisting of 16 regional components) its implementation will be partly decentralised. The intermediate bodies participating in management of IROP will be 16 Governmental Voivodship Offices (voivod is the representative of the government in the region). Marshal Offices (administration of regional government) will also participate in management of voivodship components of the programme.

According to the implementation system of IROP the specific tasks performed by the a/m institutions cover the following areas:

**Ministry of Economy – Managing Authority for IROP**
- approval of projects
- monitoring and reporting on the programme
- functions connected with submitting periodical breakdowns of expenditure
- control and audit
- programme’s evaluation
- information on the programme
- training for the personnel
- decisions on changes in the framework of the programme
- other

Managing IROP assumes handing over an essential part of duties to the intermediate bodies in Voivodship Offices. Their duties cover the following areas:
- monitoring and reporting on the programme
- signing financial agreements with beneficiaries
- functions connected with servicing and documentation of financial flows
- control and audit
- programme’s evaluation
- proposals for changes in the framework of the programme
- other

Unit participating in the management of voivodship component in the Marshal Office will perform tasks in the following areas:
- participation in project selection
- monitoring of the programme
- information on the programme

Smooth implementation of IROP will require enhancement of capabilities of all institutions involved in this process and also potential beneficiaries as well as preparation of appropriate number of projects eligible for financing. Thus the project is divided into three groups of activities reflecting the needs for further support. The first group of activities will cover direct support in implementation and monitoring of IROP and further enhancement of capabilities of relevant institutions participating in this process (Ministry of Economy, Voivodship Offices, Marshall Offices and implementing institutions). Second group of activities will include training for the a/m institutions as well as for potential beneficiaries and dissemination of information on the possibilities of support from IROP. Third group of activities will be devoted to preparation of “project pipeline” for ERDF within IROP.

### 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. On the basis of the knowledge acquired from SPP several programmes dealing with specific issues concerning preparation to Structural Funds were elaborated including:

- **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”. This project is focused on setting up organisational scheme and drawing up documents and procedures for SF and ERDF management.
Under **Phare 2002** the project “Preparation of public administration for the effective co-ordination of CSF and implementation of ERDF funded programmes and projects” was prepared.

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”. Thus, the current project is partly continuation of the Phare 2002 project and will be strictly co-ordinated with this project. The procedures applied for implementation of the projects will be the same as under Phare 2002 project. These procedures are currently under preparation and thus it is not possible to present them in this project fiche. However, all the procedures applied will be in line with those applied under the Structural Funds.

Projects under **Phare 2002** aimed at strengthening the capacities of the Management Authorities for 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

The project will also be co-ordinated with the IB projects prepared under Phare 2003 programme by the Ministry of Labour and Social Affairs (assistance in implementation of ESF) and by the Ministry of Agriculture and Rural Development (assistance in implementation of EAGGF).

As regards the issues concerning public procurement the project “Dissemination of information on European and Polish regulations in the field of public procurement” is implemented under Phare 2002 by the Public Procurement Office. This project is addressed to the potential beneficiaries of the assistance programs, i.e. central, regional and local administration, organisations participating in tenders, selected contracting authorities, associations of contractors and suppliers, representatives of SMEs, representatives of media disseminating information on public procurement. The continuation of this project prepared under Phare 2003 is “Improvement and development of the awareness of the European and Polish public procurement law” addressed mostly to potential tenderers.

### 3.3. Results

The results are divided into three groups according to the immediate objectives identified in point 2.2 of the fiche:

**Group 1:**

- Smooth implementation and monitoring of IROP
- Monitoring indicators verified and adjusted to the needs if necessary
- Monitoring reports prepared

**Group 2:**

- Staff of managing and implementing institutions and selected group of potential beneficiaries of the SF projects under IROP informed about programme
- Staff of managing and implementing institutions and selected group of potential beneficiaries trained on the procedures of application and implementation of the projects
- Promotional actions delivered
- Framework and guidelines for training to be delivered by regional authorities prepared

**Group 3:**

- The pipeline of projects eligible for financing from ERDF within IROP developed

### 3.4. Activities

The project is divided into three groups of activities according to the objectives identified in point 2.2 of the project fiche:

**Group 1:**

These activities are designed to facilitate smooth implementation and monitoring of IROP. The specific activities cover:

- On-going evaluation of the implementation of IROP/ recommendations for removing the obstacles in the implementation of IROP; this activity shall be carried out both on central (MoE) and regional (Voivodship Offices, Marshall Offices and implementing institutions) levels
- Assistance for MA in formulation of proposals for reallocation of resources among regions, measures and priorities of the programme and corrections in the institutional system of the programme
- Verification of the monitoring indicators for IROP and the use of these indicators
Possible adjustment of the monitoring system if such need arises after analysis
Assistance in preparation of monitoring reports on regional and central level/ assistance in review and verification of reports already prepared
Assistance in preparation of other information (breakdown of expenditures, forecasts of expenditure, etc.)
Assistance in resolving other specific problems in implementation of IROP

Group 2:
These activities are designed to enhance the capabilities of institutions involved in implementation of IROP as well as selected potential beneficiaries of IROP for participation in the programme’s implementation.

- Training for MA and institutions involved in implementation of IROP on the issues identified after analysis of the on-going evaluation of the programme
- Review of a system of training provided/to be provided on the regional level by units responsible for training in the Marshal Offices.
- Training for staff of institutions involved in implementation of IROP and potential beneficiaries on the procedures of application for SF in the framework of IROP
- Training on preparation of the project supporting documentation (environmental impact assessments, business plans, cost benefit analysis, etc.)
- Training on the public procurement procedures
- Further verification/updating of manuals for implementation procedures (e.g. manuals for tendering procedures)
- Dissemination of information on the possibilities of support for projects in the framework of IROP; programme’s promotion and distribution of promotional materials

Groups of activities 1 and 2 will be implemented by means of twinning covenant. The twinning partner shall provide tailor-made advice, training, analysis and other form of assistance strengthening administrative capacities of all institutions involved and capabilities of potential beneficiaries of IROP. The twinning shall be co-ordinated by a full time pre-accession adviser (PAA) who shall support these two groups of activities. PAA shall stay in Poland whole period of project duration (about 20 man-months). PAA shall have experience in implementation and monitoring of the Regional Operational Programme in the EU Member State. The PAA’s main task, except the co-ordination of the part of the project covered by twinning covenant, will be day-to-day assistance in implementation of the IROP and on-going evaluation of the implementation of IROP. PAA shall be located in the Ministry of Economy. However, due to the decentralised implementation of IROP the PAA will also have to visit the regions and regional institutions and provide assistance on the regional level.
PAA shall be supported by 2 medium term experts (1 expert for 1st group of activities and 1 expert for 2nd group of activities). Each of these experts should be appointed for about 12 man-months.
The scope of assistance of the medium-term experts will cover the following fields:

- Medium term expert for the group of activities 1:
  - Analysis of the monitoring system and possible adjustment of the system if such need arises.
  - Verification of monitoring indicators
  - Assistance in preparation of monitoring reports/ assistance in review of reports already prepared

- Medium term expert for the group of activities 2:
  - Review of the system of training provided/ to be provided on the regional level by units responsible for training in the Marshall Offices.
  - Assessment of detailed training needs and preparation of training for different institutions involved in implementation of IROP and for potential beneficiaries of IROP
  - Delivery of training (this task shall be mostly implemented by short-term experts)
  - Preparation of information and promotional campaign

Bearing in mind wide range of institutions involved in implementation of IROP and a wide range of subjects to be covered by the project number of short term experts will need to be appointed. It is estimated that the input of the short-term experts shall amount to about 16 man-months. However, it shall not be treated strictly invariable as this can be subject of adjustments after further reconsideration and assessment of needs. The number of short term experts shall be detailed at a later stage and shall result from the assumed total input of these experts.
The short-term experts will deliver training to staff of institutions involved in implementation of IROP as well as to potential beneficiaries of IROP. The subjects of training will cover: procedures of application for SF within IROP, preparation of supporting documents (EIA, business plans, etc.), public procurement procedures. The subjects of training will be partly identified after analysis of on-going evaluation of the
programme. Short-term experts shall also participate in verification of manuals for implementation procedures, preparation of information materials and other tasks envisaged within the project.

**Group 3:**
This group of activities will be devoted to preparation of “project pipeline” for ERDF but exclusively within the IROP. These activities are continuation of the project implemented under Phare 2002 “Preparation of project pipeline for ERDF”, which however was much broader than current one. The specific activities will include:

- General review on eligibility and definition of indispensable changes needed in the identified and initially selected projects
- Providing technical guidance on issues such as applications for ERDF type assistance, required attachments (feasibility studies, environmental impact assessments, etc.), estimating economic effects of projects.
- Following the review of the projects, the ones selected by Managing Authority responsible for IROP might receive further assistance in:
  - drawing up the required attachments (feasibility studies, environmental impact assessments, cost benefit analysis, business plans),
  - preparation of tender documentation (dossier) under standards and procedures applicable to the ERDF projects implemented within IROP.

**4. INSTITUTIONAL FRAMEWORK**

The Ministry of Economy will be responsible for overall, day-to-day implementation of the scheme. 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, OCEI will be the co-ordinator of all IB projects aiming at building Structural Funds implementation and management structure under Phare 2001, 2002 and 2003.

**5. DETAILED BUDGET**

<table>
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<th>Group of activities 1 &amp; 2</th>
<th>Investment Support (IN)</th>
<th>Institution Building (IB)</th>
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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.
- CFCU: Foundation “Co-operation Fund”, Gómoslaska 4A, 00-444 Warsaw. 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 for preparing projects and managing its technical implementation.

6.2. **Twinning**
- **Groups of activities 1 and 2** will be implemented by means of one twinning covenant. Support within the **group of activities 3** of the project will be provided by means of technical assistance. The CFCU will be in charge of the financial management.
- **Contact person:** Ms Anna Siejda, Director of Voivodship Contracts and Assistance Programmes Department, Ministry of Economy, tel (4822)6618910, fax (4822)6286465, e-mail: Anna.Siejda@mg.gov.pl
6.3. **Non-standard aspects**
The rules of the Practical Guide will be followed.

6.4. **Contracts**

? Groups of activities 1 and 2: Twinning covenant of total Phare value 2 mln €. The Polish co-financing of 0.2 mln € will be provided to equip experts with appropriate office facilities, organisational costs of training activities and publicity actions.

? Group of activities 3: 1 contract of total value 2.2 mln € jointly co-financed by Polish side will be concluded.

7. **IMPLEMENTATION SCHEDULE**

? Start of tendering: third quarter 2003
? Start of project activities: first quarter 2004
? Project completion: second quarter 2006

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**

? The National Development Plan ready by fourth quarter 2002
? The Integrated Regional Operational Programme ready by fourth quarter 2002
? Financing Memorandum signed by second quarter of 2003
? Contract for the Technical Assistance signed till the end of fourth 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.
**ANNEX 1 - PROJECT LOGICAL FRAMEWORK MATRIX**

**PROJECT TITLE: ASSISTANCE IN THE PROCESS OF IMPLEMENTATION OF INTEGRATED REGIONAL OPERATIONAL PROGRAMME**

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### Wider Objective

**Indicators of Achievement**
- Effective participation of Poland in the EU cohesion policy

**Sources of Information**
- Community Support Framework, Polish accession documents and EU opinions, Central and regional government documents, Studies and analyses

**Assumptions and Risks**

### Immediate Objectives

1. **Enhancement of the capabilities of institutions involved in implementation of Integrated Regional Operational Programme (IROP) for implementation and monitoring of the programme**
   - Managing Authority and other bodies involved in implementation of IROP capable of effective implementation of the programme.
   - Implementing institutions and potential beneficiaries capable for effective participation in IROP.
   - The project pipeline eligible for financing from ERDF developed.

2. **Raising awareness of implementing institutions and potential beneficiaries of possibilities for receiving support from SF under IROP and enhancement of their capabilities for application for ERDF support and implementation of the projects**
   - Staff of implementing institutions and selected group of potential beneficiaries of SF projects under IROP informed about programme.
   - Monitoring reports prepared/verified; monitoring indicators verified; other necessary documents prepared.
   - Staff of implementing institutions and appropriate number of potential beneficiaries trained/informed on IROP.
   - Sufficient number of projects ready for implementation.

3. **Continuation of development of “project pipeline” for ERDF within IROP**
   - Monitoring reports prepared/verified; monitoring indicators verified; other necessary documents prepared.
   - Staff of implementing institutions and appropriate number of potential beneficiaries trained/informed on IROP.
   - Sufficient number of projects ready for implementation.

**Sources of Information**
- National Development Plan, Community Support Framework, IROP, Studies and analyses, Reports of relevant national, regional and local institutions, Ex-post evaluation of the project

**Assumptions and Risks**
- Clear division of responsibilities between the institutions, Effective co-operation between national and regional administrations, Professional staff employed and equipped

### Results

**Indicators of Achievement**
- Monitoring reports prepared/verified; monitoring indicators verified; other necessary documents prepared.
- Staff of implementing institutions and appropriate number of potential beneficiaries trained/informed on IROP.
- Sufficient number of projects ready for implementation.

**Sources of Information**
- Project level monitoring data and information, Ex-post evaluation of the project, The national, regional, local authorities and institutions documents and reports, Ex-ante evaluation of CSF and OPs

**Assumptions and Risks**
- 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
selected group of potential beneficiaries trained on the procedures of application and implementation of the projects
- Promotional actions delivered
- Framework and guidelines for training to be delivered by regional authorities prepared

Group 3:
The pipeline of projects eligible for financing from ERDF within IROP developed

Inputs
- twinning, technical assistance, training, analyses, information campaign

ANNEXES 2-3-4: DETAILED IMPLEMENTATION CHART, CONTRACTING AND DISBURSEMENT SCHEDULE OF THE PROJECT

PROJECT TITLE: PREPARATION OF PUBLIC ADMINISTRATION FOR STRUCTURAL FUNDS MANAGEMENT

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