1. **Basic Information**

1.1. **CRIS number**: 2003/004-379/01.09  
**Twinning number**: OT/04

1.2. **Title**: Improvement of the managing structures implementing the Cohesion Fund and ERDF in the transport sector.

1.3. **Sector**: Transport

1.4. **Location**: Poland

2. **Objectives**

2.1. **Overall objective**
Ensuring efficient programming, management and implementation of the EU co-financed projects in the transport sector in Poland.

2.2. **Project purpose**

- Enhancement of capacities through technical assistance for the Ministry of Infrastructure (MI), General Directorate of National Roads and Motorways (GDDKiA) and PKP Polish Railway Lines joint stock company (PKP PLK S.A.) in fields connected with implementation of the EU co-financed projects.
- Advisory support by the Lead Twinner and long-term experts for the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. in activities connected with implementation of the EU co-financed projects.
- Procurement of the IT equipment for new workers employed in the relevant units (i.e. dealing with implementation of the EU co-financed projects) at the Ministry of Infrastructure, GDDKiA and PKP PLK S.A.

2.3. **Accession Partnership and NPAA priorities**
All aspects of the Project are entirely in line with the AP and the NPAA.

The document “Accession Partnership” under the heading “Regional policy and co-ordination of structural instruments” provides for the following priorities:

- Defining the units in charge of implementation of Structural Funds (SF) and the Cohesion Fund, in particular the Managing and Paying Authorities; establishing a clear division of responsibilities.
- 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.
- Develop the technical preparation of projects eligible for SF and Cohesion Funds assistance.

Priorities identified for Poland by the European Commission in the “Accession Partnership” within the framework of mid-term priorities:

- Transport: providing necessary investments in transport infrastructure, especially in the field of extending of Trans European Network.
- Environmental protection: requirements concerning environmental protection and the necessity of significant progress in this area must be an integral part of the policy in each sector.

The NPAA gives a priority among others to “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 National Development Plan**: N/A

2.5. **Cross-Border Impact**: N/A

3. **Description**

3.1. **Background and justification**
Poland is in the course of institutional preparation for absorption of the EU funds foreseen as assistance to the Member States. The funds will be accessible after Poland’s accession to the EU.
Accordingly, within the transport sector there are ongoing works on creation of the administrative structures and procedures for management of the EU funds. The project of future organisation of the units responsible for EU projects in the transport sector, as well as the manual of internal procedures concerning ISPA for the Ministry of Infrastructure have been elaborated. New manuals for MI, GDDKiA, and PKP PLK S.A. concerning programming, contracting, technical realisation of projects, monitoring, controlling of their implementation and auditing with respect to the Cohesion Fund will be elaborated soon. New staff employment is planned. At present, 18 employees are directly involved in operating EU Programmes in the Ministry of Infrastructure. At the beginning of 2003 the MI plans to employ additionally 25 persons. During 2003 next group of additional workers will be employed, so that at the beginning of 2004 the total of 87 persons is foreseen to be directly involved in the Ministry in EU programmes implementation, according to the Chapter 21 of the „Report on institutional adaptation in Poland to the requirements of the EU membership” (the document approved by the Polish government on April 22, 2002). According to the same document, Personnel enlargement in the GDDKiA and PKP PLK S.A. is also planned, so that for both Implementing Agencies (i.e. GDDKiA and PKP PLK S.A. together) at the beginning of 2004 the total of 90 officers for implementing of Cohesion Fund and total of 50 persons for implementing of structural funds are foreseen to be employed. Their responsibilities will include all stages of preparation, implementation, monitoring, evaluation, auditing and control of the EU co-financed transport projects. The number of approved personnel enlargement was based on the scope of future tasks to be assigned to MI and experience of the selected EU member countries. Most of the newly employed workers will be people who haven’t been involved in operating EU funds before. Therefore, they will need specialised training and day-to-day support in their professional activities, provided by the experts. Their training will be focused on:

- programming/selection of projects
- project preparation and assessment
- project management (including financial management)
- evaluation of projects
- audit standards
- financial control
- public procurement rules (related specifically to transportation matters)
- FIDIC conditions of contract
- principles of public-private partnership schemes as a new way of financing the road and railway infrastructural projects
- training of PKP PLK S.A. staff with special emphasis on railway interoperability and environmental protection issues (namely the EC Directives 2001/16/EC on the interoperability of the Trans-European railway system, as well as Directive 85/337, as amended by Directive 97/11, on preparation of the Environmental Impact Assessment).

3.2. Linked activities

The projects foreseen to be realised within the framework of PHARE 2002 Programme, led and co-ordinated by the Polish Ministry of Economy, with participation of the Ministry of Infrastructure are as follows:

- Preparation of Public Administration for the effective programming and implementation of the Cohesion Fund
- Preparation of Public Administration for the effective co-ordination of Community Support Framework and implementation of ERDF-funded programmes and projects
- Preparation of project pipeline for European Regional Development Fund.

The submitted Project will be a continuation and extension of the a/m projects as a more detailed and more practical approach to the specific institutional needs of Polish transport sector and transport development programmes. It will cover issues related to preparation, management, auditing and control of EU co-financed transport projects.

Office for Public Procurement (UZP) within the framework of PHARE 2002 Programme has prepared its own project concerning dissemination of information on European and Polish regulations in the field of public procurement. Ministry of Infrastructure, however interested in and prepared to benefit from seminars included in this UZP’s project, has decided to include similar subject into the scope of the hereby Project due to:

- large scale of expected staff enlargement in MI, GDDKiA and PKP PLK S.A.
- interest focused mainly on the transport sector (requirement which will not be fully met by the UZP’s project.).
3.3. Results

- Increased capacities of the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. in their activities connected with implementation of the EU co-financed projects, thanks to technical assistance and advisory support provided by the Lead Twinner and 2 long-term experts.
- Personnel of the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. trained in the fields connected with implementation of the EU co-financed projects.
- New IT equipment and software procured under the Project for new staff members employed at the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. in units dealing with implementation of the EU co-financed projects (the contract for the procurement of IT equipment will be co-financed by the Polish state budget (see point 5).

3.4. Activities

3.4.1. Investment part of the Project

It will cover procurement of the IT equipment for new employees (such as computers, printers, notebooks, software, etc.) of the Ministry of Infrastructure, GDDKiA and PKP PLK S.A., according to the needs identified in details together by MI and the Implementing Agencies in cooperation with the Lead Twinner.

General estimation of costs is as follows: as stated in p. 3.1 above, at the beginning of 2004 the group of 87 persons in the MI plus the total of 90 officers for Cohesion Fund’s as well as total of 50 persons for structural funds’ implementation in the GDDKiA and PKP PLK S.A. (jointly) are foreseen to be employed. 180 officers (out of this 227 total) will be employed during 2003.

The worth of contract for IT procurement (300,000 €), dived by the quantity of 180 newly employed persons means allocation of about 1670 € per each new computer stand.

The IT’s procurement will be financed jointly by the Polish state budget and Phare funds.

3.4.2. Twinning part of the Project - advisory support and personnel training

- Advisory support from the Lead Twinner and long-term experts:
  - long-term twinning co-ordinator, acting as the Lead Twinner – 24 m/months
  - 2 long-term experts – 48 m/months.

Long-term twinning co-ordinator, acting as the Lead Twinner and long-term experts should demonstrate high experience and knowledge in the field of project management and project assessment in transport sector. The Lead Twinner, appointed for 24 months, will co-ordinate the realisation of the whole Project (he should be a senior expert, experienced in work on high level of public administration structure of one of the Member States. Their main task will be technical, financial, economical and environmental assessment of the project documents (e.g. applications for assistance, tender documents, feasibility studies, EIA’s, economic and financial analyses, etc.). Lead Twinner and long-term experts will also be involved in preparation of Sectoral Operational Programme covering the period after 2006 as well as documentation related to the Cohesion Fund after 2006 and other strategic purposes of the Ministry of Infrastructure. The Lead Twinner’s task will also be to identify the training needs of the staff involved and to arrange and manage implementation of the appropriate training system for MI, GDDKiA and PKP PLK S.A. personnel.

Lead Twinner will be based in the Ministry of Infrastructure and the long-term experts will be delegated to GDDKiA and PKP PLK S.A. (1 expert to each company);

- Training part of the Project
  - seminars (lectures and discussion) in Poland – 15 seminars for 30 people each
  - workshops and training in Poland – 15 workshops for 20 people each

Training will cover the following areas:
- Project Cycle Management
- Economic evaluation of projects
- Transport & Environment – legal aspects (with special focus on implementation of the EC environment protection directives no. 85/337/EC, 97/11/EC on Environmental Impact Assessment of transport projects)
- Procedures and rules of Cohesion Fund and Structural Funds
- Public procurement rules
- Financial management of the EU co-financed projects
- Public-Private Partnership (PPP) schemes in financing of projects
- Public consultations procedures
- FIDIC conditions of contracts.

For the PKP PLK S.A. staff: implementation of the Directive 2001/16/EC of 19 March 2001 on interoperability of the Trans-European railway system.
3.5. **Lessons learned:** N/A

4. **INSTITUTIONAL FRAMEWORK**

The Ministry of Infrastructure will be the co-ordinator, the Implementing Authority and one of the beneficiaries of the Project. GDDKiA and PKP PLK S.A (including their regional divisions) will be the other Project’s beneficiaries. The Project in principle is not designed to implement institutional changes, but will contribute to the improvement of the activities of the existing structures. However, the teams of specialists managing the EU co-financed projects will be enlarged within MI, PKP PLK S.A and GDDKiA, basing on the personnel trained within the framework of this Project.

5. **DETAILED BUDGET**

<table>
<thead>
<tr>
<th>Investment Support (IN)</th>
<th>Institution Building (IB)</th>
<th>Total Phare (IN+IB)</th>
<th>National co-financing</th>
<th>International &amp; Financial Institutions</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
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</tr>
<tr>
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<td>1 900 000</td>
<td>1 900 000</td>
<td>200 000</td>
<td>-</td>
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<tr>
<td>Contract 2</td>
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<td>-</td>
<td>100 000</td>
<td>200 000</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL PROJECT</td>
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<td>1 900 000</td>
<td>2 000 000</td>
<td>400 000</td>
<td>-</td>
</tr>
</tbody>
</table>

Co-financing will be available.

6. **IMPLEMENTATION ARRANGEMENTS**

6.1. **Implementing Agency**

- Central Financing and Contracting Unit (CFCU) will be responsible for contracting of all activities under the Project and managing of all payments relating to performance of these activities.
- The Ministry of Infrastructure will be responsible for overall co-ordination and supervision of activities undertaken within the Project and certification of payment requests.
- PAO: Krystyna Gurbiel, Under-secretary of State at the Office of the Committee for European Integration, Aleje Ujazdowskie 9, 00-918 Warszawa; phone: (+48 22)455 52 41, fax: (+48 22) 455 52 43
- CFCU: Foundation “Co-operation Fund”, Górnoślaska 4A, 00-444 Warszawa, phone: (+48 22) 622 84 64, fax: (+48 22) 622 72 12.

6.2. **Twinning**

Twinning part of the Project will consist of activities specified under item 3.4.2.

In terms of physical implementation, activities defined in item 3.4.1 and 3.4.2 will be co-ordinated by the long term twinning co-ordinator appointed for 24 months (i.e. senior expert, experienced as an executive on high level of public administration structure of one of the Member States), acting as the Lead Twinner. He will be supported by two long-term experts responsible for realisation of tasks included under item 3.4.2.

All Project activities will be carried out under the supervision of MI and in close co-operation with CFCU (Central Financing and Contracting Unit).

**Contact Person Twinning in the Ministry of Infrastructure:** Mr Marek Krawczyk, Director of Department for Infrastructure Financing at the Ministry of Infrastructure, ul. Chalubinskiego 4/6, 00-928 Warszawa, phone: (+48 22) 630 13 80, fax: (+48 22) 630 13 63.

6.3. **Non-standard aspects:** N/A

6.4. **Contracts**

The Project includes two contracts, both co-financed by the Phare 2003 and the Polish state budget:

**Contract 1:** Advisory support and training programme for the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. Total: 2 100 000 € (financing: Phare: 1 900 000 € and the state budget: 200 000 €)

**Contract 2:** Procurement of the IT equipment for the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. Total: 300 000 € (financing: Phare: 100 000 € and the state budget: 200 000 € - joint co-financing)
7. **IMPLEMENTATION SCHEDULE**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of tendering</td>
<td>May 2003</td>
</tr>
<tr>
<td>Start of project activities</td>
<td>October 2003</td>
</tr>
<tr>
<td>Project completion</td>
<td>September 2005</td>
</tr>
</tbody>
</table>

8. **EQUAL OPPORTUNITY**

Male and female participation in the project will be based on the relevant standards of the European Union concerning EOE and will be assured by official announcements published in order to recruit the personnel needed for the project completion. The main criterion for staff recruitment will be appropriate qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

9. **ENVIRONMENT** N/A

10. **RATES OF RETURN** N/A

11. **INVESTMENT CRITERIA** N/A

12. **CONDITIONALITIES AND SEQUENCING**

The successful implementation of the project will be conditioned upon:

- Source of co-financing formally confirmed
- the structural re-organisation of the units responsible for managing/operating of the EU assistance programmes for transport sector in the Ministry of Infrastructure and GDDKiA, as well as within PKP PLK S.A. carried out
- Presentation of the final draft versions of the Sectoral Operation Programme for Transport and Maritime Economy for the years 2004-2006 and strategic document for the use of Cohesion Fund for transport sector for the same time period – by the end of January 2003
- Beginning of the process of preparation of the projects for SF and CF within MI, GDDKiA and PKP PLK S.A. and other institutions engaged – as of January 2003
- Precise and clear formulation of Terms of Reference for the Project – by the end of March 2003
- Timely signing of the relevant contracts - by the end of September 2003
- Start of the long-term experts assignment and cycles of training within the framework of the Project – October 2003
- Employment of the full foreseen number of staff to be employed by the units dealing with the EU assistance programmes for transport sector in MI, GDDKiA and PLP PLK S.A. – by the end of January 2004
- Procurement of the IT equipment, co-financed by the Polish state budget – by the end of January 2004
- Completion of the long-term experts assignment and cycles of training within the framework of the Project – by the end of September 2005.
**ANNEX 1 - PROJECT LOGICAL FRAMEWORK MATRIX**

**PROJECT TITLE: IMPROVING ERDF TRANSPORT SECTOR**

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| Ensuring the efficient programming, management and implementation of the EU co-financed projects in the transport sector in Poland. | - The number of projects accepted by the EU for co-financing under the assistance programmes, amount of the grants awarded within CF and SF | - EU and Polish statistics  
- Consultants report  
- Progress and final reports from realisation of the CF and SF projects |

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| - Enhancement of capacities through technical assistance for the Ministry of Infrastructure, General Directorate of National Roads and Motorways (GDDKiA) and PKP Polish Railway Lines joint stock company (PKP PLK S.A.) in fields connected with implementation of the EU co-financed projects  
- Advisory support by the Lead Twinner and long-term experts for the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. in activities connected with implementation of the EU co-financed projects  
- Procurement of the IT equipment for new workers employed in the units dealing with implementation of the EU co-financed projects at the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. | - Number of SF and CF transport sector projects effectively sent and approved by the EC Brussels  
Number of MI, GDDKiA and PKP PLK S.A. staff trained in the field of preparing, managing and monitoring of investment projects in transport sector and effective use of EU funds  
Personnel of relevant units of MI, GDDKiA and PKP PLK S.A. provided with the IT equipment necessary for carrying out their duties connected with realisation of the EU co-financed projects | - EU and Polish statistics  
- Consultants’ reports  
- Project’s monitoring and evaluation reports | - Preparation of the strategic documents and launching the Cohesion Fund and the Sectoral Operational Programme for transport in Poland  
- Employment of the full foreseen number of staff to be involved in EU assistance programmes for transport sector |

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| - Increased capacities of the Ministry of Infrastructure, GDDKiA and PKP PLK | - Number of seminars, workshops and other Project’s activities effectively carried out | - EU and Polish statistics  
Consultants’ reports | - Preparation of the strategic documents and launching the Cohesion Fund and the Sectoral Operational Programme for transport in Poland  
- Employment of the full foreseen number of staff to be involved in EU assistance programmes for transport sector |

**Date of drafting:**

<table>
<thead>
<tr>
<th>Planning period:</th>
<th>2005 - 2006</th>
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<tbody>
<tr>
<td>End contracting:</td>
<td>30/06/2005</td>
</tr>
<tr>
<td>End disbursement:</td>
<td>30/06/2006</td>
</tr>
<tr>
<td>Total budget:</td>
<td>2 400 000 €</td>
</tr>
<tr>
<td>Phare budget:</td>
<td>2 000 000 €</td>
</tr>
</tbody>
</table>
S.A. in their activities connected with implementation of the EU co-financed projects, thanks to technical assistance and advisory support provided by the Lead Twinner and 2 long-term experts
- Personnel of the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. trained in the fields connected with implementation of the EU co-financed projects
- New IT equipment and software procured under the Project for new staff members employed at the Ministry of Infrastructure, GDDKiA and PKP PLK S.A. in units dealing with implementation of the EU projects (this part will be co-financed by the Polish state budget)
- Number of MI, GDDKiA and PKP PLK S.A. staff trained in the field of preparing, managing and monitoring of investment projects in transport sector and effective use of EU funds
- Number of documents for the investment projects assessed by the advisors
- Relevant MI, GDDKiA and PKP PLK S.A. units provided with the IT equipment necessary for carrying out their duties connected with the EU co-financed projects
- Project’s monitoring and evaluation reports

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisory support from the Lead Twinner and long-term experts:</td>
<td>Seminars and workshops in Poland</td>
<td>Contract agreement signed on time</td>
</tr>
<tr>
<td>- Long-term twinning co-ordinator, acting as the Lead Twinner</td>
<td>Lead Twinner with wide experience in transport project preparation, management and assessment (for 24 months)</td>
<td>Assistance of EU experts of the sufficient experience provided</td>
</tr>
<tr>
<td>- 2 long-term experts – 48 m/months.</td>
<td>2 long-term experts (for 24 months each)</td>
<td>Support of the management of the MI, GDDKiA and PKP PLK S.A.</td>
</tr>
<tr>
<td>- Long-term twinning co-ordinator, acting as the Lead Twinner and long-term experts should demonstrate high experience and knowledge in the field of project management and project assessment in transport sector. The Lead Twinner, appointed for 24 months, will co-ordinate the realisation of the whole Project (he should be a senior expert, experienced in work on high level of public administration structure of one of the Member States). Their main task will be technical, financial, economical and environmental assessment of the project documents (e.g. applications for assistance, tender documents, feasibility studies, EIA’s, economic and financial analyses, etc.). Lead Twinner and long-term experts will also be involved in preparation of Sectoral Operational Programme covering the period after 2006 as well as and</td>
<td></td>
<td>Good co-operation between all involved parties</td>
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<tr>
<td></td>
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<td>Further development of professional qualifications of the staff involved</td>
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<td></td>
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<td>Proper maintenance of the IT equipment and its effective utilisation</td>
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<td></td>
<td></td>
<td>Sectoral Operational Programme for transport in Poland</td>
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<tr>
<td></td>
<td></td>
<td>Employment of the full foreseen number of staff to be involved in EU assistance programmes for transport sector</td>
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</tbody>
</table>
documentation related to the Cohesion Fund after 2006 and other strategic purposes of the Ministry of Infrastructure.
The Lead Twinner’s task will also be to identify the training needs of the staff involved and to arrange and manage implementation of the appropriate training system for MI, GDDKiA and PKP PLK S.A. personnel. Lead Twinner will be based in the Ministry of Infrastructure and the long-term experts will be delegated to GDDKiA and PKP PLK S.A. (1 expert to each company);
Training part of the Project: seminars (lectures and discussion) – 15 seminars for 30 people each; workshops and training in Poland – 15 workshops for 20 people each

Preconditions
- Appropriate Terms and Reference fully prepared
- Strengthening the units within PKP PLK S.A. and GDDKiA Completion for management of Cohesion Fund and structural funds by the end of January 2003

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

PROJECT TITLE: IMPROVEMENT OF THE MANAGING STRUCTURES IMPLEMENTING THE EU STRUCTURAL FUNDS AND COHESION FUND IN THE TRANSPORT SECTOR

<table>
<thead>
<tr>
<th>Date of Drafting</th>
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PLANNED IMPLEMENTATION SCHEDULE PER QUARTERS

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<tbody>
<tr>
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<tr>
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<tr>
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<td>1,80</td>
<td>2,00</td>
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</tbody>
</table>

01.09 ERDF TRANSPORT – page 3
Legend: D = design of sub-projects; C = tendering and contracting; I = contract implementation and payment.