Mini-Case Study: Modern water supply and sewerage disposal for more effective utilisation of local assets, Poland

Work Package 9: Rural Development

Ex post evaluation of Cohesion policy programmes 2000-2006 co-financed by the European Fund for Regional Development (Objective 1 and 2)
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Synthesis

The Serwis village project was an infrastructure project in Nowa Słupia commune (gmina) in the Świętokrzyskie region in Poland. Nowa Słupia is a mountainous rural area threatened by marginalisation although it lies close to the well-known religious centre of Holy Cross visited by over 140,000 tourists a year and two national parks – which makes it sensitive from an environmental point of view. The poorly developed technical infrastructure has so far inhibited the development of its tourism potential.

The sewerage project was based on the assumption that the provision of water and sewerage disposal management in the whole Nowa Słupia commune was a precondition for the better utilisation of the natural resources of the commune (particularly for tourism based on the local natural mountain environment and cultural heritage). Therefore, the Nowa Słupia commune management launched a cycle of related projects to provide the appropriate infrastructure for all the villages and settlements in the commune, including Serwis village. The long term investment plan aimed to provide a modern water supply and sewerage disposal facilities to all villages. 3,444m of water supply network and 3,740m of sewerage network connected to two intermediate pumping stations were built in the village of Serwis. 68 households were provided with a modernised water supply and 74 households with sewerage disposal facilities. The project directly benefited 322 inhabitants and 14 companies.

The innovative aspects of the Serwis project are mainly in the strategic design and planning processes. The local decision makers first worked out a strategy to make better use of local assets taking into account opportunities (potential for tourism development) and obstacles (location of Nowa Słupia in an environmentally highly sensitive area). Second, they used external assistance for the coherent implementation of the strategy through logically connected projects co-funded by external sources of assistance (roads, Nowa Słupia market square road system, water supply, sewerage treatment etc.). This long term local strategy was implemented by different Nowa Słupia commune managements as a result of political changes after local elections.

The professionalisation of the staff of this rural commune and their ability to manage three to four projects at the same time was a critical factor in the success of the Serwis project. The strategic approach applied in the Nowa Słupia case was an effective tool against fragmentation. The capacity to link up local projects within a regional strategy and use available investments coherently was a key success factor.

Although the time span since finishing the ERDF funded projects in the programme period 2004-06 in Nowa Słupia is too short to make a substantiated assessment of the impacts of the project, the growing number of tourists visiting Nowa Słupia, the creation of two agro-tourism farms and service development in the commune seems to indicate that the local strategy is bearing fruit.

Background information

Country: Poland
Region: Świętokrzyskie
Project title: Modern water supply and sewerage disposal for more effective utilization of local assets
Programme type: Integrated Regional Operational Programme
Duration of project: 01/2005 – 12/2006
**Funding:**

<table>
<thead>
<tr>
<th>Budget Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budget</td>
<td>386,569.4 Euro</td>
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<td>ERDF contribution</td>
<td>247,819.3 Euro</td>
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<tr>
<td>National budget</td>
<td>33,042.6 Euro</td>
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<tr>
<td>Commune budget</td>
<td>49,563.9 Euro</td>
</tr>
<tr>
<td>Non-eligible costs</td>
<td>56,143.6 Euro</td>
</tr>
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Rate of exchange as of 29/07/2005 1 Euro – 4.07 PLN

**Objective:** Objective 1

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**I. Project description**

**Overall objective and purpose**

The overriding objective of the project was to counteract the social and economic marginalisation of the region. The strategic objectives were to provide support for the economic development of the commune (gmina) of Nowa Słupia, to enhance entrepreneurship and the development of the service sector in the field of agro tourism, to improve the attractiveness of the region for investment and tourism and to ensure the quality of life in the area. The concrete objective of the project was to provide a water supply and sewerage disposal unit for the village of Serwis through the building of a sewerage network and two intermediate pumping stations for sewerage.

**Description/type of activities**

The main activities were the design and building of 3,444m of water supply network and 3,740m of sewerage network connected to two intermediate pumping stations in the village of Serwis. The project was initiated and managed by the local government (commune) in Nowa Słupia

**Project main results**

As a result of the project activities, 68 households were connected to the water supply and 74 households were attached to the sewerage networks (322 inhabitants). All the expected results were achieved. In addition, 14 businesses operating in the village were connected to the water and sewerage systems.

The total area in the Nowa Słupia commune territory with full investment infrastructure increased by 54.58 ha with regard to the water supply and 44 ha with regard to the sewerage disposal management.

Ten new jobs were created through the project by the end of 2007.

**Expected impact**

According to representatives of Nowa Słupia commune management, the project will lead to the more effective use of local resources. A relatively short time after the investment became fully operational, three new service businesses and two agro-tourism farms started operating in the village creating ten new jobs. The water and sewage system of course also significantly raised the standard of living in the village of Serwis.
Community value added

Although in the long run the project would have been implemented without ERDF support, due to the limited financial resources available to the community authorities, this would have taken at least ten years. Thanks to the ERDF, the community could implement their coordinated approach to investment projects in a much shorter time. A coherent approach and shorter period of investment in the village of Serwis as part of wider communal strategy is perceived as the main value added of the project.

II. Political and strategic context

Nowa Ślupia commune is located at the heart of the Świętokrzyskie mountain range and in the close vicinity of a well-known religious centre in Holy Cross. At regional level, this area is earmarked as a tourist attraction of the Świętokrzyskie region. Thus, tourism development was perceived as the most promising option for the effective use of local resources. However, the commune is located in the environmentally sensitive area of the Świętokrzyskie National Park and Jeleniowski Landscape Park where any economic development is limited by environmental concerns. While these protected areas provide incentives for potential tourism activities, they also impose limitations on the kinds of activity to be developed.

Water and sewerage network development facilitates the creation of an environmentally friendly tourist oriented service sector. New infrastructure, which has the capacity to serve both the local population and visitors, is a precondition for any further local and regional activities. The Serwis project is seen as part of a wider range of activities at regional and local level aiming at supporting the tourism potential at the same time as ensuring environmental protection.

III. Implementation

3.1. Project design and planning

The project was initiated by Nowa Ślupia commune as part of a long term local development strategy aimed at the improvement of basic technical infrastructure to raise the standards of living and economic potential of the area.

The commune worked out a plan of investments focused on the improvement of the attractiveness of the area, including the modernisation of the road system in the Nowa Ślupia market square. Additional activities were aimed at ensuring the water supply and sewerage management facilities for the whole village and settlements located in the commune as a vehicle for creating the appropriate basis for an environmental friendly tourism development based on local natural assets.

Once external assistance became available in Poland from the mid-1990s onwards, the commune decided to implement a coherent strategy of using external support. Projects were co-funded by national (EkoFund, National Fund for Environment Protection and Water Management) and international (PHARE, World Bank) donors.

The project in Serwis was in fact one of the components of a wider plan to provide a modernised water supply and sewerage treatment for the majority of the Nowa Ślupia territory. The decision to locate the first investment in the village of Serwis can be seen as based on strategic analyses taken by Nowa Ślupia commune decision makers.
3.2. Management, monitoring and evaluation system

The implementation of the project from the submission of the application up to the final payment took from January 2005 to December 2006. The construction work was finished in September 2006. The project management in terms of overall tasks was distributed as follows:

a) Strategic decisions: The project was prepared and managed by Nowa Słupia commune and all responsibility for the project was borne by the head of local self-government at rural commune level (wójt) and the board of the commune.

b) Implementation: The Investment-Technical Section of the commune office was directly responsible for the preparation of applications, monitoring and evaluation.

The main elements of the project cycle were:

a) Project identification: The head of local self-government and the board of the commune took the decision to apply for ERDF funding to support the investment in water supply and sewerage treatment in the village of Serwis. The application was compiled by the Investment-Technical Section staff and approved and signed by the head of local self-government. Planned indicators of achievements constituted an important part of the application form.

b) Project implementation: all the day-to-day activities of the Serwis project were carried out by three or four employees of the Investment-Technical Section. This section was responsible for all assistance projects funded by the ERDF in Nowa Słupia commune. The main tasks of the section were to maintain contact with all bodies involved in the project implementation, reporting, internal monitoring and evaluation of the process of project implementation. However, all important decisions had to be approved by the commune management. Particularly issues linked to the transfer of funds had to be reviewed by the commune treasurer and the head of local self-government. Public procurement for the purchasing of equipment and the selection of firms to carry out construction work was also done by the commune. According to the legal requirements, the investment process was supervised by an independent engineer.

c) Monitoring and evaluation: at a practical level, the staff of the Investment-Technical Section executed tasks related to monitoring and evaluation by reviewing the process of investment on an ongoing basis (arranging tender procedures, monitoring of construction works, ensuring indicators were met in terms of water supply, sewerage system networks, number of households/population). The conclusion of the monitoring and evaluation were presented to the head and board of the commune twice a year. Additionally, the section prepared special annual reports for the Świętokrzyski Voivod Office as body responsible for project monitoring.

3.3. Governance, partnership and leadership

The Serwis project was implemented solely by the Nowa Słupia commune office without the involvement of any external partners other than contractors delivering equipment and carrying out construction work.

Effective leadership relied on the head of the commune (wójt) and the board of the commune. The project was defined and strategically designed by the commune management and subsequently these actors also provided the leadership for the overall project implementation. The Investment-Technical Section as unit within the head of commune office dealt with the ongoing management of the process of project implementation.
3.4. Innovative elements and novel approaches to implementation

The innovative aspects of the Serwis project are mainly in the strategic design and planning processes. The local decision makers first worked out a strategy to make better use of local assets taking into account identified opportunities (potential for tourism development) and obstacles (location of Nowa Słupia in an environmentally highly sensitive area). Secondly, they managed to use external assistance for the coherent implementation of the strategy through joined up projects. Therefore, the novel approach refers to two strategic levels:

a) Regional: ability of local actors to link their vision to the wider regional social and economic development strategy concerning the Świętokrzyskie Mountains as a territory with good potential for tourism. Private investments in the last four to five years in the Świętokrzyskie Mountains, e.g. a ski-lift and hotel facilities, contributed to this strategy. The Nowa Słupia commune management managed to connect the communal investment strategy with the private and regional investments.

b) Local: the most interesting aspect is the coherent approach to local development in a step by step approach. First, the commune carried out analyses and took strategic decisions regarding the investment priorities. Second, the commune implemented a long term activity plan through a network of individual, logically connected projects co-funded by external sources of assistance (roads, Nowa Słupia market square road system, water supply, sewerage treatment etc.). It is worth emphasising that the Nowa Słupia road projects were coordinated with neighbouring rural communes to ensure the coherent development of the road system. The Serwis project is just one of a whole network of projects designed and executed by local actors to achieve the local strategy.

3.5. Key implementation obstacles and problem-solving practices

There were no substantial problems throughout the project implementation. The Nowa Słupia commune staff working on the Serwis project were well trained and already had wide experience with PHARE, World Bank and nationally funded projects. As far as the management was concerned, all actors were familiar with financial, procedural and public procurement requirements.

IV. Key results

The main results of the project were:

- 3,444m of water supply network and 3,740m of sewerage network connected to two intermediate pumping stations covering 68 households with respect to water supply and 74 households with respect to sewerage including 14 businesses operating in the village. The total population of the village (322) was the beneficiary of new infrastructure investment.
- The total area in the Nowa Słupia commune with full investment infrastructure increased by 54.58 ha with regard to the water supply and 44 ha with regard to sewerage disposal management.
- 10 new jobs were created in the Nowa Słupia commune by the end of 2007.
- Increase in number of tourists visiting Nowa Słupia commune form 143 500 in 2006 to 149 294 in 2008.
V. Sustainability and transferability

5.1. Sustainability

The new infrastructure facilities are owned and managed by the Nowa Słupia commune. The internal commune’s unit Section for Housing and Communal Property Management as a specialised part of the commune administration was appointed for the daily management of the water and sewerage infrastructure. As this Section has a professional staff dealing with the communal infrastructure, there is a guarantee of proper use and maintenance. The Nowa Słupia commune as owner took full responsibility for covering the costs of the maintenance of the infrastructure built in the framework of the Serwis village project. Fees paid by the inhabitants of the village for the utilisation of the water supply and sewerage provide financial resources for the long term sustainability of the facilities.

5.2. Transferability

The strategic approach taken by the Nowa Słupia commune is the main innovative element to be promoted. The long term strategy for the better and more efficient use of local resources was implemented through a network of mutually connected projects initiated at local level. Moreover, the communal decision makers proved very capable of connecting their initiatives to a wider regional strategic framework. It is worth to emphasising that the long term local strategy was implemented by different Nowa Słupia commune managements as a result of political changes after local elections.

VI. Conclusions: Main success factors

The following factors were crucial for successful project implementation:

a) The critical element for successful project implementation was the very careful planning process prior to starting the Serwis project. Applying for the project in January 2005 gave the Nowa Słupia commune management enough time to carry out of all activities requested for starting construction works including the public procurement process for providers of equipment and construction services. The construction works and the other projects activities were carried out according to schedule in 2006.

b) The effective leadership of the Nowa Słupia commune delivered by the head of the local administration meant that the relationship between political decision makers and the commune office staff directly involved in management of the project on daily basis functioned well. The full understanding of the management regarding the requirements of the project management cycle substantially facilitated the internal monitoring of the project implementation by the key decision makers in the commune.

c) The well trained and experienced staff of the Investment-Technical Section of the commune office was another important factor in the successful implementation of the project. They carried out the project according to the schedule and ensured the fully professional preparation of the tender procedure, management and monitoring and thus ensured the high quality of service provision by external suppliers. This was particularly noteworthy given the fact that in 2005-2006 the EU project implementation requirements were still relatively new in Poland. Previous experiences with PHARE and World Bank project facilitated the development of professional staff in the commune office.

d) The indirect impact of the Serwis project was facilitated by the ability of the Nowa Słupia communal decision makers to implement a network of related projects leading to synergy effects. The combined effect of all infrastructural projects allowed for an improvement in
the quality of life, the slow growth of tourism facilities in the Nowa Słupia commune after 2005 and the creation of a basis for further tourism development without posing a risk for the sensitive natural environment in future. The growth of a local company, Jodła (http://www.jodla.fr.pl - export of wallpaper tables to the EU market), located in Serwis village is an indirect positive effect of infrastructural investments in conjunction with market incentives connected to the access of the Polish entrepreneurs to the EU internal market.

e) Although the time span since finishing the ERDF funded projects in the programme period 2004-06 in Nowa Słupia is too short to make a substantiated assessment of the impacts of the project, the growing number of tourists (143 500 in 2006 against 149 294 in 2008 visiting Nowa Słupia, the creation of two agro-tourism farms and service development in the commune seems to indicate that the local strategy is bearing fruit.

Concerning lessons learned, some are of particular relevance to Polish rural areas:

a) The professionalisation of the staff at the rural commune and their ability to manage three to four projects at the same time was a critical factor for the success of the Serwis project.

b) Progress in the use of monitoring techniques applied at commune level was also a critical success factor. While fulfilling reporting requirements was not a problem, in terms of impact evaluation and drawing conclusions for further project development, additional work seems to be required (i.e. collecting information on the impact of the project on business creation).

c) The strategic approach applied in the Nowa Słupia case is an effective tool against fragmentation. The capacity to link up local projects within a regional strategy and use available investments coherently is essential.

VII. Contact details

Contact details

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This case study has been prepared by Janusz Dabrowski in the framework of a study carried out by Metis on behalf of the European Commission. The contents and views expressed in this case study are those of the author and do not necessarily reflect the opinions or policies of the European Commission.