1. Basic information
1.1 CRIS number: 2003/005.710.01.06
1.2. Title: Preparation of the project pipeline for European Regional Development Fund
1.3 Sector: Public administration
1.4 Location: Poland

2. Objectives:
2.1 Overall objective:
Strengthening of the absorption capacity of ERDF.

2.2. Immediate objectives:
1. Development of the “project pipeline”, which will be eligible for financing under ERDF,
2. Enhancement of the capabilities of the future beneficiaries to meet requirements concerning
   preparation of projects eligible for co-financing under ERDF type structural operations.

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 priority is defined: developing the technical preparation of
projects eligible for Structural and Cohesion Funds assistance (project pipeline). Under the NPAA the
Polish Government has approved a priority to be further elaborated 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 and
meeting the targets set together with the European Commission after approving of the Community
Support Framework (CSF) – through further development of the project pipeline and preparing sufficient
number of projects ready to be co-financed under ERDF.

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. Polish GDP
per capita accounted in 2000 for 38.9% of the EU average. As stated in Second report on Economic and
Social Cohesion, regional GDP per capita in Poland ranged between 26.6% of the EU average (Lubelskie
Voivodship) and 58.9% (Mazowieckie Voivodship).

According to the Council Regulation 1260/99, the EU regions meeting Objective 1 criteria should submit a
regional development plan. Preparing for participation in EU structural policy, Poland had drawn up one
National Development Plan (NDP) based on the sectoral and regional strategies. It's final version has
been 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.

The Ministry of Economy, Labour and Social Policy 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 are
based on the socio-economic programme of the government that was approved by the Council of
Ministers 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,

Following the final version of the National Development Plan, which has been already submitted to the European Commission, the Ministry of Economy, Labour and Social Policy will perform the function of a managing and co-ordinating authority with regard to the Community Support Framework. The same Ministry will also manage and co-ordinate intervention of the Cohesion Fund with remaining structural instruments.

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 (ERDF)</td>
<td></td>
<td>Ministry of Economy, Labour and Social Policy</td>
</tr>
<tr>
<td>SOP Development of human resources (ESF)</td>
<td></td>
<td>Ministry of Economy, Labour and Social Policy</td>
</tr>
<tr>
<td>SOP Restructuring and modernisation of the food sector and development of rural areas (EAGGF)</td>
<td></td>
<td>Ministry of Agriculture and Rural Development</td>
</tr>
<tr>
<td>SOP Fishery and fish processing industry (FIFG)</td>
<td></td>
<td>Ministry of Agriculture and Rural Development</td>
</tr>
<tr>
<td>SOP Transport and maritime economy (ERDF)</td>
<td></td>
<td>Ministry of Infrastructure</td>
</tr>
<tr>
<td>IROP Integrated Regional Operational Programme (ERDF, ESF)</td>
<td></td>
<td>Ministry of Economy, Labour and Social Policy</td>
</tr>
<tr>
<td>OP Technical Assistance (ERDF, ESF, EAGGF, FIFG)</td>
<td></td>
<td>Ministry of Economy, Labour and Social Policy</td>
</tr>
</tbody>
</table>

SOP – sectoral operational programme

Within the regional operational programme Ministry of Economy, Labour and Social Policy is planning to delegate some of management functions to governmental voivodship offices but setting up criteria for granting assistance, identification and selection of projects will remain the task of the marshal offices (under settings and guidelines defined by Managing Authority for IROP – the subject to be further elaborated under current work on programme complement).

According to the last EC announcement Poland will be able to participate in two of four community initiatives. They 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, Labour and Social Policy
- EQUAL – Ministry of Economy, Labour and Social Policy

Separate administration units in the designed structure will ensure supervision over eligibility requirements of individual Structural Funds:

- Ministry of Economy, Labour and Social Policy - ESF,
- Ministry of Economy, Labour and Social Policy - ERDF,
- Ministry of Agriculture and Rural Development - EAGGF and FIFG.

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

- develop the project pipeline, which will be eligible for financing under ERDF.
- enhance the capabilities of the future beneficiaries to meet requirements concerning preparation of projects eligible for co-financing under ERDF type structural operations.

The set of the IB project for Phare 2003 proposals presented by the Ministry of Economy, Labour and Social Policy addresses all above issues, focusing on building project pipeline for ERDF. Therefore support under this project will be provided to potential final beneficiaries of the ERDF operations.
The ERDF type operations will be implemented by the Ministry of Economy, Labour and Social Policy (SOP Improvement of competitiveness of the economy, IROP) and the Ministry of Infrastructure (SOP Transport and maritime economy).

The project implementation will be exclusively dedicated to identified but still pre-approved projects. It will be essential to prepare supporting documentation for the project eligible for co-financing.

3.2 Linked activities:
Under PL 9918 Project Preparation Facility providing technical assistance for Phare 2000 Economic and Social Cohesion, there were elaborated manuals for preparation of feasibility study, environmental impact assessment, for different type of infrastructure projects. Support under this project is also provided in a form of training on drafting the supporting documentation for projects, but it is foreseen only for the beneficiaries of he Phare Economic and Social Cohesion.

On the base of the knowledge acquired the institutions involved built up the following projects under further Phare assistance:
- 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:
  - Phare 2002: “Preparation of the project pipeline for ERDF”. Recently accepted project in the Ministry of Economy, Labour and Social Policy. It will give foundations to further development of project pipeline for ERDF in following Phare programmes.
  - Phare 2003: “Assistance in the process of implementation of Integrated Regional Operational Programme on central and regional level”. Project’s budget amounts to 2 M Euro for preparation of project pipeline for ERDF exclusively within the IROP (3rd group of activities).

Assistance to the regional administration is made under the following projects:
- PL00.03.13 “Strengthen regional policy administration”. Delivery sufficient number of the high quality projects as well as enhancement of the regional administration capacities with a view to participate 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 ‘98 and ‘99 assistance for structural policy implementation).

Comparing to above mentioned projects this one aims to extend support for preparation of ERDF projects on IROP and two SOP which will be co-financed by European Regional Development Fund. Also concentration of resources will help to focus only on one issue and achieve remarkable results.

3.3 Results:
The “project pipeline” eligible for financing from ERDF developed
- the checklists concerning individual projects to be financed under ERDF prepared,
- the best for value number of ERDF projects identified,
- the sufficient number of projects fully prepared to be granted by ERDF assistance.
This objective will be strictly co-ordinated with the actions being implemented under Phare 2001 and 2002 project.
3.4. Activities:

Assistance will be carried out under one TA general framework contract, which will be continuation of support under Phare 2001 and 2002. **Assistance for the preparation of projects activity** will cover the following areas:

- the general review on eligibility and definition of indispensable changes needed in the identified and initially selected projects for ERDF,
- providing the technical guidance on issues such as applications for ERDF type assistance, required attachments (feasibility studies, environmental impact assessments), estimating economic effects of projects.

On the basis of the projects from the ISEKP database administered by the Department of Structural Policy Coordination of the Ministry of Economy, Labour and Social Policy the MAs responsible for SOPs and IROP undertakings and based on advice of TA will identify the projects that 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 various type projects implemented under ERDF.
- It should be underlined that project shall support only activities that are advanced in their preparation and need only partial technical assistance. Moreover, these activities have to be included in Structural Funds programming documents, therefore only projects that fit into this framework will be eligible for support.

In the case there are no projects included in the ISEKP database from an individual region a task force may be created within the TA activities in order to assist in the preparation of projects within the region in question.

All activities carried out under this scheme will derive from the objectives and measures agreed upon the work on NDP, and then further on the framework of operational programmes and programme complements. Non of the separate initiative might get advice not having meeting the requirements set up within NDP framework.

4. Institutional framework:

**The Ministry of Economy, Labour and Social Policy** will be responsible for overall, day-to-day implementation of the scheme with close co-operation with the Ministry of Infrastructure. Within the task force responsible for NDP the co-ordination will be assured also with the other projects aiming at preparation for Structural Funds and Cohesion Fund.

The Ministry of Economy, Labour and Social Policy, which is also responsible for SOP "Improvement of the competitiveness of the economy" and Integrated Regional Development Plan, will be accountable for drafting and performing activities aiming to fulfil the project objectives within mentioned SOP and IROP. It will be responsible as well for co-ordination and successful implementation of activities undertaken within the framework of this project. It will exchange information with the Ministry of Infrastructure necessary to the successful preparation of the project pipeline for ERDF under the projects of Phare 2001 and 2002 assistance.

**The Ministry of Infrastructure** - responsible for management of SOP for transport and maritime economy at the national level. It will be responsible for drafting and performing activities aiming to fulfil the project objectives within the SOP “Transport - maritime economy”.

**Office of the Committee for European Integration** (OCEI) is responsible for the overall co-ordination of pre-accession funds as well as for decentralisation process what is the essential basis for future Structural Funds/Cohesion Fund implementation. Therefore, following the model of the Special Preparatory Programme for Structural Funds under Phare 98, and bearing in mind the necessity for preparation a coherent system of implementation and co-ordination of Structural Funds/Cohesion Fund, OCEI will be the co-ordinator of projects under Phare 2002/2003 performed by the Ministry of Economy, Labour and Social Policy and the other ministries responsible for preparation for the EU structural policy. It requires relevant information and reporting system from both beneficiaries.
5. Detailed budget in mln Euro:

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical assistance</td>
<td>-</td>
<td>6.00</td>
<td>6.00</td>
<td>0.6</td>
<td></td>
<td>6.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>6.00</td>
<td>6.00</td>
<td>0.6</td>
<td></td>
<td>6.6</td>
</tr>
</tbody>
</table>

The co-financing will be available.

6. Implementation arrangements:

6.1 Implementing Agency:

**PAO**: Ms Krystyna Gurbiel, Undersecretary of State at the Ministry of Economy, Labour and Social Policy
- Pl. Trzech Krzyzy 3/5 - 00-507 Warsaw - Phone: +48 22 629 31 47, Fax: +48 22 693 40 05

**Implementing Agency**: Cooperation Fund Foundation – CFCU, Górnoślaska 4a, 00-444 Warsaw, phone +48 22 450 9916

The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the Ministry of Economy, Labour and Social Policy which shall be responsible jointly with Ministry of Infrastructure for preparing projects and managing its technical implementation.

6.2 The project will be implemented by means of technical assistance. The CFCU will be in charge of the financial management.

**Contact person:**

Mr Piotr Zuber Director of the Structural Policy Coordination Department, Ministry of Economy, Labour and Social Policy
- Tel. (48 22) 661 9148 Fax (48 22) 661 91 45

6.3 Non-standard aspects: The rules of the “Practical Guide to contract procedures financed from the general budget of the European Communities in the context of external action” will be followed.

6.4 Contracts: One contract of the value of 6 MEUR co-financed by Polish side by 0.6 MEUR.

7. Implementation schedule:

7.1 Start of tendering: 1st quarter 2004
7.2 Start of project activities: 2nd quarter 2004
7.3 Project completion: the end of 2005

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 2003,
- The National Development Plan is ready,
- The operational programmes are ready,
- Contract for the Technical Assistance signed till the end of 1st quarter 2004

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.
### Programme Nr.

01.08 Preparation of the project pipeline for ERDF

<table>
<thead>
<tr>
<th>Wider Objective</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening of the absorption capacity in the case of ERDF</td>
<td>• The project pipeline eligible for financing from ERDF developed, • The future beneficiaries involving in the process of preparation of projects</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. Development of the “project pipeline”, which will be eligible for financing under ERDF,
2. Enhancement of the capabilities of the future beneficiaries to meet requirements concerning preparation of projects eligible for co-financing under ERDF type structural operations.

<table>
<thead>
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<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The project pipeline eligible for financing from ERDF developed, • The future beneficiaries involving in the process of preparation of projects</td>
<td>• 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</td>
<td>• Clear division of responsibilities between the institutions, • Effective co-operation between national and regional administrations, • Professional staff employed and equipped</td>
</tr>
</tbody>
</table>

### Results

1. the checklists concerning projects to be financed under ERDF prepared,
2. the best for value number of ERDF projects identified,
3. the sufficient number of projects fully prepared to be granted by ERDF assistance.

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sufficient number of projects ready to be co-financed under ERDF in the year 2004 and 2005 according to the planned actions under CSF and OPs</td>
<td>• Project level monitoring data and information, • Ex-post evaluation of the project, • The national, regional, local authorities and institutions documents and reports,</td>
<td>• Quality of TA services provided, • Effective multi-annual national public co-financing mechanism assured, • Successful implementation of other Phare IB projects</td>
</tr>
</tbody>
</table>

### Inputs

technical assistance, analyses
## Annex 2-3: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>01.08 Preparation of the project pipeline for ERDF (in M €)</th>
<th>Date of drafting</th>
<th>Planning period</th>
<th>Cost Estimate Phare 6.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subprojects</td>
<td>03.04.2003</td>
<td>IV Q 2003- IV Q 2005</td>
<td>6.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Implementation schedule</td>
<td>D</td>
<td>D/C</td>
<td>I</td>
</tr>
<tr>
<td>Contracting schedule*</td>
<td>6.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement schedule*</td>
<td>1.5</td>
<td>2.5</td>
<td>3.5</td>
</tr>
</tbody>
</table>

*Cumulative in MEUR