Culture and Tourism

Mini Case Study The Opera and Philharmonics of Podlaskie

Work Package 9

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

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Author: Tomasz Komornicki
EUROPEAN COMMISSION
Directorate-General for Regional and Urban Policy
Directorate B - Policy
Unit B.2 Evaluation and European Semester

Contact: Violeta Piculescu

E-mail: REGIO-B2-HEAD-OF-UNIT@ec.europa.eu

European Commission
B-1049 Brussels
Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and Cohesion Fund (CF) – Work Package nine: Culture and Tourism

1. Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state
2. Purchase of instruments and musical accessories for the Opera and Philharmonics

Contract: 2014CE16BAT034
Work Package 9: Culture and Tourism - Podlaskie Regional Case Study (Poland)

Mini Case Study

1. Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state
2. Purchase of instruments and musical accessories for the Opera and Philharmonics

This report is part of the Podlaskie Regional Case Study carried out within the ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

Author: Prof. Tomasz Komornicki, Institute of Geography and Spatial Organization, Polish Academy of Sciences
t.komorn@twarda.pan.pl

Date: October 15th 2015
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The European Commission’s Directorate-General for Regional and Urban Policy (DG REGIO) is undertaking an ex post evaluation of Cohesion Policy programmes financed by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) during the period 2007-2013 in regions covered by the Convergence, Regional Competitiveness & Employment and European Territorial Cooperation objectives in the 28 member states.

The Consortium IRS-CSIL-CISET-BOP was selected to undertake the ex post evaluation on ‘Culture and Tourism’ (Work Package 9). An important element within the evaluation is a series of case study analyses of NUTS2 regions covering interventions co-financed by ERDF during the 2007-2013 programming period.

In addition to the full case studies (at a region’s programme level), the evaluation also includes two mini case studies (focused on individual projects) for each regional case study.

This report presents the results of the mini case study based on two projects: 1. “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state”; and 2. “Purchase of instruments and musical accessories for the Opera and Philharmonics”. The report begins with a brief synthesis of the project before moving on to a fuller description and the presentation of the results of the analysis undertaken. The report ends with a review of the main conclusions of the study, together with a series of lessons learnt for future policymaking.

As with the regional programme case studies, mini case studies are based on desk-based research and semi-structured face-to-face interviews with the main participants involved in the chosen projects. The interviewees were identified as part of the wider Regional Operational Programme (ROP) evaluation exercise, and were selected as being key actors in the design and delivery of the project. They are:

<table>
<thead>
<tr>
<th>Name of the person</th>
<th>Institution, position and role in the project</th>
<th>Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Górski</td>
<td>Director of the Department of Regional Development The Marshal’s Office of Podlaskie Region</td>
<td><a href="mailto:daniel.gorski@wrotapodlasia.pl">daniel.gorski@wrotapodlasia.pl</a></td>
</tr>
<tr>
<td>Edyta Dąbrowska</td>
<td>The Marshal’s Office of Podlaskie Region department of Regional Development</td>
<td><a href="mailto:edyta.dabrowska@wrotapodlasia.pl">edyta.dabrowska@wrotapodlasia.pl</a></td>
</tr>
<tr>
<td>Wiesław Cywoniuk</td>
<td>The Marshal’s Office of Podlaskie Region</td>
<td><a href="mailto:wieslaw.cywoniuk@wrotapodlasia.pl">wieslaw.cywoniuk@wrotapodlasia.pl</a></td>
</tr>
<tr>
<td>Jolanta Wilczewska</td>
<td>Opera and Philharmonics of Podlasie – the European Centre of Art in Białystok</td>
<td><a href="mailto:jolanta.wilczewska@oifp.eu">jolanta.wilczewska@oifp.eu</a></td>
</tr>
<tr>
<td>Małgorzata Stolarska</td>
<td>Ministry of The Infrastructure and Development, Warsaw,</td>
<td><a href="mailto:malgorzata.stolarska@mir.gov.pl">malgorzata.stolarska@mir.gov.pl</a></td>
</tr>
<tr>
<td>Marek Proniewski</td>
<td>Białystok University, Faculty of Economic and Menagement</td>
<td><a href="mailto:marek.proniewski@gmail.com">marek.proniewski@gmail.com</a></td>
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</table>
1. Synthesis

The analysis performed encompasses two projects: Project 1 Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Arts in Bialystok – stage II, the completion of the facility; and, complimentary to this, Project 2: Purchase of Musical Instruments and Accessories for the Opera and Philharmonics of Podlaskie.

Both projects were implemented in Bialystok, the capital of the province of Podlaskie, situated in the north-eastern part of Poland, at the eastern boundary of the European Union.

The project of the Centre of Arts in Bialystok – stage II is a national project, and thus its financing came from the Ministry of Culture and National Heritage, and from the European Regional Development Fund (ERDF). The purchase of instruments in turn was part of a regional programme, with means coming from the regional budget and from the ERDF. The beneficiary of the project is the Marshall Office of Podlaskie Voivodeship.

Owing to the financial support from the European Regional Development Fund, it became possible to realise the entire project smoothly and in a short time. Without such financing, it would have been necessary to spread out the outlays over time and to stop the work periodically, which might have had a negative influence on the quality of the work done.

The project was carried out without a “contract engineer” – in contrast with Polish customs. Instead, the management and implementation of the project was carried out by a unit of the provincial Marshall’s Office, the Investment Bureau, which proved to be very effective. Project management was smooth, and owing to the fact that no outside organisation was employed, this approach was significantly cheaper and, in general terms, more economically efficient. In addition, it was conducive to the skills development of the personnel in the Marshall’s Office, which may benefit the realisation of potential future projects.

However, this structure also entails certain risks, and did not always work. During the project contracting phase, one key challenge occurred in the form of the proposed costs for the construction works. The first tender announced for the Stage II construction (co-financed from the Operational Program Infrastructure and Environment) had to be annulled due to the high prices quoted by all the offering entities. This first tender had covered the complete realisation of the facility. The decision was consequently taken to launch a number of separate tenders for separate elements of the overall project (e.g. separately for the stage, technical equipment, etc.). This resulted in significant cost savings of around EUR 24.2 million.

The ultimate success of the project was also partly due to the fact that the tenders were ultimately won by local companies, who were more inclined to reaching compromises in the case of disputes. By realising such an important project, the companies themselves invested in their image on the local construction and furnishing markets.

The new facilities showcase a diversified theatre and musical programme. It also includes an own recording studio and modern conditions for producing radio and TV productions, as well as conference and exhibition space. Owing to its modern
architectural and advanced technological solutions, the Opera and Philharmonics of Podlaskie now provide a high quality venue for all undertakings, projects and productions. They can find an appropriate, high quality realisation places in the attractive spaces of the Large Stage Room, Chamber Stage Room, the Amphitheatre, and the Foyer.

The idea to enrich the repertoire of the institution with musical forms that had not been presented before on the musical stage of Podlaskie – such as opera, operetta, and musicals – in order to increase the overall offer of the institution, proved to be successful.

Several of the current opinion-providers (including the representatives of the provincial authorities) admit that they were skeptical about the undertaking during the decision-making phase. They doubted whether the region could afford such an investment in the face of many other more pressing needs. After the construction had been completed and the Opera and Philharmonics of Podlaskie started to function, many however changed their mind. In their opinion, once opened, the facility demonstrated that there is demand in Białystok for higher culture. The Opera is fully booked, and the building has become a venue for other events, too. Most of the important events taking place in Białystok – not only of cultural character – now take place in the Opera. The continuing principal concern relates to the costs of its maintaining and operation.

The physical objectives formulated for the project were achieved before the planned deadline. The completed project enjoys an exceptional popularity among the inhabitants of the region. The high number of visitors (exceeding by close to 70% the level assumed at the stage of applying for the support means), the high quality of the cultural offer, and the extension to other forms of performing arts, exhibition and educational activity, all confirm the rationale for undertaking the project.

Owing to the project, 94 new jobs have also been created (2014). In addition to other local initiatives, it is also believed that the realisation of the project contributed to the recent increase in the number of tourist to Białystok (120% increase in non-residents tourists).

Operating costs are slightly lower than expected and income is higher. Nevertheless, the Opera is not able to cover its operating and maintenance expenses from generated income only. As agreed, half of the operating costs are therefore covered by the Ministry of Culture and National Heritage and the Voivodeship.
2. Background information

**Country:** Poland NUTS1-PL  
**Region:** Podlaskie Voivodeship 2.3.20  
**Full project title:**  
**Project 1:** “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state”

**Duration of project:**  
The period of the project: July 2008-September 2012  
2007.01.01 – 2012.09.28 (according to the dotation agreement)  
Inauguration of the building 2012.09.28  
Final payment 2013.05.28

**Key words**  
Operational Program Infrastructure and Environment for 01.01.2007- 2013, Priority Axis XI: Culture and Cultural Heritage  
Measure 11.2 Development and improvement of supra-regional cultural infrastructure

**Funding:**  
Total budget: EUR 43.6 mil.  
ERDF contribution: EUR 24.4 mil. (56% of total cost)  
National budget: EUR 19.2 mil. (44% of total cost)  
Regional budget: 0  
Private contribution: 0

**ERDF Objective:**  
Convergence

* exchange rate as of 11.06.2015: 1 EUR = 4.1297 PLN  

The reasons which make this particular project worth submitting to a detailed analysis are as follows:

- Large scale of the undertaking and its range of influence.  
- High value of the project budget.  
- Significant role in the development of the cultural sector on a national scale.  
- Important potential for the socio-economic activation of the region.  
- Potential in the domain of linking cultures and nations in the border zone.  
- Major project by EU definition, selected based on an ex-ante cost and benefit analysis (CBA). It also offers the prospects of an ex-post CBA analysis for better understanding the soundness of investments.
Country: Poland NUTS1-PL
Region: Podlaskie Voivodeship 2.3.20

Full project title:
Project 2: “Purchase of instruments and musical accessories for the Opera and Philharmonics in Białystok”

Duration of project:
From August 2009 to April 2010 (project realization)

Key words:
Regional Operational Program of the Province of Podlaskie
Priority Axis VI Development of social infrastructure
Measure 6.3 Infrastructure development in culture and protection of historical and cultural heritage

Funding:
Total Budget: EUR 0.39 mil.
ERDF contribution: EUR 0.22 mil. (equivalent to 56 % of the eligible costs)
Regional budget: EUR 0.17 mil. (equivalent to 44 % of the eligible costs)
National budget: 0
Regional budget: 0

ERDF Objective: Convergence
* exchange rate as of 11.06.2015: 1 EUR = 4.1297 PLN

Reasons for selecting the project:

- Complementary project to the construction of the Opera and Philharmonics (illustrating the use of complementary national and regional budgets, alongside the operational programme).
- Possibility to analysis whether the use of EU funds for the procurement of musical instruments, treated as “development of social infrastructure”, is adequate for this type of investments.
3. Project description

The beginnings of the Symphonic Orchestra of the Opera and Philharmonics of Podlaskie reach back to the year 1954, when the State Symphonic Orchestra was established in Białystok. The musicians of the Orchestra did not have their own location at that time - the rehearsals and the concerts predominantly took place in the Dramatic Theatre or in the Guest Palace in Białystok. After twenty years of artistic activity, the Orchestra was granted the status of Philharmonics and moved over to the concert hall. An insufficient infrastructure (450 seats) no longer capable of servicing the increasing interest of the region’s inhabitants in participation in cultural events, coupled with the wish to cultivate the multi-cultural wealth of the region, resulted in a design being developed for the construction of the Opera and Philharmonics of Podlaskie-the European Centre of Arts in Białystok. In no province of Eastern Poland had a similar object been in existence until then, and other philharmonic concert halls are far away (Warsaw – 192 km; Olsztyn 241 km; and Lublin 254 km).

The new Podlaska Opera is now at maximum capacity one of the largest Philharmonic venues in Poland: it hosts 771 spectators on average, with flexibility to adjust capacity to 1028. The biggest venue is Warsaw Philharmonic (1072 seats). Podlaska Philharmonic size is similar to Bałtycka Philharmonic in Gdañsk (937 seats), Philharmonic in Częstochowa (895 seats), Pomorska Philharmonic in Bydgoszcz (880 seats), University Aula in Poznaniu (814 seats), and Nova Opera in Bydgoszcz (803 seats). In 2014, Szczecińska Philharmonic (953 seats) was also built, which is perceived as having the most beautiful architectural design. At the same time it should be noted that many European philharmonics are much larger (e.g. the Philharmonic Hall in Berlin has a capacity of 2,240, Laeiszhalle in Hamburg 2,023, Tonhalle in Düsseldorf, 1,933, Bartok National Concert Hall in Budapest 1,566, Tonhalle in Zürich 1,435, and Opernhaus in Zürich 1,200). In terms of the number of inhabitants per one seat, Podlaska Philharmonic is however at about 366, more than in Rzeszów (213), Opole (255), Zielona Gora (294), Helsinki (331) and Tonhalle Düsseldorf (298). Although alternative capacity options were not evaluated directly, the design concept was developed taking into account the results of a market survey, experience of existing capacity constraints at more popular performances, and consultation with cultural society leaders.

The project was realised in two technically and financially independent stages (See table 4.1). In the framework of Stage I of the project, the shell building was completed along with an amphitheater, constituting an integral component of the building. This part of the construction works was financed independently, and the means were disbursed from the budgets of the Province of Podlaskie and of the Ministry of Culture and National Heritage, as well as the State Budget (the Provincial Contract) in full.

**Objectives**

The direct objectives of the project were to establish a musical drama institution of supra-regional significance to reduce regional disparities in the cultural sector in Poland, and to increase the role of culture as a factor of the province's development.

To aim is to make Białystok the cultural “Eastern Gate” for cross-border cultural dialogue and collaboration with the neighboring countries of Belarus and Lithuania.
Finalisation of the construction of such an institution was also intended to attract international, national and local tourists (unfortunately, there is no data regarding the split of local national and international people in the audience). In addition, it was expected that realisation of the project will enhance the investment attractiveness of the city and create new jobs in the surroundings of the project.

Activities

The main activities of the Stage II of the project were focused on: construction and finishing works, external facades and skylights, stage and house technology, installation of multimedia and purchase of multimedia screens, purchase of equipment for orchestra, chamber, hall and rehearsal room, forming of sculptures in the concert hall, design of the safety curtain, design and assembly of pipe organs, forming and assembly of artistic glass, purchase of a telephone switchboard, investment supervision in the scope of fire, protection, purchase of equipment permanently associated with the building functioning, promotion, investment settlement.

The main parameters of the Podlaska Philharmonic building are:

- Total surface of building: 16,108.52 m²
- Surface for use: 9,424.50 m²
- Plot surface: 6,302.50 m²
- Building is 108,868 m³ large.

Apart from the main stage (771 seats), there is also a small stage (200 seats) and an amphitheater (650 seats).

About 272 people works in the building: 183 artists (orchestra and choir members, actors, etc.), 57 technical services, 32 administration staff (01.06.2015)

Beneficiaries

The primary direct beneficiary of the European Centre of Art in Białystok is Podlaskie Voivodeship.

The main outputs and results

For Project 1 “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state”, the following indicators were assumed:

Product indicators:

- Construction of a major cultural institution for 771 seats (with access for handicapped people).

Result indicators:

- The expected total number of the directly established new jobs: 50 persons (achieved)
- The number of people visiting the facility was estimated at around 127,000 per year. In 2014, there were 181,359 visitors (142% of the originally estimated visitors).
- The financial analysis conducted by Jaspers in 2009 indicated that the project would not be net revenue generating and would not generate revenues sufficient
to cover operating costs. Revenues cover less than half of operating costs over the 20 year financial projection period (which is common in these kinds of projects).

Half of the operating cost are therefore covered by the Ministry of Culture and National Heritage, and the Voivodeship.

Project 2 “Purchase of instruments and musical accessories for the Opera and Philharmonics of Podlaskie” was complementary to Project 1. Its objectives were to strengthen the cultural identity of the venue, enhance the significance of the region’s culture, as well as to promote the cultural achievements of the region within and outside it (in line with the objectives of Axis VI Development of social infrastructure, the Measurements 6.3 of the Regional Operational Program of the Province of Podlaskie).

The aim was to enrich the repertoire of the institution with musical forms that had not been presented before on the musical stage of Podlaskie, such as opera, operetta, and musicals. Presentation of these forms required having at disposal a broad range of instruments of the highest qualities. This thus led to a need to acquire new instruments and accessories, as the instruments owned and used by the opera at the time had already been significantly worn out. The object of the project was to purchase 138 new musical instruments and accessories of a professional standard.

A key business goal was to enlarge the offer of the institution with the new forms and musical genres, and thereby to increase the number of people interested in visiting the institution, the city of Białystok, and the province of Podlaskie. An additional indirect objective was to enhance the performance quality of the musicians working at the Opera.

The owner of the instruments is the Opera and Philharmonics of Podlaskie. The direct beneficiaries of the project were the musicians employed at the Opera and Philharmonics of Podlaskie, who are the immediate users of the musical instruments.

The following indicators were established for project achievement:

- **Product**: The number of the newly purchased musical instruments and accessories-138.
- **Result**: The number of jobs created-5 FTEs.

4. Political and strategic context

The projects associated with the Opera and Philharmonic of Podlaskie were realised in Białystok, the capital of the province (NUTS2), located in the north-eastern part of Poland, at the border with Lithuania, Belarus, and Russia. The city of Białystok is inhabited by 294,100 people, around 24.7% of the population of the region. Białystok plays the role of the administrative, economic and cultural centre of the region.

The rate of unemployment in the city is at 13.6% (the highest rate for the Polish provincial seats).

The city tries to attract an increased number of external investors, for whom an important location factor – in line with assumptions of the behavioral economy – is constituted by a well-developed metropolitan provision (including cultural attractions).
An important factor of competitiveness, including tourist competitiveness, of the city of Białystok, is constituted by its historical architecture. There are nine subject-oriented tourist trails in the city, including the Jewish Heritage route, the wooden architecture route, the Esperanto and other cultures route. There are no other towns in the surroundings of Białystok that could play a similar role.

The project “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalisation state” (Figure 4.1) was considered as having a strategic character from the point of view of the socio-economic development of the country. The project is seen as conforming to the third horizontal objective of the National Strategic Reference Framework 2007-2013: “Construction and modernisation of the technical and social infrastructure having fundamental significance for the increase of competitiveness of Poland”, and the main objective of the Operational Programme Infrastructure and Environment 2007-2013: “Enhancement of the investment-related attractiveness of Poland and its regions through the development of the technical infrastructure with simultaneous protection and improvement of the state of environment and health, preservation of cultural identity, and development of territorial cohesion”.

The project was also seen as aligned with the strategic objective "Complement to the National Strategy of Development of Culture 2004-2020", formulated as balancing the development of culture in the regions, and with it partial goals such as: decrease of the regional disparities in the development of culture and access to culture, introduction of innovative solutions in the system of organisation of cultural activities and in the system of popularisation of culture, as well as preservation of cultural heritage and active protection of historical monuments.

At the same time, the project was seen as aligned with the Strategic Objective II of the Programme of Development of Culture in the Province of Podlaskie until 2020, i.e. “Supporting the activities contributing to the development of the infrastructure of culture”. Cultural infrastructure was seen as one of the most important elements, exerting an influence on the accessibility of the cultural offer of the region. Infrastructure development is largely decisive for the "cultural competitiveness" of the province. In order to enhance the attractiveness and the accessibility of the cultural offer, efforts were undertaken to improve the state of the existing objects and their technical equipment, and to construct new facilities. In that context, the realisation of the Opera and Philharmonics of Podlaskie-the European Centre of Arts in Białystok was considered to be of primary importance.
Figure 4.1. Opera and Philharmonics of Podlaskie-the European Centre of Arts in Białystok.

Source: http://www.poranyny.pl/apps/pbcsii/dill/bilde?NewTbl=1&Site=KP&Date=20120104&Category=GALERIA&ArtNo=402454252&Ref=PH&Item=1&MaxW=670&MaxH=600&border=0

The table 4.1 illustrates the two phases of the project, presents their main activities, timing of their execution and allocated budget.

Table 4.1. Project stages, resources and timing

<table>
<thead>
<tr>
<th>Main steps</th>
<th>Activities</th>
<th>Resources</th>
<th>Timing</th>
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</thead>
<tbody>
<tr>
<td>Project design</td>
<td>• Demolition of the existing infrastructure on the construction site,</td>
<td>Ministry of Culture EUR 4.8 mil.</td>
<td></td>
</tr>
<tr>
<td>Architectural competition</td>
<td>• Excavations,</td>
<td>Voivodship Contract with the</td>
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<tr>
<td>Tender</td>
<td>• Foundation works,</td>
<td>central government EUR 1.4 mil.</td>
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<tr>
<td>Construction works</td>
<td>• Construction of walls,</td>
<td>Fund form Podlaskie</td>
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<td></td>
<td>• Construction of roofs,</td>
<td>Voivodeship EUR 3.4 mil.</td>
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<td></td>
<td>• Construction of the new amphitheater,</td>
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<td></td>
<td>• Connection of the new building to technical</td>
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<tr>
<td></td>
<td>infrastructure (water, waste water, energy)</td>
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<tr>
<td></td>
<td>Total budget: EUR 43.6 mil.</td>
<td>ERDF contribution: EUR 24.4 mil.</td>
<td>2008-2012</td>
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<td></td>
<td>1 EUR=4,1297 PLN</td>
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<td></td>
<td>Source: Author based on data from: Jasper report 2009, Ministry</td>
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<td>of Infrastructure and Development</td>
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<td></td>
<td>1 EUR=4,1297 PLN</td>
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</tbody>
</table>
Actors involved:

The direct beneficiary of Project 1, “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Art in Białystok – stage II, the finalization stage”, was the Marshal Office of Podlaskie Voivodeship. The Managing Institution was the Investments Bureau in the Marshal's Office of Podlaskie Voivodeship. The Ministry of Culture and National Heritage acted as Intermediating Institution, and co-financed the Opera. After completion of the project, the Ministry together with the Voivodeship will share responsibility for co-financing 50% of the operating costs. The Opera is directly managed by the Director.

The European Centre of Art in Białystok is a public institution. Two additional tenants operate in the Centre: the Regional Tourism Organisation (40 m²), and a catering company, "Czarnecki Manor" (421.67 m²).

Project 2, the Purchase of Musical Instruments and Accessories for the Opera and Philharmonics of Podlaskie, was funded by the Regional Operational Programme of the Province of Podlaskie for the years 2007-2013 under Priority II-Social Infrastructure, Action 2: Development of culture and protection of the cultural heritage. In particular, the project falls under "Item 2: support for the realisation of the European Centre of Music and Arts-Opera of Podlaskie in Białystok", and Item 1: improvement of the standards of the material base for the institutions of culture and the modernisation as well as extension of this base according to needs, establishment of centers and facilities of culture, of multiplexes, and the institutions serving the development of cultures of ethnic minorities".

The musical instruments, purchased in the framework of the project, constitute a significant improvement in conducting cultural activity at the European Centre of Arts. Owing to the new equipment, it became possible to broaden the scope of the activities realised, and to intensify the functioning of the Opera and Philharmonics of Podlaskie.

5. Implementation

5.1 The process of project design and planning

The initiator of the concept of constructing the opera building was the director of this institution in the years 1997-2011.

Upon the recommendation from the Ministry of Culture and National Heritage, the project was put on the List of individual projects for the Operational Programme Infrastructure and Environment, this list being managed by the ministry proper for the regional development (currently: Ministry of Infrastructure and Development). The fact of putting the project on this list is the evidence for the high significance of the project from the point of view of national cultural policy. The recommendation as to including the project on the list was preceded by a strategic assessment of the project, with consideration of the following criteria:

Is the project in agreement with the National Strategic Reference Framework?

- Is the project in agreement with the objectives of the respective operational programme?
- Is the project in agreement with the detailed description of the priorities, in particular:
  - Does the share of financing from the EU correspond to the maximum limit envisaged in the operational program?
  - Is the value of the project in agreement with the requirements for the given action?
  - Is the applicant entitled to file the application?
  - Is the project in agreement with the respective Community policies and principles?
  - Does the project conform to the types of tasks, envisaged for support in the framework of the given action?

- Does the project match the criteria of selection of the projects, approved by the Monitoring Committee, or the criteria expected to be approved by the Monitoring Committee?
- Is the project unique in its kind, is there no possibility of replacing it with another one?

**Is the scale of influence of the project having an essential impact on the socio-economic development of the country (supra-regionality)?**
- Does the project contribute in a significant manner to the attainment of the indicators adopted for the National Strategic Reference Framework and for the operational programs?
- Do the financial means, reserved for the realisation of the project, not exceed the financial limits for individual projects, adopted in the framework of a given priority / action?
- Is the project supported from public funds?
- Is the project complementary with respect to other projects, planned for realisation?
- Will lack of realisation of the project influence in a significant manner the effectiveness of other projects, envisaged to be carried out?
- Is it possible to conclude on the basis of the technical analysis performed that the project shall be realised within the period 2007-2015?
- Does the project dispose of the feasibility study / initial feasibility study?
- Does the project dispose of the decisions concerning environmental conditions?
- Does the project dispose of the construction entitlement?
- Does the project dispose of the properly elaborated technical documentation?
- Is the date of the first tender already known?
- Can the realisation of the project constitute a threat to the fulfilment of the principle “n+2”, “n+3”, e.g. in case a large infrastructural project is planned for realisation at the end of the planning period?
- Is the project in agreement with the objectives of the strategic documents in the sphere of culture, adopted by the Council of Ministers, in the documents of the EU, or in another document of this rank (the National Strategy for the Development of Culture, or the Complement to it)?
- Is the organisational capacity of the applicant sufficient for the implementation of the project (including the management of the project)?

**Does the applicant assure/guarantee the financial persistence of the project (5 years after the termination of realisation)?**
Does the beneficiary guarantee the assurance of the co-financing of the project in the case of increase of the costs of realisation of the project (including the non-eligible costs)?

Are there no factors of risk in the project that might put a threat to the timely termination of the project?

The beneficiary was obliged to demonstrate the need for undertaking the project at the stage of application for the means in the framework of priority XI of the Operational Program Infrastructure and Environment. The relevant information was provided in the application documents filed by the Beneficiary at the institution evaluating the application (the Ministry of Culture and National Heritage). The evaluation of the application for the financial support for the project was carried out by a dedicated group established within the intermediating institution.

In line with procedures adopted for large projects (with a value exceeding EUR 50 million), the application documents were subject to verification by the Jaspers initiative.

The detailed analysis of the need for the realisation of the project was presented in the feasibility study of the project, especially in Chapter 6 of the respective document, entitled "Defining the ultimate scope of the project". This part of the document was devoted to the analysis of investment needs and the analysis of alternative technical options for the realisation of the project, with indication of the best of these options.

The evaluation of the application concerned, in particular, the following issues:

- Assessment of demand: at the stage of the assessment of the criterion the correctness and the likelihood of the results from the analyses of the current and (first of all) the future demand for service offered by the institution in question. The scoring according to this criterion also depended upon the forecasted increase of demand in relation to the values declared before the start of the realisation of the investment project.

- Economic and financial analysis: the assessment concerned, in particular, the demonstration in quantitative terms (with the use of indicators of economic analysis) as well as in qualitative terms, of the socio-economic benefits and costs generated by the project. The indicators of economic analysis, provided by the beneficiary, showed the values that constituted the evidence for the positive impact of the project from a socio-economic standpoint.

- Assessment of the option analysis: the assessment concerned a number of options for the realisation of the project, including the abandonment option, the "minimum" option, and two alternative investment options. The beneficiary demonstrated that the option of the investment project, selected for realisation, was the best among the feasible solutions.

- Assessment of the importance of the project: the subject of the assessment was the scope of impact of the project (supra-regional, national).

- Assessment of the exceptional and unique character of the project: the proposed project was considered with respect to the uniqueness on the national scale and to the exceptional nature of the technical, technological and organisational solutions proposed.

- Assessment of the influence exerted by the project on the improvement of accessibility to culture: the subject of this assessment was constituted by the
degree of improvement in the accessibility to culture for the visitors and audience, in particular for handicapped visitors.

The initial strategic assessment demonstrated that the project was an investment undertaking of essential significance from the point of view of the cultural policy of the state, and hence deserved being included on the list of individual projects for the Operational Program Infrastructure and Environment 2007-2013.

Jaspers reviewed the main assumption of the Feasibility Study and also conducted a C&B analysis. They analysed the capacity of the proposed Opera, which according to them was adequate; however, they pointed out that it would be difficult to attract international tour companies and the world’s biggest music stars. They raised the problem regarding the scope of the Opera’s functionality (multifunctional option vs specialised one). The beneficiary decided on multifunctional options as it was more cost-effective to construct one multi-functional facility than several specialised ones. The market survey also revealed diverse cultural needs which are fulfilled by the multi-cultural nature of facility.

In the project risk analysis Jaspers addressed the main problems regarding the Investment Bureau as following: whether the Bureau has sufficient capacity to oversee the implementation and coordination of multiple complex installation contracts, and whether there is sufficient supervision of costs allocated. This risk was mitigated by employing four additional experienced people at the Bureau.

The C&B analysis indicated that the project would not be revenue generating and would not generate revenues sufficient to cover operating costs (revenues cover less than half of operating costs over the 20 year financial projection period). It was agreed that the Ministry of Culture and National Heritage and the Voivodeship would cover 50% operating deficits. The Ministry and the Voivodeship have no expiry date for contribution, and there is no maximum limit for provision of operating subsidies, which would imply that deficits in excess of those forecasted would still be covered through this agreement between the parties.

For assessing customers demand and preferences, two types of surveys were carried out: the first in September 2008, consisting of 500 telephone interviews with Bialystok residents, and the second consisting of 306 face-to-face interviews with visitors to Bialystok and the region.

The document was then handed over to the Ministry of Infrastructure and Development (at that time: Ministry of Regional Development), who acted as the Managing Institution of the Operational Programme Infrastructure and Environment 2007-2013. The Managing Institution sent the application documents to the European Commission in order to obtain the decision on the acceptance of the financial support for the project. The positive decision of the Commission on the acceptance of the financial contribution to the project was issued on April 7th, 2010 (see table 5.1).
Table 5.1. Project 1 timing

<table>
<thead>
<tr>
<th>Main Actions</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage I</td>
<td>July 2006 - December 2007</td>
</tr>
<tr>
<td>Stage II</td>
<td>July 2008 - September 2012</td>
</tr>
<tr>
<td>Announcement for public tender</td>
<td>August 2008</td>
</tr>
<tr>
<td>Contract for ERDF signed</td>
<td>April 2009</td>
</tr>
<tr>
<td>Contract for Opera construction signed</td>
<td>April 2009</td>
</tr>
<tr>
<td>Ex-ante CBA and feasibility study</td>
<td>July 2009</td>
</tr>
<tr>
<td>EC decision issued</td>
<td>April 2010</td>
</tr>
<tr>
<td>Opera construction and association works (façade, head of composer, glass objects, sculptures, concept pipe organ, stage and audiotechnology)</td>
<td>April 2009 - September 2012</td>
</tr>
<tr>
<td>Inauguration</td>
<td>September 2012</td>
</tr>
</tbody>
</table>

Source: the author based on mini case study interviews

In early 2005, an international competition for an urban and architectural design concept for the development of Podlaskie Opera and Philharmonic - European Centre for the Arts in Białystok was announced. 14 competition entries were submitted. The winner of the competition was prof. Marek Budzyński from Warsaw, who had previously designed the Court and the University Library in Warsaw.

The table 5.2 presents the major companies directly involved in the project realisation.

Table 5.2. Main implementing bodies

<table>
<thead>
<tr>
<th>Implementing bodies</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIBEP S.A.</td>
<td>Operator of the construction and finishing works</td>
</tr>
<tr>
<td>PPUH RODEX sp. z o.o.</td>
<td>Exterior facades and skylights</td>
</tr>
<tr>
<td>LTT sp. z o.o.</td>
<td>Stage technology audience and electroacoustic installations</td>
</tr>
<tr>
<td>Zych Zaklady Organowe</td>
<td>Fabrication and assembly of organs</td>
</tr>
</tbody>
</table>

Source: The European Centre of Art in Białystok

In the case of the purchase of instruments (project 2), the planning of the project and its consecutive phases depended on the tender procedures and the dates of delivery of the purchased musical instruments and accessories. The task was split into two stages: delivery stage I (from 08.10.2009 to 31.12.2009) and delivery stage II (from 01.01.2010 to 31.03.2010). An open tender was carried out in the framework of the project: Part I – percussion instruments and accessories, Part II – the string instruments and the accessories, Part III – the harp, Part IV – the harpsichord, Part V – the brass instruments and the accessories, Part VI – the woodwind instruments; and the freehand commission not subject to tender – Part VII – luthier work – violin instruments.

The procedure of public procurement was initiated on September 23rd, 2009; then on October 8th, 2009, the contract was signed with the executor of the Part VII, and in November and December 2009, after the most advantageous offers had been selected, contracts were signed with the executors of Parts I through to VI. The delivery of the instruments and accessories took place in two stages. The dates of purchase of the instruments was influenced by their periods of production. In November and December of 2009, the suppliers delivered 120 items. In the second stage, which lasted until the end of March 2010, the suppliers provided the last 18 instruments, for which the periods of waiting were the longest.
The purchases were done on the basis of an analysis of shortages. Leaders of the particular sections of the orchestra submitted their remarks to the employer concerning the technical status of the instruments being used and the needs of the particular musicians and other employees.

5.2 Management, monitoring and evaluation system of the project

Realisation of the project in real and financial terms was carried out by the organisational unit of the Marshall’s Office (Beneficiary) – the Investments Bureau. This Bureau, established in 2006, is tasked with the realisation of investment undertakings in the Province of Podlaskie. The Investments Bureau employs a number of people specialising in construction, electric installations and finance.

Although the Marshall’s Office has experience with project management, past projects have been relatively small scale compared to the Opera, requiring less specialist knowledge and specialised procurements for installation and equipment. It should be emphasised that in connection with the Marshall’s Office undertaking the construction of the Opera and Philharmonic, the Investment Bureau hired four additional specialists with previous work experience on large projects (building inspector, construction work inspector, water and electric inspectors). They are skilled professionals licensed according to Polish building law.

The employment costs of 14 people from the Investment Bureau were not included in the overall cost calculation of the items here mentioned.

Project 1 was managed by the Director of the Investments Bureau. He has 25 years of experience. He is an expert in supervision and management of cultural buildings and has experience with lighting systems, acoustic systems and stage systems. He has a license for maintaining and operating ventilation, air conditioning, energy and electrical systems in accordance with Polish building law.

It is a significant fact that the Investment Bureau had realised stage I of the task of “Construction of the Opera and Philharmonics of Podlaskie – the European Centre of Arts – the shell building state”, thereby gaining experience in the coordination and implementation of a technically complex facility. During the same period, the Investment Bureau coordinated the realisation of another task of the Province of Podlaskie, namely the construction of the Provincial Winter Sports Centre “Szelment”, including five ski lifts, equipment for covering ski slopes with snow, as well as accommodation and catering facilities.

The Investment Bureau has a wide scope of responsibilities: project planning, managing, cooperating with external suppliers, supervising, monitoring and funds managing. The meetings of the group took place every week.

Monitoring of the realisation of Project 1 was carried out on the basis of payment applications, filed by the beneficiary with the Intermediating Institution (II). Monitoring of the attainment of identified result indicators during the operational stage was performed on the basis of achievement reports, provided regularly by the beneficiary to the IP. There was no assessment of the Project 1 after the second stage realization.

In the case of the Project 2 - the instrument purchase, the project manager was the person responsible for the External Fundraising and Development Division in Opera Office. The head of this division supervised the work of the subordinated employees and assigned tasks for execution. The Division for Acquisition of External Funds and Development, composed of three people – the head and two employees – worked
from Monday through Friday, from 8 a.m. to 4 p.m., fulfilling their duties. These encompassed, in particular, the realisation of the project, reporting, promotion, and financial clearing.

5.3 Governance arrangements of the project

The Opera and Philharmonics of Podlaskie – the European Centre of Arts in Bialystok, was the leader and the beneficiary of the project. This project was not implemented through a partnership. The beneficiary was responsible for the correct realisation of the project, both at the stage of application for the means from the European Regional Development Fund, and during the phases of realisation, financial reporting, and securing the persistence of the project.

Similarly, the second project, Purchase of instruments and musical accessories for the Opera and Philharmonics, was not carried out in a partnership.

5.4 Innovative elements and novel approaches to implementation

Project 1 was carried out without the institution of a “contract engineer”, in contrast with Polish customs. Implementation of the project was done by the unit of the provincial Marshall’s Office – the Investment Bureau. This solution appeared to be very effective from a cost point of view, as well as in terms of management and people development.

In the opinion of interviewed experts, the approach of managing projects with a separate unit of the public administration (especially in the poorer regions) may be considered as good practice.

The employees of the organisational unit of the beneficiary were the initiators of innovativeness on the project.

In the framework of promotional activities a movie was produced, showing a virtual walk through the facility constructed. In the finished building a CD was recorded of music performed on the pipe organ, constructed within the framework of the project, with the performer being the designer of the organ www.oifp.eu.

In order to enhance the international role of the project, an initiative was undertaken together with the Polish Foreign Office, aimed at attracting the citizens of Belarus, who most often visit Bialystok just to shop. In exchange for purchasing a ticket to the Opera and paying for one night in a hotel in Bialystok, the citizens of Belarus were liberated from the visa fee. This initiative enjoyed such a high popularity that, with time, the Foreign Office decided to suspend it. Nevertheless, the initiative undoubtedly contributed to the popularisation of the new facility in the trans-border dimension.

Cross-border promotion of the activity of the Opera and Philharmonics of Podlaskie should be considered as well-organised and effective. Cultural events are being promoted in Lithuania and Belarus. Coach transfers to performances at the Opera are being organised from Grodno (Hrodna, Belarus).

5.5 Key implementation obstacles and problem-solving practices

While undertaking the stage I of the investment project (without the contribution of the EU means), the total cost of construction was estimated to be EUR 12,1 mil. This estimate was too low, since the architectural design did not contain an adequate financial analysis. With time, this very low budget turned out to be completely
unrealistic. In the end, the estimate was exceeded more than four times over.

During the project implementation, problems associated with the execution appeared. The first tender, announced for stage II of construction (co-financed by the Operational Program Infrastructure and Environment), had to be annulled due to the high prices quoted by all the offering entities. The tender concerned the complete, comprehensive realisation of the facility. Due to these circumstances, the decision was taken to divide the construction up into a number of separate tenders for particular elements of the overall project (e.g. separately for the stage, technical equipment, etc.). This resulted in significant cost-savings of roughly EUR 24,2mil. The splitting of the tender generally turned out to be a good solution, making the subsequent project realisation process more effective.

An interesting stage of the realisation of the project was the mounting of the lattice girders, which constituted the structure of the ceiling above the audience and stage of the main hall of the Opera. Nine lattice girders of a span of 24 m and weighing more than ten tons each were mounted 35 m above the floor. From below, they will be used for suspending equipment for servicing the stage, while above, the reinforced concrete slabs will form the basis for the functional green roof. The mounting of the girders was performed with the use of one of the strongest cranes in Poland, the telescopic moving tower crane AC-500, which has a capacity of 500 tons, from the company Żuraw Grohmann, located in Gdansk.

No organisational or financial problems occurred with regard to the purchase of instruments during the implementation of the second project. The entire project was implemented in accordance with the prerequisites outlined in the Feasibility Study and in the filed application.
6. Project results

- **Participation in culture for inhabitants**
  This objective, formulated for the project, was attained in a shorter than expected period of time. The realised project enjoys an exceptional popularity among the inhabitants of the region. Visitor numbers exceeded the level assumed at the stage of applying for the funding support by 70%, reaching 181,359 visitors in 2014.

- The project generates important non-quantifiable **socio-economic benefits**, in particular decreasing the regional disproportions in the development of culture, and enhancing the cultural identity of the region.

- **Increased number of tourists (see Table 6.1)**
  Among other initiatives, realisation of the project – the construction of modern cultural infrastructure of supra-regional significance – contributed to increasing Poland’s and Podlaskie’s attractiveness for tourists. However, the length of stay is decreasing (road and transport development).

<table>
<thead>
<tr>
<th>Tourism indicators in Białystok</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011</strong></td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td>Tourists accommodated total</td>
</tr>
<tr>
<td>Non-residents tourists accommodated</td>
</tr>
<tr>
<td>Residents tourist accommodated</td>
</tr>
<tr>
<td>Total nights spent by residents and non-residents</td>
</tr>
<tr>
<td>Total nights spent by non-residents</td>
</tr>
<tr>
<td>Total nights spent by residents</td>
</tr>
<tr>
<td>Length of stay total (days)</td>
</tr>
<tr>
<td>Length of stay of non-residents tourist (days)</td>
</tr>
<tr>
<td>Length of stay of residents tourist (days)</td>
</tr>
</tbody>
</table>

Source: GUS (Central Statistical Office data)

- **New jobs created**: 50 FTEs (20 for the choir, 10 musicians, 12 technicians for montage/ storage/ sound/ lighting/ electrics/ sanitation, and 8 administrators: economic director/ technical director/ impresario, concert office and accounting). These 50 FTE jobs are guaranteed for at least 5 years (sustainability of the project). As a result, 94 new posts were created (Table 6.2).

<table>
<thead>
<tr>
<th>Table 6.2. Employment in Opera</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff</strong></td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td>Artistic (choir, actors, orchestra)</td>
</tr>
<tr>
<td>Administration</td>
</tr>
<tr>
<td>Technical</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: The European Centre of Art in Białystok

- **Broader forms of artistic activity (Table 6.3)**
  The diversified artistic performance of the European Centre of Arts includes: opera performances, musical events, theatre shows, symphonic concerts, activity-jazz, rock, and alternative music concerts. The Centre also houses its
own recording studio and proper conditions for radio and TV production. The facility also offers an attractive conference and exhibition space.

### Table 6.3. Concerts types and audience in Opera

<table>
<thead>
<tr>
<th>Type of concerts/activities</th>
<th>Number of concerts/activities</th>
<th>Audience per one concert/activity</th>
<th>Total audience at concerts/activities assumed in the project</th>
<th>Total audience at concerts/activities 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assumed in the project 2014</td>
<td>Assumed in the project 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opera</td>
<td>38</td>
<td>25</td>
<td>500 667</td>
<td>19,000 16,675</td>
</tr>
<tr>
<td>Operetta, musical</td>
<td>38</td>
<td>70</td>
<td>500 694</td>
<td>19,000 48,580</td>
</tr>
<tr>
<td>Symphony concerts</td>
<td>44</td>
<td>57</td>
<td>480 280</td>
<td>21,120 15,960</td>
</tr>
<tr>
<td>Shows and musical for children and students</td>
<td>22</td>
<td>59</td>
<td>480 384</td>
<td>10,560 22,656</td>
</tr>
<tr>
<td>Educational concerts</td>
<td>10</td>
<td>425</td>
<td></td>
<td>4,250</td>
</tr>
<tr>
<td>Music lessons</td>
<td>5</td>
<td>477</td>
<td></td>
<td>2,385</td>
</tr>
<tr>
<td>Workshops</td>
<td>96</td>
<td>34</td>
<td></td>
<td>3,264</td>
</tr>
<tr>
<td>Lectures</td>
<td>35</td>
<td>30</td>
<td></td>
<td>1,050</td>
</tr>
<tr>
<td>Festivals</td>
<td>1</td>
<td>469</td>
<td></td>
<td>469</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>12</td>
<td>3,252</td>
<td></td>
<td>39,024</td>
</tr>
<tr>
<td>Observation deck/Opera tour</td>
<td>18</td>
<td>328</td>
<td></td>
<td>5,904</td>
</tr>
<tr>
<td>Meetings with authors</td>
<td>6</td>
<td>63</td>
<td></td>
<td>378</td>
</tr>
<tr>
<td>Popular music concerts</td>
<td>14</td>
<td>441</td>
<td></td>
<td>6,174</td>
</tr>
<tr>
<td>Others</td>
<td>17</td>
<td>858</td>
<td></td>
<td>14,586</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>425</td>
<td>1,960 8,402</td>
<td>69,680 181,355</td>
</tr>
</tbody>
</table>

Source: The European Centre of Art in Białystok

- **Higher artistic level and enriched repertoire**
  
  Realisation raised the artistic level of the programme of musical concerts, and enriched the cultural offer of the institution, through the new forms of performances (e.g. opera, operetta, and musical), which it became possible to organise in the new building of the Opera, and with the use of various new high-class musical instruments. Examples include opera performances such as “The Haunted Manor” by S. Moniuszko, “La Traviata” by G. Verdi, “Pimpinone” by G.-P. Telemann, “Die Zauberflöte” by W. A. Mozart; operettas such as “The Gypsy Baron” by J. Strauss; as well as the musicals such as “Korczak” by Ch. Williams, “The Phantom of the Opera” by A. L. Webber, and “Fiddler on the Roof” by J. Bock. All of these shows required a set of diverse musical instruments of high, professional quality.

- **Multifunctional purpose**
  
  The Centre also acts as a venue for various other events. Most of the important events taking place in Białystok (not only of cultural character) are now organised in the building of the Opera. An instance is provided by the Business Congress of Podlaskie, organised in September 2015. While not primarily designed for such purposes, the building is thus now used in a multi-functional manner.
• **Modern environment for artist**
  The working conditions of the musicians and other staff have improved, and the possibilities for professional development of the artists have increased. The purchase of the new instruments contributed to the development of the orchestra. While it specifically contributed to the improvement of the performance capacities and artistic skills of the musicians, it also influenced the development of the entire institution, allowing for the broadening of its cultural portfolio, and enriching the repertoire with the new musical and theatre forms and genres.

• Ticket prices are higher than assumed (Table 6.4)

<table>
<thead>
<tr>
<th>Type of concerts</th>
<th>The average ticket price EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assumed</td>
</tr>
<tr>
<td>Opera</td>
<td>11</td>
</tr>
<tr>
<td>Operetta, musical</td>
<td>14</td>
</tr>
<tr>
<td>Symphony concerts</td>
<td>8</td>
</tr>
<tr>
<td>Shows and musical for children and young people</td>
<td>4</td>
</tr>
</tbody>
</table>

1 EUR=4.1297 PLN
Source: The European Centre of Art in Bialystok

**Opinions**

A part of the current opinion-providers (including the representatives of the provincial authorities), inhabitants, media, and numerous decision-makers, admit that they were skeptical about the undertaking at the decision-making stage. They had expressed their doubts as to:

• The priority of the project (whether the region can afford for such an investment effort in the situation, when there many other, more pressing needs existed)
• The costs of investment (this resulted primarily from the growing costs and the news of the cancelled tenders for the construction works)
• The cost of maintenance

Some negative opinions persist in the local world of culture, predominantly related to the costs of the ongoing functioning of the facility:

• Performances are of the highest level, which is costly (e.g. in order to ensure the highest artistic level, the new director was brought from the outside, from Wrocław).
• The Opera consumes too big a portion of the budget for culture in the region. This means, in the eyes of the critics, that, ultimately, other facilities and centers of culture in Białystok and in the entire province “pay” for the functioning of the Opera. However, this opinion is not entirely true since central authorities, the Ministry of Culture and National Heritage, have been and are contributing both to the construction and to the maintenance of the facility. The very decision for the undertaking of the project was already taken partly at the central level.

Following completion of the construction and the opening of the Opera and Philharmonics of Podlaskie, many critics changed their mind, as it was clearly demonstrated that there is demand in Białystok for such offers of higher culture (the Opera is fully booked).
The opinion generally prevails in the local authorities that the realisation of the project ended with success (despite the difficulties which appeared in the period of construction).

The opinions of the inhabitants of Bialystok and of the region on the completed facility are in most cases positive – the Opera has become a local source of pride. Certainly, the facility has manifested itself as an important element of the socio-economic development of the province.

7. Sustainability and transferability

7.1 Sustainability

In the strategic assessment of the project, the financial sustainability of the project was one of the important criteria. For the moment, this is guaranteed for five years after the project’s completion.

Granting of the community support accelerated in a decisive manner the realisation of the project. Owing to the partial financing through the European Regional Development Fund, it became possible to realise the entire project smoothly and in a short time. In the case of lack of such financing, it would have been necessary to spread out the outlays over time and to stop the work periodically, which might have had a negative influence on the quality of the work done.

The costs of functioning of the Opera and Philharmonics of Podlaskie – in line with the obligations contained in the agreement on the conduct of the Opera and Philharmonics of Podlaskie – the European Centre of Arts as a common institution of culture, signed on September 9th, 2005 – are covered jointly by the Province of Podlaskie and the Minister of Culture and National Heritage, through the transfer of respective subsidies. The ongoing costs of activity are at present, and shall be in the future, covered through these subsidies (oriented at particular entities) as well as from revenue accruing from the activity conducted by the institution (ticket sales, renting of rooms, etc.).

The costs of maintenance of the facility are high, both in terms of technical costs (e.g. heating, and related personnel costs) and in terms of the remunerations for renowned artists. Despite fully booked performances, the facility requires constant subsidy, which is a significant burden for the regional budget in the domain of culture.

In terms of the second project, the support from the ERDF constitutes a significant part of the project cost (56.96% of the eligible costs of the project). Considering the limited financial means of the Opera and Philharmonics of Podlaskie, the purchase of these specialised high class musical instruments without support from the Community funds would have been very difficult and would most probably have been delayed. The acquired instruments will serve the Opera over many years; however, just as any other item of use, they are subject to wear and tear and will have to be replaced by new ones at some point in the future.

The operating expenses of the Opera in 2014 amounted to EUR 8.6 million (see Table 7.1). The largest expenditure accounted for staff and building maintenance costs. Operating expenses were slightly lower than expected earlier in the project (EUR 8.8 million assumed costs).
Table 7.1. Opera operating costs

<table>
<thead>
<tr>
<th>Type of costs</th>
<th>Costs 2014 EUR</th>
<th>% of costs 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (electrical and thermal)</td>
<td>196,112</td>
<td>2.27</td>
</tr>
<tr>
<td>Staff costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>employment contract</td>
<td>3,434,505</td>
<td>39.73</td>
</tr>
<tr>
<td>commission contract and contract for work</td>
<td>642,677</td>
<td>7.43</td>
</tr>
<tr>
<td>Building maintenance costs including depreciation</td>
<td>2,315,222</td>
<td>26.78</td>
</tr>
<tr>
<td>External service</td>
<td>634,109</td>
<td>7.33</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>118,970</td>
<td>1.38</td>
</tr>
<tr>
<td>Social security and other benefits</td>
<td>739,633</td>
<td>8.56</td>
</tr>
<tr>
<td>Consumption of materials</td>
<td>277,220</td>
<td>3.21</td>
</tr>
<tr>
<td>Other costs</td>
<td>287,009</td>
<td>3.32</td>
</tr>
<tr>
<td>Total</td>
<td>8,645,456</td>
<td>100</td>
</tr>
</tbody>
</table>

Assumed costs in the project - **EUR 8,771,119**

1EUR – 4,1297 PLN

Source: The European Centre of Art in Białystok

Opera income was around EUR 4.3 million in 2014 (Table 7.2); significantly higher than the expected EUR 3.3 million. It consisted mainly of tickets sales, events management, and other operating income.

Table 7.2. Opera sources of income

<table>
<thead>
<tr>
<th>Type of income</th>
<th>Assumed income in the project EUR</th>
<th>2014</th>
<th>% of total income 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket sales</td>
<td>1,595,576</td>
<td>1,453,756</td>
<td>33.95</td>
</tr>
<tr>
<td>Programmes and publications</td>
<td></td>
<td>9,102</td>
<td>0.21</td>
</tr>
<tr>
<td>Co-organization of events</td>
<td></td>
<td>577,292</td>
<td>13.48</td>
</tr>
<tr>
<td>Renting</td>
<td></td>
<td>214,677</td>
<td>5.01</td>
</tr>
<tr>
<td>Sale of goods</td>
<td></td>
<td>938</td>
<td>0.02</td>
</tr>
<tr>
<td>Financial income</td>
<td></td>
<td>21,784</td>
<td>0.51</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td>2,004,129</td>
<td>46.81</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>3,262,738</strong></td>
<td><strong>4,281,678</strong></td>
<td>100.00</td>
</tr>
</tbody>
</table>

1EUR-4,1297 PLN

Source: data from Opera

Just as expected for this type of cultural institution, the Opera is not able to cover its operating expenses by generating income. While half of the operating were covered by Ministry of Culture and Voivodeship (table 7.3) as agreed, subsidies (for covering operating costs and small investments) in 2014 were lower than expected.

Table 7.3. Subsidies

<table>
<thead>
<tr>
<th>Type of subsides</th>
<th>Assumed in the project EUR</th>
<th>2014 r.</th>
<th>2014 r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Culture and National Heritage and Voivodeship subsidies</td>
<td>4,989,997</td>
<td>4,455,529</td>
<td></td>
</tr>
</tbody>
</table>

1EUR-4,1297 PLN

Source: Opera
7.2 Transferability

- In the case of projects associated with culture, artistic and aesthetic factors play a very important and dominant role in relation to other criteria.
- Expensive investments in culture made in new and poorly developed markets should possibly be multi-functional: exhibition halls, economic events organisation, a place for education, rooms for art classes for children, (leading to a diversification of the financial risks, and broadening of the target groups, as well as contributing to new recipients gaining high art through gradual education).
- Employment of local companies (as these will care for their good image, are often strongly motivated, know the local market of the subcontractors and prices well, treat their involvement in prestigious projects as a distinction and promotion, and are more flexible regarding the attainment of compromise even in the case of late payment).
- High importance of the collaboration with the local authorities, self-governmental bodies, and the government, and of a clear vision of the role of the institution, as well as of the entire project.
- Communication with the inhabitants from the very start of the realisation of the project, including explanation of the reasons for the realisation of the project, its objectives and the problems encountered.
- More time should be devoted to the preparation phase of the project.

8. Lessons learnt

With the benefit of hindsight, local experts assess that the constructed facility was needed, but should have been designed differently already at the very initial stage. They suggest that one of two formulas would have been advantageous: a) a smaller, more modest venue, generating lower costs (both at the stage of construction and in terms of day-to-day maintenance); or b) a venue on a scale similar to that realised, but with a more multi-functional character (i.e. well prepared for servicing various kinds of events, not only cultural ones). It can be said, therefore, that certain errors were committed in the phase of designing, before EU funds were involved.

It is a lesson for the future, for the realisation of similar undertakings that it is necessary to balance out the artistic values and the economic factors associated with the costs of construction and maintenance. This starts with the architectural design for the building – in the case of the Opera and Philharmonics, the concrete design was selected in a competition, in which the fundamental criterion was the artistic value. Consequently, the design selected was the most spectacular, but at the same time also very expensive. This already became clear during the first tender round for the execution of the building. Thus, at the stage of competition for the architectural design, parameters such as the future costs of heating and air conditioning, the use of renewable energy, as well as ensuring possibly broad multi-functionality of the facility, ought already to be considered.

The assessment of the realisation of the project through the Investment Department of the Marshall’s Office (and not by the external Managing Institution) is not unambiguous. The key factor is that of appropriate human resources. If the Office employs people with adequate skills and competences, this kind of solution may turn out to be effective. In this particular case this proved to be the correct decision, but it brought a definite level of risk (also in the opinion of the local authorities). It should not constitute a standard solution for the future. The Marshall’s Office in Białystok also...
has negative experiences in this domain (e.g. in the preparations for the construction of the airport, or ICT projects). However, the management was smooth, and owing to the fact that no outside organisation was employed, it was significantly cheaper and, in general terms, more economically efficient. Besides, this solution was conducive to the improvement of the skills of the personnel in the Marshall’s Office, which might be helpful in the potential future realisation of other projects.

The ultimate success of the project was partly due, as well, to the fact that the tenders were finally won by local companies. They were more inclined to reaching a compromise in situations of dispute. By realising such an important project, they invested in their image in the local construction and furnishing markets.

An important lesson for the future consists in the involvement of the future direct user of the facility already at the earliest stages of preparation for the project. The opinions of these future users are important not only regarding the future functionality of the venue, but also with regard to the expected costs of maintenance of the facility.

The success of the project (after the implementation phase) also depends to a high extent upon the qualities of the team, on having a leader with a vision, and the quality of the instruments used. In this particular case, all of these factors contributed positively to the project.
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